



**TECHNOLOGY ● DEPLOYED ● SIMPLY**

**PASON SYSTEMS INC.**

MODERN SLAVERY REPORT 2025

Published May 7, 2026

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# INTRODUCTION

Pason Systems Inc. and its subsidiaries (the “Pason Entities”) are committed to preventing the occurrence of forced labour and child labour in our operations and supply chains. Pason strictly prohibits child labour, forced labour and all other forms of slavery and we expect that our suppliers share in our commitment to ethical and responsible business practices.

This report (the “Report”) has been prepared pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “Act”) as a joint report by Pason Systems Inc., on its own behalf, and on behalf of the wholly owned and controlled entities (as such term is defined in the Act) identified below:

ENTITY LEGAL NAME	STRUCTURE	LOCATION OF REGISTERED OFFICE	NUMBER OF EMPLOYEES
Pason Systems Inc.	Public Holding Corporation	Alberta, Canada	0
Pason Systems Corp.	Private Operating Corporation	Alberta, Canada	366
Intelligent Wellhead Systems Inc.	Private Operating Corporation	Alberta, Canada	87
Pason Canada Holdings Corp.	Private Holding Corporation	Alberta, Canada	0

## OUR STRUCTURE AND BUSINESS

The Pason Entities provide end-to-end specialized data management systems for oil and gas drilling (“Drilling”) and completions (“Completions”) operations globally. The Pason Entities’ solutions, which include data acquisition, wellsite reporting, automation, remote communications, web-based information management, and data analytics, enable customers to securely access critical well construction and operations information for real-time decision making. Through Energy Toolbase Software, Inc., we also provide products and services for the solar power and

The financial reporting year to which this report relates commenced on January 1, 2025, and ended on December 31, 2025.



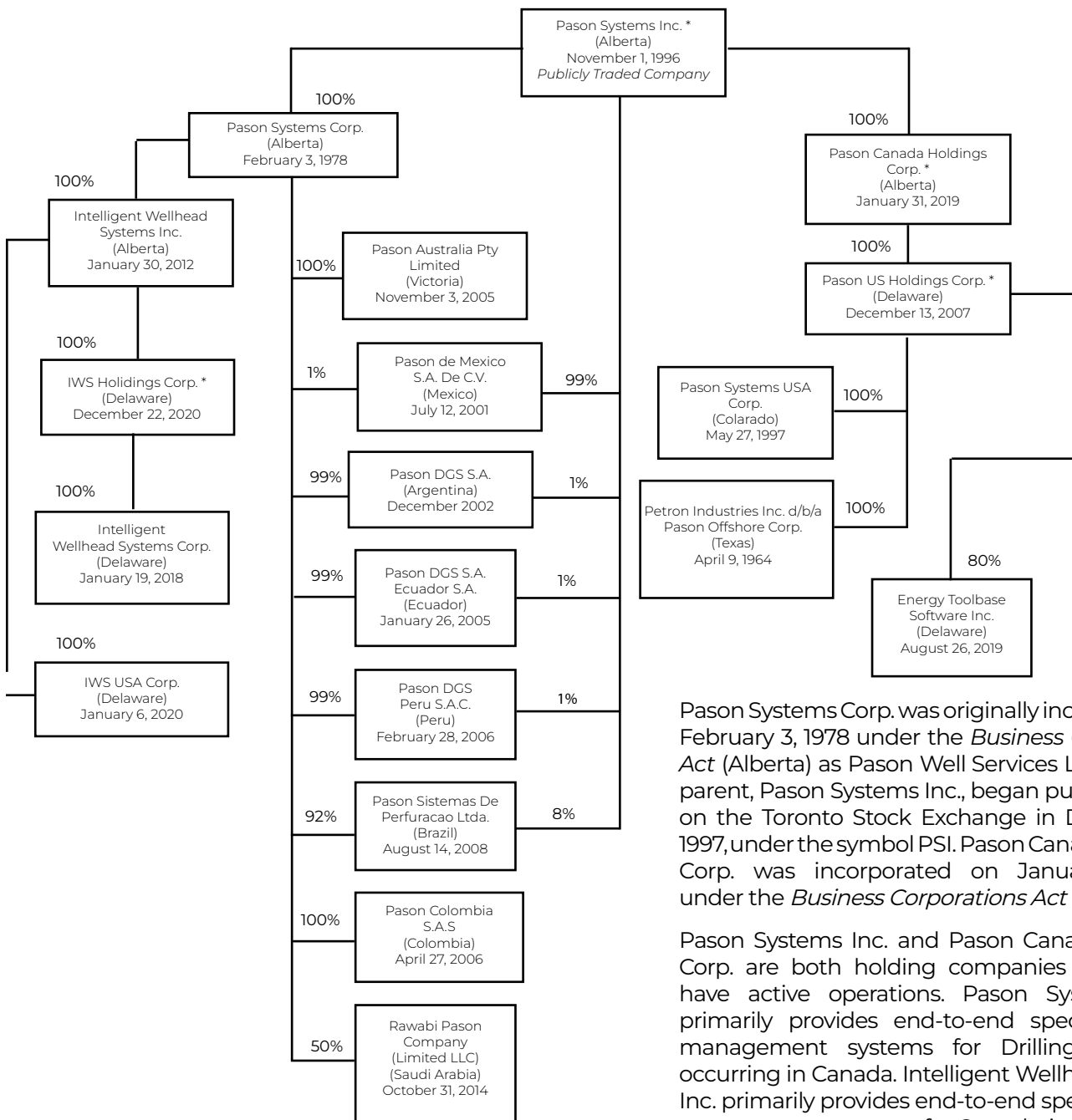
energy storage industry. The Pason Entities’ products and services are primarily comprised of hardware and software provided on a rental basis to drilling rigs in the context of Drilling operations, and wellsites in the context of Completions operations, operating across the globe. The Pason Entities’ system of computers, instrumentation, and monitoring equipment is networked around the drilling rig or wellsite to provide access to data both at the wellsite and at customer offices. The software installed on the Pason Entities’ hardware provides a variety of monitoring, guidance and data storage tools.

# PASON SYSTEMS INC.

## GLOBAL ORGANIZATIONAL CHART

(Majority owned entities and Joint Venture)

The following chart shows Pason Systems Inc.'s organizational structure and material subsidiaries and partnerships as at December 31, 2025, including the jurisdiction where each entity was incorporated, formed or continued.



Pason Systems Corp. was originally incorporated on February 3, 1978 under the *Business Corporations Act* (Alberta) as Pason Well Services Ltd. Its public parent, Pason Systems Inc., began publicly trading on the Toronto Stock Exchange in December of 1997, under the symbol PSI. Pason Canada Holdings Corp. was incorporated on January 31, 2019 under the *Business Corporations Act* (Alberta).

Pason Systems Inc. and Pason Canada Holdings Corp. are both holding companies and do not have active operations. Pason Systems Corp. primarily provides end-to-end specialized data management systems for Drilling operations occurring in Canada. Intelligent Wellhead Systems Inc. primarily provides end-to-end specialized data management systems for Completions operations occurring in Canada.

As such, the term “Pason” as used in this Report refers to Pason Systems Corp. and Intelligent Wellhead Systems Inc., and any description of the activities and supply chain of Pason refers to those of Pason Systems Corp. and Intelligent Wellhead Systems Inc., unless otherwise noted.

## OUR SUPPLY CHAIN

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The Pason Entities' global operations leverage a centralized supply chain function located in Canada and Pason is tasked with overseeing supplier management processes and procedures across all the Pason Entities. These goods and services are sourced for the Pason Entities' use within our operations.

Pason utilizes local and global vendors to supply different categories of goods and services including, but not limited to:

- **Rental products.** Pason manufactures the majority of our Completions rental products in-house in facilities located in Canada. The remaining Completions rental products, along with all Drilling rental products, are produced by a select group of long-standing contract manufacturers ("CMs"). These CMs manufacture and assemble products in accordance with Pason's technical specifications and deliver the finished goods to Pason. While Pason defines the required technical standards, all components used in the manufacturing process are ultimately sourced and procured directly by the CMs.

Most of these CMs operate production facilities in Canada and the United States, with a small percentage of production capacity in Mexico.

- **Electrical, electronic and computer components.** These parts are required for the maintenance, repair, and operation of Pason's Drilling and Completions rental products. Pason sources these components from a small group of suppliers primarily in Canada and the United States.
- **Truck fleet.** Pason sources our truck fleet from suppliers located in Canada and engages local companies to outfit the trucks with custom service bodies.
- **Services.** Pason utilizes third-party service providers for data hosting, software, and corporate or facility services (such as cleaning services and security services). The majority of these service providers are based in Canada and the United States.

In 2025, the majority of goods and services procured by Pason were sourced in Canada and the United States.

## OUR POLICIES AND DUE DILIGENCE PROCESSES

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### Workforce Risk Management

Pason is committed to maintaining transparent and morally sound workforce management practices, with a focus on ensuring a safe working environment and the welfare of all our employees. Pason's Human Resources ("HR") department is dedicated to overseeing and addressing the risk of modern slavery within our workforce. Pason sets standards for legal and ethical conduct in recruitment, employment, and management of both employees and contractors, and our HR team ensures compliance in our operations.

Pason's Code of Conduct and Ethics (the "Code") sets out our commitment to universal human rights and prohibits the use of any form of modern slavery by Pason, including forced labour or child labour. The Code also sets out Pason's commitment to provide a workplace free

of discrimination and harassment, to promote diversity in the workplace, and to ensure a safe and healthy work environment for all employees.

The Code offers multiple reporting channels for disclosing violations or expressing concerns regarding potential breaches, including a confidential whistleblower hotline. Pason actively encourages employees to report any potential breaches of the Code, including suspected instances of modern slavery involving a supplier, without fear of retaliation. Pason's Code is available on our website at: [www.pason.com/investors](http://www.pason.com/investors).

To mitigate the risk of modern slavery, Pason has implemented various controls including:

- Following documented recruitment policies and procedures that align with local regulations.

- Ensuring candidates meet the legal working age criteria as per local standards.
- Providing written employment contracts in a language comprehensible to workers, outlining wages, working hours, and employment conditions.
- Not retaining worker identity documents or enforcing penalties that restrict workers from leaving their employment.
- Adhering to local taxation and worker entitlements legislation regarding wages and internal fees.
- Regularly reviewing and benchmarking wages based on industry standards and ensuring compliance with local minimum wage laws.
- Establishing channels for workers to raise grievances with their managers, the Legal department, HR, or anonymously through our confidential whistleblower hotline.
- Taking appropriate action, including disciplinary measures or reporting to authorities where necessary, if legislative standards are not met.
- Enforcing a binding standard of behaviour outlined in our Code, applicable to all individuals within the organization, including directors, officers, managers, employees, and internal contractors.

## Supply Chain Risk Management

Modern slavery risk in Pason's supply chain

is overseen at an executive level by our Vice President, Operations, and is managed by our centralized supply chain team based out of Canada. Supplier risks are identified during our onboarding process for key suppliers and managed on a continuous basis by the supply chain team. All enterprise risk management, including modern slavery risk, is overseen by our Audit Committee. Pason's Vice President, Legal and Corporate Secretary reviews compliance matters quarterly with the Audit Committee.

Pason's Supplier Code of Conduct and Ethics (the "Supplier Code") prohibits the use of all forms of slavery in our suppliers' business operations, including child labour and forced labour, and requires that the supplier and its supply chain conduct appropriate due diligence to ensure that these forms of labour are not employed. Similar to the Code, the Supplier Code imposes analogous obligations on Pason's suppliers regarding discrimination, harassment, diversity and the safety and well-being of their workers. The Supplier Code is available on Pason's website at: [www.pason.com/investors](http://www.pason.com/investors).

Pason has also introduced a risk assessment process regarding forced labour and child labour focused on our key suppliers within our supply chain. Under this initiative, Pason:

- Has updated our supplier onboarding due diligence process to incorporate an assessment of modern slavery risk for key suppliers.
- Has requested that key suppliers complete a Supplier Questionnaire and Compliance Certification (the "Questionnaire") in which they agree to comply with Pason's Supplier Code and certify that they do not use child or forced labour.
- Conducts regular site visits and inspections of select key suppliers, at Pason's discretion.

Through these targeted initiatives focused on our key suppliers, Pason is demonstrating our firm dedication to ethical sourcing practices and ensuring that our supply chain operates in alignment with these principles. Each of these initiatives are discussed in more detail below.

### *Supplier Onboarding Due Diligence Process*

Pason has enhanced our onboarding process for key suppliers to include modern slavery indicators, such as forced labour and child labour



risks. When onboarding key suppliers, Pason will review the supplier's modern slavery report, if available. In cases where such a report is not available, Pason will examine the supplier's other publicly accessible disclosures to determine whether the supplier has made a public commitment to comply with applicable laws regarding forced labour and child labour, and to identify and mitigate risks related to forced labour and child labour. If such documentation is not readily available, Pason may send the key supplier a Questionnaire for further assessment and verification. Pason includes contractual terms related to modern slavery in contracts executed with key suppliers.

#### *Supplier Questionnaire and Compliance Certification*

Pason has conducted an initial risk assessment of our supplier base, with enhanced categorization and due diligence applied to key suppliers, depending on the nature of their business operations and the product or service supplied. Pason distributes the Questionnaire to select key suppliers who have not yet made public commitments to address and mitigate the risks associated with forced labour and child labour.

The Questionnaire comprises targeted inquiries aimed at the following:

- Verifying the supplier's adherence to the Act;
- Requiring the supplier to disclose any violations of the Act within the preceding 12 months;
- Confirming the supplier's commitment to

identifying and mitigating human rights risks, particularly pertaining to forced or child labour, through established policies and procedures; and

- Requesting that the supplier provide a declaration confirming, to the best of their knowledge, the absence of forced labour or child labour within its supply chain.

Through this inquiry process, Pason has gained a more thorough understanding of our key suppliers' operations, their dedication to ethical labour practices, and the potential risks associated with forced or child labour in their supply chains. Pason will continue to collaborate with suppliers to ensure that modern slavery risks are addressed.

#### *Site Visits and Inspections*

Pason engages with key partners in our supply chain on the issue of addressing forced labour and child labour. As part of our supply chain due diligence, we conduct regular site visits of certain vendors, including CM facilities, to confirm suppliers' compliance with contractual requirements and the Supplier Code. These audits may include any of the following activities:

- Conducting planned or unannounced visits.
- Conducting interviews with the supplier's management and employees.
- Inspecting the supplier's workplace to identify any signs of forced or child labour, such as poor working conditions, restricted freedom of movement, or inadequate safety measures.



# RISKS AND MEASURES

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## RISKS OF FORCED LABOUR AND CHILD LABOUR IN OUR BUSINESS AND SUPPLY CHAINS

As a leading provider of specialized data management systems, the likelihood of modern slavery within our direct business operations is minimal due to the predominantly skilled nature of our workforce. Our workforce is mainly comprised of skilled workers such as engineers, software developers, field technicians, sales professionals, and information technology experts. Additionally, although Pason has global operations, our equipment manufacturing is limited to Canada, the United States, and Mexico, and our software development is performed exclusively in Canada. This structure results in a relatively low risk of modern slavery within our direct operations. Nonetheless, Pason remains committed to maintaining compliance and integrity in our workforce management practices.

While we believe that the risk of forced labour or child labour within Pason's operations and among our key direct suppliers is low for the reasons identified in this Report, there is the

potential for such risks to exist further along the supply chain, particularly with the procurement of certain consumables and parts in the contract manufacturing process outside of Pason's direct control. Although most inputs into Pason's supply chain originate from the United States and Canada where the risks of forced labour and child labour are minimal, there is a possibility we could be exposed to these risks if sourcing components from countries with a higher prevalence of modern slavery.

Factors contributing to the risk of forced labour or child labour in Pason's supply chain include the sector or industry in which Pason operates (e.g., oil and gas extraction), the types of products sourced (e.g. electrical, electronic and computer components), and suppliers situated further down the supply chain.

While we have initiated efforts to identify and mitigate these risks, there are still gaps in our assessment. As of the date of this Report, Pason has not encountered any instances of forced labour or child labour within our operations or supply chain.

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## MEASURES TAKEN TO REMEDIATE FORCED OR CHILD LABOUR

Pason has not identified any forced labour or child labour in our activities and supply chains.

## MEASURES TAKEN TO REMEDIATE THE LOSS OF INCOME TO THE MOST VULNERABLE FAMILIES THAT RESULT FROM ANY MEASURES TAKEN TO ELIMINATE THE USE OF FORCED OR CHILD LABOUR IN OUR ACTIVITIES OR SUPPLY CHAINS

Pason has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.



# EMPLOYEE TRAINING

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Members of Pason's supply chain team complete mandatory training on modern slavery, including forced labour and child labour risks, to support awareness and risk identification. In addition, all employees and independent contractors are required to complete training on Pason's Code at the commencement of their engagement and periodically thereafter.

The Code training outlines Pason's standards of ethical business conduct, including expectations relating to human rights, respectful workplace behaviour, and ethical decision-making. This training incorporates content on forced labour and child labour risks as part of Pason's broader compliance training program.



## MEASURING OUR EFFECTIVENESS

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Pason recognizes that addressing risks such as modern slavery involves maintaining internal controls designed to help identify and manage relevant risks. We periodically review the suitability of our existing risk controls and update our processes and procedures as appropriate. For example, we are reviewing aspects of our due diligence processes to improve visibility into potential modern slavery risks during supplier evaluation.

The effectiveness of Pason's approach to modern slavery is monitored through oversight provided by our Audit Committee. This oversight may include targeted reviews of certain suppliers to assess alignment with our supplier requirements. In addition, Pason's confidential whistleblower hotline provides a mechanism for employees to raise concerns related to labour rights issues. Information received through these channels helps inform our ongoing evaluation of controls and identify opportunities for improvement.

# BOARD APPROVAL

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In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I 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.

May 7, 2026



Marcel Kessler  
Chair of the Board  
I have authority to bind Pason Systems Inc.



Jon Faber  
President & CEO  
I have authority to bind Pason Systems Inc.



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