



PASON SYSTEMS INC.

2021 SUSTAINABILITY REPORT



TABLE OF CONTENTS

ESG Highlights	4	Our People	14	Diversity, Equity & Inclusion	22	Our Corporate Governance	32
Letter from our President and CEO	6	Our Commitment to Safety	16	Giving Back	24	Data Protection & Cybersecurity	37
About Pason	8	Talent Acquisition & Retention	18	Our Environment	26	Metrics	38
2021 in Review	10	Professional Development	20	Renewable Energy	28	Non-GAAP Financial Measures	48
Pason’s ESG Approach	12	Compensation & Benefits	21	Our Emissions	30		



```
class Operation:
    def __init__(self):
        self.mirror_mod.use_x = False
        self.mirror_mod.use_y = True
        self.mirror_mod.use_z = False
    elif_operation == "MIRROR_Z":
        self.mirror_mod.use_x = False
        self.mirror_mod.use_y = False
        self.mirror_mod.use_z = True
```

```
#selection at the end -add back the deselected mirror modifier
mirror_ob.select=1
modifier_ob.select=1
bpy.context.scene.objects.active = modifier_ob
print("Selected" + str(modifier_ob)) # modifier ob is the active ob
mirror_ob.select = 0
time = bpy.context.selected_objects[0]
time.data.objects[0].name = "selected ob"
```



ENVIRONMENT

- Developing products that drive increased drilling efficiency and improved wellbore placement, helping reduce carbon footprint of overall industry.
- Environmentally responsible cleaning, recycling and disposal of equipment returned from field operations.
- Investing in solar and energy storage markets through Energy Toolbase.



SOCIAL

- Unique and inspiring workplace culture with a focus on total employee well-being.
- Inclusive work environment supporting diversity, equity and inclusion.
- Unwavering commitment to safety of workforce and protection of assets.
- Significant investments in digital security infrastructure and systems protecting Pason and customer data.



GOVERNANCE

- Experienced, independent and diverse Board of Directors.
- Strong corporate governance policies and practices, including annual 'say on pay'.
- Executive compensation tied to safety, financial and strategic targets, and shareholder returns.
- Comprehensive Code of Conduct.

ESG HIGHLIGHTS

LETTER FROM OUR PRESIDENT & CEO

Our track record over more than four decades stands testament not only to our financial performance, but also to a compelling workplace culture for employees and innovations which have helped our customers improve the financial, safety and environmental performance of their drilling operations.

— Jon Faber



We are proud to present Pason's first sustainability report. Within these pages, you will read about many initiatives and accomplishments that highlight some of the reasons why Pason is a compelling organization for employees and how we make a difference for our customers and our communities in respect of environmental, social and governance considerations.

Pason is an innovative, profitable and responsible company. Our track record over more than four decades stands testament not only to our financial performance, but also to a compelling workplace culture for employees and innovations which have helped our customers improve the financial, safety and environmental performance of their drilling operations. Today, customers are leveraging the power of data in new and powerful ways to further optimize their efforts, and Pason sits at the centre of that drilling data universe.

Stakeholders are increasingly looking to companies not only to deliver best-in-class financial results, but to make meaningful progress in creating better outcomes in important areas such as environmental impact, diversity and inclusion, safety and security, and employee engagement. We are proud of our accomplishments in these areas over the years, and we continuously strive to improve.

Our Board of Directors ("Board") plays an important role in providing oversight of Pason's performance, and we have recently adapted our incentive programs to reflect a more comprehensive set of measures and drive better outcomes for our stakeholders.

We are focused on making positive impacts on the industries we serve through ensuring sustainable business practices in our own operations and through continuing to develop technologies that support the needs of our customers. We are committed to regularly engage with our stakeholders, to understand the areas that are most important to them, and to report on our performance against the standards that are most relevant.

I would like to thank all Pason employees for their commitment and contribution to the continued sustainability and financial success of our company.



Jon Faber
November 29, 2022



ABOUT PASON

DESCRIPTION OF THE BUSINESS

Founded in 1978, Pason is a leading global provider of specialized data management systems for oil and gas drilling. Our suite of equipment and technology offerings help improve the effectiveness, efficiency, and safety of drilling operations in challenging operating environments worldwide. Pason’s solutions, which include data acquisition, wellsite reporting, automation, remote communications, web-based information management, and data analytics enable collaboration between the drilling rig and the office. Pason services major oil and gas basins with a local presence in the United States, Canada, Argentina, Australia, Brazil, Colombia, Dubai, Ecuador, Mexico, Peru and Saudi Arabia. We are proud of the over 40-year track record of distinctive technology and service capabilities offering end-to-end data management solutions enabling secure access to critical drilling operations information and decision making in real time.

Starting in 2016, we began to use our expertise in data instrumentation to participate in the renewable energy industry. Through our subsidiary, Energy Toolbase (“ETB”), we provide products and services for the solar power and energy storage industry. ETB’s solutions enable project developers to model, control and monitor the economics and performance of their solar energy and storage projects.

Pason’s common shares trade on the Toronto Stock Exchange under the symbol PSI.

PASON TECHNOLOGY A SNAPSHOT OF PASON’S DATA ECOSYSTEM



Sensors, servers, and networking infrastructure make up Pason’s field products, which monitor and record drilling operations in remote and hostile environments.



Pason provides direct connections using industry standard protocols for IT systems and analytics tools, a key enabler of remote operations analytics.



Using Pason’s product suite, office-based engineers can visualize field operations in real-time using desktop computers or mobile devices.



Real-time and historical analytical data can be viewed directly from remote field equipment, facilitating collaboration across teams.



Unique software solutions unlock the power of automation, allowing Pason customers to use their data directly from the field to the office.



2021 IN REVIEW

Pason successfully navigated continued challenging conditions as a result of the COVID-19 pandemic throughout 2021.

Throughout the COVID-19 pandemic, Pason retained the technology and service capabilities required to strengthen our competitive position as our industry continues to recover. These strengths, along with an exceptional workforce and culture, are the foundation for Pason’s ability to continue to deliver significant value to customers and achieve long-term success.

Ensured operational effectiveness in the midst of changing public health guidelines and restrictions related to COVID-19 while meeting a 20% increase in industry activity.



Increased North American market share to the highest level in Pason’s history and grew North American Revenue per Industry Day by 6%.



Continued to increase the adoption of data delivery services and additional integrations of the Drilling Advisory System (DAS).



Increased Adjusted EBITDA by 83% on a 32% increase in consolidated revenue, generating incremental Adjusted EBITDA margins of 66%.

Generated Free Cash Flow of \$55 million through disciplined management of operating costs, capital expenditures and working capital.



Protected a strong balance sheet and ended the year with cash and cash equivalents of \$158 million.



Returned \$25 million to shareholders through dividends and share repurchases.



Ensured strong safety performance with a corporate TRIR of 0.46.



PASON'S ESG APPROACH

As a market leader in the oilfield services sector, we believe we have a responsibility to execute on sustainable business practices, as well as a significant opportunity to continue to make a positive impact for the industry in which we operate. We believe Pason can make a meaningful impact on our society and environment through the operation of our business and the technology we develop.

The identification of ESG focus areas is critical to the effective management of ESG risks and opportunities. Utilizing the SASB materiality map as a guideline, Pason's management team and Board of Directors performed a materiality assessment to identify and rank key ESG risks and opportunities for Pason and our primary stakeholders.

Using the results of this process, we have developed the following core Sustainability Principles, which inform the contents of this Sustainability Report ("Report"):

- Creating a safe, inclusive and innovative work environment.
- Driving the sustainability of the energy industry.
- Reducing operational costs and increasing productivity.
- Upholding ethical and sustainable business practices.

ABOUT THIS REPORT

This Report, approved for release by Pason's Board, covers the calendar year ended December 31, 2021, as well as information as at the date of this report. This is Pason's first Sustainability Report and forms part of the company's annual corporate reporting suite.

This Report has been prepared to align with the Global Reporting Initiative ("GRI") Core Option requirements covering the company's key environmental, social and governance ("ESG") focus areas, material topics, and contributions to sustainable development. It covers all Pason majority-owned subsidiaries, which can be found in the company's Annual Report for the year ended December 31, 2021. This Report references relevant Sustainability Accounting Standards Board ("SASB") metrics. Pason's products and services overlap various SASB Sustainable Industry Classification System Categories, including Oil & Gas – Services, Technology & Communications – Hardware, and Software & IT Services. The methodologies used to collect and quantify information herein align with our peers, industry best practices and applicable regulatory and environmental standards.

Throughout this Report, the terms "we," "us," "our," "company," "Corporation" and "Pason" mean Pason Systems Inc. and all our controlled entities as a consolidated body.

All references in this Report to (\$) or (dollars) are to Canadian dollars unless otherwise noted.

For further information about our sustainability approach, or to provide feedback about this Report, please contact investorrelations@pason.com.



OUR PEOPLE

OUR CORE VALUES

Corporate responsibility is an integral part of Pason’s culture, mission, and strategy. Pason has built a culture that values personal and professional growth, and our employees are empowered to “do the right thing” in all their business dealings, whether they be interacting with colleagues, shareholders, customers, suppliers, partners, communities, environment, or governments.

WE GOVERN OURSELVES BY THE FOLLOWING VALUES:



EMPOWER

- We are accountable for decisions and consequences in our areas of responsibility
- Leaders set direction/ objectives, provide coaching, remove obstacles, and get out of the way
- We have the right to challenge decisions that don’t seem to be in the best interest of our customers or of Pason



DELIVER

- We are results and action-oriented, focusing on the things that matter most
- We deliver on ambitious objectives
- We are creative and innovative, and we understand that not taking risks can cost more than potential mistakes

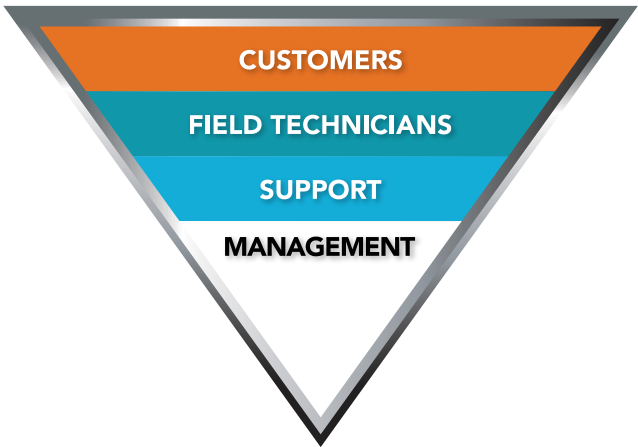


SHARE

- We share open and honest feedback
- We share ideas, knowledge, and lessons learned
- We celebrate successes and we share in the success of Pason

THE INVERTED PYRAMID

To foster a culture of empowerment, Pason employs an inverted leadership pyramid, which emphasizes our service focused business model for customers. Management and the various support groups act as a foundation enabling our front-line service providers and field technicians, to be focused, committed, and empowered to provide the best possible service to customers.



OUR CULTURE

At Pason, our corporate culture is a huge part of our success. Providing a unique and rewarding environment for employees, referred to internally as “Pasonites,” allows us to differentiate ourselves from other companies, and create significant impact for our customers, community and other stakeholders.

Pason prides itself on the freedom our people have to make the right choices within a relaxed, open, and welcoming environment. We work very hard to maintain this business environment to benefit from the combined intelligence and ideas of all employees.

Throughout the COVID-19 pandemic, Pasonites remained innovative in finding ways to connect and uphold our strong corporate culture in a virtual setting. We are pleased to return to in-person events in 2022 and look forward to finding opportunities to continue to foster growth and connection as we transition into a hybrid working environment.



OUR COMMITMENT TO SAFETY

GETTING PASONITES HOME SAFELY

Pason’s strong safety culture is founded on our values and underpins the company’s unwavering commitment to providing a safe and healthy work environment for our employees, contractors, visitors, property, environment, and the greater community. The company invests in the safety and operational integrity of our systems and is committed to achieving an injury-free workplace. The company also employs certified safety professionals to ensure compliance with all necessary safety and regulatory requirements. Pason’s Canadian operations successfully participates in the Certificate of Recognition programs in each province in which we work.

All Pason employees are encouraged to speak up when they observe unsafe behaviours or conditions. Employees can also report unsafe activity anonymously through the Pason Ethics Hotline. All employees are required to undergo training to enable them to identify and eliminate health and safety risks associated with their job.

Pason’s commitment towards providing a safe and healthy workplace is anchored on its health, safety and environmental (“HSE”) policy. Our North American business units employ full-time HSE leaders who are responsible for the day-to-day implementation of the HSE policy and promoting the safety culture among managers and employees, including hazard identification, risk assessment and incident investigation. The Board of Directors reviews Pason’s HSE performance every quarter.

KEEPING CUSTOMERS & COMMUNITIES SAFE

Our strong safety culture extends beyond the policies and practices within our own organization. In addition to the health and safety of our people and operations, our products and services play a critical role in ensuring the safety of drilling operations for our customers, their other service providers, and the communities in which they operate. Accurate measurement of gas and fluids during drilling operations, coupled with smart alarms, sensors and algorithms, provide early detection of potential safety hazards for our customers.

SAFETY HIGHLIGHTS:

- In 2021, Pason achieved a global Total Recordable Injury Rate (“TRIR”) of 0.46, and achieved zero recordable injury incidents in North America.
- Implemented safety performance targets, including TRIR and training compliance, into the company’s short-term incentive plan.
- Roll out of the Missing Children Society of Canada’s Rescu app on all Pason-managed smartphone devices.





TALENT ACQUISITION & RETENTION

Pason’s ability to attract and retain talent, and foster an environment of engagement and creativity, is crucial for the long-term success of the company. We firmly believe that our culture is a competitive advantage for talent. Pason’s talent management strategy is focused on attracting and retaining high-performing and competent employees through every level of the company.

Pason has long-standing relationships with key post-secondary institutions offering engineering, software development, and information technology programs that develop the specialized skill sets we seek to attract. Pason also runs an annual internship program which allows qualified students to complement their academic learning by working on projects across different functional areas at Pason. The program provides participants with valuable experience in Pason’s operations and processes and prepares them for future roles within the company.

Pason believes that healthy and happy employees deliver positive results, and we make significant investments in supporting the total wellbeing of all our employees and their families. This includes competitive pay; retirement programs; comprehensive benefits programs; maternity leave benefits; generous vacation and time off; fitness and wellness activities; free parking and bicycle storage; mental health initiatives; support for training and continuing education (as further described in the section entitled “Professional Development” on page 20); and company-sponsored social events held throughout the year. We also believe that setting clear goals, providing ongoing feedback, and conducting regular performance reviews are key building blocks to foster a sense of engagement among employees, and we have adopted processes to facilitate these interactions.

Our commitment to talent management allows us to retain our strong employee base in a highly competitive labour environment. The average tenure on Pason’s senior leadership team is 10 years.

- In 2021, Pason ran a mental health awareness campaign including training to help promote an open dialogue around mental health.
- In June 2021, we provided all employees with access to a mindfulness and meditation app.
- Pason was selected in 2021 as one of Alberta’s Top 75 Employers for the third year in a row.
- In 2021, Pason hosted eight engineering and computer science interns from the University of Calgary.
- Pason provides a flexible, hybrid working environment to promote work-life balance.



PROFESSIONAL DEVELOPMENT

Pason is committed to the continued learning of its employees to ensure they possess the skills and behaviours that will enable them to maximize their effectiveness in the performance of their current role, ensure they remain current in their field, prepare them to assume new responsibilities, further their career development, and enhance their leadership potential within Pason. Pason partners with the Southern Alberta Institute of Technology and other providers to provide learning opportunities to all employees, which include internal as well as external professional development, continuing education, and other development activities such as:

- Short-term courses, seminars, and conferences;
- Professional development and continuing education/qualification;
- Educational leave of absence; and
- Professional association memberships.

Pason also offers a Tuition Reimbursement Program, which offers tuition and time off to qualifying employees pursuing a course of study with an accredited university, college or other authorized educational institution related to their field of work.



COMPENSATION & BENEFITS

We remain committed to providing a competitive compensation and benefits package that attracts and retains key talent, aligns with our overall business objectives and links employees’ success to the success of Pason.

Pason uses market data to ensure our compensation programs are competitive with those of comparable companies. Compensation levels within and across teams are reviewed annually to ensure the fair and unbiased treatment of employees. Total compensation is made up of base salaries, short-, medium- and long-term incentives, benefits and perks, career development, and quality of life at work.

All employees are eligible for the company’s short-term incentive program, which supports and rewards a strong health and safety culture and responsible environmental stewardship and governance. Pason offers a Restricted Unit Plan to eligible employees to promote a greater alignment of interests between eligible participants and shareholders by providing remuneration based on the market value of shares. 65% of all Pason employees in North America are eligible for Pason’s Restricted Unit Plan. Pason’s Stock Option Plan gives eligible employees the opportunity to receive stock options

each year, based on individual performance, the level of impact of the position within Pason, and the overall market competitiveness of the company.



DIVERSITY, EQUITY & INCLUSION

Pason believes that diversity and inclusion help foster a healthy and engaged workforce, stimulating innovation and creativity, which drives Pason's competitive advantage. An inclusive culture is required to attract and retain a diverse employee base, which starts at the top and must permeate all levels of the company's culture. Pason's Code of Conduct and Ethics ("Code") sets out our commitment to be an inclusive workplace free from discrimination, harassment, workplace violence and retaliation. The Code prohibits discrimination of any kind and promotes diversity and inclusivity among our employees, management and the Board of Directors. Pason did not receive any formal reports of discrimination from employees in 2021.

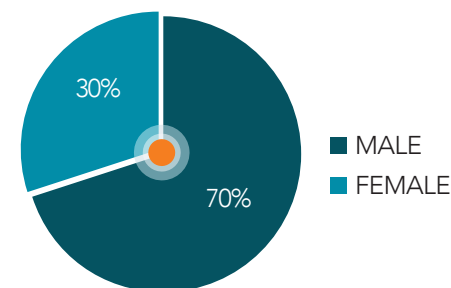
DIVERSITY, EQUITY & INCLUSION HIGHLIGHTS:

- Pason was recognized in The Globe & Mail's 2021 Report on Business "Women Lead Here" list.
- Pason has developed targeted recruitment processes to reach more diverse candidate pools.
- Participated in Women in Technology Hackathon held by Making Changes Association, a group committed to creating an environment of inclusion in the information and technology sector.
- Hosts an annual International Women's Day event.
- Partners with Chic Geek, which aims to develop gender diversity in the technology industry.

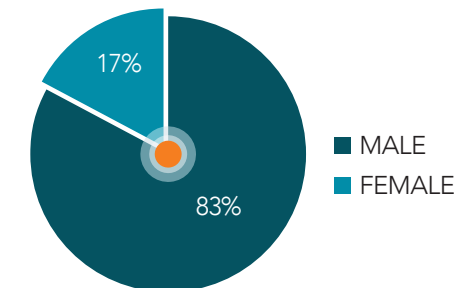


As of December 31, 2021, Pason is proud to employ 630 full-time employees and 2 contractors worldwide, of which 105 are women.

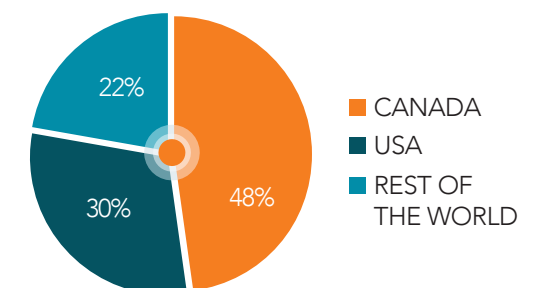
SENIOR LEADERSHIP



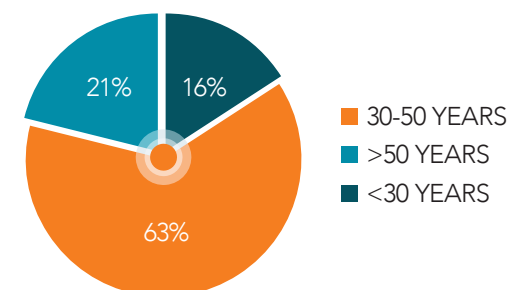
GENDER OF ALL EMPLOYEES AND CONTRACTORS



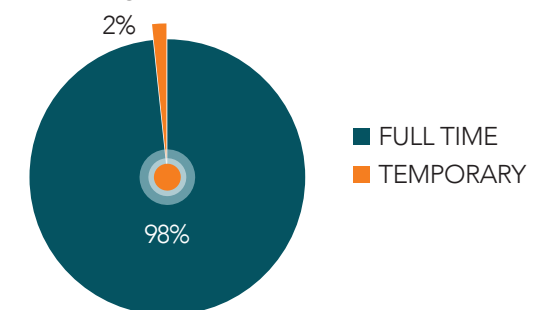
GEOGRAPHY



AGE OF EMPLOYEES



EMPLOYMENT TYPE





GIVING BACK

COMMUNITY ENGAGEMENT

Pason encourages our employees to participate in company-sponsored volunteer opportunities to promote philanthropy and community engagement. We also empower all employees worldwide to get involved and support the causes they believe in. This may be in the form of taking part in employee-led volunteer initiatives or by participating in our donation-matching program.

In 2021, employees volunteered their time towards numerous organizations, including:



Canadian Blood Services
BLOOD
PLASMA
STEM CELLS
ORGANS
& TISSUES



United Way
Calgary and Area

SCHOLARSHIP PROGRAM

Pason recognizes the value of post-secondary education and supporting the development of future software engineers. Initially established in 2008, the Pason Memorial Scholarship provides up to \$5,000 annually, based on academic merit, to a Software Engineering student at the University of Calgary's Schulich School of Engineering.





OUR ENVIRONMENT

Pason is committed to environmental stewardship while responsibly delivering services and solutions for our customers. Given that we are primarily involved in the development and deployment of hardware and software technology solutions, Pason’s activities produce limited greenhouse gas (“GHG”) emissions, pollution, or environmental waste, and require limited land and water use. Pason does, however, recognize the importance of responsible energy development and the global efforts undertaken to decarbonize current energy production in an effort to power the globe more sustainably.

OUR ROLE IN RESPONSIBLE ENERGY DEVELOPMENT

Pason’s position as a global technology leader in the oil and gas industry provides a unique opportunity to assist customers with improving their operational performance and resulting environmental impact. Pason’s technologies allow our customers to rely on real-time data and automation in order to make faster and smarter decisions. This improved efficiency allows Pason’s customers to drill wells faster with less downtime, which results in reduced emissions, water usage and chemical use throughout the entire drilling process.

Pason continues to make investments in research and development to explore new innovative technologies to help Pason’s customers maximize their performance. Further, Pason has partnered with various industry leaders to further develop technologies to provide sustainable solutions in the industry.

MUD MANAGEMENT



Spills, lost circulation, and invasion of formation fluids into the well-bore represent a significant risk in drilling operations and, if not handled appropriately, can have severe impacts on rig site personnel safety, material loss, and environmental and equipment damage. Early indications of these events can be detected through the volume of drilling fluids in the mud tanks. If caught early, incidents may be prevented with minimal downtime and without incident.

Pason’s Smart PVT system provides our customers with an easy-to-use system to accurately track their mud tank levels. Using Pason’s Smart PVT system, the rig crew can confidently respond to any change detected in mud tank levels and potentially avoid kicks, losses, and spills at surface. Through 2021, over 6,800 unique wells were utilizing our Smart PVT system across the U.S. and Canada.

DRILLING INTELLIGENCE



Pason’s suite of drilling intelligence products aims to provide customers with reliable technologies to help optimize well construction with state-of-the-art automation and control algorithms. Through efficiencies gained in the well construction process, customers have the potential to reduce the overall environmental impact of their operations through less time on location, reduction in non-productive time (“NPT”), reduction in materials used, and improved wellbore quality.

One such example is Pason’s DAS™ technology, which uses patented algorithms to enable real-time decision-making to optimize surface parameters, and to detect and mitigate downhole drilling dysfunction. This technology aims to optimize well construction through faster rotary drilling, reduced number of trips and NPT, and improved wellbore quality. Trial studies conducted globally have demonstrated that Pason’s DAS™ technology improves rotary drilling rate of penetration (ROP) by up to 7.2% and 8.0% in the vertical and lateral sections, respectively [SPE-199601-PA, 2021], on average. In 2021, Pason’s DAS™ technology was utilized on over 1,400 unique wells deployed across the U.S. and Canada.

DRILLING DATA



Pason reliably measures, collects, stores, and transmits drilling data from the well site to our DataHub for access by office-based personnel. These functions and the quality data Pason delivers are critical to our customers’ drilling programs, allowing them to effectively and efficiently monitor and execute on their drilling operations. The DataHub platform averaged greater than 99.99% uptime in 2021.

¹DAS is a trademark of and contains technology licensed from ExxonMobil Upstream Research Company.



RENEWABLE ENERGY

Pason's investments in the solar power and energy storage market, including the acquisition of ETB in 2019, are starting to have an important impact on the future of renewable electricity generation and storage. ETB's solutions enable solar and energy storage developers to model, control and monitor economics and performance of solar energy and storage projects. Through effective management and storage of electricity produced from renewables, ETB enables its customers to shield themselves from potential power grid interruptions. In addition, this platform helps improve the economics of utilizing renewable energy for customers business needs.

ETB provides products and services for the solar power and energy storage industry. Through effective management and storage of electricity produced from renewables, ETB enables its customers to save money and strive towards energy independence. This in turn helps shield the customer from issues and inefficiencies that can arise from interruptions in power grid services. In addition, this platform helps improve the economics of utilizing renewable energy for customer business needs. As countries continue to move towards low carbon alternatives for energy production, Pason is well positioned to help drive efficiencies and improve the economics of solar and energy storage through ETB's product offerings.





OUR EMISSIONS

While our greatest impact is in the work we do for our customers, we continue to actively seek ways to reduce our own environmental impact.

As primarily an energy service provider specialized in rig site hardware and data management for drilling operations, Pason's energy inputs and water sources are mostly dependant on:



Vehicle fleet used by field service technicians ("Field Techs") to visit customer sites



Cloud-hosted infrastructure



Contracted hardware manufacturing and shipping



Day-to-day use of our corporate offices, warehouses and storage facilities

VEHICLE FLEET & SUPPORT SERVICE STRUCTURE

Pason has a network of highly skilled Field Techs who live and work near all major oil and gas basins in North America, South America, Australia, and Saudi Arabia. In order to access our customers' operations in a timely manner, Field Techs are strategically located in centres close to customer operations. This not only provides our Field Techs with the ability to quickly respond to customer needs on site, but also reduces the distance they are required to travel, which in turn minimizes emissions and ground disturbance. Field Techs utilize rugged trucks or utility vehicles to navigate the rough terrain leading to customer sites. Pason has adopted standard procedures for vehicle maintenance and usage to ensure that our vehicle fleet operates as fuel-efficiently and safely as possible.

For the North American fleet, which represents the majority of our fleet emissions, this includes:

- Timely vehicle repair and maintenance
- Monitoring of vehicle speeds and emissions
- Idle warnings on vehicles to reduce idling and emissions

Pason's fleet emissions will fluctuate depending on the level of activity that the company is required to serve, and where those activity levels are occurring. Pason has begun reviewing our fleet emissions on a per day basis reflecting the level of emissions for every day that Pason's products are generating revenue.

While in-person service is critical to Pason's success, our sophisticated, tiered support services structure enables the company to provide much of our technical support and troubleshooting remotely. Our tiered service structure not only decreases the time associated with resolving customer issues, but also helps reduce the number of site visits required. Not only does this lessen our impact on the environment, but it also contributes to safety of employees and the greater community through a reduction in the number of passenger vehicles on the road.

CLOUD-HOSTED INFRASTRUCTURE

Pason has been utilizing a cloud-hosted infrastructure to support the collection, storage, and streaming of drilling data since 2017. This cloud-hosted infrastructure is hosted by Amazon Web Services ("AWS"), a globally recognized leader whose cloud server products enable efficiencies in scaling to appropriate resource levels in a secure, reliable manner.

With AWS, Pason's software development teams manage large volumes of data with minimal environmental impact. Through its scale and focus on innovation, AWS can achieve higher resource utilization and energy efficiency than would be possible for Pason using a typical on-premise data centre. The results of a study by 451 Research in 2019 show that the AWS infrastructure is 3.6 times more energy efficient than the median of U.S. enterprise data centres surveyed. More than two-thirds of this advantage is attributable to the combination of a more energy efficient server population and much higher server utilization. Further information on AWS' environmental impact and actions that it has put in place to reduce its impact can be found in their 2021 sustainability report.

HARDWARE & SUPPLY CHAIN

Pason's ruggedized field technologies are built to withstand the harsh conditions at the rig site. Our goal is to design long lasting equipment that can be easily upgraded as technology evolves and repeatedly cleaned, repaired and redeployed to the field. This minimizes waste and helps reduce the company's material impact. Pason employs material recycling, limits the use of hazardous substances and subjects our products to rigorous quality control procedures. Pason has long-standing relationships with contract manufacturers who assist Pason with the manufacturing and repairs of hardware and equipment. These contract manufacturers are expected to follow similar principles as Pason with respect to supply chain strategy and are expected to comply with Pason's sustainable manufacturing model.

OFFICES & WAREHOUSES

Pason has offices, warehouses, and storage facilities in multiple regions across the globe.

Pason maintains these properties with help of our facilities team and local management to ensure the facilities operate efficiently in a manner that minimizes the company's overall environmental impact. Examples of protocols implemented by Pason to help minimize this impact, include:

- Hybrid working arrangements for employees.
- Recycling & composting.
- Annual IT garage sale or donations for end-of-life equipment.
- Use of green seal certified office cleaning products.

OUR CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

Operating as a public company for over 20 years, Pason's business practices are well established. Pason's governance framework, policies, and core values support our commitment to employee, customer and community needs; promote a culture of accountability and ethical conduct across the company; and highlight Pason's commitment to addressing global challenges through our core business. Many of our supporting policies and documents can be found in the corporate governance section of our website at www.pason.com/investors.

Pason's Board and the company's external and internal auditors provide oversight of the management and governance of Pason and ensure compliance throughout the organization. Our Board leads our commitment to sustainability and maintains oversight of Pason's ESG priorities. The Board's primary objectives are to preserve and enhance long-term shareholder value and to ensure that Pason conducts business in an ethical, sustainable, and safe manner. Pason's Board is currently comprised of six members, all of whom stand for election at Pason's annual meeting of shareholders. At the management level, our President & CEO oversees our ESG objectives through regular reporting from the other members of Pason's leadership team.

The Board actively participates in the strategic planning process, guiding and approving our ongoing strategic priorities, ensuring we have appropriate resources to execute on the strategy, discussing key opportunities and risks, and inquiring about proposed material strategic initiatives. The Board leverages this strategic planning process to identify and prioritize ESG risks and opportunities, assess the company's performance, and monitor risk mitigation efforts. As part of its enterprise risk management program, executive management undertakes risk assessments and updates the Board

and its committees on material risks, including those related to ESG matters, on a regular basis. Risks are reviewed and categorized on an ongoing basis, and related compliance policies, procedures and guidelines are adjusted as necessary.

A more detailed discussion of our governance structure is available in our Management Information Circular available at www.pason.com/investors and on SEDAR at www.sedar.com.

GOVERNANCE HIGHLIGHTS



Four of Pason's six directors are independent, representing

67%



100% of Board committee members are independent



2021

The Board adopted certain additional Director Governance Guidelines which included a diversity recruitment policy for the Board, a director tenure policy, and a policy governing directors' membership on external boards

Pason's Board has the following independent committees:

BOARD OF DIRECTORS

AUDIT COMMITTEE

- Responsible for overseeing Pason's financial reporting processes, enterprise risk management, compliance with regulatory requirements and Pason's cybersecurity and IT programs

CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE

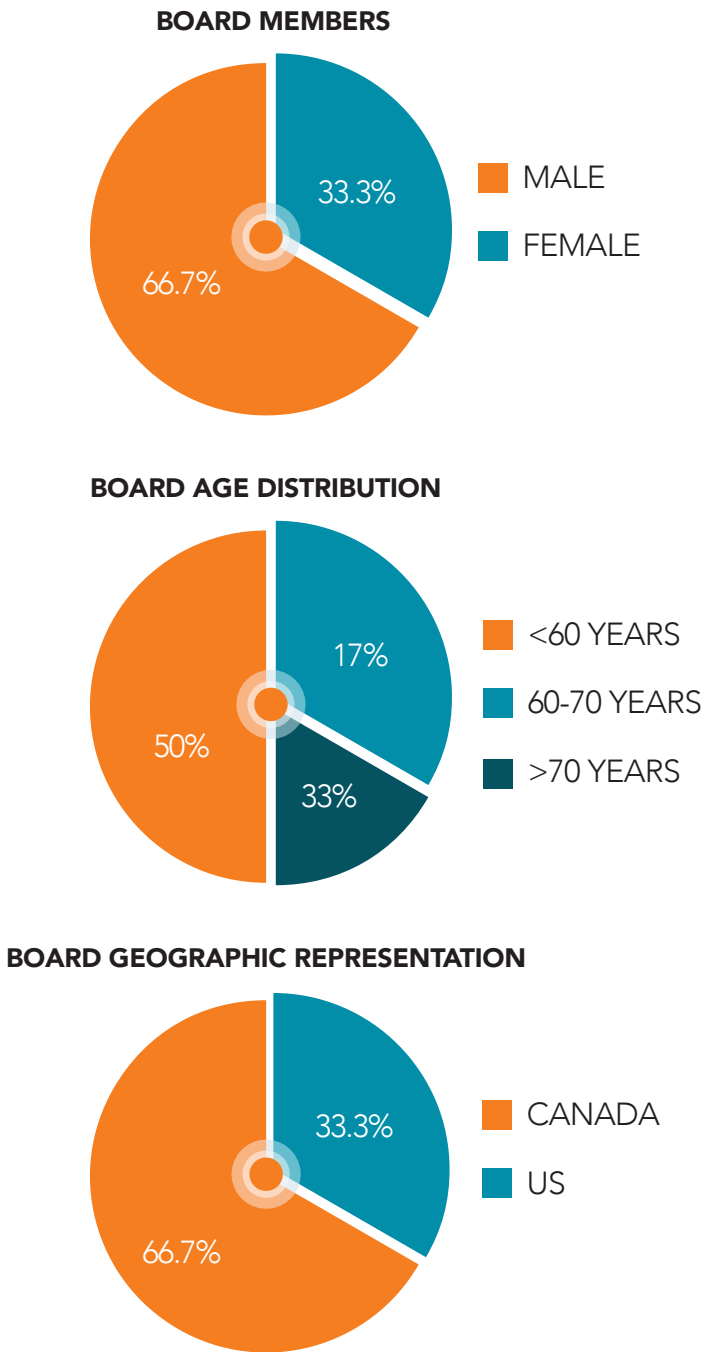
- Responsible for all matters relating to effective corporate governance, including oversight of Pason's overall ESG strategy and health and safety practices

HUMAN RESOURCES & COMPENSATION COMMITTEE

- Responsible for oversight of Pason's overall compensation philosophy for executives and employees

BOARD DIVERSITY

The Board believes that a board made up of highly qualified directors from diverse backgrounds and who reflect the changing dynamics of the markets in which the company operates, promotes better corporate governance. The Corporate Governance and Nomination Committee is responsible for identifying new director nominees and assesses candidates based on a combination of factors including educational background, experience, and expertise.



STAKEHOLDER ENGAGEMENT

Pason maintains a robust shareholder engagement program that features year-round opportunities for our Board and senior management to engage in dialogue with key shareholders. Based on this dialogue, we have implemented actions over the years to increase transparency, enhance governance practices, and augment our commitment to sustainability and corporate responsibility. This includes an advisory “say on pay” vote which provides shareholders with an annual opportunity to vote on the company’s executive compensation structure and strategy.

EXECUTIVE COMPENSATION

Pason’s executive compensation strategy incorporates the following guiding principles:



Shareholder Alignment



Pay for Performance



Competitive with Peers

Pason’s Human Resources and Compensation Committee oversees the company’s executive compensation strategy and is made up of three independent directors. Executive officers are compensated with base salary, short-term cash incentives, medium-term and long-term equity-based incentives. These components are designed to support the philosophy of pay-for-performance, with a significant portion of an executive’s total compensation being variable to incentivize strong performance and create shareholder value. Short-term incentive awards are based on company-wide performance goals that cover all of the company’s operations, and starting in 2022, will incorporate an ESG focused performance measure.

A more detailed discussion of our Board and executive compensation program, including annual say-on-pay and median employee compensations of our CEO, is available in our 2021 Management Information Circular available at www.pason.com/investors and on SEDAR at www.sedar.com.

ETHICS & CODE OF CONDUCT

Ethical behaviour is fundamental to the way Pason does business. As a Canadian headquartered company with operations around the world, Pason places considerable emphasis on developing and maintaining a culture in which employees are free to perform their duties within an environment that is transparent, honest, fair, and complies with applicable laws and regulations.

Pason’s Code reaffirms the high standards of ethical behaviour we expect from Pason’s directors, officers, employees, contractors and other stakeholders (including suppliers). Certain conduct prohibited by the Code, such as corruption and bribery, are subject to additional sub-policies with their own guidelines and training to further ensure compliance. The Code asserts our commitment to:

- Workplace respect, diversity, equity and inclusion
- A safe and healthy workplace
- Compliance with human rights
- A work environment in which employees can communicate openly and voice concerns without fear of retaliation, intimidation, or harassment
- Honest and fair business practices, avoiding conflicts of interests, and prohibiting improper payments
- Accurate books and records
- Confidentiality and proper use of company assets, email and internet services
- Compliance with international trade laws



100%

There were no ethics incidents in 2021 that required disclosure and 100% of the issues reported through the hotline were reviewed and resolved.



2021

There have been no internal or external investigations regarding non-compliance with anti-bribery and corruption laws or our policies in 2021.



20

Pason does not earn any revenue in the 20 lowest ranking countries on the Transparency International Corruption Perception Index.



DATA PROTECTION, PRIVACY, & INTELLECTUAL PROPERTY

OUR COMMITMENT TO DATA PROTECTION & CYBERSECURITY

Pason processes the drilling data of internationally recognized companies and we have established a robust information security framework to help safeguard the confidentiality, integrity, and availability of our information assets, including intellectual property protection and best-in-class data security and privacy features. Our framework includes routine vulnerability assessments and penetration testing of the company's processes; regular employee training on cybersecurity matters; internal and external audits such as SOC 1 and 2 Type II; and robust measures to monitor and respond to data breach and cybersecurity incidents.

As part of the enterprise risk management program, the Audit Committee of the Board regularly reviews developments in the cybersecurity landscape and evaluates the digital security initiatives being taken to protect the security of data and the integrity of Pason's infrastructure and systems. Pason provides third-party assessments of our digital security to customers and regularly measures our digital security maturity against independent standards and recommendations.

Key security and privacy features include:

- Perimeter defense in depth using web and traditional firewalls with intrusion prevention
- Multi-factor authentication for critical applications
- Third-party monitored endpoint detection and response
- Continuous cloud anomaly detection and code scanning
- Annual penetration testing of web applications
- Disaster recovery time objective & recovery point objective of no more than 24 hours
- Advanced security operations centre monitoring 24/7/365

Pason did not receive any substantiated complaints concerning breaches of customer privacy or losses of customer data in 2021.

PRIVACY

Pason is committed to protecting the privacy and security of all personal information under Pason's custody or control and complies with applicable privacy laws and regulations in our handling of such information. Pason has a Privacy Policy that governs the collection, use and disclosure of personal information and how employees can exercise their privacy rights.

INTELLECTUAL PROPERTY

Pason relies on innovative technologies and products to maintain our competitive position in the market. In accordance with industry practice, Pason protects our proprietary products and technology through a combination of patents, copyrights, trademarks, trade secret laws and contractual provisions, with customers, partners, employees, suppliers and others. While our intellectual property is important to our success, we believe our business as a whole is not dependent on any particular patent or a combination of patents.



METRICS

This Report has been prepared in accordance with the GRI Standards Core option. For more information about the Standards, please see www.globalreporting.org. The Report also references relevant SASB metrics from the following industry classifications: Oil & Gas – Services, Technology & Communications – Hardware, and Software & IT Services.

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference
GENERAL DISCLOSURES				
102-1	Name of the organization		Pason Systems Inc.	
102-2	Activities, Brands, Products, and Services	Link to Report section titled “About Pason” on page 8		Link to page 12 of 2021 Annual Information Form
102-3	Location of headquarters		6130 3rd Street SE, Calgary, AB, Canada T2H 1K4	
102-4	Location of operations	Link to Report section titled “About Pason” on page 8		Link to page 6 of 2021 Annual Information Form
102-5	Ownership and legal form		Pason Systems Inc. is a publicly traded company listed on the Toronto Stock Exchange under the symbol PSI	
102-6	Markets served	Link to Report Section titled “About Pason” on page 8		Link to page 6 of 2021 Annual Information Form
102-7	Scale of the organization			Link to page 6 of 2021 Annual Information Form
102-8	Information on employees and other workers	Link to Report section titled “Diversity, Equity & Inclusion” on page 22		
102-9	Supply chain	Link to Report section titled “Hardware & Supply Chain” on page 31		
STRATEGY				
102-14	Statement from senior decision-maker	Link to Report section titled “Letter from our President & CEO” on page 6		
102-15	Key impacts, risks, and opportunities	Link to Report section titled “Pason’s ESG Approach” on page 12		
ETHICS & INTEGRITY				
102-16	Values, principles, standards and norms of behaviour	Link to Report section titled “Our Core Values” on page 14		
GOVERNANCE				
102-18	Governance structure	Link to Report section titled “Our Corporate Governance” on page 32		
102-19	Delegating authority			Link to page 39 of 2021 Management Information Circular
102-20	Executive-level responsibility for economic, environmental and social topics	Link to Report section titled “Governance Structure” on page 33		
102-21	Consulting stakeholders on economic, environmental and social topics	Link to Report section titled “Stakeholder Engagement” on page 34		
102-22	Composition of the Board and its committees			Link to page 39 of 2021 Management Information Circular
102-23	Chair of the highest governance body			Link to page 39 of 2021 Management Information Circular
102-24	Nominating and selecting the highest governance body			Link to page 39 of 2021 Management Information Circular
102-25	Conflicts of interest			Link to page 45 of 2021 Management Information Circular
102-26	Role of highest governance body in setting purpose, values and strategy	Link to Report section titled “Governance Structure” on page 33		Link to page 39 of 2021 Management Information Circular
102-27	Collective knowledge of highest governance body			Link to page 40 of 2021 Management Information Circular
102-28	Evaluating the highest governance body’s performance			Link to page 43 of 2021 Management Information Circular
102-29	Identifying and managing economic, environmental and social impacts			Link to page 44 of 2021 Management Information Circular
102-30	Effectiveness of risk management processes	Link to Report section titled “Governance Structure” on page 33		
102-31	Review of economic, environmental and social topics	Link to Report section titled “Governance Structure” on page 33		
102-32	Highest governance body’s role in sustainability reporting		The Board reviews and approves our Sustainability Report annually.	
102-33	Communicating critical concerns	Link to Report section titled “Stakeholder Engagement” on page 34		

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference
102-34	Nature and total number of critical concerns		No disclosure due to confidential nature of this information.	
102-35	Remuneration policies for the Board and senior executives			Link to page 16 and 19 of 2021 Management Information Circular
102-36	Process for determining remuneration			Link to page 19 of 2021 Management Information Circular
102-37	Stakeholders’ involvement in remuneration			Link to page 21 of 2021 Management Information Circular
102-38	Annual total compensation ratio			Link to page 38 of 2021 Management Information Circular
102-39	Percent increase in annual total compensation ratio			Link to page 38 of 2021 Management Information Circular
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	Link to Report section titled “Stakeholder Engagement” on page 34		
102-41	Collective bargaining agreements		13.4% of Pason’s employees were represented by unions or local works councils in 2021, all of which were located in Argentina and Brazil. The company regularly engages with the groups in those locations.	
102-42	Identifying and selecting stakeholders	Link to Report section titled “Stakeholder Engagement” on page 34		
102-43	Approach to stakeholder engagement	Link to Report section titled “Stakeholder Engagement” on page 34		
102-44	Key topics and concerns raised		Key topics of importance identified by our stakeholders have informed the contents of our sustainability report.	
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	Link to Report section titled “About this Report” on page 13		Link to page 12 of 2021 Annual Report
102-46	Defining report content and topic Boundaries	Link to Report section titled “About this Report” on page 13		
102-47	List of material topics	Link to Report section titled “About this Report” on page 13		
102-50	Reporting period	Link to Report section titled “About this Report” on page 13		
102-51	Date of most recent report	Link to Report section titled “About this Report” on page 13		
102-52	Reporting cycle		Pason has begun collection material sustainability metrics on an annual basis.	
102-53	Contact point for questions regarding the report		For any questions on this report, please contact: investorrelations@pason.com	
102-54	Claims of Reporting in Accordance with GRI Standards	Link to Report section titled “About this Report” on page 13		
102-55	GRI Content Index	Link to Report section titled “GRI Content Index” on page 40		
102-56	External assurance		While our sustainability metrics included herein undergo a robust internal quality control process, they have not undergone a third-party validation and assurance process.	
ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	Link to Report section titled “2021 in Review” on page 10		
ANTI-CORRUPTION				
205-1	Operations assessed for risks related to corruption	Link to Report section titled “Ethics & Code of Conduct” on page 35		
205-2	Communication and training about anti-corruption policies and procedures	Link to Report section titled “Ethics & Code of Conduct” on page 35		
205-3	Confirmed incidents of corruption and actions taken	Link to Report section titled “Ethics & Code of Conduct” on page 35		

Disclosure Key	Disclosure Title	Section	Comment	Link / Reference
ENERGY & EMISSIONS				
305-1	Direct (Scope 1) GHG emissions	Link to Report section titled “SASB Metrics” on page 46	Our reporting boundary for GHG emissions data are all Pason owned property that requires fuel purchase. This is entirely made up of Pason’s field support vehicles. Pason is establishing its base year emissions in alignment with CDP guidance for 2021. In 2021, Pason reported 3,932 tonnes of direct Scope 1 CO2e. We used the following standards / methodologies for our data collection and emissions calculations: (See CDP Climate C5.1, 0.5) <ul style="list-style-type: none">• Scope 1 emissions are calculated from emissions factors referenced by the EPA (https://www.epa.gov/climateleadership/ghg-emission-factors-hub)• CO2e has only been calculated with CO2. CH4 and N2O are not included due to lack of data accuracy in vehicle mileage data• Higher Heating Value utilized to convert fuel volume to energy. Engineering ToolBox, (2003). Fuels - Higher and Lower Calorific Values. [online] Available at: https://www.engineeringtoolbox.com/fuels-higher-calorific-values-d_169.html	
305-2	Energy indirect (Scope 2) GHG emissions	This is currently not reported by Pason		
305-3	Other indirect (Scope 3) GHG emissions	This is currently not reported by Pason		
ENVIRONMENTAL COMPLIANCE				
307-1	Non-compliance with environmental laws and regulations		In 2021, Pason had no regulatory citations, penalties or reportable releases.	
PEOPLE, INCLUSION AND DIVERSITY				
401-1	New employee hires and employee turnover		Pason does not disclose information on its new employee hires and employee turnover by age group, race and region. This information is considered proprietary and not disclosed to third parties.	
404-1	Average hours of training per year per employee	This is currently not reported by Pason		
404-2	Programs for upgrading employee skills and transition assistance programs	Link to Report section titled “Professional Development” on page 20		
405-1	Diversity of governance bodies and employees	Link to Report section titled “Diversity, Equity & Inclusion” on page 22 and “Board Diversity” on page 34		
406-1	Incidents of discrimination and corrective actions taken	Link to Report section titled “Diversity, Equity & Inclusion” on page 22	None	
OCCUPATIONAL HEALTH & SAFETY				
403-1	Occupational health & safety management system	Link to Report section titled “Our Commitment to Safety” on page 16		
403-2	Hazard identification, risk assessment, and incident investigation	Link to Report section titled “Our Commitment to Safety” on page 16		
403-4	Worker participation, consultation, and communication on occupational health and safety	Link to Report section titled “Our Commitment to Safety” on page 16		
403-5	Worker training on occupational health and safety	Link to Report section titled “Our Commitment to Safety” on page 16		
403-6	Promotion of worker health	Link to Report section titled “Our Commitment to Safety” on page 16		
403-9	Work-related injuries	Link to Report section titled “Our Commitment to Safety” on page 16		
403-10	Work-related ill health	Link to Report section titled “Our Commitment to Safety” on page 16		
CYBERSECURITY				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Link to Report section titled “Our Commitment to Safety” on page 16		

Topic	Metric	Units	SASB Code	FY2021
SOCIAL				
Workforce Health & Safety	Total Recordable Incident Rate (TRIR)	Incidents per 200,000 employee hours	EM-SV-320a.1	0.46
Workforce Health & Safety	Fatality Rate	Number	EM-SV-320a.1	Zero
Workforce Health & Safety	Lost Time Injury Rate (LTIR)	Lost Time Injuries per 200,000 employee hours	EM-SV-320a.1	0.46
Workforce Health & Safety	Total Vehicle Incident Rate (TVIR)	Incidents per million km	EM-SV-320a.1	1.42
Workforce Health & Safety	Average Hours of Health, Safety and Emergency Response Training (Full Time Employees)	Training hours per FTE	EM-SV-320a.1	This is currently not reported by Pason
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion & Analysis	TC-TL-230a.2	Link to Report section titled “Our Commitment to Data Protection & Cybersecurity” on page 37
Data Security	Number of data breaches, percentage involving PII, number of users affected	Number, %	TC-SI-230a.1	Pason did not experience a security incident that had a material impact on the business, required regulatory reporting to authorities, or incurred financial penalties.
Data Privacy	Description of policies and practices relating to behavioural advertising & customer privacy	Discussion & Analysis	TC-TL-220a.1	Pason does not engage in behavioural advertising. Link to Report section titled “Privacy” on page 37
Managing System Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Number, days	TC-SI-550a.1 & TC-TL-550a.1	Pason’s DataHub platform averaged greater than 99.99% uptime in 2021.
Managing System Risks from Technology Disruptions	Description of business continuity risks related to disruptions of operations	Discussion & Analysis	TC-SI-550a.2 & TC-TL-550a.2	Pason has a business continuity plan, which is reviewed and updated annually by Pason management and Board of Directors. This plan is considered proprietary and not disclosed to third parties.
ENVIRONMENT				
Emissions Reduction Services & Fuels Management	Total Fuel Consumed on Road	GJ	EM-SV-110a.1	2021 Fuel Consumption: <ul style="list-style-type: none">Gasoline – 20455.6 GJDiesel – 43507.3 GJ
Emissions Reduction Services & Fuels Management	Total Fuel Consumed Facilities (heating/cooling)	GJ	EM-SV-110a.1	This is currently not reported by Pason.
Environmental Footprint of Infrastructure	Total Electricity Consumed Facilities	MWh	TC-SI-130a.1	This is currently not reported by Pason.
Environmental Footprint of Infrastructure	Total Volume of Water Consumed in Facilities	m3	TC-SI-130a.2	This is currently not reported by Pason.
Environmental Footprint of Infrastructure	Percentage in Regions with High or Extremely High Baseline Water Stress	%	TC-SI-130a.2	This is currently not reported by Pason.
Product End-of-Life Management	(1) Materials recovered through take back programs, percentage of recovered materials that are (2) reused, (3) recycled, and (4) landfilled.	Number, %	TC-TL-440a.1	In 2021, Pason cleaned, tested and/or repaired 31,355 pieces of equipment to extend useful life. Wherever possible, Pason recycles end of life hardware.
GOVERNANCE				
Business Ethics	Description of the management system for prevention of corruption and bribery throughout the value chain	\$	EM-SV-510a.2	Link to Report section titled “Ethics & Code of Conduct” on page 35
Business Ethics	Net Revenue in 20 Lowest Ranking Countries on Corruption Perception Index	\$	EM-SV-510a.1	Link to Report section titled “Ethics & Code of Conduct” on page 35
ACTIVITY METRICS				
	(1) Amount of data storage, (2) percentage outsourced	Petabytes, %	TC-SI-000.C	(1) 0.936 PB, (2) 69%
	Number of active rig sites	Number	EM-SV-000.B	In 2021, Pason serviced 1400+ unique rigs.
	Total number of hours worked by all employees	Hours	EM-SV-000.D	1,303,737



NON-GAAP FINANCIAL MEASURES

All non-GAAP financial measures have the definition set out in National Instrument 52-112 “Non-GAAP and Other Financial Measures Disclosure”.

The following non-GAAP measures may not be comparable to measures used by other companies. Management believes these non-GAAP measures provide readers with additional information regarding the Company's operating performance, and ability to generate funds to finance its operations, fund its research and development and capital expenditure program, and return capital to shareholders through dividends or share repurchases.

EBITDA & ADJUSTED EBITDA

EBITDA is defined as net income before interest income and expense, income taxes, stock-based compensation expense, and depreciation and amortization expense.

Adjusted EBITDA is defined as EBITDA, adjusted for foreign exchange, impairment of property, plant, and equipment, restructuring costs, net monetary adjustments, government wage assistance, revaluation of put obligation, and other items, which the Company does not consider to be in the normal course of continuing operations. Management believes that EBITDA and Adjusted EBITDA are useful supplemental measures as they provide an indication of the results generated by the Company's principal business activities prior to the consideration of how these results are taxed in multiple jurisdictions, how the results are impacted by foreign exchange or how the results are impacted by the Company's accounting policies for equity-based compensation plans. Users should be cautioned that these metrics should not be construed as an alternative measure to net income or loss determined in accordance with IFRS. Management does not use these non-GAAP measures to assess the Company's financial results against internal expectations.

FORWARD-LOOKING STATEMENTS

This Report, as well as other statements we make, contain “forward-looking statements” within the meaning of Canadian securities laws. Such statements can generally be identified by words such as “aim,” “goal,” “ambition,” “expect,” “may,” “can,” “believe,” “predict,” “plan,” “potential,” “projected,” “projections,” “forecast,” “estimate,” “intend,” “commit,” “pledge,” “target,” “anticipate,” “think,” “should,” “would,” “could,” “will,” “see,” “likely,” and expressions of a similar nature suggesting a future outcome or outlook.

Without limiting the foregoing, the forward-looking statements in this Report include, but are not limited to, the following: statements relating to our goals, plans and projections with respect to sustainability and environmental matters; financial and performance targets and other forecasts or expectations regarding, or dependent on, our business outlook; growth for Pason as a whole and for each of its operating segments; forecasts or expectations regarding the energy transition and global climate change; improvements in operating procedures and technology; our business strategies and the strategies of our customers, including their respective decarbonization strategies; our response to the COVID-19 pandemic and preparedness for other widespread health emergencies; future global economic and geopolitical conditions; future liquidity; and future results of operations, such as margin levels.

Although we believe these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements.

These statements are subject to risks and uncertainties, including, but not limited to, changing global economic conditions; the results of operations and financial condition of our customers and suppliers; our inability to achieve our financial and performance targets and other forecasts and expectations; our inability to achieve carbon emissions reduction goals; our inability to meet workforce expectations and perform at desired ESG and stewardship standards; general economic, geopolitical, and business conditions in key regions of the world; foreign currency risk; inflation;

pricing pressure; weather and seasonal factors; unfavourable effects of health pandemics; availability and cost of raw materials; operational modifications, delays, or cancellations; challenges in our supply chain; production declines; our inability to recognize efficiencies and other intended benefits from our business strategies and initiatives; changes in government regulations and regulatory requirements, including climate-related initiatives; the inability of technology to meet new challenges in sustainability and exploration; the competitiveness of alternative energy sources or product substitutes; and other risks and uncertainties detailed in our most recent Annual Information Form under the heading “Risk Factors” and in our other filings with Canadian securities regulators. These documents may be accessed through the SEDAR website (www.sedar.com) or through Pason's website (www.pason.com).

These forward-looking statements reflect the current views of Pason with respect to future events and operating performance as of the date of this document. If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. Forward-looking statements are aspirational and not guarantees or promises that goals or targets will be met.

Forward-looking statements contained in this Report are expressly qualified by this cautionary statement. There is no representation by Pason, and there can be no assurance, that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements contained herein. Readers are therefore cautioned not to place undue reliance on such forward-looking statements. Except to the extent required by applicable law, Pason assumes no obligation to publicly update or revise any forward-looking statements made in this document or otherwise, whether as a result of new information, future events or otherwise.



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