



Precision
DRILLING



PRECISION DRILLING

MODERN SLAVERY REPORT

2025



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INTRODUCTION

Precision Drilling Corporation and our covered subsidiaries, affiliates, and divisions (hereafter collectively referred to as **Precision**)¹ prepared this joint Report (**Report**) in compliance with the requirements of the *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the **Act**). This Report describes the actions Precision took from January 1, 2025 to December 31, 2025 to comply with the Act. We invite all stakeholders, from customers and shareholders to employees and communities, to review this Report and join Precision on our journey towards a supply chain that upholds the highest standards of social and ethical responsibility.

Precision is headquartered in Calgary, Alberta, Canada and is listed on the Toronto Stock Exchange under the trading symbol “PD” and on the New York Stock Exchange under the trading symbol “PDS”. In 2025, Precision had approximately 5,100 employees worldwide, with about 2,200 of those employees based in Canada. We provide onshore drilling services to exploration and production companies in the oil, natural gas and geothermal industries in Canada, the U.S., and the Middle East. In addition to drilling, Precision provides well-completion, workover, abandonment, and re-entry preparation services to oil and natural gas exploration and production companies in the U.S. and Canada. We also offer equipment rentals and camp and catering services in Canada. Furthermore, Precision engages in the production and sale of goods ancillary to our drilling operations as business needs arise.

Precision is committed to corporate social responsibility and believes in acting ethically throughout our business. We update our Environmental, Social and Governance (**ESG**) commitments and performance metrics on our website annually. This format allows us to provide accurate and timely updates of our efforts and successes on an annual basis. Please visit our ESG webpage for more information.

In an era where global business networks span continents and cultures, the ethical sourcing of materials and labour practices within a corporation’s supply chain has never been more critical. Precision has consistently made a deep commitment to corporate social responsibility and has embarked on extensive examinations of our Canadian supply chain practices as we understand that forced and child labour not only undermines the principles of fairness and dignity, but also pose other risks. These efforts continued in 2025 through a combination of internal audits, supply chain assessments, and collaboration with our vendors. This Report sheds light on the current state of Precision’s Canadian supply chain regarding forced and child labour.

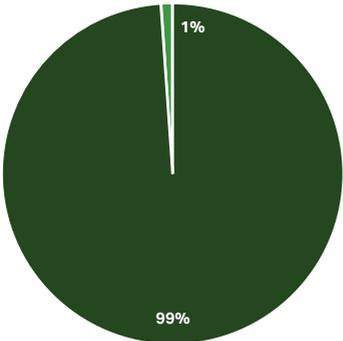
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1. Including Precision Drilling Canada Limited Partnership, Precision Limited Partnership, CWC Energy Services Corporation, Rostel Industries, Precision Camp Services, Precision Rentals and Precision Well Servicing.

STEPS TAKEN TO PREVENT AND REDUCE RISKS OF FORCED AND CHILD LABOUR

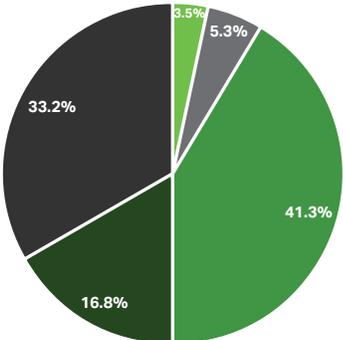
Direct Vendors



North America Outside

Precision is committed to having a supply chain by partnering with reputable vendors. We utilize local and global vendors who supply different categories of goods and services, including, but not limited to, technical services (electrical, welding, and mechanical), rig equipment, parts for Maintenance, Repair, and Operations (MRO), lubricants and fuel, corporate/facility services, logistics, and equipment rentals. In 2025, an estimated 99% of Precision’s materials and services were sourced from North American vendors. Precision maintains strict sourcing standards and does not engage directly with vendors located in high-risk countries, as identified by the Global Slavery Index 2025.

Categories of Goods and Services



Corporate & Facility MRO
Lubes & Fuel Rig Equipment
Tech Services

In 2025, Precision maintained our rigorous vendor accreditation process, ensuring compliance with Precision’s standards for quality, safety, and reliability. All new approved vendors were required to complete Precision’s vendor onboarding process. Vendors supplying MRO, lubricants, fuel, or rig equipment were also required to answer supplemental onboarding inquiries that specifically address risks related to child and forced labour.

Precision sends a Compliance Certificate (**Compliance Certificate**) to our vendors, by which they agree to comply with Precision’s Code of Business Conduct and Ethics (**Code of Conduct**), follow our Human Rights Policy (Policy), and certify that they do not use forced or child labour.

Precision continues to utilize our risk matrix, which enables us to evaluate vendor questionnaire responses, assigning numerical scores to each answer to create an in depth risk assessment. Vendors with a high-risk rating are subject to Vendor Audits (**Vendor Audits**). Precision’s accreditation and Vendor Audits process is described in greater detail later in this Report.

In addition to actions previously implemented to prevent and reduce the risk of forced and child labour, in 2025, Precision also incorporated new steps, including but not limited to:

- revising contractual terms to include provisions regarding compliance with the Act;
- reviewing Precision’s and peers’ past reports and due diligence processes to ensure Precision meets industry standards related to the Act;
- implemented a Supplier Code of Conduct that sets forth expectations for suppliers, including compliance with all applicable laws and regulations;
- more of Precision’s vendors issued modern slavery statements, adopted human rights policies, and strengthened onboarding processes to demonstrate compliance with the Act;
- conducted multiple vendor audits, which discovered no violations of forced or child labour; and
- 100% of Precision’s employees completed required modern slavery training, embedding awareness of modern slavery risks across the organization and its third-party partners.

OUR POLICIES

Precision does not tolerate forced and child labour. We communicate our values and expectations through our policies by setting a high bar for ourselves, our suppliers, and our customers. Our policies seek to address and eliminate any forced and child labour throughout our supply chain by adhering to legal standards, conducting due diligence, maintaining transparency through monitoring and reporting, protecting whistleblowers, and continuously improving our supply chain practices in line with applicable standards. These measures collectively work to ensure these forms of labour exploitation are properly addressed within Precision's supply chain. We regularly review our policies to identify areas for improvement, a process supported by engaging with external stakeholders and benchmarking against evolving international human rights standards.

Our Human Rights Policy

In 2023, we implemented our Human Rights Policy (**Policy**), which can be accessed through our website. The Policy provides a framework for ensuring that individuals are treated with dignity and respect; that fundamental human freedoms are protected; and that those who violate the Policy are held accountable. Our Policy demonstrates a commitment to protecting fundamental human rights around the world, upholding and enforcing these rights in the workplace.

The Policy applies to all levels of employees and decisions at Precision, from major decisions by our Board of Directors (**Board**) to day-to-day business transactions and activities in which Precision may be involved. The Policy also applies to Precision's vendors and contractors, and we require such parties to comply with the Policy as a condition of doing business with Precision. The Policy outlines the behavior our Board, employees, vendors, customers, contractors, and officers are to follow to maintain our reputation and ethical standards.

The Policy comprehensively addresses various areas, including, but not limited to:



COMPLIANCE WITH LEGAL STANDARDS

Precision employees have the freedom to leave Precision at any time for any or no reason. The Policy commits to adhering to all applicable national and international laws, regulations, and treaties related to human rights, including specific prohibitions on hiring individuals under 18 years of age for positions involving hazardous work, thereby directly addressing child labour concerns.



DUE DILIGENCE

The Policy reflects a commitment to robust due diligence within our sphere of influence, spanning across the entire supply chain. This involves actively assessing and identifying potential human rights violations, including forced and child labour.



TRANSPARENCY

The Policy emphasizes the importance of regular monitoring and reporting of human rights performance. This transparent approach enables us to identify and address any instances of forced and child labor within our supply chain.



WHISTLEBLOWER PROTECTION

The Policy provides several reporting channels for the disclosure of concerns or violations and underscores a commitment to preventing any fear of retaliation against those making good-faith reports. This encourages employees and other stakeholders to report any suspected cases of forced and child labour in our supply chain without fear of retaliation. Please visit Precision's anonymous reporting service, PD EthicsLine, on our website.



ONGOING IMPROVEMENT

Precision's commitment to continuously enhance human rights practices and policies extends to our supply chain. This means actively seeking ways to improve supply chain practices to address and prevent forced and child labour.



ALIGNMENT WITH INTERNATIONAL STANDARDS

By referencing international standards, such as the UN Guiding Principles on Business and Human Rights, the Policy commits to aligning with global best practices. The UN Guiding Principles on Business and Human Rights emphasize the responsibility of businesses to address human rights abuses, including forced and child labour, in their operations and supply chains.



Our Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics (**Code of Conduct**), and our associated policies, procedures, training, and communications, ensure that every employee, vendor, customer, contractor, officer, and director is aware of Precision's values. Our Code of Conduct can be accessed through our website. All employees undergo Code of Conduct training during onboarding, followed by annual refresher training thereafter. Precision provides various secure and accessible channels (internally and externally) with guidelines for reporting concerns or violations. Employees within Precision can reach out to anyone in their management chain or the legal or compliance departments with questions about the application of the Code of Conduct or how to approach difficult workplace situations. Employees may also make confidential or anonymous reports through our PD *EthicsLine*, which is managed by an independent third party. Reports are investigated by management and reviewed quarterly by our Board.

In 2025, Precision implemented our Supplier Code of Conduct, which sets forth Precision's expectations, including but not limited to complying with all applicable laws and regulations. The Supplier Code of Conduct can be accessed through our website.

OUR DUE DILIGENCE PROCESSES

In 2025, Precision continued our due diligence by conducting a comprehensive risk assessment related to forced and child labour within our supply chain. This process includes:

Precision's Vendor Onboarding Due Diligence



1. ONBOARDING QUESTIONNAIRE

Utilizing Precision's vendor onboarding due diligence questionnaire (Vendor Questionnaire) that incorporates specific inquiries related to forced and child labour.



2. THIRD PARTY DUE DILIGENCE

Conducting third party independent due diligence to ensure that our vendors meet our compliance standards.



3. RISK MATRIX

Using a risk matrix to evaluate the responses provided by vendors.



4. COMPLIANCE CERTIFICATES

Requesting Compliance Certificates from vendors where they agree to comply with Precision's Code of Conduct, follow our Human Rights Policy, and certify that they do not use child or forced labour.



5. AUDIT ASSESSMENTS

Performing onsite audits for vendors with high risk scores.

Onboarding Questionnaire

To assess potential risks within the supply chain, Precision uses its Vendor Questionnaire, an onboarding due diligence questionnaire, which incorporates targeted questions pertaining to forced and child labour. The Vendor Questionnaire is distributed to all of Precision's current vendors looking to provide goods or services to Precision.

The Vendor Questionnaire is used to assess vendors through a set of key questions focused on the following areas:

- legal structure – public or private company;
- adherence to specific regulations and standards regarding forced and child labour;
- sourcing practices and any potential association with products tied to forced and child labour directly or indirectly;
- historical allegations or legal actions related to labour abuses, offering insights into the vendor's track record;
- commitment to identifying and mitigating human rights risks, particularly forced and child labour, through established policies and procedures;
- employee training programs implemented by the vendor to identify and report labour risks;
- operational presence in regions known for labour-related issues, or the employment of migrant workers with weaker labour law enforcement; and
- sourcing of goods which Precision has identified as being the highest risk within our supply chain for modern slavery prevalence, such as coveralls, safety work gloves, lithium batteries, or copper, and where such products are purchased or made.

Through this inquiry process, Precision acquires a comprehensive understanding of our vendors' operations, their sourcing of potential high-risk supply chain items, their dedication to ethical labour practices, and the potential risks associated with forced and child labour in our supply chain.

Third Party Independent Due Diligence

Precision continued our engagement with the Kreller Group (**Kreller**), a third-party independent vendor, to assist in our due diligence efforts. Kreller offers a comprehensive suite of domestic and international due diligence and investigative services. Kreller's services help ensure Precision's compliance with local and international regulatory standards while minimizing our potential exposure to risks associated with fraud, regulatory issues, and reputational damage.

Kreller's approach is systematic and thorough, incorporating detailed background checks, financial assessments, and in-depth evaluations of business practices. This enables Precision to gain a full picture of our vendors' operational integrity, financial stability, and adherence to ethical standards. By providing this level of insight, Kreller empowers us to make well-informed decisions.

This proactive risk management strategy also enhances our assessment of vendor credibility, fostering transparent and ethical practices in all our engagements. Ultimately, these services are instrumental in supporting Precision's success, safeguarding our interests, and cultivating sustainable, responsible growth in both local and global markets.



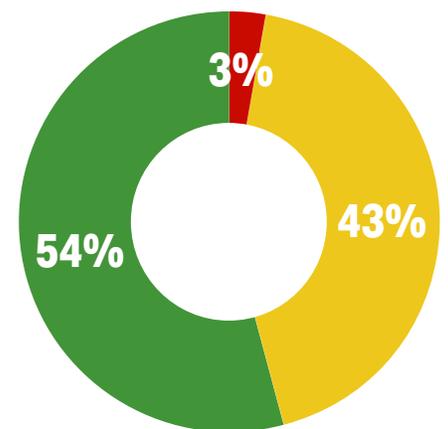
Risk Matrix

To systematically assess the responses to Precision's Vendor Questionnaire and determine the risk levels associated with each vendor, Precision assigned numerical values to each response. Questions and answers that pose more risk have been assigned higher numerical values.

For instance, if a vendor trains its employees to identify the risks related to forced and child labour, then the vendor receives no points for its answer. If the vendor does not train its employees in identifying the risks, then the vendor receives four points, which is the maximum for an answer. In addition, certain classes of suppliers that provide goods that create a high-risk for our sector receive higher points. Thus, not all questions are worth the same number of points as they may or may not indicate a higher likelihood of non-compliance.

Precision calculates the vendor's total score based on its responses to the questions within the Vendor Questionnaire to determine its level of risk. A score of 1-10 indicates a vendor with low risk, a score of 11-19 indicates a vendor with medium risk, and a score of 20 or more indicates a vendor with a high-risk concerning forced and child labour issues within its supply chain.

PRECISION'S VENDOR RISK PROFILE



-  **Low Risk**
-  **Medium Risk**
-  **High Risk**

Compliance Certificate

In addition to the Vendor Questionnaire, Precision requests that vendors execute and return a formal Compliance Certificate addressing specific ethical, legal, and labour-related standards within the vendor's operations and supply chain. Precision's Compliance Certificate focuses on the following issues:

Acknowledgment of Precision's Code of Conduct: Vendors certify that they have read and understand the Code of Conduct and agree not to take any actions that would cause Precision or its employees to be in violation of the Code of Conduct.

Compliance with Applicable Laws: Vendors certify that they are in compliance with all applicable laws, including laws related to labour, human rights, and any other legal requirements relevant to their operations.

Declaration of No Forced Labour and Child Labour: Vendors are required to state, to the best of their knowledge after conducting a diligent due inquiry, that forced labour and child labour are not used, directly or indirectly, at any stage of the production of goods made, purchased, or distributed by the vendor and subsequently sold to Precision.

Commitments to Address Labour Risks: Vendors further commit to the following actions:

- assessing the parts of their business and supply chains that carry a risk of forced and child labour,
- implementing and updating policies to address those risk areas within their business and supply chains,
- taking measures to manage the risk of forced labour and child labour in their operations, and
- taking measures to remediate any forced or child labour discovered in their business and supply chains, which may include steps to rectify the loss of income to vulnerable families affected by these practices.

Reporting Obligation: Vendors are required to promptly inform Precision if any undisclosed or subsequent developments arise that make the representations and warranties in the Certificate inaccurate or incomplete.

Consequences of Non-Compliance: Vendors understand if they breach the terms of the Compliance Certificate, Precision may take various actions, including withholding payment for invoices or terminating its agreement and business relationship with the vendor. These actions can be taken with written notice, effective immediately.

In summary, the Compliance Certificate serves as a formal commitment by vendors to adhere to ethical and legal standards in operations, especially concerning forced and child labour. It also outlines the consequences of non-compliance, reinforcing the importance of maintaining responsible and ethical business practices within the supply chain.

In 2025, some of Precision's vendors published modern slavery statements/ reports, implemented human rights policies, and enhanced their onboarding processes, which certified their commitment to comply with the Act.



Audit Assessments

As part of Precision's commitment to using vendors compliant with the Act in our Canadian supply chain, high-risk vendors are subject to vendor audits by Precision. Vendor Audits are conducted to identify possible infringements of forced and child labour being used in Precision's supply chain. If a Vendor Audit reveals any non-compliance issues, then Precision may provide the vendor an opportunity to take corrective actions.



Precision may take the following steps when performing a Vendor Audit:

1

Pre-Audit Assessment:

- Collecting background information about the vendor, including location, size, and scope of operations.
- Identify any high-risk activity associated with the vendor's industry or country of operation.

2

Audit Planning:

- Develop a comprehensive audit plan that outlines the objectives, scope, and methodology of the Vendor audit.
- Define the audit team's roles and responsibilities, and documentation required.

3

On-Site Audit:

- Perform site visits to reduce the likelihood of the vendor non-compliance.
- Conduct interviews with the vendor's management, employees, and other relevant stakeholders to gather information.
- Inspect the workplace to identify any signs of forced or child labour, such as poor working conditions, restricted freedom of movement, or inadequate safety measures.

4

Document Review:

- Examine relevant documents related to employment practices, including hiring procedures, working hour records, age verification documents, and policies.
- Verify the accuracy of payroll records and compare them with employee contracts and relevant legal requirements.

5

Reporting and Follow-Up:

- Prepare audit reports that include audit findings, recommendations, and suggested corrective actions.
- Provide the vendor with a reasonable timeframe to address any non-compliance issues.
- Conduct follow-up Vendor audits to ensure that the vendor has implemented necessary corrective actions.
- Consider termination of the business relationship if the vendor fails to adequately address its non-compliance.

In 2025, Precision conducted multiple Vendor Audits, and no violations of forced or child labour were found. The Vendor Audits confirmed that the high-risk vendors complied with ethical standards and legal requirements related to forced and child labour.

Our Employee Onboarding Due Diligence Process

In addition to adopting the Policy that prohibits forced and child labour, Precision takes other rigorous measures to prevent forced and child labour in our workforce. Our human resources department verifies that all employees meet the legal work eligibility requirements in their respective jurisdictions by requiring official documentation to confirm applicants are of legal working age to ensure compliance with forced and child labour regulations. Employment offers are extended to both new and previously employed individuals, who have the option to accept or decline the offer freely. Additionally, all employees undergo Code of Conduct training during onboarding. Furthermore, Precision provides our employees with secure and accessible channels (internally and externally) with guidelines for reporting concerns or alleged violations anonymously.

OUR MODERN SLAVERY AWARENESS TRAINING

Precision is committed to fostering a culture of awareness, accountability, and respect for human rights across our workforce and supply chain. We emphasize the importance of ethical business practices and compliance with all applicable laws, including those prohibiting forced labour, child labour, and other forms of modern slavery.

To support Precision's commitment, the Code of Conduct training includes a comprehensive human rights component designed to increase awareness, prevent potential violations, and provide clear mechanisms for raising and addressing human rights concerns. This mandatory training applies to all employees: field and office personnel, management, executives, and the Board.

We deliver training through a variety of methods, including online courses and in-person sessions, to ensure accessibility and effective learning. Precision develops and maintains our own training programs, tailoring content to reflect current risks, relevant events, and specific considerations for our operations and geographies. As part of our onboarding process, all new employees must successfully complete the human rights and modern slavery training before beginning their roles.

In 2025, 100% of employees, both new and existing, completed the required training, and 100% of our supply chain partners completed the modern slavery awareness training. This ensures that awareness of modern slavery risks is embedded throughout our organization and within the third parties who support our operations.



ASSESSMENT OF EFFECTIVENESS

By using our Vendor Questionnaire, independent due diligence, risk matrix, Compliance Certificate, and Vendor Audit assessment process, Precision addresses potential forced and child labour issues in our Canadian supply chain. If Precision's vendors are not adequately responsive to Precision's efforts, they may face consequences, including, but not limited to, suspension and ineligibility to conduct any future transactions with Precision.

Even if Precision has received the requested documentation from a vendor, but later discovers through our routine monitoring or Vendor Audits that any previously unnoticed concerns or risks arise, Precision reserves the right to take action, including terminating the business relationship and blocking the vendor from our systems.

On a regular basis, Precision reevaluates effectiveness in preventing or eliminating the use of forced and child labour in our supply chains. We do so by reviewing our processes, our policies, training materials, and including modern slavery risk considerations into our governance processes, such as Precision's new Supplier Code of Conduct.



REMEDATION MEASURES

During our 2025 Vendor Audits, no violations were found. At the time of the publication of this Report, Precision is not aware of any instances of forced and child labour in our Canadian operations or those of our vendors, suppliers, or service providers. Accordingly, we have not identified any instances requiring remediation of forced and child labour or requiring measures to address loss of income to vulnerable families that could result from remediation efforts. However, we have established protocols to address such situations should they arise in the future.

If an issue were ever identified, we will investigate the situation thoroughly and work with the relevant parties to determine the appropriate steps to take, which could include working with the vendor to correct the problem, ending the relationship if necessary, or taking reasonable steps to reduce any negative impact on affected individuals.

We will continue to review our practices to help ensure fair and responsible working conditions throughout our business and supply chain.

CONCLUSION

In 2025, Precision continued to improve our Canadian supply chain to ensure that every aspect of our operations aligns with our unwavering commitment to ethical practices and human rights.

This assessment is part of our proactive approach to maintain and enhance the integrity of our operations. This Report ensures that all stakeholders have insight into Precision's supply chain practices.

We express our gratitude to our stakeholders for their continued support as we work to ensure that our supply chain maintains the highest standards of ethical conduct. Together, we will continue to build a future where ethical and responsible business practices reflect our dedication to fairness, respect, and social responsibility in every aspect of our operations.

ATTESTATION

In accordance with the requirements of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c. 9 (the "Act"), and in particular Section 11 thereof, we attest that we have reviewed the information contained in the Report for the entity listed above. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in the Report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.

March 9, 2026



A handwritten signature in black ink, appearing to read "S. Krablin".

Steve Krablin
Chairman of the Board
I have the authority to bind
Precision Drilling Corporation.



A handwritten signature in black ink, appearing to read "Carey Ford".

Carey Ford
President & CEO
I have the authority to bind
Precision Drilling Corporation.