



PASON SYSTEMS INC.
2024 SUSTAINABILITY REPORT



TABLE OF CONTENTS

ESG Highlights.....	4	Our Commitment to Safety	16	Data Protection, Privacy & IP	26	TCFD	50
Letter from our President & CEO	6	Talent Acquisition & Retention	18	Our Environment	28	GRI Content Index	52
About Pason.....	8	Professional Development.....	20	Renewable Energy.....	32	SASB Metrics.....	60
2024 in Review.....	10	Compensation & Benefits.....	21	Our Emissions	34	Non-GAAP Financial Measures	64
About this Report	12	Diversity, Equity & Inclusion.....	22	Our Corporate Governance.....	38	Forward-Looking Statements	65
Our People.....	14	Giving Back	24	Metrics	48	Third-Party Information	67



ENVIRONMENT

- Developing products and services that drive increased efficiency in drilling and completions operations, helping reduce the carbon footprint of the overall industry.
- Environmentally responsible delivery, installation, repair, cleaning, recycling and disposal of equipment.
- 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 Codes of Conduct and Ethics for employees, directors, contractors and suppliers.

ESG HIGHLIGHTS

LETTER FROM OUR PRESIDENT & CEO

Pason's sustainability report highlights our ongoing commitment to creating positive social, environmental, and economic impacts. Within this report, you'll find insights into our efforts to: minimize our environmental footprint, offer products and services that improve the efficiency of our customers' drilling and completions operations, promote social progress and the betterment of the communities we live in, and maintain ethical governance standards. By integrating sustainability into our core business strategies, we strive to generate lasting value for all Pason stakeholders.

At Pason, we firmly believe that prioritizing the well-being of our employees, customers, and communities is essential for sustainable growth. Over more than four decades, we've built a reputation as an innovative, profitable, and socially responsible company. Our track record goes beyond financial success, encompassing a corporate culture that fosters innovation. This approach has led to the development of critical technologies that not only improve the safety and efficiency of our customers' oil and gas operations but also contribute to environmental conservation by reducing our customers' energy usage and greenhouse gas emissions.

Our innovative culture was demonstrated in 2024 through the introduction of Pason's Mud Analyzer product, which continuously measures the properties of drilling fluid to help identify potential issues before they occur, and our expansion into providing products

and services for completions customers. On January 1, 2024, Pason acquired the remaining shares of Intelligent Wellhead Systems Inc. ("IWS"), an oil and gas technology and service company that provides engineered controls, data acquisition and software to automate workflows and processes at live well completions operations. Through IWS, we will expand the reach of our environmental efforts as we develop technology offerings that improve the efficiency of our customers' completions operations.

Good governance is a cornerstone of our organization, guided by principles of transparency and accountability. Our Board of Directors plays a vital role in ensuring that our decisions, and resulting actions, align with our values and long-term goals. We believe that upholding the highest ethical standards builds trust among our stakeholders, reinforcing our reputation as a reliable and responsible partner.

Pason is dedicated to continuously improving our sustainability and governance practices, regularly engaging with stakeholders to ensure alignment with their goals and needs.

We extend our heartfelt appreciation to our employees, customers, suppliers, shareholders, and all other partners who have contributed to our sustainability journey. Together, we are driving positive change for a better future.



Jon Faber
August 13, 2025





ABOUT PASON

DESCRIPTION OF THE BUSINESS

Founded in 1978, Pason is a leading global provider of specialized data management systems for the oil and gas drilling industry. Our drilling solutions, which include data acquisition, wellsite reporting, remote communications, web-based information management, and analytics, help improve the effectiveness, efficiency, and safety of drilling operations in challenging operating environments worldwide. As a result of our acquisition of IWS in 2024, Pason now also provides products and services to customers in the oil and gas completions industry. Our completions solutions comprise engineered controls, data acquisition, and software to automate valve management, workflows and processes for completions operations, improving wellsite safety and efficiency.

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.

Starting in 2016, we began to use our expertise in data instrumentation to participate in the renewable energy industry. Through our subsidiary, Energy Toolbase Software, Inc. ("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 solar energy and storage projects.

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

DRILLING & COMPLETIONS TECHNOLOGY A SNAPSHOT OF PASON'S DATA ECOSYSTEM



CAPTURE & AGGREGATE



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



DELIVER



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



TRANSMIT



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



VISUALIZE



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



UTILIZE



Unique software solutions unlock the power of automation, delivering safer and more efficient drilling and completions operations, while reducing wear on equipment.

2024 IN REVIEW

Although the drilling and completions industries experienced a slowdown in 2024, Pason remained focused on advancing its technology and service capabilities. By continuing to invest in innovation and leveraging the strength of our talented team and dynamic culture, we've upheld our commitment to delivering forward-thinking solutions that help our customers enhance operational efficiency. Our focus remains on creating long-term value and sustainable impact for all stakeholders.

SPECIFIC ACHIEVEMENTS FOR THE CALENDAR YEAR INCLUDE:

On January 1, 2024, Pason completed the acquisition of the remaining shares of IWS for total cash consideration of \$88.2 million (collectively, the "IWS Acquisition"). As a result of the IWS Acquisition, Pason now provides services to customers in the completions industry through IWS and its subsidiaries. Pason's Completions segment generated \$52.6 million in revenue in 2024, with a Revenue per IWS Day of \$5,127 in 2024.⁽¹⁾



Grew total revenue by 12% from 2023 to 2024, despite a 10% reduction in North American industry activity.

Generated a new record North American Revenue per Industry Day level of \$1,025, an 8% increase from the previous record in 2023.⁽²⁾



Continued to increase the adoption of data delivery services for Pason's drilling customers and introduced a new Mud Analyzer product.

Grew revenue in the Corporation's Solar Energy & Storage segment by 15% year over year.

Maintained a strong Adjusted EBITDA margin of 39.1% despite lower industry drilling activity in 2024.⁽³⁾

Generated Free Cash Flow of \$54.1 million while remaining disciplined on operating costs and making growth related investments for the Drilling and Completions segments.⁽⁴⁾



Protected a strong balance sheet and ended the year with Total Cash of \$80.8 million.⁽⁵⁾

Returned \$51.4 million to shareholders through dividends and Share repurchases.



Achieved an average cybersecurity BitSight score of 782, which is a level that is considered to be advanced.

*All figures above are in reference to the 2024 fiscal period.

⁽¹⁾ Revenue per IWS Day is a non-GAAP financial measure and is incorporated by reference from the Corporation's MD&A for the year ended December 31, 2024. Non-GAAP financial measures are defined on page 64 of this Report.
⁽²⁾ Revenue per Industry Day is a non-GAAP financial measure and is incorporated by reference from the Corporation's MD&A for the year ended December 31, 2024. Non-GAAP financial measures are defined on page 64 of this Report.
⁽³⁾ Adjusted EBITDA is a non-GAAP financial measure and is incorporated by reference from the Corporation's MD&A for the year ended December 31, 2024. Non-GAAP financial measures are defined on page 64 of this Report.
⁽⁴⁾ Free Cash Flow is a non-GAAP financial measure and is incorporated by reference from the Corporation's MD&A for the year ended December 31, 2024. Non-GAAP financial measures are defined on page 64 of this Report.
⁽⁵⁾ Total Cash is a non-GAAP financial measure and is incorporated by reference from the Corporation's MD&A for the year ended December 31, 2024. Non-GAAP financial measures are defined on page 64 of this Report.

ABOUT THIS REPORT

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 stakeholders, society and the environment through the operation of our business and the technology we develop.

This Sustainability Report (this “Report”), approved for release by Pason’s Board of Directors (“Board”), covers the calendar year ended December 31, 2024, as well as information as at the date of this Report. This Report forms part of the Company’s annual corporate reporting suite. The scope of the Report includes all majority-owned subsidiaries of Pason, as listed in the Company’s Annual Information Form for the year ended December 31, 2024.

STANDARDS AND FRAMEWORKS

The environmental, social, and governance (“ESG”) factors in this report are aligned with the following internationally recognized reporting methodologies:

- Sustainability Accounting Standards Board (“SASB”)
 - EM-SV - Oil & Gas Sector – Services,
 - TC-HW - Technology & Communications Sector – Hardware
 - TC-SI - Technology & Communications Sector – Software & IT Services
- Global Reporting Initiative (“GRI”) Standards
 - Core Option
- Task Force on Climate-Related Financial Disclosures (“TCFD”)

All financial data is prepared and reported in accordance with International Financial Reporting Standards (“IFRS”), representing generally accepted accounting principles (“GAAP”) for publicly accountable enterprises in Canada. For further details on financial and operating performance, please refer to Pason’s Consolidated Financial Statements, Management’s Discussion and Analysis (“MD&A”), Annual Information Form (“AIF”), and Management Information Circular, all of which are available on Pason’s website at www.pason.com and on SEDAR+ at www.sedarplus.ca.

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 are interacting with colleagues, shareholders, customers, suppliers, partners, communities, environment, or governments.

WE GOVERN OURSELVES BY THE FOLLOWING VALUES:

CORE 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

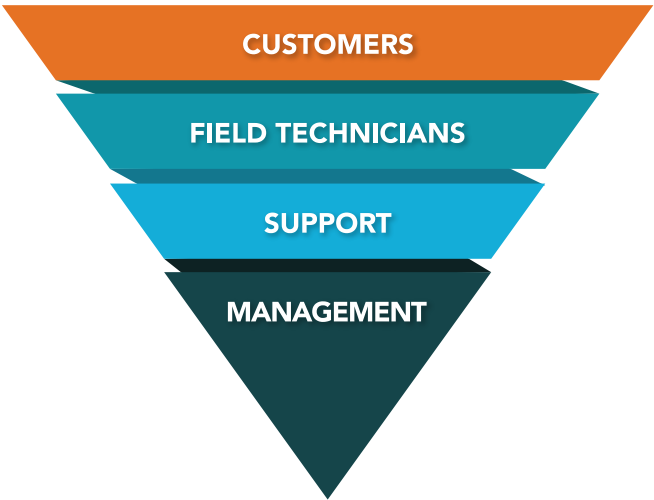
- We are results and action-oriented, focusing on the things that matter most
- We deliver on ambitious objectives
- We are creative and innovative, and we understand that not taking risks can cost more than potential mistakes

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.

2024 was an exciting year for the Company, as IWS employees were officially welcomed into the greater Pason organization after the IWS Acquisition. Throughout this past year, opportunities to bring IWS and Pason employees together naturally presented themselves, and additional steps were taken to introduce our new IWS colleagues to Pason’s safe and inclusive work environment. Efforts included structured meetings and strategy sessions, as well as social gatherings and team bonding events. We look forward to benefiting from the knowledge, experience and fresh perspectives that IWS employees will bring to Pason in the coming years.



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 reviews Pason’s HSE performance every quarter.

KEEPING CUSTOMERS & COMMUNITIES SAFE

Our strong safety culture extends beyond the policies and practices within our 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 and completions operations for our customers, their other service providers, and the communities in which they operate. Accurate measurement of gas and fluids during drilling operations, automated valve management and wireline detection, together with smart alarms, sensors and algorithms, provide early detection of potential safety hazards for our customers.



SAFETY HIGHLIGHTS:

- Pason uses a company-wide hazard identification (“Hazard ID”) program to promote a safe work environment by encouraging employees to proactively identify potential hazards in the workplace, which includes at the wellsite, manufacturing facilities, warehouse and offices.
- Pason continued to see global improvements from its Safe Driving Strategies program, implemented by the Company in prior years, which focuses on encouraging safer driving behaviour among Pason employees. The Company also continues to use GPS and video monitoring systems for its truck fleet for enhanced oversight and safety. As a result of these ongoing efforts, Pason’s global Total Vehicle Incident Rate (“TVIR”) dropped from 1.29 in 2023 to 1.26 in 2024.
- In 2024, Pason launched a Pause for Safety campaign, encouraging employees to stop and assess risks before starting a task. Employees are urged to ask themselves whether they have the adequate skills, training, and personal protective equipment (PPE) to complete a task in a safe manner. The Pause for Safety Campaign saw strong engagement, with 98% of Pason’s employees participating.
- The Pause for Safety Campaign, combined with the excellent participation rates in the Hazard ID program, resulted in reductions in the Company’s Total Recordable Incident Rate (“TRIR”), from 0.95 in 2023 to 0.53 in 2024, and Lost Time Incident Rate (“LTIR”), from 0.68 in 2023 to 0.32 in 2024, even though the aggregate number of hours worked by the Company’s employees increased as a result of the IWS Acquisition. Safety performance targets, including TRIR and training compliance, are incorporated into the Company’s short term incentive plan.



TALENT ACQUISITION & RETENTION

Pason’s ability to attract 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. Pason’s talent management strategy is focused on attracting and retaining high-performing and competent employees through every level of the Company.

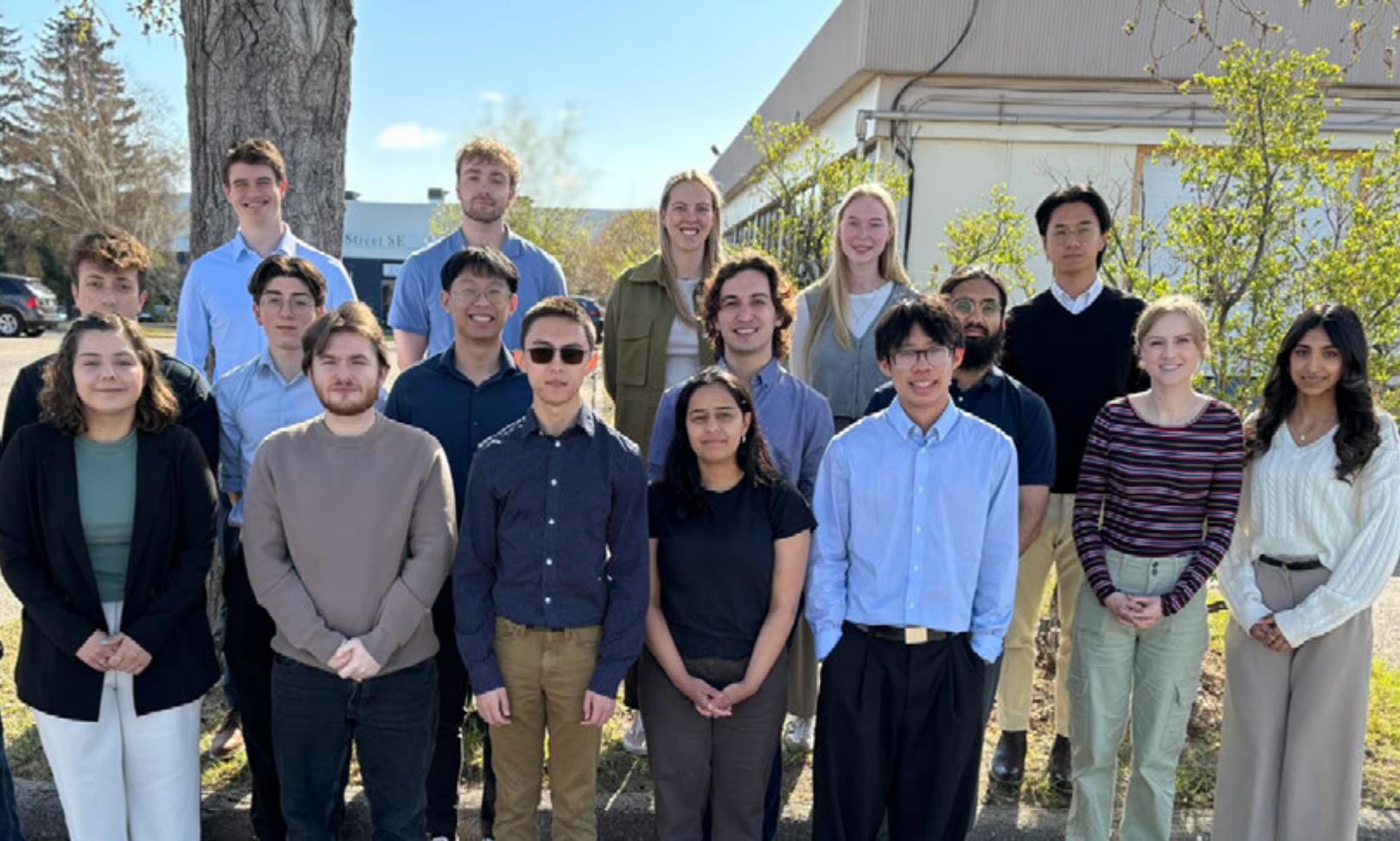
Pason has long standing relationships with respected post-secondary institutions offering engineering, software development, and information technology (“IT”) programs that develop the specialized skill sets we seek to attract. Pason also runs an annual internship program which allows qualified students 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 career development 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 executive leadership team is just over 13 years (13.07).

EMPLOYEE WELLNESS & RETENTION HIGHLIGHTS:

- Selected in 2024 as one of Alberta’s Top 80 Employers
- Hosted several in-person events, including barbecues, food truck lunches, family and employee Christmas parties, a family picnic day, an employee golf tournament and a Calgary Stampede party
- Organized and coordinated an on-site and virtual United Way campaign to support our local communities
- Continued to provide employees with the opportunity to participate in weekly onsite and offsite fitness activities, such as yoga, hockey and soccer
- Hosted several soft skills training courses for employees throughout the year
- Employed 25 university student interns during the year
- Continued to provide a flexible, hybrid working environment for office employees to promote work-life balance, while also ensuring there are extensive opportunities for in-person collaboration



PROFESSIONAL DEVELOPMENT

Pason is committed to the continued educational development of its employees to ensure they possess the skills and behaviours that will enable them to maximize their effectiveness in the performance of their 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 educational organizations 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 leaves of absence
- Professional association memberships

Pason also offers a Tuition Reimbursement Program, which offers tuition and/or 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 employee success with 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. Pason is committed to providing a fair and living wage for all 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 both individual employee and overall Company performance, a strong health and safety culture and responsible environmental stewardship and governance. Pason offers a Restricted Unit Plan and a Performance Share 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 Pason's shares. 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 their role within Pason, and the overall market competitiveness of the Company. 55% of all Pason employees in North America are eligible for long-term incentives.



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 sets out our commitment to providing equal opportunity in all aspects of employment. Pason did not receive any formal reports of discrimination from employees in 2024.

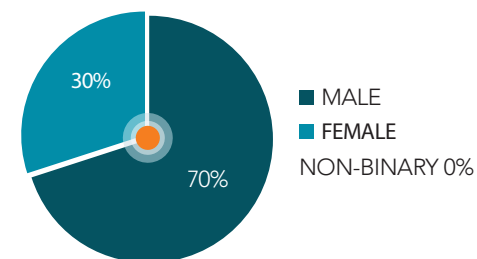
DIVERSITY, EQUITY & INCLUSION HIGHLIGHTS:

- Recognized in The Globe & Mail's 2024 Report on Business "Women Lead Here" list for the third consecutive year
- Sponsored a Women in Science and Engineering brunch
- Employs a targeted recruitment processes to reach more diverse candidate pools

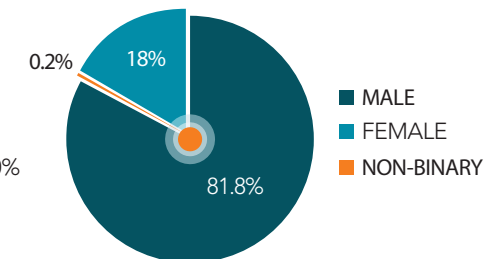


As of December 31, 2024, Pason is proud to employ 961 full-time employees and 5 contractors worldwide, of which 173 are women and 2 are non-binary

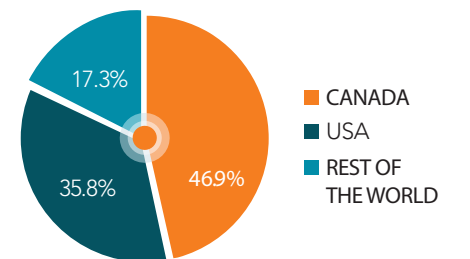
SENIOR LEADERSHIP



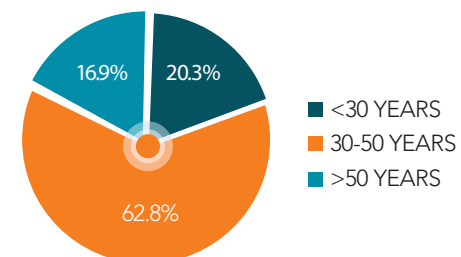
GENDER OF ALL EMPLOYEES AND CONTRACTORS



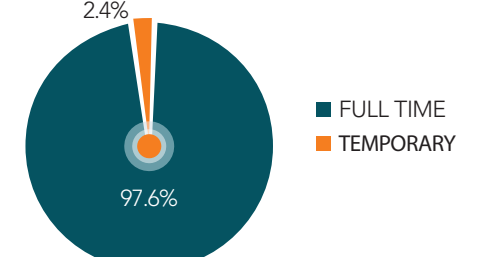
GEOGRAPHY



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 2024, employees volunteered their time towards numerous organizations and causes, including:



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.

NO POLITICAL CONTRIBUTIONS

In accordance with our Code, Pason does not use corporate funds to donate to political candidates or parties, or for the purpose of political advocacy. No corporate funds were used for the purpose of lobbying or making political campaign contributions in 2024.

DATA PROTECTION, PRIVACY, & INTELLECTUAL PROPERTY



OUR COMMITMENT TO DATA PROTECTION & CYBERSECURITY

Pason has 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. These security systems aim to ensure that the drilling and completions data we collect and communicate to our customers is protected in accordance with industry best standards. 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 breaches and/or cybersecurity incidents.

As part of Pason's 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 data security 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.

Throughout 2024, Pason has been systematically integrating IWS' systems into its broader infrastructure, with a focus on building a unified and secure environment that enhances operational efficiency and provides greater reliability and protection for our customers in both Drilling and Completions segments. Key security and privacy features include:

- Perimeter defense in depth using web and traditional firewalls with intrusion prevention
- Multi-factor authentication for all 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 center monitoring 24x7x365
- Single sign on capabilities
- Regular monitoring and review of the security posture of key vendors and partners
- Annual security audits and periodic review of the Company's internal controls

Pason did not receive any substantiated complaints concerning breaches of customer privacy or losses of customer data in the last three years, including 2024.

PRIVACY

Pason is committed to protecting the privacy and security of all personal information in Pason's custody or control, and we comply with all 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 and other stakeholders 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.



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 and complete wells faster with less downtime, which results in reduced emissions, water usage and chemical usage.

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. Below is a list of select Pason product offerings, together with a brief description detailing how our services improve the efficiency of our customers’ drilling and completions operations.



DRILLING

Products and services for Pason’s North American Drilling segment and International Drilling segment (collectively, the “Drilling Segments”) are primarily comprised of hardware and software provided on a rental basis to drilling rigs on land. Pason’s system of computers, instrumentation, and monitoring equipment is networked around a drilling rig to provide real-time data at the wellsite and to customer offices.

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, decreased non-productive time (“NPT”) and materials used, and improved wellbore quality.

One example of our drilling intelligence products is Pason’s DAS™ technology (“DAS™”),⁽⁶⁾ 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 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 2024, DAS™ technology was utilized on over 4,509 unique wells deployed across the US and Canada.

Below is a brief description of some of the other products and service offerings within Pason’s Drilling Segments.

EDR Pason’s Electronic Drilling Recorder (the “EDR”) remains the Company’s flagship product within its Drilling Segments. It provides a complete system of drilling data acquisition, data networking, and drilling management tools and reports at the wellsite. The EDR is the base product with which all other drilling instrumentation products are linked. Each EDR system consists of a proprietary server, sensors, junction boxes, and a series of workstations, all connected via a local network. EDR workstations present drilling data to the driller, rig manager, geologist, and any other third parties at the rig site, in real time. The EDR also allows aggregation of data from the various service companies at the rig site. Once collected, data is transmitted to the DataHub to be stored in the cloud for use by customer engineers and office staff to improve drilling efficiency.

DataHub The DataHub is the Company’s cloud-based data management system that collects, stores, and displays drilling data, reports, and real-time information from drilling operations. The DataHub provides access to data through several innovative applications or services for users both in the field and in office settings. These functions, together with the high quality data Pason delivers, are critical to our customers’ wellsite programs, allowing them to effectively and efficiently monitor and execute on their drilling operations. The DataHub platform averaged greater than 99.98% uptime in 2024.

PVT 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. The Pit Volume Totalizer (“PVT”) is used to monitor mud

tank levels and mud flow rate out of the wellbore to detect and warn rig crews of impending “kicks” or lost circulation resulting from gas or fluids entering or escaping the wellbore while drilling. The PVT provides critical information for maintaining the safe operation and control of the well throughout the drilling process. By monitoring the mud system and alerting crews to potential “kicks,” the potential for environmentally damaging surface spills is also reduced. In 2024, our Smart PVT system was utilized to drill over 1,449 unique wells across the United States and Canada.

Mud Analyzer: The Mud Analyzer is a portable, self-contained system that continuously measures the properties of drilling fluid. The Mud Analyzer measures a full viscosity profile every 15 minutes and supplies temperature and density every second. The data collected by the Mud Analyzer is transmitted to the EDR, where it can be analyzed at the wellsite or remotely. Like the PVT, the Mud Analyzer helps customers identify potential issues before they occur, improving the safety of drilling operations while also minimizing NPT and wasted drilling fluid.

Gas Analyzer The Gas Analyzer measures the hydrocarbon gases in the drilling fluid exiting the wellbore and then calculates the formation depth where the gases were produced. The Gas Analyzer provides information about the composition of the gas and further calculates geologic ratios to assist in determining the type of gas or oil in the formation. The Hazardous Gas Alarm System is a rugged warning system designed to detect lower explosive limit (LEL) and hydrogen sulfide (H2S) gases. The atmospheric concentration of these gases is measured and stored on Pason’s EDR where the data can be viewed on and off location in real time. Highly visible and audible alerts signal drilling crews when concentrations exceed safe levels.

AutoDriller Pason developed the AutoDriller to control the feed rate of the drill bit to various pre-set parameters, such as weight on bit, differential pressure, torque, and rate of penetration. The AutoDriller employs an electronic control system to improve drilling system performance and reliability on band-brake rigs. Pason’s advanced optimization algorithms optimize the setpoints on the rig’s auto driller and enable real-time decision-making that can result in faster drilling, reduced NPT and improved wellbore quality.

COMPLETIONS

Products and services for the Company’s Completions segment are primarily comprised of engineered controls and data acquisition hardware and software that automate workflows and processes for oil and gas well completions operations. Below is a brief description of the different products and service offerings within Pason’s Completions segment.

Digital Valve Control Utilizing integrated components, Digital Valve Control provides a comprehensive solution for valve and pressure management, emphasizing safety and user flexibility. The Digital Valve Control solution incorporates various hardware components, such as accumulator lockouts, handle position sensors, valve actuators, safety interlocks, and pressure sensors, to increase the efficiency and safety of completions operations by removing the need for a physical human presence at the valve.

Wireline Detection Spool Using magnets, the Wireline Detection Spool identifies tool size and location in the well head through a disturbed magnetic field. The Wireline Detection Spool safeguards against costly cut wireline incidents by detecting tool presence in the well, and preventing unintended valve actuation, ensuring minimal NPT and reducing the risk of lost or damaged equipment.

inVision Following the IWS Acquisition, Pason expanded its offerings to include the inVision Live application for its completions customers. inVision is a real-time onsite and cloud software platform that is seamlessly integrated with the Company’s hardware components on the wellsite. At its core, the inVision platform offers a digital twin of real time operations providing a virtual representation that fosters transparency across the entire wellsite and remotely at the office. The inVision platform provides a comprehensive interface for operators to facilitate the automation of standard operating procedures, ensuring the efficient and safe operation of pressurized valves. Additionally, graphical representations offer a visual depiction of captured data, enabling stakeholders to analyze both live and historical information for informed decision-making.





RENEWABLE ENERGY

ENERGY TOOLBASE

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, ETB's platforms help improve the economics of utilizing renewable energy for customer business needs.

Through effective management and storage of electricity produced from renewables, ETB enables its customers to save money and drive towards energy independence. This in turn helps shield the customer from issues and inefficiencies that can arise from interruptions in power grid services. [A recent study by the Solar Energy Industry Association](#) estimates that the solar market in the United States will more than triple, from 236 gigawatts direct current ("GWdc") to 739 GWdc, over the next decade. In this study, the Solar Energy Industry Association further reported that the solar industry in the United States accounted for approximately two thirds of the new electricity generating capacity added to the country's electrical grid in 2024.

As countries continue to incorporate more low carbon alternatives into their energy production sources, Pason is well positioned to help drive efficiencies and improve the economics of solar energy storage through ETB's product offerings.





OUR EMISSIONS

While our greatest opportunity to reduce emissions lies in the solutions we deliver to our customers, we also remain committed to minimizing our own environmental footprint through ongoing internal efforts.

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



Vehicle fleet used by field service technicians to visit customer sites



Cloud-hosted infrastructure



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 technicians (“Field Techs”) who live and work near all major oil and gas basins in North America, South America, Australia, and Saudi Arabia. To access customer wellsites 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 often 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 activities 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. In 2023, Pason initiated a changeover of its field truck fleet from diesel to gasoline, with the intent of reducing the Company's carbon emissions. We continued this changeover throughout 2024, including transitioning the truck fleet in our Completions segment after the IWS Acquisition. Pason anticipates that most of its truck fleet will run on gasoline by the end of 2025.

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 employee and community safety 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. 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. Information on AWS' environmental impact and actions that it has put in place to reduce its impact can be found in their [2024 sustainability report](#).

With respect to its Completions segment, the inVision Live application is hosted on Microsoft's cloud infrastructure, which offers comparable efficiencies to the infrastructure offered by AWS and utilized by the Company's Drilling Segments.

HARDWARE & SUPPLY CHAIN

Pason's ruggedized field technologies are built to withstand the harsh conditions at the wellsite. 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.



HARDWARE AND SUPPLY CHAIN – 2024 HIGHLIGHTS

- Completed regular environmental impact assessments of our equipment scrapping procedures with the aim of minimizing waste. This requires employees to take steps to disassemble end of life equipment and reuse, sell, or recycle materials prior to any potential disposal.
- Incorporated legacy equipment hardware assemblies into our next-generation Hazardous Gas product, aligning with our sustainable product manufacturing process and successfully reducing waste.
- Implementation of last-mile shipping strategies from Pason's warehouses. This has resulted in fewer shipments, improved shipment batching and decreased packaging requirements.

child labour in our supply chain activities and has taken measures to prevent and reduce the risk of forced labour and child labour in our supply chain and operations. Our Supplier Code of Conduct and Ethics outlines this commitment and Pason's expectations of its suppliers. This document, along with Pason's 2024 Modern Slavery Report, can be found on Pason's website at www.pason.com.

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. Following the IWS Acquisition, Pason made efforts to increase our local repair and maintenance capabilities. These investments have improved repair and maintenance turn around times, thereby reducing the number of shipments to third party vendors and between the Company's warehouses.

Examples of additional protocols implemented by Pason to help minimize the Company's environmental 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

Human Rights – Canada's Modern Slavery Act

In May 2023, Canada enacted the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("Modern Slavery Act"), which amends the Customs Tariff to enforce Canada's international commitment to combat forced and child labor. The Modern Slavery Act imposes reporting obligations on certain business entities that produce goods in Canada or abroad or import goods into Canada.

Pason is opposed to all forms of forced labour and





OUR CORPORATE GOVERNANCE



33% of Directors Identify as a Woman	17% of Directors Identify as a Racial and Ethnic Minority or Indigenous Person	83% of Directors are Independent	5 years Average Tenure of Directors	58 years Average Age of Directors
---	---	---	--	--

GOVERNANCE OVERVIEW

Operating as a public company for over 25 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. A more detailed discussion of our governance structure is available in our 2024 Management Information Circular available at www.pason.com/investors and on SEDAR+ (www.sedarplus.ca), and our key supporting policies and documents are available in the corporate governance section of our website at www.pason.com/investors.

GOVERNANCE STRUCTURE

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. As of December 31, 2024, our Board was comprised of six members, 83% of whom were independent. The Board is made up of highly qualified directors from diverse backgrounds who reflect the changing dynamics of the markets in which the Company operates. The Board has three standing committees:

- Audit Committee
- Human Resources and Compensation Committee (“HRC Committee”)
- Corporate Governance and Nomination Committee (“CGN Committee”)

BOARD’S STRATEGIC GUIDANCE AND OVERSIGHT

The Board’s primary responsibilities are to ensure that Pason conducts its business safely, with honesty and integrity, with the objective of creating sustainable and long-term value and profitable growth. The Board leads

our commitment to sustainability and maintains oversight of Pason’s ESG priorities through its various committees.

The Board actively participates in the strategic planning process by:

- Guiding and approving Pason’s ongoing strategic priorities
- Reviewing the key opportunities and risks addressed by the strategy
- Ensuring that Pason has appropriate resources to execute on the strategy
- Receiving regular updates on material strategic initiatives

The Board leverages this strategic planning process to identify and prioritize climate-related risks and opportunities, assess the Company’s performance, and monitor risk mitigation efforts.

The Board, in consultation with its different committees, also oversees potential ESG issues and opportunities as they arise, including climate-related matters, by monitoring the management systems and processes used to identify, assess, and manage climate-specific risks and opportunities faced by Pason, ensuring they are integrated into our business strategy. These climate-related risks and opportunities are described in more detail on page 44 of this Report.

Furthermore, Pason’s short-term incentive program, which represents a significant portion of our executives’ total compensation, incorporates an ESG focused performance measure which is reviewed and approved by the HRC Committee. This ensures that our leadership remains committed to our sustainability goals. A more detailed discussion of our Board and executive compensation program is available in our 2025 Management Information Circular available at www.pason.com/investors and on SEDAR+ (www.sedarplus.ca).

Below is a summary of how the Board and its committees interface on climate-related issues.



Board Pason’s Board provides oversight of ESG issues impacting the Company, including climate change risk management and climate strategy to ensure shareholder interests are represented. Each member of the Board has significant share ownership requirements to align the directors’ interests with those of Pason’s other shareholders.

Audit Committee The Audit Committee is comprised of independent directors who review and assess the adequacy of Pason’s risk management policies, systems, controls and procedures relating to Pason’s material business risks, including climate. The Audit Committee monitors the principal risks that could affect Pason’s financial reporting and periodically oversees the steps management has taken to assess, manage, prevent and mitigate such risks, including those related to climate and the environment.

CGN Committee The CGN Committee is comprised of independent directors appointed by the Board. The CGN Committee is responsible for reviewing and making recommendations to the Board on all matters relating to effective corporate governance. The CGN Committee reviews and advises on Pason’s ESG policies, practices, programs, management systems, processes and goals relating to the identification and management of ESG risks and opportunities, including those specific to climate-related issues.

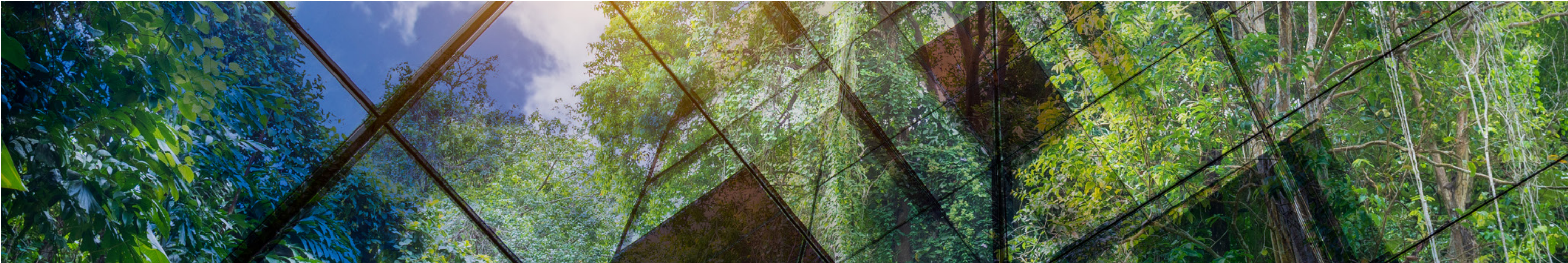
HRC Committee The HRC Committee is comprised of independent directors appointed by the Board to set remuneration and remuneration policies in alignment with Pason’s corporate strategy. The HRC Committee assists the Board in overseeing the design and administration of Pason’s human resources and compensation policies and practices. Accordingly, the HRC Committee reviews and monitors the link between executive compensation and Pason’s performance on ESG initiatives.

COMMITTEE RESPONSIBILITIES

The various Board committees provide oversight of risks falling within their respective areas to ensure such risks are reviewed by individuals having the appropriate expertise.

The table below includes the risk focus area of each Board committee, and information on each risk focus area. The committees receive regular updates from management on these matters and regularly update the Board on their risk oversight activities.

Committee	Risk focus	Description
Audit Committee	Financial risk	Oversees management’s role in monitoring compliance with financial risk management policies and procedures and reviews the adequacy of Pason’s financial reporting, regulatory compliance and cybersecurity program.
	Cybersecurity	
CGN Committee	Enterprise risk management program and managing allocation of risks	Oversees the ERM (as defined below) program and framework and meets with management annually to ensure proper Board and committee oversight. Recommends enhancements to risk management program and policies to the Board.
	Operational risk, people and process safety, sustainability, security and environmental risk	Responsible for all matters relating to effective corporate governance, including oversight of Pason’s overall environmental and social strategy and health and safety practices. Monitors compliance with our HSE program through regular reporting from management, within the framework of our integrated HSE management system that is used to capture, organize and document our related policies, programs and procedures.
HRC Committee	Human resources and compensation risk	Oversees Pason’s compensation policies and practices for executives and employees. Ensures that compensation risks are identified and mitigated, and that Pason’s compensation policies are aligned with corporate objectives.



MANAGEMENT RESPONSIBILITIES

Pason integrates climate-related risks and opportunities into its strategic and investment decision-making processes. Our commitment to sustainability is supported by the Risk Committee and the executive leadership team. These groups are instrumental in identifying and analyzing emerging ESG risks and opportunities, ensuring the Company stays ahead of industry trends and standards. The Risk Committee, in particular, plays a vital role in fostering discussions on a variety of ESG matters, thereby enhancing dialogue and raising awareness at the executive level.

The Risk Committee is led by Pason’s Chief Financial Officer (“CFO”), and includes members from key departments such as Operations, Product Line Management, Hardware and Software Engineering, IT and Legal. This diverse committee addresses various risk priorities identified through our materiality assessment, including those related to climate. The members, who are strategic leaders within their respective areas, help cultivate an ESG-focused culture by developing relevant procedures, goals, and reports.

The Chief Executive Officer (“CEO”), CFO, and Vice President, Legal & Corporate Secretary are the most senior individuals in the organization responsible for climate-change risk management.

CEO The CEO is responsible for working with the Board and executive management to set Pason’s strategic direction and make strategic decisions on operations, resource management, and setting corporate goals to support the execution of the strategy, including as it pertains to sustainability initiatives. The CEO is responsible for ensuring that Pason adheres to all regulatory requirements and operates with appropriate standards of corporate governance.

CFO Pason’s CFO reports to the CEO and oversees the financial operations of the Company and our climate-risk within the organization. The CFO leads the design and monitoring of the Company’s internal controls in compliance with regulatory requirements. The CFO leads the Risk Committee, which helps identify, assess and manage climate-related risks and opportunities, which are brought to the attention of the executive leadership team, including the CEO, where such risks and opportunities are reviewed and discussed as part of strategy discussions where climate and emissions are recurring topics. The CFO reports on these risks to the Audit Committee on a quarterly basis.



Vice President Legal & Corporate Secretary Reporting to the Chair of the Board and Pason’s CFO, Pason’s Vice President Legal & Corporate Secretary (the “Corporate Secretary”) ensures the integrity of Pason’s governance framework, acts as an advisor on corporate governance matters, and facilitates effective communication between the Board, management, shareholders, and regulators. The Corporate Secretary provides strategic and functional direction for ESG initiatives and oversees climate-related monitoring and reporting. The Corporate Secretary collaborates with the CFO and the executive leadership team to identify emerging ESG risks and successfully execute the Company’s business and climate-related strategy.

ENTERPRISE RISK MANAGEMENT PROGRAM

Risk management is key to the successful execution of Pason’s strategy. To ensure the Corporation’s risk is managed appropriately, Pason has adopted a formalized enterprise risk management (“ERM”) program, comprised of a comprehensive framework for risk identification, analysis, evaluation and mitigation. The ERM program involves ongoing monitoring and reporting to the Board and executive team. The purpose of the ERM program is to address risks to, or resulting from, the execution of Pason’s strategy, through the adoption of practices that effectively identify and manage such risks.

In 2023, Pason engaged a third party consultant to conduct a thorough review of its ERM program, with the following objectives:

- Conduct a formalized update of Pason’s risk inventory to account for newly emerging threats
- Update Pason’s risk profile to ensure proper alignment with overall corporate objectives
- Enhance the existing reporting framework to ensure efficient, effective risk management communication at executive and Board levels

Under the consultant’s guidance, Pason developed a more centralized ERM program in 2023, which:

- Identifies key risks faced by the Corporation, including climate and social risks, that could materially impact the achievement of Pason’s strategic objectives
- Ensures that such risks are aligned with Pason’s business objectives and risk tolerance
- Identifies and allocates appropriate resources to ensure that the risks are appropriately managed

Under Pason’s newly centralized ERM program, the Corporation utilizes various tools to assess Pason’s risk exposure. Such risk assessment tools include:

- Enterprise risk register
- Enterprise risk heat map and report consisting of risk assessment and mitigation controls
- Quarterly emerging risk reports

The Board is provided with an emerging risk report, which identifies risk trends and changes in each quarter. In addition, Pason’s ERM committee, which is made up of members of the executive team and other key internal stakeholders, conducts a formal risk benchmarking exercise on an annual basis and adjusts the risk assessment tools as needed.

The Board retains ultimate oversight of all enterprise risks, in addition to those specifically allocated to it in the following table. The Board reviews the enterprise risk register annually and is informed quarterly on emerging risks and management’s response to these risks.

Pason’s executive team is accountable for developing and implementing risk management plans and actions, and effective risk management is reflected in their compensation. An executive leadership team has been identified as responsible for each of the listed risks and provide an in-depth review for the Board on an annual basis.

The following table sets out a list of the key risks identified for Pason’s business, as well as the Board committee responsible for overseeing such risk:

Enterprise Risk	Board/Board Committee Oversight
Cybersecurity	Audit
Technology (including technology outages, technology infrastructure resiliency and use of generative AI)	Board
Legal and regulatory	Board
Governance risk	CGN
Strategy and development	Board
Operational (including supply chain disruptions)	Board
Macroeconomic (including geo-political, inflation and reduced drilling activity)	Board
Competition	Board
Talent attraction, retention and succession planning (including health and safety)	HRC
Hazards (including climate change)	Board

Pason’s ERM program ensures that the Board is fully apprised of the interplay between the business environment and risks and is intended to inform the Corporation’s overall strategy. More information about Pason’s risks, including climate change risk, can be found in Pason’s Annual Information Form which is available on Pason’s website (www.pason.com) in the Investors section (under Annual General Meeting Materials) and on SEDAR+ (www.sedarplus.ca).



CLIMATE-RELATED RISKS AND OPPORTUNITIES

In line with TCFD recommendations, Pason assesses climate related risks both as it relates to physical risks and transition risks (including regulatory and policy risks).

Regulatory and Policy Risks

There is an increasing trend in public and government support of climate change initiatives across the regions in which Pason operates. Governmental authorities are strengthening existing environmental regulations and introducing new climate change measures, such as emission caps, reduction targets, taxes and penalties, efficiency standards, and alternative energy incentives and mandates. In addition, concerns about climate change have resulted in many environmental activists and members of the public opposing the continued exploitation and development of fossil fuels. Pason is not a large-scale emitter of greenhouse gases or other emissions and does not anticipate the impact of these regulations to be material to its operations; however, present and future environmental regulations and other developments could have a material impact on Pason’s client base, which is primarily comprised of operators and contractors. While it is not possible at this time to predict how such regulations or developments would impact the Company’s business, any future environmental requirements could result in reduced demand for hydrocarbons, as well as increased capital expenditures, operating costs and project delays for our customers,

which in turn could have a material adverse effect on the business, financial condition, results of operations, and prospects for the Company.

Physical Risks

There is expectation that climate change will result in increased frequency and severity of extreme weather events as well as longer-term changes in climate patterns. As a result, the physical impacts of such increasingly volatile weather conditions may have an adverse effect on the operations of the Company. These include more frequent and extreme weather events, natural disasters such as flooding and forest fires, shifts in temperature and precipitation, and changing sea levels, which could cause damage to key corporate assets.

Climate change may have similar impacts on the Company’s major customers, reducing demand for Pason’s products and services, and may also impact suppliers, which could result in shortages in certain consumables and the supply of products that are required to maintain the Company’s operations. While the Company takes such risks into consideration and implements mitigation strategies to address, where possible, the risks associated with the potential impacts of extreme weather events, the frequency and severity of such events can vary widely and cannot be predicted. This uncertainty, in turn, could have a material adverse effect on the Company’s ability to operate in certain jurisdictions and its projections, business operations and financial condition.



100%

There were no ethics incidents in 2024 that required disclosure and 100% of the issues reported through the hotline were reviewed and resolved.



2024

There have been no internal or external investigations regarding non-compliance with anti-bribery and corruption laws or our policies in 2024.



20

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

Pason maintains a corporate insurance program consistent with industry practice that protects the Company from liabilities due to environmental accidents and disruptions and has operational and emergency response procedures and safety and environmental programs in place to reduce potential loss exposure.

Alternative Energies Risk

The focus of governments, businesses and consumers on transitioning to a low-carbon economy was accelerated by the COVID-19 pandemic, resulting in increased policies and initiatives designed to shift resources and investment away from fossil fuels towards low carbon energy sources. In the absence of increased overall energy demand, this shift, combined with technological advances and cost declines in alternative energy sources, could reduce consumer demand for, and result in a reduction in the global economy’s reliance on, oil and natural gas; which in turn could decrease demand for the Company’s products and services. While Pason believes energy supply and demand fundamentals continue to support hydrocarbon resources forming a meaningful component of ongoing energy supply, the Company considers opportunities to diversify its business to mitigate this risk. This includes exploring new opportunities to apply the Company’s expertise in instrumentation and data services to markets beyond of oil and gas, such as recent investments made in supporting ETB in the solar energy and storage market. However, there is no guarantee that Pason would be successful in these ventures should there be a significant reduction in global demand for oil and gas.

Product and Service Opportunities

Pason’s role as a global technology leader in the oil and gas industry uniquely positions us to help customers enhance their operational performance and minimize environmental impact. As we continue to invest in research and development, we remain committed to exploring innovative technologies that help our customers in the oil and gas industry to drill and complete wells faster with reduced downtime, leading to lower emissions, water usage, and chemical consumption throughout wellsite operations.

We expect that renewable energy sources will play an increasingly significant role in meeting energy demands in the future. Pason will continue to explore opportunities to provide solutions to the members of the energy transition industry, including solar energy, mining, geothermal and hydrogen. Through our investment in ETB, Pason has the added capacity to help drive efficiencies and improve the economics of solar energy storage through ETB’s innovative products.

ETHICS & CODES 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. 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:

- An inclusive workplace free from discrimination, harassment, violence and retaliation
- 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

SUPPLIER CODE OF CONDUCT AND ETHICS

Corporate integrity, responsible product sourcing, and the safety and well-being of workers across the global supply chain are of paramount importance to Pason. In May of 2024, Pason introduced a Supplier Code of Conduct and Ethics (the “Supplier Code”) to govern the actions of, and the Company’s interactions with, manufacturers, distributors, vendors, agents and other suppliers (collectively, “Suppliers”) that sell goods or services to, or otherwise do business with, Pason.

Similar to the Code, the Supplier Code is aligned with Pason’s corporate values and expected behaviours. The Supplier Code establishes the minimum standards that must be met by all Suppliers regarding:

- treatment of workers
- workplace safety
- ethical business practices

Pason expects that its Suppliers comply with all applicable health and safety legislation, take all reasonable measures to eliminate the risk of workplace harm, and adopt and follow a formal health and safety policy. The Supplier Code further prohibits any form of modern slavery; discrimination, abuse or harassment of any kind; and bribery and corruption.

Pason also requires that Suppliers operate in an environmentally responsible manner. As such, the Code requires that Suppliers:

- adhere to applicable environmental laws
- implement reasonable measures to alleviate any potential impact of their operations on the environment and local communities
- handle and store chemicals, products, and equipment in a manner that minimizes the risk of spills or contamination in compliance with industry standards and manufacturer instructions

STAKEHOLDER ENGAGEMENT

In addition to the Code and the Supplier Code, Pason maintains a robust shareholder engagement program that features year-round opportunities for our Board and executive 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.





METRICS⁽⁷⁾



Category		Disclosure	Response, link or additional information
Governance (a)		Describe the board's oversight of climate-related risks and opportunities	Link to "Board's Strategic Guidance and Oversight" on page 39
Governance (b)		Describe management's role in assessing and managing climate related risks and opportunities	Link to "Management Responsibilities" on page 42
Strategy (a)		Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Link to "Climate-Related Risks and Opportunities" on page 44
Strategy (b)		Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Link to "Climate-Related Risks and Opportunities" on page 44
Risk Management (a)		Describe the organization's processes for identifying and assessing climate-related risks	Link to "Enterprise Risk Management Program" on page 42
Risk Management (b)		Describe the organization's processes for managing climate-related risks	Link to "Enterprise Risk Management Program" on page 42
Risk Management (c)		Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Link to "Enterprise Risk Management Program" on page 42
Metrics & Targets (a)		Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Link to "GRI Content Index" on page 52
Metrics & Targets (b)		Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions and the related risks	Link to "GRI Content Index" on page 56

GRI Code	Description	Response, link or additional information
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 and Link to page 13 of 2024 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
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 and Link to pages 6 and 16 of 2024 Annual Information Form
102-7	Scale of the organization	Link to Report section titled “Diversity, Equity & Inclusion” on page 22, Link to page 6 of 2024 Annual Information Form and Link to Consolidated Financial Statements and Notes
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 36
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 “About this Report” on page 12
102-16	Values, principles, standards and norms of behaviour	Link to Report section titled “Our Core Values” on page 14
102-18	Governance structure	Link to Report section titled “Governance Structure” on page 39
102-19	Delegating authority	Link to page 40 of 2025 Management Information Circular
102-20	Executive-level responsibility for economic, environmental and social topics	Link to Report section titled “Our Corporate Governance” on page 38
102-21	Consulting stakeholders on economic, environmental and social topics	Link to Report section titled “Stakeholder Engagement” on page 46
102-22	Composition of the Board and its committees	Link to page 40 of 2025 Management Information Circular
102-23	Chair of the highest governance body	Link to page 40 of 2025 Management Information Circular
102-24	Nominating and selecting the highest governance body	Link to page 40 of 2025 Management Information Circular
102-25	Conflicts of interest	Link to page 53 of 2025 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 39 and Link to page 42 of 2025 Management Information Circular
102-27	Collective knowledge of highest governance body	Link to page 46 of 2025 Management Information Circular
102-28	Evaluating the highest governance body's performance	Link to page 46 of 2025 Management Information Circular
102-29	Identifying and managing economic, environmental and social impacts	Link to page 47 of 2025 Management Information Circular
102-30	Effectiveness of risk management processes	Link to Report section titled “Our Corporate Governance” on page 38
102-31	Review of economic, environmental and social topics	Link to Report section titled “Our Corporate Governance” on page 38
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 46
102-34	Nature and total number of critical concerns	No disclosure due to confidential nature of this information

GRI Code	Description	Response, link or additional information
102-35	Remuneration policies for the Board and senior executives	Link to page 16 and 20 of 2025 Management Information Circular
102-36	Process for determining remuneration	Link to page 20 of 2025 Management Information Circular
102-37	Stakeholders’ involvement in remuneration	Link to Report section titled “Stakeholder Engagement” on page 46 and Link to page 10 of 2025 Management Information Circular
102-38	Annual total compensation ratio	Link to page 39 of 2025 Management Information Circular
102-39	Percent increase in annual total compensation ratio	Link to page 39 of 2025 Management Information Circular
102-40	List of stakeholder groups	Link to Report section titled “Stakeholder Engagement” on page 46
102-41	Collective bargaining agreements	11.1% of Pason’s employees were represented by unions or local works councils in 2024, 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 46
102-43	Approach to stakeholder engagement	Link to Report section titled “Stakeholder Engagement” on page 46
102-44	Key topics and concerns raised	Key topics of importance identified by our stakeholders have informed the contents of this Report
102-45	Entities included in the consolidated financial statements	Link to Report section titled “About this Report” on page 12 and Link to pages 14 and 87 of 2024 Annual Report
102-46	Defining report content and topic Boundaries	Link to Report section titled “About this Report” on page 12
102-47	List of material topics	Link to Report section titled “About this Report” on page 12
102-50	Reporting period	Link to Report section titled “About this Report” on page 12
102-51	Date of most recent report	Link to Report section titled “About this Report” on page 12 and Link to Report section titled “Letter from our President & CEO” on page 6
102-52	Reporting cycle	Pason has begun collecting 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 12
102-55	GRI Content Index	Link to Report section titled “GRI Content Index” on page 52
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
201-1	Direct economic value generated and distributed	Link to Report section titled “2024 in Review” on page 10
205-1	Operations assessed for risks related to corruption	Link to Report section titled “Ethics & Codes of Conduct” on page 46
205-2	Communication and training about anti-corruption policies and procedures	Link to Report section titled “Ethics & Codes of Conduct” on page 46
205-3	Confirmed incidents of corruption and actions taken	Link to Report section titled “Ethics & Codes of Conduct” on page 46

GRI Code	Description	Response, link or additional information
305-1	Direct (Scope 1) GHG emissions	Link to Report section titled “SASB Metrics” on page 60. Our reporting boundary for Scope 1 GHG emissions data is all property owned by, or under finance or capital lease agreement to, Pason that requires fuel purchase. This comprises of emissions related to gasoline, diesel and natural gas consumed in the operation of Pason’s field support vehicles and leased property considered to be wholly owned assets and recorded in Pason’s consolidated financial statements under GAAP Standards. Pason has established its base year emissions in alignment with CDP guidance for 2024. In 2024, Pason reported 5,555 tonnes of direct Scope 1 CO₂e, as compared to 4,713 tonnes in 2023. Pason transitioned to a new vehicle tracking software for its North American (NAM) truck fleet in Q1 2023. In order to determine the Scope 1 CO₂e for NAM in Q1 2023, Pason was required to estimate fuel usage based on activity levels in Q1 2021 and Q1 2022. In 2024, Pason reported 195,266 g of CH₄ and 183,730 g of N₂O, as compared to 126,033 g of CH₂ and 193,192 g of N₂O in 2023.[®] These figures do not include emissions for Q1 2023 for the reason stated above. We used the following standards / methodologies for our data collection and emissions calculations: (See CDP Climate C5.1, 0.5) • 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. 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	Our reporting boundary for Scope 2 GHG emissions data is all property under finance or capital lease agreement to Pason that requires electricity purchase. This comprises of emissions related to electricity consumed in the operation of Pason’s leased property considered to be wholly owned assets and recorded in Pason’s consolidated financial statements under GAAP Standards. In 2024, Pason reported 1,091 tonnes of Scope 2 CO₂e, as compared to 1,028 tonnes of Scope 2 CO₂e in 2023. Scope 2 CO₂e emissions are calculated using emissions factors referenced by the respective country groups government bodies, electricity provider, and/or regulators: • Canada - Government of Alberta - https://open.alberta.ca/publications/carbon-offset-emission-factors-handbook-version-3 • US - US Environmental Protection Agency (EPA) - https://www.epa.gov/climateleadership/ghg-emission-factors-hub • Texas - ERCOT • Colorado - WECC Rockies • Louisiana - SPP South • Argentina - CAMMESA - https://cammesaweb.cammesa.com/informe-anual/ • Australia - Australian Energy Market Operator (AEMO) - https://www.aemo.com.au/en/energy-systems/electricity/national-electricity-market-nem/market-operations/settlements-and-payments/settlements/carbon-dioxide-equivalent-intensity-index

[®]In alignment with CDP guidance, Pason has updated the emissions factors used in calculating its Direct (Scope 1) GHG emissions for 2024. For consistency, we have also recalculated our 2023 Direct (Scope 1) GHG emissions using these same updated factors. As a result, the 2023 CH₄ and N₂O emissions shown in this Report (126,033 g and 193,192 g, respectively) differ from that reported in Pason’s 2023 Sustainability Report (189,098 g and 206,790 g, respectively).

GRI Code	Description	Response, link or additional information
305-3	Other indirect (Scope 3) GHG emissions	This is currently not reported by Pason
307-1	Non-compliance with environmental laws and regulations	In 2024, Pason had no regulatory citations, penalties or reportable releases.
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 and “Talent Acquisition & Retention” on page 18
405-1	Diversity of governance bodies and employees	Link to Report section titled “Diversity, Equity & Inclusion” on page 22 and “Our Corporate Governance” on page 38
406-1	Incidents of discrimination and corrective actions taken	Link to Report section titled “Diversity, Equity & Inclusion” on page 22
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
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 and “Our Commitment to Data Protection & Cybersecurity” on page 27

SASB Code	Topic	Metric	FY2024	FY2023	FY2022
EM-SV-110a.1	Emissions Reduction Services & Fuels Management	Total Fuel Consumed on Road (GJ)	2024 Fuel Consumption: Gasoline – 50,301 GJ Diesel – 26,332 GJ ⁽⁹⁾	2023 Fuel Consumption: Gasoline – 22,493 GJ Diesel – 42,514 GJ ⁽¹⁰⁾	2022 Fuel Consumption: Gasoline – 23,822 GJ Diesel – 54,582 GJ
EM-SV-110a.1		Total Fuel Consumed Facilities (heating/cooling) (GJ)	5,877 GJ	4,201 GJ	Future Disclosure
TC-SI-130a.1	Environmental Footprint of Hardware Infrastructure	Total energy consumed (GJ), percentage grid electricity, percentage renewable	8,289 GJ 100% grid electricity	7,726 GJ 100% grid electricity	Future Disclosure
TC-SI-130a.2		Total water withdrawn (m3), total water consumed (m3), percentage of each in regions with High or Extremely High Baseline Water Stress	Future Disclosure	Future Disclosure	Future Disclosure
TC-SI-130a.3		Discussion of the integration of environmental considerations into strategic planning for data centre needs	Future Disclosure	Future Disclosure	Future Disclosure
TC-TL-440a.1	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	In 2024, Pason cleaned, tested and/or repaired 41,254 pieces of equipment to extend useful life. Wherever possible, Pason recycles end of life hardware	In 2023, Pason cleaned, tested and/or repaired 26,194 pieces of equipment to extend useful life. Wherever possible, Pason recycles end of life hardware	In 2022, Pason cleaned, tested and/or repaired 32,377 pieces of equipment to extend useful life. Wherever possible, Pason recycles end of life hardware
EM-SV-320a.1	Workforce Health & Safety	Total Recordable Incident Rate (TRIR) (Incidents per 200,000 employee hours)	0.53	0.95	0.27
EM-SV-320a.1		Fatality Rate	Zero	Zero	Zero
EM-SV-320a.1		Lost Time Injury Rate (LTIR) (Lost Time Injuries per 200,000 employee hours)	0.32	0.68	0.27
EM-SV-320a.1		Total Vehicle Incident Rate (TVIR) (Incidents per million km)	1.26	1.29	1.82
EM-SV-320a.1		Average Hours of Health, Safety and Emergency Response Training (per Full Time Employees)	Approximately 43 hours ⁽¹¹⁾	Future Disclosure	Future Disclosure
EM-SV-320.a.2		Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Link to Report section titled “Our Commitment to Safety” on page 16	Link to Report section titled “Our Commitment to Safety” on page 16	Link to Report section titled “Our Commitment to Safety” on page 16
TC-SI-220a.1	Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioural advertising & customer privacy	Pason does not engage in behavioural advertising. Link to Report section titled “Privacy” on page 27	Pason does not engage in behavioural advertising. Link to Report section titled “Privacy” on page 27	Pason does not engage in behavioural advertising. Link to Report section titled “Privacy” on page 27
TC-SI-220a.2		Number of users whose information is used for secondary purposes	Nil	Nil	Nil
TC-SI-220a.3		Total amount of monetary losses as a result of legal proceedings associated with user privacy	\$Nil	\$Nil	\$Nil
TC-SI-220a.4		(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	(1) Nil, (2) Nil, (3) Nil	(1) Nil, (2) Nil, (3) Nil	(1) Nil, (2) Nil, (3) Nil
TC-SI-220a.5		List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Not applicable to Pason’s services	Not applicable to Pason’s services	Not applicable to Pason’s services

⁽⁹⁾The increase in gasoline consumption, and the corresponding decrease in diesel consumption, from FY2023 to FY2024 is due in part to the Company's efforts to transition Pason's truck fleet from diesel to gasoline, as is further described in section titled “Vehicle Fleet & Support” on page 35.

⁽¹⁰⁾When calculating our Total Fuel Consumed on Road (GJ) values for FY2024, Pason also updated the FY2023 figures to ensure consistency in the methodology utilized for each fiscal year. As a result, the FY2023 Total Fuel Consumed on Road (GJ) shown in this Report (22,493 GJ of Gasoline and 42,514 GJ of Diesel) differ from those values originally published in Pason's 2023 Sustainability Report (11,174 GJ of Gasoline and 38,350 GJ of Diesel).

⁽¹¹⁾ An estimate derived from the Company's training methods that monitor employee participation.

SASB Code	Topic	Metric	FY2024	FY2023	FY2022
TC-SI-230a.1	Data Security	Number of data breaches that had a material impact on the business, required regulatory reporting to authorities, or incurred financial penalties, percentage involving PII, number of users affected	None in the last three years including 2024	None in the last three years including 2023	None in the last three years including 2022
TC-SI-230a.2		Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Link to Report section titled “Our Commitment to Data Protection & Cybersecurity” on page 27	Link to Report section titled “Our Commitment to Data Protection & Cybersecurity” on page 27	Link to Report section titled “Our Commitment to Data Protection & Cybersecurity” on page 27
TC-SI-520a.1	Intellectual Property Protection & Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	\$Nil	\$Nil	\$Nil
TC-SI-550a.1	Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Pason’s DataHub platform averaged greater than 99.98% uptime in 2024	Pason’s DataHub platform averaged greater than 99.98% uptime in 2023	Pason’s DataHub platform averaged greater than 99.94% uptime in 2022
TC-SI-550a.2		Description of business continuity risks related to disruptions of operations	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	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	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
EM-SV-510a.1	Business Ethics	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Link to Report section titled “Ethics & Codes of Conduct” on page 46	Link to Report section titled “Ethics & Codes of Conduct” on page 46	Link to Report section titled “Ethics & Codes of Conduct” on page 46
EM-SV-510a.2		Description of the management system for prevention of corruption and bribery throughout the value chain	Link to Report section titled “Ethics & Codes of Conduct” on page 46	Link to Report section titled “Ethics & Codes of Conduct” on page 46	Link to Report section titled “Ethics & Codes of Conduct” on page 46

ACTIVITY METRICS					
TC-SI-000.C	(1) Amount of data storage (Petabytes), (2) percentage outsourced		(1) 1.55 PB, (2) 92%	(1) 1.31 PB, (2) 92%	(1) 1.366 PB, (2) 79%
EM-SV-000.D	Total number of hours worked by all employees		1,779,947	1,471,018	1,475,959

OTHER DATA POINTS	
Number of Employees	Link to Report section titled “Diversity, Equity & Inclusion” on page 22
Percentage of gender representation for management, technical staff, and other employees	Link to Report section titled “Diversity, Equity & Inclusion” on page 22
Number of Board Directors	Link to Report section titled “Governance Structure” on page 39
Percent of Independent Board Directors	Link to Report section titled “Our Corporate Governance” on page 38
Percent of Gender Diversity in Board Directors	Link to Report section titled “Our Corporate Governance” on page 38

NON-GAAP FINANCIAL MEASURES

A non-GAAP financial measure has 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:

- Revenue per Industry Day
- Revenue per IWS Day
- EBITDA
- Adjusted EBITDA
- Free Cash Flow
- Total Cash

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.

REVENUE PER INDUSTRY DAY & REVENUE PER IWS DAY

Revenue per Industry Day is defined as the total revenue generated from the North American Drilling segment over all active drilling rig days in the North American market. This metric provides a key measure of the North American Drilling segment’s ability to evaluate and manage product adoption, pricing, and market share penetration. Drilling rig days are calculated by using accepted industry sources.

Revenue per IWS Day is defined as the total revenue generated by the Completions segment over all IWS active days during the reporting period. IWS active days are calculated by using IWS Active Jobs in the reporting period. This metric provides a key measure of IWS’ ability to evaluate and manage product adoption and pricing. IWS Active Jobs represents the average number of jobs per day that IWS is generating revenue on through the rental of its technology offering to customers during the reporting period. This metric provides a key measure of IWS’ market penetration.

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 GAAP. Management does not use these non-GAAP measures to assess the company’s financial results against internal expectations.

FREE CASH FLOW & TOTAL CASH

Free cash flow is defined as cash from operating activities plus proceeds on disposal of property, plant, and equipment, less capital expenditures (including changes to non-cash

working capital associated with capital expenditures), and deferred development costs. This metric provides a key measure on the Company’s ability to generate cash from its principal business activities after funding capital expenditure programs, and provides an indication of the amount of cash available to finance, among other items, the Company’s dividend and other investment opportunities.

Total Cash is calculated as the sum of cash and cash equivalents, and short-term investments from the Company’s Consolidated Balance Sheets.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein constitute “forward-looking statements” and/or “forward-looking information” under applicable securities laws (collectively referred to as “forward-looking statements”). Forward-looking statements can generally be identified by the words “anticipate,” “expect,” “believe,” “may,” “could,” “should,” “will,” “estimate,” “project,” “intend,” “plan,” “outlook,” “forecast” or 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.

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. They are subject to known and unknown risks, uncertainties, assumptions, and other factors that could cause actual results to be materially different from results that are expressed or implied by such forward-looking statements.

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. Such risks and uncertainties include, but are not limited to: the state of the economy; volatility in industry activity levels and resulting customer expenditures on exploration and production activities; 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; 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; the inability of technology to meet new challenges in sustainability and exploration; customer demand for existing and new products; the industry shift towards more efficient drilling and completions activity and technology to assist in that efficiency; the impact of competition; the loss of key customers or Suppliers; the loss of key personnel; cybersecurity risks; reliance on proprietary technology and ability to protect the Company's proprietary technologies; reliance on renewable energy; the competitiveness of alternative energy sources or product substitutes; changes to government regulations (including those related to safety, environmental, and climate-related initiatives); the impact of extreme weather events and seasonality on our Suppliers and on customer operations; and war, terrorism, pandemics, social or political unrest that disrupts global markets.

These risks, uncertainties and assumptions include, but are not limited to, those discussed in our most recent AIF under the heading, "Risk Factors" and in the Company's other filings with Canadian securities regulators. These documents are on file with the Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca) or through Pason's website (www.pason.com).

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 resulting from new information, future events or otherwise.

THIRD PARTY INFORMATION

Certain information contained herein includes market and/or industry data that has been obtained from, or is based upon, independent third party market, industry or government publications, reports and websites, or was based on estimates derived from the same. Third party market and/or industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not assure or guarantee the accuracy and/or completeness of their information. None of the aforementioned sources reviewed by the Company in preparation of, or otherwise referred to within, this Report have provided any form of consultation, advice or counsel regarding any aspect of, or are in any way associated with, Pason. Actual outcomes may vary materially from those forecasted in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Company believes this data can be reasonably relied upon, market and industry information and data are subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the information and/or data from third party sources referred to in this Report or ascertained the underlying assumptions relied upon by such sources. The Company hereby disclaims any responsibility or liability whatsoever in respect of any third party sources of market and/or industry information.



Technology • Deployed • Simply