

CONTRIBUTED
\$617M

TO THE LOCAL ECONOMIES
IN WHICH WE OPERATE
THROUGH EMPLOYEE
WAGES AND BENEFITS,
AND GOODS AND
SERVICES PURCHASES



31,500+ HOURS
EMPLOYEE TRAINING

PRECISION EMPLOYEES

5TH
LARGEST
SHAREHOLDER

TOTAL REVENUE
\$935 M



6,600 KM
DRILLED

3,150

AVERAGE NUMBER
OF EMPLOYEES
FROM 25
NATIONALITIES



7 OF 8

INDEPENDENT
DIRECTORS

325 TRIPLE
TARGET
ZERO DAYS

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A message about Corporate Responsibility from the **President and Chief Executive Officer**

As part of our ongoing commitment to drive positive change for our stakeholders, we are pleased to present our 2nd annual Corporate Responsibility Report. In this report, Precision updates readers on our progress regarding: employee engagement, health and safety, protecting the environment where we work, workplace inclusion and diversity, employee training and development, climate change and the energy transition, our pandemic and crisis response, our community involvement, and our Corporate Governance performance.

Corporate Responsibility is a fundamental element of Precision's High Performance, High Value business strategy and we strive to ensure that our business has a positive impact on our employees, our stakeholders, the communities where we operate, and the environment. Our commitment to community engagement, business ethics, diversity, and steadfast corporate governance guides every aspect of our operations and shapes the foundation of our Corporate Responsibility goals.

We believe this begins with our Passionate People, whom we entrust to deliver High Performance, High Value services to our customers. To develop Passionate People, we recruit quality individuals from diverse backgrounds and invest heavily in skills, safety, and leadership education for them. We provide significant career development opportunities and industry-leading operating protocols as we firmly believe our best future leaders are developed internally.

2020 marked the best year of safety performance in our Company's history, and we endeavor to work hard every day to further refine and enhance our HSE standards and processes. Most notably, in 2020, we implemented a new HSE Assurance program focused on verifying and validating our HSE Management Systems. I am particularly proud of the exemplary health and safety performance of our people during these challenging times and thank all employees for their individual and collective contributions to Precision's success.

We acknowledge the risks related to climate change and we believe we play an important role in the reduction of Greenhouse Gas (GHG) emissions. The energy consumed in oil and gas drilling operations is one of the largest cost drivers for our customers. This creates a natural alignment between Precision and our customers to leverage our new Alpha digital technologies to reduce energy consumption and GHG emissions



during drilling operations while also improving drilling efficiencies. Our pad walking rig systems eliminate hundreds of hours of heavy hauling truck usage for each pad well drilled. Our investments in reduced GHG power systems include natural gas-powered rigs, electric-grid-powered rigs, hybrid battery rig power systems, and other initiatives currently under development that will continue to assist our customers in driving down their GHG emissions and environmental footprint.

In 2020, we completed a GHG Emission baseline, reviewed and updated our Materiality Study, reviewed our disclosures as compared to Sustainable Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD), adjusted our Enterprise Risk Management to include climate-related risks, and tied Environmental, Social, and Governance (ESG) related Short-Term Incentive Plan (STIP) metrics to compensation.

The global energy transition to replace nonrenewable hydrocarbons as an energy storage medium is underway; however, this will be a multigenerational long-term transition. Significant breakthroughs are required in electrical energy storage, hydrogen production, and infrastructure systems and for other renewable fuels and energy storage techniques. Aligned with the Energy Information Association (EIA), International Energy Association (IEA), and other leading energy advisors, we anticipate that global oil and gas demand will continue to grow as the world emerges from the COVID-19 pandemic and as developing nations continue to seek economic growth and an improved standard of living for their citizens.

In 2020, the COVID-19 pandemic caused unprecedented health, social, and economic upheaval worldwide. We quickly responded and adapted by immediately implementing our COVID-19 Infectious Disease Plan, which included remote and flexible work where possible and comprehensive health and safety standards and processes to protect those people required to stay on the job. As a result, we did not suffer any shutdowns, interruption of services, or any capability reductions due to the pandemic.

We know that our success depends on our working together in an atmosphere of trust and respect. In the end, reaching our collective potential comes down to the actions and decisions made on an individual level. All of us have a responsibility to Precision, to its stakeholders, and to ourselves to understand our roles and fulfill them competently and ethically. From our Board of Directors' commitment to steadfast corporate governance to our enduring culture of delivering operational excellence to our customers, Precision generates results responsibly every day.

We remain committed to operating with the highest ethical standards, maintaining the highest priority on diversity, the safety and health of our workforce, and protecting the environment in the communities where we operate. We look forward to continuing to share our Corporate Responsibility performance and ESG targets in 2021.



Kevin Neveu
President and Chief Executive Officer

ABOUT PRECISION

Precision Drilling Corporation (Precision) provides onshore drilling, completion, and production services to energy companies in the oil and natural gas and geothermal industries. We offer customers access to an extensive fleet of high-efficiency Super Series drilling rigs, further enhanced by our commercialized and industry-leading Alpha™ Suite of Technologies. Precision has partnered with several industry leaders to develop its digital portfolio consisting of AlphaAutomation™, AlphaApps™, and AlphaAnalytics™, which delivers efficient, predictable, and repeatable results through enhanced drilling performance.

From our founding as a private drilling contractor in 1951, Precision has grown to become one of the most active drillers in North America. Our High Performance, High Value competitive advantage is underpinned by four distinguishing features:

- A high-quality drilling rig fleet, with AC Super Triple rigs capable of supporting our Alpha™ Suite of Technologies to deliver consistent, repeatable, high-quality wellbores while improving safety, performance, and operational efficiency.
- Size and scale of our vertically integrated operations that provide higher margins and better service capabilities.
- A culture focused on operational excellence, which includes corporate responsibility, safety, and field performance.
- A capital structure that provides long-term stability, flexibility, and liquidity, allowing us to take advantage of business cycle opportunities.

HIGH
PERFORMANCE
HIGH VALUE

WHAT WE DO

- ✓ Drill oil, natural gas, and geothermal wells at the direction of our customers
- ✓ Drill oil and natural gas wells at the direction of our E&P customers
- ✓ Prioritize health, safety, and environmental stewardship while delivering superior services
- ✓ Develop rig technology focused on increasing efficiency, keeping our employees safe, and reducing our environmental footprint
- ✓ Train field staff at three drilling technical centres, two in Nisku and Red Deer, Alberta and one in Houston, Texas
- ✓ Employ approximately 3,150 people
- ✓ Provide a full range of health, disability, retirement, and educational assistance benefits for our employees

WHAT WE DO NOT DO

- ✗ Transport, refine or store oil, and natural gas
- ✗ Hydraulic fracturing
- ✗ Own, lease, or manage land where our rigs operate
- ✗ Participate in downstream operations
- ✗ Treat or dispose of wastewater from drilling sites

OUR VISION

To be globally recognized as the *High Performance, High Value* provider of land drilling services.

OUR MISSION

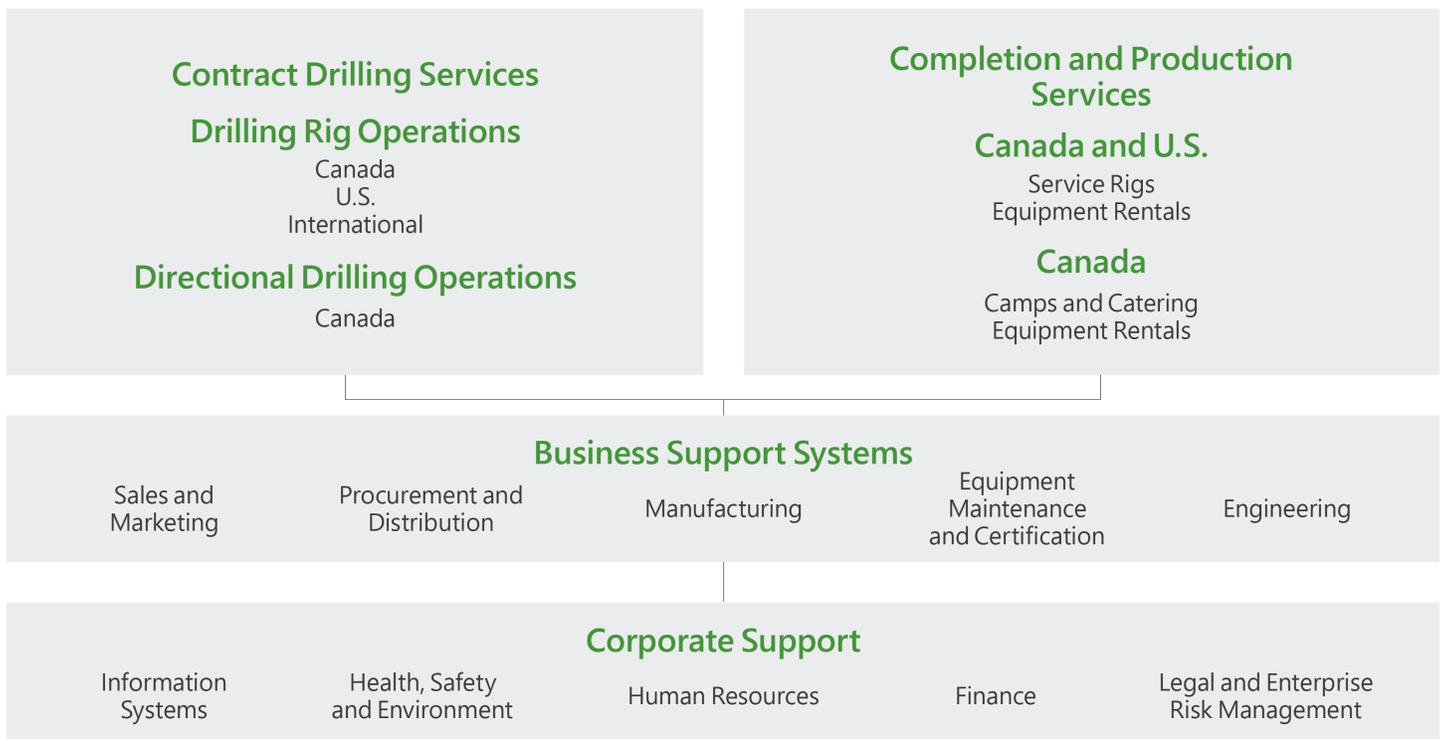
We deliver High Performance through passionate people supported by quality business systems, drilling technology, equipment, and infrastructure designed to optimize results and reduce risks.

We create High Value by operating safely and sustainably, lowering our customers' risks and costs while improving efficiency, developing our people, and generating superior financial returns for our investors.

OUR BUSINESS

Precision operates its business in two segments where we deliver maximum efficiencies, help our customers minimize risk, reduce well costs, and generate returns on their investments. Our highly-skilled and trained crews provide safe, consistent, repeatable, and reliable service knowing they can rely on our corporate support systems.

PRECISION DRILLING CORPORATION



CONTRACT DRILLING SERVICES

We provide onshore drilling services to energy companies in the oil and natural gas and geothermal industries, operating in Canada, the U.S., and internationally.

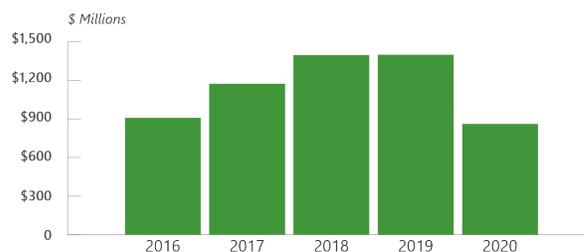
We are a large, multi-basin oilfield operator servicing approximately 33% of the active land drilling market in Canada and 8% of the active U.S. market. We also have an international presence with operations in the Middle East.

At December 31, 2020, our Contract Drilling Services segment consisted of:

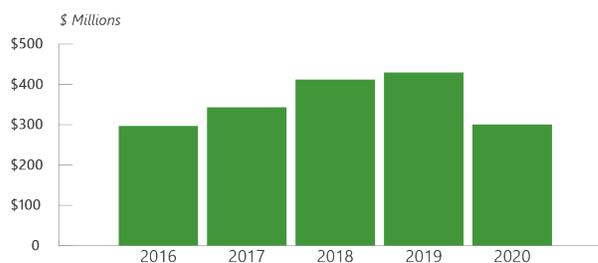
- **227 Super Series land drilling rigs, including:**
 - 109 in Canada
 - 105 in the U.S.
 - 6 in Kuwait
 - 4 in Saudi Arabia
 - 2 in the Kurdistan region of Iraq
 - 1 in the country of Georgia
- **Directional drilling services in Canada**
- **Engineering, manufacturing, and repair services, primarily for Precision's operations**
- **Centralized procurement, inventory, and distribution of consumable supplies for our global operations**
- **Diverse offering of digital technologies from our Alpha™ portfolio including:**
 - 39 Alpha™ Rigs with commercial AlphaAutomation™
 - 18 AlphaApps™, six of which are commercial
 - Deployed commercial AlphaAnalytics™ offering

Our Super Series rigs are highly mobile and mechanized, which make them safer and more efficient in drilling directional and horizontal wells than older generation drilling rigs. Our Super Series rigs have a broad range of features to meet a diverse range of customer needs with a focus on high efficiency drilling applications, from drilling shallow- to medium-depth wells to deeper, extended reach horizontal well bores and all depths of conventional wells. Available features include AC power, digital control systems, integrated top drives, omni-directional pad walking systems for multi-pad well drilling, highly mechanized pipe handling, and high-capacity mud pumps.

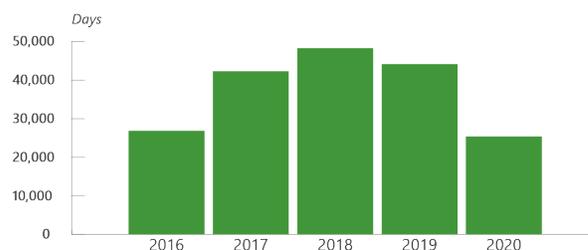
Contract Drilling Revenue



Contract Drilling Adjusted EBITDA



Contract Drilling Utilization Days



COMPLETION AND PRODUCTION SERVICES

We provide well completion, workover, abandonment, and re-entry preparation services to energy companies in Canada and the U.S. In addition, we provide equipment rentals and camp and catering services in Canada.

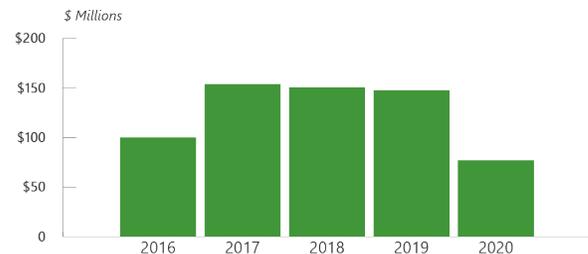
On an operating hour basis in 2020, we serviced approximately 10% of the well completion and workover service rig market demand in Canada and 1% in the U.S.

At December 31, 2020, our Completion and Production Services segment consisted of:

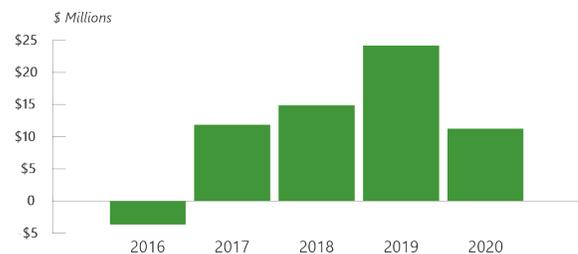
- **123 registered well completion and work-over service rigs, including:**
 - 113 in Canada
 - 10 in the U.S.
- **Approximately 1,400 oilfield rental items, including surface storage, small-flow water treatment, power generation, and solids control equipment, primarily in Canada**
- **113 wellsite accommodation units in Canada**
- **966 drill camp beds, 822 base camp beds, and three kitchen diners in Canada**

At December 31, 2020, we had 75 additional well completion and work-over service rigs in Canada that were not registered with the industry association.

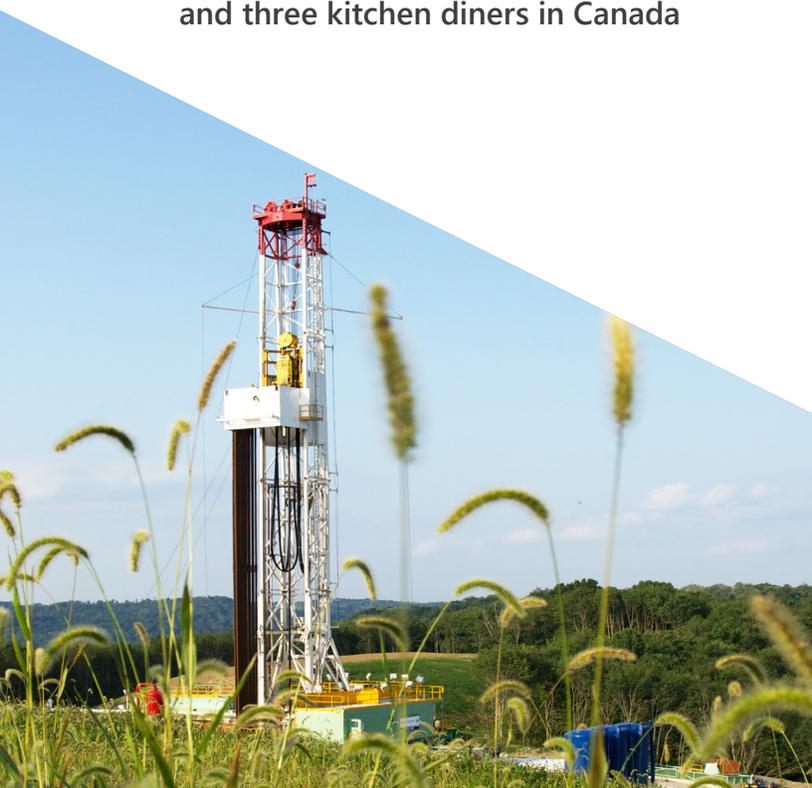
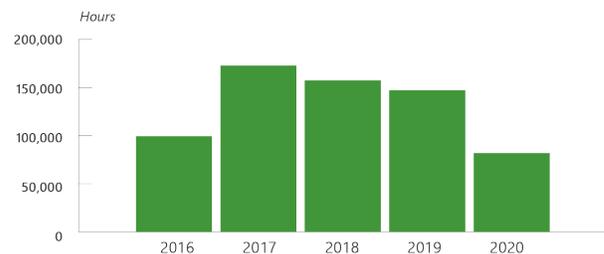
Completion and Production Revenue



Completion and Production Adjusted EBITDA



Completion and Production Service Rig Hours



OUR COMPETITIVE ADVANTAGE

Providing *High Performance, High Value* services to our customers represents the core focus of our competitive strategy. We keep customer well costs down by maximizing operating efficiency in several ways:

- Using innovative and advanced drilling technology that is efficient and reduces costs.
- Having equipment that is geographically dispersed, reliable, and well maintained.
- Monitoring our equipment to minimize mechanical downtime.
- Managing operations effectively to keep non-productive time to a minimum.
- Staffing well trained crews, with performance measured against defined competencies.
- Incentivizing our executives and eligible employees based on performance against safety, operational, employee retention, and financial measures.

NORTH AMERICAN FOOTPRINT

We have a footprint in all of the most active North American resource plays, including the Bakken, Cardium, Duvernay, Montney, Viking, and other heavy oil formations in Canada and the Bakken, Cana Woodford, Eagle Ford, Granite Wash, Haynesville, Marcellus, Mid-Continent, Niobrara, Permian, Utica, and Williston in the U.S.



HIGH
PERFORMANCE
HIGH VALUE

CORPORATE RESPONSIBILITY HIGHLIGHTS

In 2020, we continued to deliver on our ESG practices by developing and completing the following initiatives:

- Published Precision's first Corporate Responsibility Report, which is available on our website.
- Achieved best ever HSE performance across all of our key performance indicators.
- Completed a comprehensive materiality assessment to understand and focus our ESG priorities.
- Expanded ESG in our STIP scorecard by including a new Strategic Environmental Initiatives metric to measure management's advancement of our multi-year Corporate Responsibility Strategy.
- Commercialized a crown lighting system that decreases the number of light towers at our rig sites, thereby conserving fuel and reducing our CO2 footprint.
- Expanded fleet to 39 AlphaAutomation™ rigs, reducing GHG emissions through drilling efficiency.
- Enhanced our corporate PD EthicsLine procedures and reporting structure.
- Established procedures for documenting emissions sources, organizational boundaries used, scope 1 and 2 emissions baseline, and methodologies.
- Continued a strategic alliance with Shock Trauma Air Rescue Services (STARS) in Canada through our sponsorship of the 2020 Petroleum Services Association of Canada (PSAC) STARS & Spurs Gala, with additional funding to support air rescue operations.
- Conducted an internal corporate culture survey of our employees in the field and in our corporate offices.
- Aligned our Crisis Management and Emergency Response Plans and developed scenario training procedures.

MATERIALITY ASSESSMENT

In 2017, we completed our first comprehensive Materiality Assessment to understand and focus our ESG priorities as a company.

In 2019, we expanded our Materiality Assessment using data-driven analytics, which involved benchmarking against our peers, reviewing mandatory regulations and voluntary standards, and examining news and social media to develop a detailed external view of current topics.

In 2020, we once again updated our Materiality Assessment by further benchmarking against other ESG leaders and adjusting our corporate responsibility strategy to better align with standards and best practices. We conducted a thorough comparison of Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) guidance, resulting in a more complete view of our corporate responsibility focus areas. As a result, we continue to target the areas below:

- Asset Integrity
- Business Ethics
- Climate Risk
- Ecological Impacts
- Employee Training and Qualifications
- Enterprise Risk Management
- Environmental Stewardship
- Environmental and Regulatory Compliance
- Health and Safety
- Innovation and Technology





MANAGEMENT OVERSIGHT

Management and the Board of Directors review our Corporate Responsibility strategy annually at the Board Strategic Planning Session. Every quarter our HSE and Corporate Responsibility Council and our Corporate Governance, Nominating, and Risk Committee also review and discuss updates on our sustainability efforts including the selection of ESG metrics that are incorporated into our short-term incentive plan.

We are committed to continuously improving our Corporate Responsibility performance and communicating it transparently, and have adopted a periodic materiality review cycle.

ESG IN ALL WE DO

We continue to actively solicit feedback from both external and internal stakeholders to enhance our Corporate Responsibility strategy. This feedback was considered in development of our 2021 Corporate Responsibility strategy, which is overseen by our Board and incorporates an expanded ESG focus, including climate change.

Similar to last year, we again linked executive compensation targets to key corporate responsibility goals. Historically, we have incorporated ESG into our short-term incentive plan (STIP) scorecard through our safety metrics of Total Recordable Incident Rate (TRIR), Percentage of Facilities Recordable Free, and Triple Target Zero (see Investing in Our Most Valuable Asset: Our People page 34), but in 2021 we are going a step further by including ESG as one of our key strategic priorities and incorporating more specific ESG initiatives and goals into our scorecard.



ENVIRONMENTAL

As we strive to position Precision as the land drilling contractor of choice, we aim to be the most environmentally conscious drilling company with the best solutions for our quickly evolving customer base. Through customer, supplier, and institutional partnerships, we focus our effort and capital on developing and implementing the emissions reduction technology that will drive down environmental impact today and in the future. We are committed to providing the higher efficiency, lower impact equipment and processes – with minimal or even negative green premium – that our customers and the industry require to deliver sustainable operations throughout the ongoing energy transition.

ENVIRONMENTAL AND CLIMATE CHANGE STEWARDSHIP

While the global demand for energy continues to rise, the importance of reducing environmental impact, in particular the reduction of produced greenhouse gases (GHG), across the entire value chain of the energy industry has become exponentially higher. This presents us with the opportunity to build on our position as a technology leader in the sector to offer cleaner, higher performance, and more efficient drilling solutions to our customers, all while doing our part to drive down environmental impact.

As part of our Enterprise Risk Management (ERM) program, we regularly perform extensive assessments of the risks and opportunities associated with ESG, and in particular climate change, as they relate to our business.

We regularly evaluate our portfolio to ensure we are positioned to be as resilient as possible as market and environmental conditions change. This has resulted in the formation of a climate change strategy that accounts for both immediate and long term risks and opportunities. This strategy focuses on market evaluation, technology advancement and partnerships, and delivering the highest levels of performance with the best employees in the industry.

Market conditions require us to balance our investment and push toward lower carbon solutions with what our customers are currently willing to purchase, and what they will want to purchase in the future. We continue to put significant time and resources into evaluating the current and future market drivers to our customer base to determine, develop, and market the solutions that are financially viable now, and what will be viable in the medium and long terms as regulations and customer carbon targets evolve. Additionally, our partnerships in energy ventures outside of

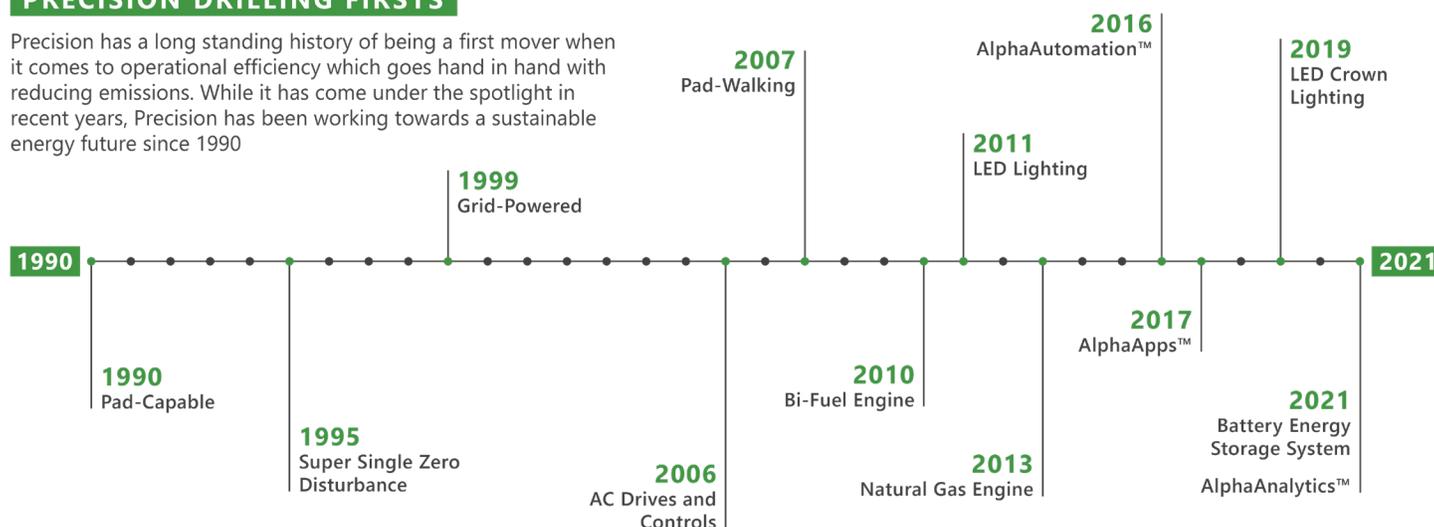
oil and gas, including geothermal, allow us to diversify our customer base and reduce exposure while leveraging our existing expertise and technology. This constant assessment of the market allows us to adjust our approach quickly and positions us to respond as needed to different climate-related scenarios both locally and globally, such as countries or customers committing to a 2°C or lower scenario.

Closely tied to our assessment of current and future market conditions, our ongoing focus on technology advancement allows us to drive lower impact solutions through more efficient operations and equipment. Strategic use of capital for the development of new and cleaner technology has never been more important than it is now, and carbon impact is a key driver in determining our short and long term development investments. To reduce the financial risk and increase the pace of development for some of these new technologies, we are constantly seeking partnerships with customers, suppliers, educational institutions, and governments who have similar goals of creating cleaner, more sustainable, and affordable energy around the world.

Whether today, tomorrow, or 30 years from now, the technology we deploy to our customers will be operated by our employees. While we have made significant strides to automate many aspects of the drilling process to increase consistency and efficiency, without well trained and competent employees to run the equipment none of it would be possible. We believe that providing industry-leading standards, systems, processes, training, and mentoring to our employees is critical to our immediate and long term strategies, and our efforts around human performance, post-task review and improvement, and our assurance processes are just a few examples of this commitment.

PRECISION DRILLING FIRSTS

Precision has a long standing history of being a first mover when it comes to operational efficiency which goes hand in hand with reducing emissions. While it has come under the spotlight in recent years, Precision has been working towards a sustainable energy future since 1990



INTRODUCING THE E-TEAM

As part of our overall environmental strategy, Precision has established an E-Team comprised of a well-qualified and diverse group of leaders from across the organization to help lead the company's sustainability efforts - specifically those relating to the environment and climate change. The team is focused on coordinating and developing strategies, plans, and technologies to further reduce environmental impact while improving efficiency, return on investment, and social perception for Precision's customers. The team is committed to partnering with suppliers, customers, industry groups, and government agencies to innovate and implement green drilling technology. This collaborative approach, along with Precision's position as a leader in drilling technology, will continue to result in more eco-friendly drilling solutions in the drive toward reducing overall emissions.



"For Precision, and for me personally, it's important that we execute our role in the global energy value chain with as little impact on the environment as possible. It's exciting to be part of a team that is leading the way not only for our company, but for the industry as a whole."

Ashley Connolly

Marketing Manager, E-Team Member

WATER CONSERVATION

We are always looking for ways to reduce water consumption in our offices, shops, and field operations. One such effort is the use of recycled water at our operations support center in Wafra, Kuwait. In 2020, all potable water used at the location – over 300,000 gallons – was treated and recycled for irrigation use. This not only reduced the overall amount of water used at the location, but also helps eliminate the need for wastewater disposal.

OVER
300,000
GALLONS

ECO-FRIENDLY OFFICES, SHOPS, AND FLEET

Although our office, shop, and fleet operations comprise a small portion of our overall environmental footprint, we are committed to reducing impact across all facets of our business through our choice of office buildings and other targeted efforts. In addition, these efforts do not depend on customer preference or capital restrictions, allowing greater flexibility to implement impactful changes. Some of these include:

- Decentralized distribution and consolidated rig deliveries to reduce vehicle emissions.
- Installation of lighting motion sensors to reduce unnecessary energy use.
- Utilization of water filtration systems in all offices to reduce single-use plastics.
- Recycling programs for office and shop materials.
- Extensive preventive maintenance and retirement schedules for company fleet vehicles to reduce emissions and improve efficiency.
- LEED® Certified corporate office buildings.

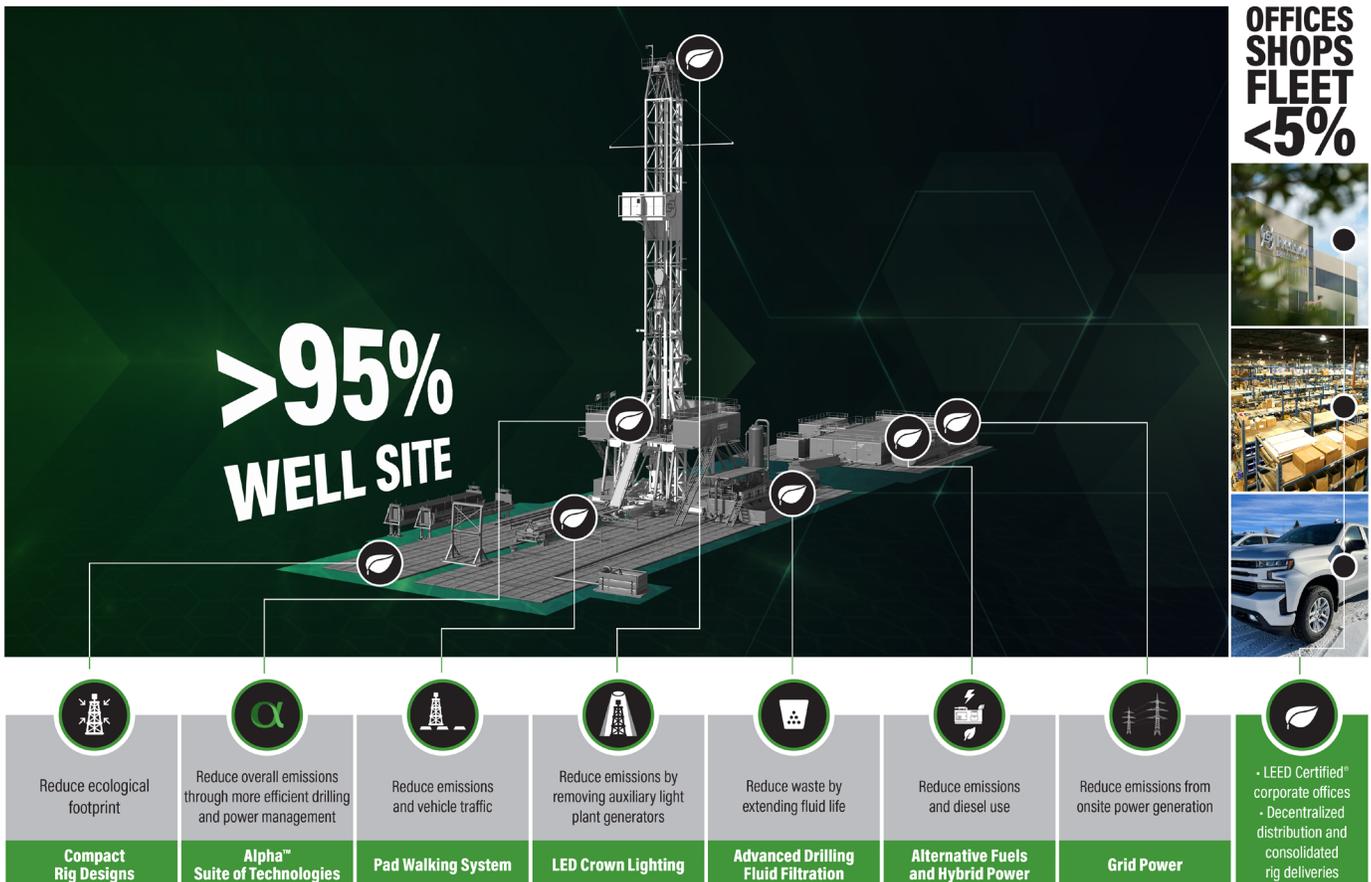


EMISSIONS FOOTPRINT

In 2020, we employed a third-party environmental consultant to assist in developing a baseline environmental footprint of our global activities, particularly focusing on GHG emissions resulting from our own operations and those conducted on behalf of our customers. What we found is that over 95% of our emissions result from our wellsite operations, with less than 5% resulting from our offices, shops, and light vehicle fleet. This means that our current technology offerings that reduce emissions at the wellsite, along with those in development, are key to reducing our overall environmental footprint and those of our customers. We continue to develop our process for tracking emissions and invest significant time and resources into technology that will make this process much more efficient and accurate, allowing us to provide additional metrics and targets in the future.

"Our efforts to evaluate our overall emissions footprint have enabled us to identify processes and technologies that are key to reducing the impact of current and future energy development. Along with our focus on drilling optimization and energy efficiency, this ensures that we are able to provide our customers with some of the lowest emissions solutions in the industry."

Jennifer Guidry
Vice President, Global HSE



REDUCING IMPACT AT THE WELLSITE

By continuously investing in our rig technology to make our operations safer, cleaner, more reliable, and efficient, we help our customers reduce or eliminate emissions, reduce water usage, improve chemistry applications, and increase oil and natural gas production, all while using fewer resources. Our modern rig fleet and Alpha™ Suite of Technologies allow our customers to rely on real time, data driven insights and automation in order to make faster and smarter decisions. This digital transformation reduces energy use, while maximizing output and productivity throughout the entire drilling process. We have standardized our operating procedures and continually explore new innovative technologies to maximize our overall performance, which minimizes waste and our environmental footprint, including reducing GHG emissions.

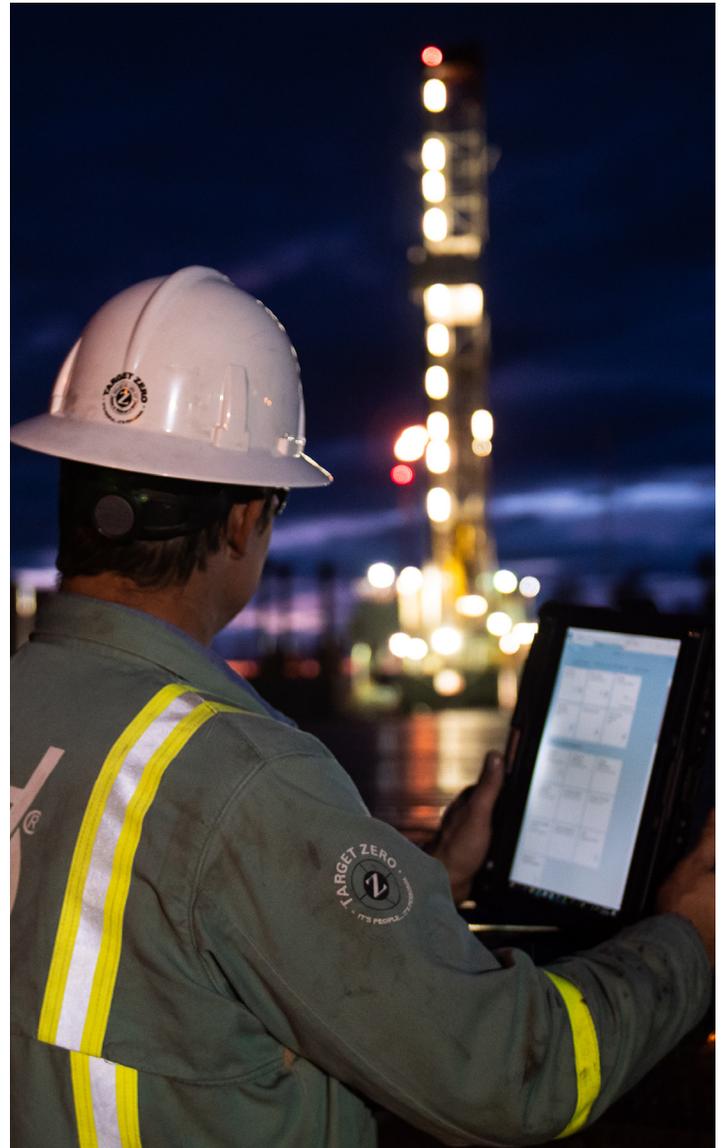
Our customers aggregate and report on-site fuel usage with respect to GHG emissions and we have made significant improvements in technologies to help them minimize environmental impact. Some of these solutions include:

- Utilizing our Alpha™ suite of drilling technologies to generate improved drilling efficiencies, allowing us to drill wells faster and with higher production per well.
- Utilizing our AlphaAutomation™ and AlphaApps™ offerings to significantly improve operational efficiency, reduce overall drilling times, and reduce fuel usage onsite.
- Employing our power management AlphaApp™ to reduce engine run time and track fuel used.
- Deploying rigs that run on grid power, nearly eliminating the need for onsite power generation.
- Utilizing natural gas and bi-fuel systems (30 in Canada, 26 in the U.S.) to reduce diesel consumption, resulting in a reduction of supply truck traffic and associated emissions.
- Employing pad walking systems to reduce our environmental footprint by improving drilling efficiencies and reduce over-the-road rig moves.
- Developing supply efficiencies to reduce the number of rig deliveries.
- Implementing centralized LED lighting solutions to reduce energy use and reduce the number of auxiliary diesel generators.
- Collaborating with our customers to effectively utilize our products and services to help them reduce GHG emissions in the development of energy resources.
- Stacking or condensing rig equipment to increase efficiency and reduce ecological impact.
- Including climate strategy in our internal research and development of products and services.
- Employing more effective fluid filtration methods to decrease waste and improve equipment efficiency and reliability.
- Partnering with educational institutions and other corporations to further develop sustainable solutions in the industry.
- Working with our customers on solutions to mitigate noise pollution.
- Utilizing industry best practices to ensure spill prevention.

GRID POWERED RIGS

Operating our drilling rigs on grid power instead of generating our own electricity drastically reduces the onsite environmental footprint of drilling a well. In 2020, our grid powered drilling activities realized an onsite fuel use reduction of nearly 90% when compared to a similar rig running on diesel or bi-fuel power generation. This results in an onsite reduction of 10-18 metric tonnes of GHG per day, per rig when operating on grid power. In addition, operating on grid power gives us the opportunity to feed biproduct electricity back into the grid that is typically dissipated at the well site on traditional rigs.

While we operated our first grid powered rig in the 1990's, the technology has evolved and so have the skills needed to enable that technology. Our history of success with grid powered rigs means we have the crew members, technicians, and supply chain necessary to provide industry leading grid powered drilling operations wherever possible. Of course, the availability of grid power to the wellsite ultimately determines the ability of our customers to take advantage of the significant cost and emissions savings of utilizing this technology, so we are constantly working with our customers and local utility providers to identify potential opportunities to employ our grid powered rigs.



INTEGRATED POWER AND EMISSIONS MONITORING

Precision's Integrated Power and Emissions Monitoring solutions enable industry-leading insights into remote power generation and consumption. The real-time interface fosters collaboration by centralizing data, providing visualizations to better identify opportunities for efficiency and enabling transparent key performance indicators (KPIs). Precision believes coupling mutually agreed-upon KPIs with emissions calculations enables our customers to better manage their operational carbon footprint.

LED CROWN LIGHTING

For years, the drilling industry has relied on rented, diesel powered portable light towers distributed around the wellsite to provide lighting. This is inefficient for many reasons, including the need for an independent generator and physical space for each unit. Our LED crown lighting systems, installed near the top of the mast and strategically aimed where light is needed, are more efficient than conventional lighting systems and are tied into the rig's main power source, reducing the need for auxiliary generators. They also reduce light pollution since they are aimed downward, and eliminate the noise caused by additional onsite generators.



REDUCING ECOLOGICAL IMPACT

While the selection of the wellsite location and worksite construction are conducted by our customers, we know that the ecological impact of drilling activities is directly related to the number of worksites and the physical footprint of each. By reducing the amount of ground space needed for the rig, the size of the overall worksite can be reduced as well, which in turn helps minimize the impact on flora and fauna in the area. In 2020, we partnered with one of our customers in the Rocky Mountains to reduce the physical footprint of a worksite by stacking several of the rig components, resulting in a 21% reduction in the rig space required for our rig auxiliary equipment. This means a reduction of over 2,000 square feet, nearly the size of an average house in the United States. Our pad walking systems also help customers reduce the number of worksites that are needed to drill multiple wells. A well pad with 20 wells is larger than a pad with a single well, however it is significantly smaller than the cumulative space that would be needed for 20 individual worksites. In addition, the rig moves from well to well without having to be broken apart and transported by heavy equipment and trucks, resulting in significant emissions reductions and less vehicle traffic.



SPILL PREVENTION AND CONTROL

While GHG emissions have garnered a huge amount of attention from within and outside of the energy industry, spill prevention and control remain a constant area of focus for Precision. Preventive maintenance schedules are maintained to reduce the likelihood of spills due to equipment failure, and fluid transfers are monitored to reduce spills resulting from human error. Even with preventive measures in place, our employees are trained to respond quickly and appropriately to foreseeable spill scenarios. In 2020, our field employees participated in over 15,000 drills, many of which focused directly or indirectly on spill response. Through our focus on preventive maintenance and early detection of leaks through hazard identification, we also improved our spill rate from 2019 to 2020.



Alpha™ SUITE OF TECHNOLOGIES

Precision's Alpha™ Suite of Technologies has three main components to assure efficiency and consistency to our customers:

- **AlphaAutomation™** eliminates human variance from the operation by automating repetitive drilling sequences to make the drilling process efficient, predictable, and consistent.
- **AlphaApps™** provides specialized applications for both on-bottom drilling performance and cost control, designed to make complex processes more efficient with well-established algorithms and machine learning techniques.
- **AlphaAnalytics™** leverages real-time data to digitally optimize project evaluation, planning, and execution to further drive customer performance and key performance indicators.

To date, Precision has drilled over 1,800 wells with AlphaAutomation™. During 2020, we drilled over 650 wells totaling over nine million feet, significantly enhancing the performance and efficiency of our Super Triple fleet. At year-end, Precision had 39 Alpha-Rigs equipped with AlphaAutomation™ deployed across the U.S. and Canada, with two additional systems on our training rigs at our Nisku and Houston Technical Support Centres. Precision's automation platform is industry-leading in functionality and reliability, and is averaging greater than 99.5% uptime.

DRILLED OVER
1,800
WELLS WITH
AlphaAutomation™
TO DATE

DRILLED 650
WELLS TOTALING
9M ft
IN 2020

RESEARCH AND DEVELOPMENT

GRANT PROPOSAL

In collaboration with the University of Calgary's Schulich School of Engineering, we jointly submitted a Collaborative Research and Development Grant application under the Natural Sciences and Engineering Research Council's (NSERC) University-Industry Program. NSERC awarded funding for the project, which involves development of sensing and control systems to be utilized in closed loop automated drilling systems. To further the project, Precision entered into a Research Agreement with the University of Calgary that aims to increase efficiencies in the drilling process and reduce environmental footprint. The project commenced in 2019 and is scheduled for completion in 2021.



PROJECT DEVELOPMENT

In 2020, we also formed a consortium with Tourmaline Oil Corporation and Caterpillar Inc. to develop easy-to-use mobile natural gas generators and an energy storage system for existing drilling rigs. The technology utilizes cleaner-burning natural gas, a smart energy management system, and storage of electricity that would otherwise be wasted. This high efficiency system reduces GHG emissions and the cost of rig power generation. The consortium will commercially deploy these systems at its various Precision rig sites in Alberta. The system is projected to save 3,800 tons of CO2 emissions per rig per year. We have successfully deployed the Smart Engine Management System (SEMS) that will automatically start and stop engines based on load demand to reduce fuel consumption and idle times. We have also deployed the Dynamic Gas Blend (DGB) bi-fuel system which will optimize diesel and bi-fuel blend ratios for optimal performance. These new technologies have been deployed on two rigs in Canada. The natural gas engines and Energy Storage System (ESS) will begin field deployment in the third quarter of 2021.





ALTERNATIVE ENERGY SOURCES

We are also supporting development of alternative energy sources through our long-standing partnership with Eavor Technologies Inc. (Eavor). As part of this partnership, Precision provided technical expertise in the design, drilling, completion, and construction of geothermal wells and a full scale prototype of Eavor's geothermal technologies in Alberta.

Precision provided the drilling expertise for the pilot program, known as the Derek Riddell Eavor-Lite Demonstration Project (Eavor-Lite), which was completed in 2020. Eavor-Lite consists of two deep horizontal wells drilled by Precision, with multilateral legs which intersect each other below the surface of the ground. The system pumps water between the two connected wells and harnesses heat from the planet's core. Eavor's geothermal technology builds upon our expertise in drilling and uses existing energy infrastructure to produce heat and electrical power. Geothermal technologies provide an opportunity for Precision to utilize its existing rig fleet and qualified personnel in the drilling of new geothermal wells. This proposed geothermal recovery technology could one day provide a sustainable, emission-free energy alternative to the world. In 2021, Precision supported Eavor in its attempts to obtain regulatory adjustments from the Government of Alberta through the creation of an Energy Exchange Zone in order to facilitate potential commercial implementation of Eavor's technology in Alberta. Precision will continue to expand its strategic partnership with Eavor with a view to further reducing GHG emissions while also continuing to utilize our drilling assets and qualified personnel in the production of geothermal energy.

Eavor™



SOCIAL

Our business strategy is designed to deliver sustainable results which are good for not only our shareholders and our customers, but also for our employees, the communities where we live and work, and the environment we share. Starting with our Board and CEO, through our Leadership team and all of our Passionate People, we share this desire and responsibility to make a difference in everything we do.

OUR CORPORATE CULTURE

We believe our greatest asset is our Passionate People and we are committed to providing a work environment where employees feel respected, satisfied, appreciated, and empowered to affect change. We understand the importance of building a culture that will differentiate Precision from our peers and provide a competitive advantage. We believe in building a team of Passionate People who bring a wide range of ideas, perspectives, skills, and cultures to our company.

Our Board champions and holds management accountable for our highly collaborative culture through active oversight and input on initiatives driven by management. In 2020, we conducted an internal corporate culture survey with our employees in the field and in our corporate offices. Over 1,000 employees participated in this process, which resulted in the identification of key focus areas to continue to foster and grow Precision's positive culture in 2021. Management is using the results from the survey to continually improve our policies and activities to ensure Precision is a leader in fostering a successful work environment.



OUR CORE VALUES

The foundation of our culture is our dedication to our Core Values and Key Beliefs, which promotes a culture of integrity and accountability. The Board and management annually review our Core Values and Key Beliefs, which our employees are taught throughout the organization to learn and follow.

Our Core Values have endured and are instilled in our corporate culture. They are key aspects of our approach to business. From the top down, the commitment to these values helps ensure we are moving in the right direction with a 'Down to Earth' common sense purpose among our employees.



"At Precision, our culture of inclusion motivates our employees to work as one high-functioning team where everyone is empowered to contribute to our High Performance, High Value promise to our customers. Our employees are passionate and committed to their work because we provide a culture that listens to and values our greatest asset, our people."

Milla Carbajal
Operations Controller

DOWN TO EARTH SAFETY

Target Zero

DOWN TO EARTH SUPPORT

The Field Comes First

DOWN TO EARTH TECHNOLOGY

The Best Equipment

DOWN TO EARTH COMMUNICATION

Face to Face

DOWN TO EARTH FAMILY

The Precision Family

DOWN TO EARTH SOLUTIONS

Empowered to Affect Change

DOWN TO EARTH PERFORMANCE

Desire to be the Best

DOWN TO EARTH RELATIONSHIPS

Employee + Customer + Supplier + Shareholder



OUR KEY BELIEFS

Our Key Beliefs are a big part of our success. They are the very foundation of how we operate. They are how we want our employees to act, interact, and be perceived. We encourage our employees to personify and validate those Key Beliefs.

The Key Beliefs set high expectations at all levels of our company, both in the field and in our corporate offices. The Key Beliefs are defined so that they recognize the intelligence and maturity levels of our organization, and provide a fundamentally strong set of positive guidelines for our employees to embrace and abide by no matter the circumstances. They drive each of us to perform with a clear focus, sense of urgency, and commitment to continuous improvement. By creating a culture of inclusion, hard work, innovation, and productivity, our Core Values and Key Beliefs encourage an environment that brings out the best in each of us.

"Our Core Values and our Key Beliefs represent the very core of who we are as a company. The Core Values are our guidelines and our conscience, both individually and collectively. They help guide and influence our actions while simultaneously giving us clear standards of accountability. They also provide our customers, as well as potential customers, an understanding of who we are and what we are striving for. Having all our people knowing and understanding our beliefs and the values that we put forward is important. But believing in them, practicing them, and adhering to them, is absolutely critical as we continue working towards being the most successful and effective drilling contractor that we can be."



Grant Hunter

Senior Vice President, North America Drilling Operations

OUR KEY BELIEFS

- We believe it is our responsibility to **protect new employees** and they will succeed when given respect and the knowledge they deserve.
- We believe **Target Zero** is achievable through personal intervention and safety observations while utilizing a questioning attitude.
- We believe all **employees should have a voice** that is heard without criticism.
- We believe **working safely** is a condition of employment .
- We believe all **injuries, occupational illnesses and environmental harm can be prevented** through good communication using the tools in our safety management systems, engaging all personnel in the preplanning of every task, and maintaining a continual focus on the task at hand by the minute, the hour and through the day.
- We believe **“It’s People, It’s Personal.”** Precision people doing the right things, applying and sharing their knowledge, and utilizing the tools available will create a culture that will reduce risk of injury.
- We believe nothing is so important or urgent that we cannot **take the time to do it safely.**
- We believe all **equipment and operating exposures can be safeguarded.**
- We believe the **highest level of employee performance** is determined by standards set by Precision and consistently maintained by all site supervisors.
- We believe **management has a responsibility to educate and train** employees to work safely.
- We believe housekeeping at our location is the first step in **creating a safe work environment** and a direct reflection of our safety standards.
- We believe safety is everyone’s responsibility and supervisors must lead by example because actions speak louder than words: **“I hear what you say, and I see what you mean.”**



INTRODUCING THE S-TEAM

In the early part of 2021, we formalized the S-Team; a committee made up of Precision employees from the different geographies where we work and representing our diverse background and skill sets. The mission of the S-Team is to coordinate cultural initiatives to embrace our diverse employee population, create an inclusive environment, engage and develop our people, and positively impact the local communities in which we operate. This committee is also responsible for assisting senior management and the Board of Directors with setting, measuring, and reporting our social-based goals and objectives.



"I am honored and proud to be a part of Precision and our proactive initiatives as they relate to being a socially conscious and responsible company. Diversity and inclusion, culture, and community involvement are extremely important to me and it is great to know that Precision also embraces these values."

Deric Simmons

Director, Organizational Development and Learning, S-Team Member



DIVERSITY, INCLUSION, AND EQUITY

As a company with global operations, we maintain a strong focus on fostering a diverse and inclusive employee base as the ability to leverage multiple perspectives and ideas. We celebrate the uniqueness of each employee and believe that everyone has the right to be treated with respect, fairness, and dignity.

EMPLOYEE DIVERSITY

Delivering strong operational and financial results with operations in several countries in today's environment requires the expertise and positive contributions of every Precision employee. We seek to bring a diverse range of thoughts, experiences, and points of view to complement our strategy and decision-making process. This is why we have made a commitment to be an inclusive workplace free from discrimination, harassment, workplace violence, and retaliation. Our diversity and inclusion policy prohibits discrimination of any kind and promotes diversity and inclusivity among our employees, management, and the Board.

We place high importance on ensuring that we have a diverse management team and Board that represents the makeup of our full employee population and the communities in which we operate. In 2021, we updated our diversity, inclusion, and equity policy that considers gender, race, and other factors with the objective of promoting diversity and inclusion among our employees, management team, and the Board to foster an environment where we can draw on the widest range of knowledge, skills, perspectives, and experience. We continue to review and update this policy annually and measure compliance and progress in order to develop new initiatives to drive our diversity efforts.

We aim to create a workplace free from discrimination by posting gender-neutral job listings for positions throughout the organization. We encourage all employees or individuals who meet the criteria, irrespective of gender, to apply for all positions.



BOARD DIVERSITY

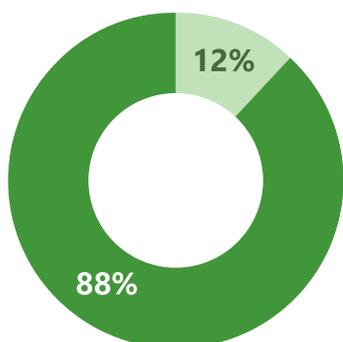
When recruiting new directors, the Corporate Governance, Nominating, and Risk Committee (CGNRC) considers candidates on merit. It considers our vision and business strategy, the skills and competencies of the current directors, any gaps in Board skills, and the attributes, knowledge, and experience new directors should have to best enhance our business plan and strategies. The CGNRC also considers diversity as part of this process, including the level of female representation on the Board. When assessing Board composition or identifying suitable candidates for appointment to the Board, the CGNRC will include a slate of minority candidates for all open Board seats. We have not adopted diversity targets for directors because we believe merit of the candidate

and needs of the organization must remain paramount. We believe our process of reviewing candidates on a variety of factors is appropriate because it includes gender as well as ethnicity, geographic location, and other experience.

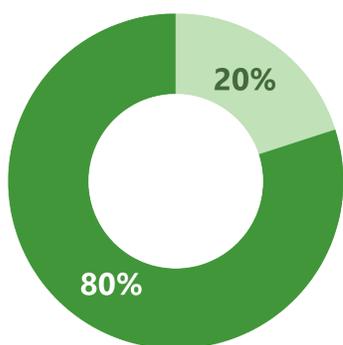
In the last seven years, two out of our four new directors have been women. We are firmly committed to gender diversity and are mindful of the need to pursue qualified female candidates. The CGNRC ensures the list of potential director candidates includes qualified women, but the Board’s decision to appoint or nominate a director is based on qualifications of candidates and the particular needs of the Board at that time.

GENDER DIVERSITY

BOARD

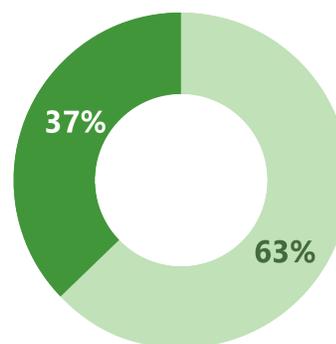


MANAGEMENT

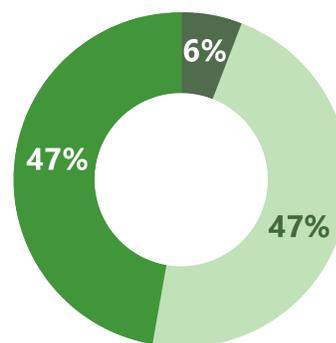


GEOGRAPHIC DIVERSITY

BOARD



MANAGEMENT



INVESTING IN OUR MOST VALUABLE ASSET: OUR PEOPLE

The COVID-19 pandemic presented a greater health threat to our workforce, and to all human-kind, than the world has seen in over a century. Our planning, preparation, and execution has helped us remain safe and sustain our business. In response to the COVID-19 pandemic, Precision immediately activated our Crisis Management Team and implemented our Infectious Disease Response Plan. As the pandemic continued throughout 2020, we updated our Infectious Disease Response Plan to incorporate health and safety recommendations provided by the Centers for Disease Control and Prevention (CDC), Public Health Agency of Canada (PHAC), and the World Health Organization (WHO), while we continued our work as an essential service provider.

Precision fosters a strong safety culture focused on improving human performance through engaged leadership, proactive HSE actions, competency and regulatory training, and proven management systems. Even though COVID-19 created challenges for travel and face-to-face interaction, our commitment to educating our people remains as strong as ever. In 2020, with strict COVID-19 protocols in place to ensure employee safety, over 2,100 employees were educated at Precision facilities on Precision’s culture, rig roles and responsibilities, well control, tools and equipment, HSE standards, leadership, and communication. We also continued to expand the use of remote learning technology in the development of our employees, training over 2,400 corporate and field base employees through e-learning and virtual learning with our video conferencing software. In total, over 31,500 hours of education were delivered to our employees in 2020.



We believe that our people differentiate us from our peers, and our investment in new employees is where this begins. Each new field employee attends a 16 hour new employee orientation focused on our key beliefs, values, and culture. They then attend several other safety courses to get up to speed on everything we do from the way we perform our hazard assessments to proper heavy equipment operation. This initial orientation and training is followed by a minimum of 6 months in a mentoring program where they are paired up with an experienced Precision employee. During this mentoring time, the new employee participates in several evaluations, including development of plans for improvement, before being released from the short service employee program.

We deliver state-of-the-art technologies, a highly-skilled and technically-competent workforce, and a culture that focuses on having a plan for every job we perform and that follows that plan every time; this is the Precision Way. We ensure our employees are kept updated on all new industry standards by actively participating in, and often leading, industry associations and delivering comprehensive training to our employees. In 2020, even with social restrictions in place due to the COVID-19, our employees safely participated in nearly 200 industry association events and over 1,200 hours of continuous learning and collaboration within these organizations.



TARGET ZERO

Our Health, Safety, and Environmental (HSE) strategy continues to be the roadmap for the organization in achieving our HSE objectives. The strategy is regularly revisited to ensure all that we do – whether in our day-to-day activities or a large-scale project – aligns with our mission. This strategy begins with our vision to achieve Target Zero and builds towards the mission to deliver industry leading standards, processes, and tools through an expert team of HSE professionals supporting an engaged and aligned leadership team. The progress made in 2020 described below represents a significant step forward in bringing our strategy to fruition, and has positioned us to deliver strong performance in 2021.



PERFORMANCE INDICATORS

Our HSE key performance indicators measure injury-free performance, safe driving behavior, and environmental impact. Our Health, Safety, and Environmental goals are devoted to achieving Target Zero, and these are reflected in our internal scorecard that recognizes injury-free performance, safe driving behavior, and prevention of spills that could impact the environment. An increased focus in 2020 on reporting of near miss events resulted in a 65% increase in our near miss rate as our injury rates continued to trend downward. This increase in near miss reporting aligns with our efforts to identify and prevent potential incidents before they result in injuries, equipment damage, or harm to the environment. In 2020, we delivered our best ever HSE performance across all of our key performance indicators, including an 11% year over year improvement in Triple Target Zero Days.

In 2021, we instituted several new performance indicators for our field operations focused on facilitating HSE conversations, learning from near misses, proactively looking for process and equipment improvements, and engaging and empowering our employees. This purposeful shift toward leading actions and human performance supports our mission to find and prevent potential incidents before they happen.



Triple Target Zero Days 2020

METRIC	2019	2020
Total Recordable Incident Rate (TRIR)	0.98	0.68
Lost Time Incident Rate (LTIR)	0.37	0.26
Near Miss Rate	1.58	2.62
Fatality Rate	0.03	0.00
Total Vehicle Incident Rate (TVIR)	0.52	0.30

All rates, including TVIR, calculated as number of incidents per 200,000 working hours



OUR HSE MANAGEMENT SYSTEMS AT WORK

We recognize that a solid HSE Management System must be consistently executed to be effective. In 2020, we created the Safe Operations Verification work-flow process to ensure that all of the HSE Fundamentals shown below are planned for, verified, and reviewed for every job, every time. Our philosophy is "every job we do has a plan, and we follow the plan every time."



FORMALIZED
RISK
ASSESSMENT



CRITICAL RISKS
& CONTROLS



OBSERVATIONS
& HAZARD
IDENTIFICATION



EMERGENCY
RESPONSE
& INCIDENT
MANAGEMENT



STEP BACK &
STOP WORK



LEARNING FROM
INCIDENTS
INCLUDING
NEAR MISSES

Precision performed a comprehensive assessment of our HSE Management System by analyzing regulations in the countries and regions where we operate, industry best practices, and internal Precision standards. Utilizing this assessment as a foundation, we kicked off a project in 2020 to realign our entire HSE Management System in a way that is designed to help ensure we will not only continue to be compliant, but also position Precision as a leader in industry best practices by adopting human performance principles aimed at reducing and mitigating human error through a more agile and globally accessible platform. In addition, our HSE Assurance team is verifying execution of our standards in the field and validating the effectiveness of the controls we have put in place. Learning from these assurance activities feed directly into the HSE Management System to drive constant improvement.



FUNDAMENTALS



EMERGENCY



ENVIROMENTAL



ASSURANCE



EMPLOYEE INFORMATION MANAGEMENT & CYBERSECURITY

Over the past five years, Precision has invested heavily in digital transformation to implement leading edge technology solutions to increase efficiency throughout the organization and enhance our cybersecurity posture. As part of our digital transformation journey, investments in cybersecurity have resulted in deploying solutions in identity management, role-based security, multi-factor authentication, endpoint protection, and AI enabled threat detection and incident response.

Our security framework and policies align with the National Institute of Standards and Technology (NIST) and Center for Internet Security Controls (CIS) guidance. We report to the Board on the performance of our information management and cybersecurity program regularly, including briefings on the latest trends in emerging threats and security technologies.

Annually, we review the effectiveness of our information management standards and cybersecurity policies and procedures by performing system control assessments, vulnerability testing, and disaster recovery exercises. We conduct reoccurring phishing exercises across the organization throughout the year and employees receive annual training on cybersecurity and information privacy. Employees performing roles that require higher security clearance are also required to take additional training.

Prior to hosting any company data externally, Precision performs an information security risk assessment of cloud application providers and implements contractual requirements mandating security protection standards. We carry both cyber incident insurance coverage as well as third-party incident response support on retainer. To date, we have never experienced a material cybersecurity breach resulting in a successful ransomware attack or information exfiltration, nor have we incurred any third-party incident response costs.

CYBERSECURITY
YOU are Precision's first line of defense

DATA PROTECTION
All software and hardware connections must be approved by Precision prior to connecting to the network. Unauthorized connections will be disconnected from the network and may result in legal action if data is collected without prior written consent from Precision.

PHYSICAL CONNECTIONS
Third party equipment connected to the Precision network and subsequent networks must be approved.

MALWARE AND VIRUSES
Can easily spread via infected flash drives and external hard drives. DO NOT plug personal or unauthorized drives into a Precision computer USB port.

PASSWORD PROTECTION
Protect personal information by keeping your password safe. Do not share your password with anyone and always use your personal credentials when logging into systems.

SUSPICIOUS ACTIVITY
Help protect Precision data by monitoring activities on the rig. Always verify credentials and request proper approvals are received. Be cautious when opening emails or sharing information online, especially from external sources.

EMAIL PHISHING
One of the most common forms of social engineering that attempts to illegally acquire sensitive information such as usernames, passwords or any other credentials by disguising as a trustworthy source.

EMAIL AWARENESS
Always be diligent when receiving email. Do not click unusual attachments or links and if unsure, email Precision Service Desk at service@precisiondrilling.com or call 1-800-725-0000.

Precision DRILLING
HIGH PERFORMANCE HIGH VALUE

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402.745.0000

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CONDUCTED
OVER
15,000
EMERGENCY
RESPONSE
DRILLS

CRISIS AND EMERGENCY PREPAREDNESS

While the COVID-19 pandemic certainly required a significant amount of effort from our Crisis Management Team and operations teams in 2020, we did not lose sight of the necessity to stay prepared for other types of crises and emergencies. The Crisis Management Team members completed annual crisis management refresher training, including hurricane preparedness for operations in the Gulf Coast area. In addition, a thorough review of the COVID-19 response was conducted, with best practices captured and incorporated into the Crisis Management Plan to ensure similar effectiveness for future responses. At the operational level, crews conducted approximately 15,000 emergency response drills, ensuring they are knowledgeable and practiced in the actions required to quickly and effectively respond to any emergency scenario.

EMPLOYEE WELLNESS

We have long recognized that healthy, happy employees deliver positive results. Thus, we offer competitive pay, retirement, and benefit packages to all eligible employees throughout the organization, including physical, mental, vision, and dental plans. We also offer a multitude of other formal programs to help employees achieve physical, mental, and financial well-being. We maintain a strong focus on mental health awareness throughout our organization in order to break the stigma around mental health. This foundation was invaluable as the organization faced the challenges presented in 2020. Precision understands that work and family responsibilities can create stress that impacts our employees and their families. Precision offers all employees access to our Employee Assistance Program that provides confidential counseling for personal issues, financial planning resources, beneficiary financial counseling, will preparation, and legal assistance.



COMPETENCY MANAGEMENT IN THE FIELD

At Precision, we strive to hire the best talent, provide the best environment for development, and use a Continuous Performance Feedback model to develop the best people in the field. It is not enough to have a knowledgeable workforce if performance is not held to a consistently high standard. Our competency assessment program addresses this by evaluating the execution of knowledge and skills to identify gaps. The first phase begins with enrolling employees into the program. Next, enrollees receive various types of training to ensure successful demonstration of job competencies and performance standards. The last phase involves verification of competencies through observation, and real-time feedback.

To reinforce our tone from the top, Kevin Neveu, President and CEO, annually kicks off our Code of Business Conduct and Ethics training to all employees. In 2020, online training was provided to approximately 488 office-based employees and face-to-face training was delivered to approximately 2,582 field-based employees. Our Board members are also included in the annual training.

TALENT DEVELOPMENT AND SUCCESSION



In 2018, we created the Precision Drilling University Resource Centre (PD University), an online hub where employees can access competencies, training resources, and development programs. PD University is divided into two segments: the School of Toughnecks and the School of Leadership. The School of Toughnecks focuses on the development and dissemination of training to develop the best crews in the industry, ensuring that our field employees have the skills, knowledge, and abilities they need to deliver our High Performance commitment. The School of Leadership is focused on developing new and experienced leaders. The curriculum is designed and delivered by our executives with support from our organizational development and learning professionals.

In 2020, we took advantage of PD University, specifically our investment in e-learning resources. During the COVID-19 pandemic, Precision employees were able to access and continue their professional development by utilizing our PD University resources while working remotely.

Our proactive talent management strategy helps us maintain a strong, agile workforce when the industry experiences manpower shortages during peak operating periods, and most importantly to retain and attract employees when the industry rebounds. In 2020, over 2,100 employees were trained at Precision facilities in Canada and the United States on Precision’s culture, rig roles and responsibilities, well control, tools and equipment, HSE standards, leadership, and communication. During the COVID-19 pandemic, we continued the development of our employees, training over 2,400 corporate and field base employees via e-learning and virtual learning through the use of remote video conferencing software.

Our talent management strategy helps Precision to:

- Retain experienced field personnel throughout market cycles
- Support targeted recruitment initiatives
- Reward the achievement of our short-term and long-term strategic objectives

As part of our employee engagement strategy, we offer company-supported social activities to promote philanthropy and community engagement, work-life balance, and interaction with the families of our employees. We also hold annual wellness campaigns to support the health and well-being of our employees and other events to provide employees with social opportunity incentives.

TRAINING AND DEVELOPMENT

We strive to have high-performing, Passionate People throughout every level of our company. We have implemented systems and processes that help us execute our talent management strategy to maintain a well-trained, highly competent, and capable talent pool, throughout market cycles, which includes both field and corporate positions with a broad range of business experience.



SCHOOL OF TOUGHNECKS

We provide hands-on field and safety training. In addition, we provide career path and development training for our drilling and service rig employees, which includes core competencies for advancement in all levels of our organization.



SCHOOL OF LEADERSHIP

We have developed and implemented a New Leader Training Program, a Management Development Program, an Accelerated Development Program, and a Leadership Development Program for new and experienced leaders to hone and expand their management and leadership skills.



PD UNIVERSITY

In 2018, we created PD University, an online hub where employees can access training resources through our new centralized learning and development resources. We enhanced it in 2019 and 2020 and are currently enjoying its benefits in 2021.

PRECISION IN THE COMMUNITY

We are proud to invest in causes that are important to our employees, customers, and the communities where we operate. Throughout 2020, our corporate giving program contributed to several exceptional health and human services organizations and youth programs. Due to the COVID-19 pandemic, our 2020 community engagement opportunities were limited compared to previous years. However, Precision continued to volunteer through a number of organizations detailed below.

VOLUNTEER WORK

We understand the value of volunteering our time and have a desire to do more in the communities where we work. We continue to find new ways to obtain and attract new talent and establish a more purpose-driven and engaged workforce. We encourage our employees to participate in company-sponsored volunteer opportunities. In 2020, employees found ways to continue to volunteer time to various organizations including:



Held blood drives for **Calgary Blood Drive** to ensure life-saving blood products are delivered to hundreds of people across the country each day



Society of Petroleum Engineers



Calgary Women in Energy



Strong, Smart & Bold Breakfast hosted by **Girls. Inc of Greater Houston**



COMMUNITY SERVICE

For over 30 years, one of our proudest partnerships in Canada has been with the STARS Foundation, which provides rapid and specialized emergency care and transportation for critically ill and injured patients. STARS operates 24/7 bases in Calgary, Edmonton, Grande Prairie, Regina, Saskatoon, and Winnipeg, which are well aligned to provide critical support to remote field operations and employees both on and off the job residing across Western Canada.

In 2020, we continued our multi-year partnership with the Heritage Park Society of Calgary to support the Natural Resources Project, "Keeping Alberta's Story Alive." The Heritage Park Society restores, builds, and creates programs in the Natural Resources Area for the education of nearly 700,000 annual attendees and students at Heritage Park.

Additionally, we have continued our longstanding partnership with the Heart and Stroke Foundation of Canada supporting the Jump-Rope-For-Heart program which impacts over one million children annually in 4,000 schools across Canada. This program focuses on promoting health, saving lives, enhancing recovery, and provides funding to support medical breakthroughs that tangibly improve Canadians' heart and brain health.



INDIGENOUS RELATIONSHIPS

At Precision Drilling, we recognize the history and diversity of Indigenous groups along with the relationships, rights, and values Indigenous communities have on the lands in which our services are provided. Precision is committed to work in collaboration with all our stakeholders, including our customers, vendors, shareholders, and employees to ensure the communities in which we work continue to progress and thrive. Dating back decades, our engagement throughout Western Canada with First Nations have led to the creation of strategic relationships resulting in significant support for Indigenous communities. There are currently three formalized agreements established between Precision and an Indigenous partner, operating across a broad geographical area throughout Western Canada, resulting in shared financial benefit.

Precision believes that continued engagement with Indigenous partners throughout the communities and lands in which we work is essential to our success and our goal is to ensure that we have a lasting positive impact. Through a collaborative approach, we believe we will create an ever-evolving relationship with partners that will lead to mutually beneficial ventures for all stakeholders, in alignment with Precision's business goals, key beliefs, and core values.

At Precision, we also recognize that efforts need to be followed up with measurable results. To demonstrate these intended results, we remain committed to continue on the path of formalized, established Indigenous awareness orientations and training, increased exposure and engagement with federal, provincial, and municipal governing bodies that assist with Indigenous economic development and continued engagement throughout the communities in which we provide our services.

Indigenous engagement is a crucial step in the future of the corporation's strategic direction and we expect it to expand over time. This expansion will require the establishment of strong relationships built on a foundation of trust and this will be accomplished through listening, understanding and learning about the wants, needs, and priorities of all our stakeholders.



KEY COMMUNITY COMMITMENTS

In 2020, we helped support the following organizations through multiple financial donations.

- 
United Way – Alberta Capital Region delivers a network of services and programs for communities in poverty by working together with partners, government, and community organizations
- 
Alberta Children’s Hospital provides funding to the highest excellent care for children and youth in Calgary
- 
 Continued strategic alliance with **STARS** in Canada through sponsorship of the 2020 PSAC STARS & Spurs Gala and funds to support air rescue operations
- 
 Continued supporting the **Alberta Heart & Stroke** (Jump-Rope-for-Heart Program)
- 
 Continued supporting the **Houston Livestock Show & Rodeo** Scholarship program
- 
 Supported the Derricks and Diamonds Charity Softball Tournament benefiting the **Texas Children’s Hospital**
- 
Canadian Cancer Society
- 
 Attended YWhisper Gala hosted by **YMCA**
- 
 MS 150 event was canceled but raised funds for the **National Multiple Sclerosis Society**
- 
 Dad-Daughter Gala for **Kids Cancer Care**
- 
Heritage Park Society
- 
Calgary Mental Health Association
- 
The Children’s Fund provides critical services to disadvantaged children across the greater Houston area
- 
 Donated 200+ toys in toy drive to **Texas Children’s Hospital**
- 
Spindletop Charities of Houston provides aid programs targeting child abuse prevention, pediatric medical research, drug and alcohol abuse prevention and rehabilitation, education and scholarships, school safety, therapeutic services and after-school programs, and family health

SCHOLARSHIP PROGRAM

We recognize the value of post-secondary education and supporting the development of the future workforce of the oilfield services industry. Due to our cash conservation efforts in 2020, we suspended our long-standing scholarship program that assists children of employees who plan to continue their journey in college or vocational school programs. However, we did maintain and recognize the legacy of numerous long-serving employees who have retired from the company by funding annual scholarships with several education institutions across North

America in the name of the retiree. In 2020, we continued to support institutions financially.

We have also been a long-standing contributor to the Houston Livestock Show and Rodeo scholarship program. As one of the largest scholarship providers in the U.S., the Rodeo has presented more than 19,000 scholarships valued at over \$230 million since 1957. In the future, we will remain focused on these types of investments into our communities.



STUDENT INTERNSHIP PROGRAMS

In 2020, due to COVID-19 pandemic-related office closures, we suspended our summer internship program. However, we have resumed the program in 2021. In past years, Precision initiated industry exposure efforts by broadening students' technical education and familiarity with our industry through Career Days. In 2019, we hosted 59 interns from 30 universities working in Canada and the U.S with

nationalities represented from North and South America, Western and Southern Africa, Southeast Asia, and Northern Europe. We believe our summer internship program provides an important talent pool for our permanent hires, provides participants with practical experience that cannot be obtained in the classroom, and is an excellent introduction to the energy industry.

INDUSTRY ENGAGEMENT

Our commitment to the energy industry is evidenced by our participation in a number of non-profit organizations, such as the Canadian Association of Energy Contractors (CAOEC), International Association of Drilling Contractors (IADC), the Modern Miracle Network, and the Fraser Institute. Kevin Neveu is an active member of IADC's Executive Committee, serving as Chairman in 2019. In 2020, he was also named IADC's Contractor of the Year. Neveu is also a member of the advisory council for the School of Public Policy at the University of Calgary, influencing the strategic approach to public policy in Canada. Gene Stahl, our Chief Marketing Officer, has served on IADC's board and Executive Committee since January 2020. Ross Pickering, Senior Vice President, Global Operations Excellence has been a Director of CAOEC for 13 years and also served as Chairman of CAOEC from 2012 through 2014. Mr. Pickering is currently CAOEC's Vice Chairman and Incumbent Chairman until 2022. Since 2018, we have supported the Modern Miracle Network in their efforts to promote Canada as a leading economic partner and responsible energy supplier to the world. Since 2014, we have also partnered with the Fraser Institute to influence Canadian social policy and government accountability.



Canadian Association of Energy Contractors



International Association of Drilling Contractors



Modern Miracle Network



Fraser Institute



GOVERNANCE

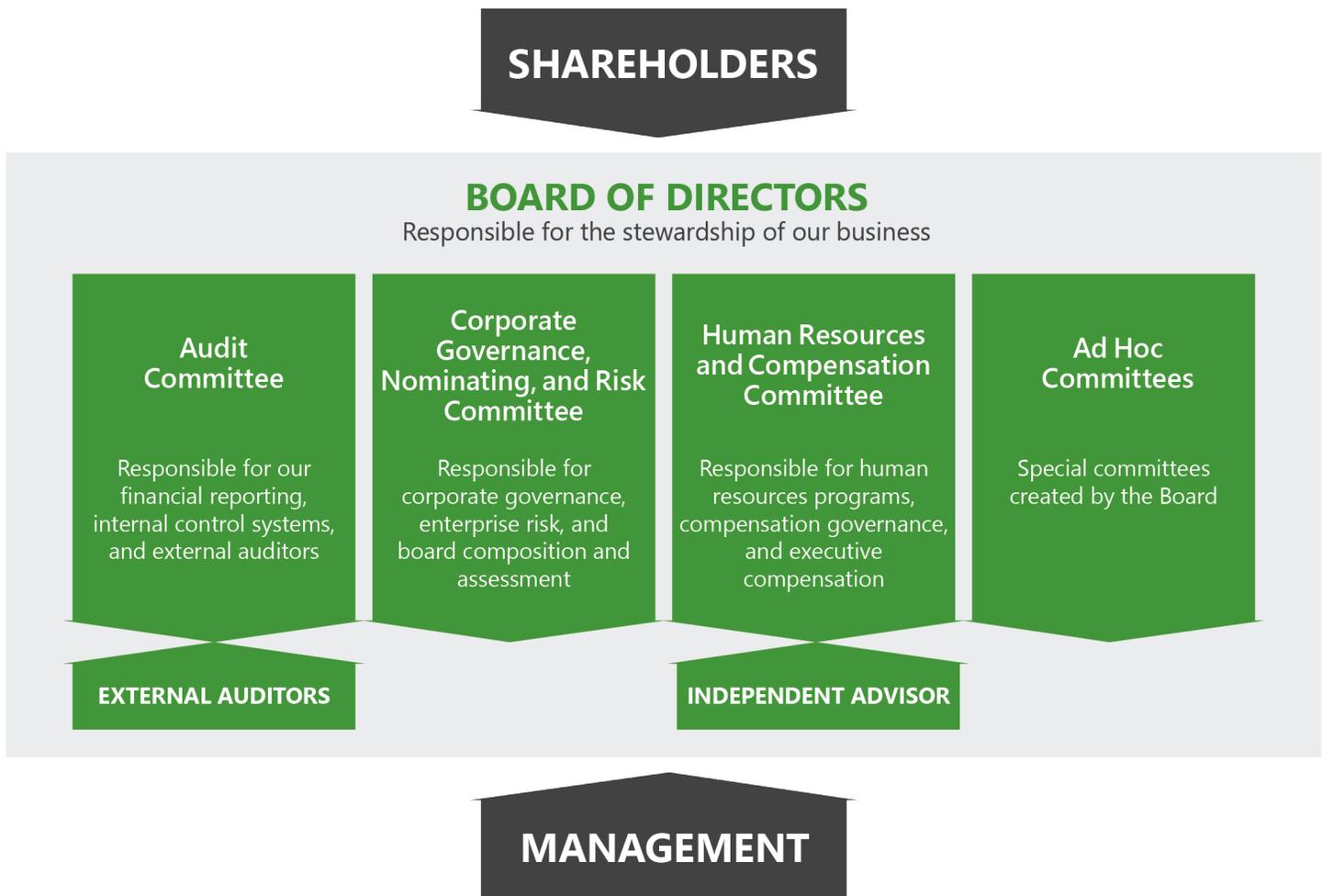
As we strive to promote sustainable operations, we work to be financially, environmentally, and socially responsible. We are determined to uphold a culture of integrity and accountability in making decisions, managing risk, and building relationships. At all times we are guided by our Core Values, Key Beliefs, and strong corporate governance principles. To sustain the trust of our stakeholders, we remain committed to our internal resources, which promote Board independence, proactive shareholder engagement, risk management, and ethics and integrity principles.

OUR GOVERNANCE APPROACH

Our by-laws provide that the Board has full, absolute, and exclusive power, control, authority, and discretion to manage Precision's business and affairs, subject to the rights of our shareholders.

Directors are elected at each annual meeting of shareholders for a one-year term or, subject to our constating documents and applicable laws, appointed by the Board to hold office until the next annual meeting.

We believe that independent Board oversight is essential to effective governance. Our directors meet at regularly scheduled executive session without the CEO present. The Board has three standalone committees as described below.



OUR BOARD OF DIRECTORS

The Board provides comprehensive oversight of the management and governance of Precision. During 2020, our Board had eight members that were elected by our shareholders. The CGNRC performs an annual evaluation of Precision’s director criteria, Board diversity profiles, skills, and experience.



Steve W. Krablin ^{1, 2, 3}
Private Investor,
Director of Chart Industries, Inc.



Michael R. Culbert ^{1, 3}
Director of TC Energy Corporation
and Reserve Royalty company



William T. Donovan ^{1, 2}
Private equity investor, Director of Silgan Holdings Inc.



Brian J. Gibson ^{1, 2}
Retired Senior Vice President, Public Equities
and Hedge Funds of Alberta Investment
Management Corp. (AIMCo)



Susan M. MacKenzie ^{2, 3, 4}
Corporate Director, Director of Freehold Royalties Ltd,
Enerplus Corporation and MEG Energy Corporation



Dr. Kevin O. Meyers ^{2, 3, 4}
Independent energy consultant and corporate
director. Director of Denbury Inc., Hess Corporation,
and Hornbeck Offshore Services, Inc.

Board of Directors’ Committees

- ¹Audit
- ²Corporate Governance,
Nominating & Risk
- ³Human Resources and Compensation
- ⁴HSE and Corporate
Responsibility Council



David W. Williams ^{1, 3}
Retired Chairman, President and Chief
Executive Office of Noble Corporation



Kevin A. Neveu
President & Chief Executive Officer of
Precision Drilling Corporation

BOARD EFFECTIVENESS

The CGNRC implements a comprehensive process for assessing board, committee, and director effectiveness annually. This is a key mechanism for board renewal because it involves evaluating the performance, skills, and contribution of each director. Through action plans, feedback, and monitoring of progress, the CGNRC and Board can ensure continuous improvement of the Board's effectiveness.

BOARD ASSESSMENT

The Chair of the Corporate Governance, Nominating, and Risk Committee (CGNRC) conducts formal assessments of the Board and committees and the Chairman of the Board interviews each director. The assessment process covers the following topics, among others:

- Ideal qualities and skills of an effective Board
- Board Charter and Position descriptions of the Chair of the Board
- Results of the board evaluation are shared with directors and areas of improvements are reviewed and aligned with the board and committee goals

COMMITTEE ASSESSMENT

Each committee Chair receives a peer evaluation, and each committee completes an assessment of its:

- Ideal qualities and skills of an effective committee
- Performance against the goals it sets for the year

Each committee reviews their Charter and position descriptions. The CGNRC also reviews the Board Charter and Chair of the Board position description.

DIRECTOR ASSESSMENT

The Chair of the CGNRC conducts the assessment of the directors. They also assess each other and conduct a self-assessment. Director assessment has four components:

- Individual interviews with the Chair of the Board
- A peer assessment
- An evaluation questionnaire to gather data to assess board skills, performance, qualities, and individual contributions
- A self-assessment

Directors offer input on ways to enhance the effectiveness of their peers and the Board.

FEEDBACK

The Chair of the CGNRC summarizes the findings for the CGNRC and the Board. The Chair of the Board then discusses the results of the individual evaluations with each director. The evaluation process will also include a review of potential gap areas based on the skill matrix. Directors are also asked to highlight top areas of expertise and rank skill in the matrix based on experience. Directors receive personal feedback on their progress over the year and peer feedback from the Chair of the Board, as described above.

CORPORATE GOVERNANCE, ETHICS, AND COMPLIANCE

Precision is committed to ethical behavior through our Code of Business Conduct (the Code) and our employment policies and practices. The Board and our external and internal auditors provide oversight and ensure compliance throughout our organization. Our internal audit function reports directly to the Audit Committee of the Board.

GOVERNANCE GUIDELINES

Our Corporate Governance Guidelines outline the composition, structure, procedures, and policies that guide our Board of Directors on the qualification, responsibilities, and compensation of our directors. These guidelines are reviewed annually and serve as a guidepost for the Board. Topics pertaining to corporate citizenship, governance, and sustainability are also routinely reviewed at meetings of the Board and its committees.

The Board provides comprehensive oversight of the management and governance of Precision. Throughout 2020, our Board had eight members. All directors stand for election at our annual meeting of shareholders. The CGNRC performs an annual evaluation of Precision's director criteria, Board diversity profiles, skills, and experience. This committee also performs assessments of the Board, committees, and individual directors.

In 2020, we formalized our rules and procedures governing directors' memberships on external boards in a new External Directorship Policy. This policy clearly delineates Precision's expectations regarding directorship time commitments and good governance standards.



"From our Board of Directors' commitment to governance excellence to our enduring High Performance, High Value culture of operational excellence, we are committed to delivering results the right and responsible way. We adhere to good corporate governance principles because we know that trust happens when leaders are transparent, and we want our stakeholders to have the confidence that the leadership team is acting in their best interests."

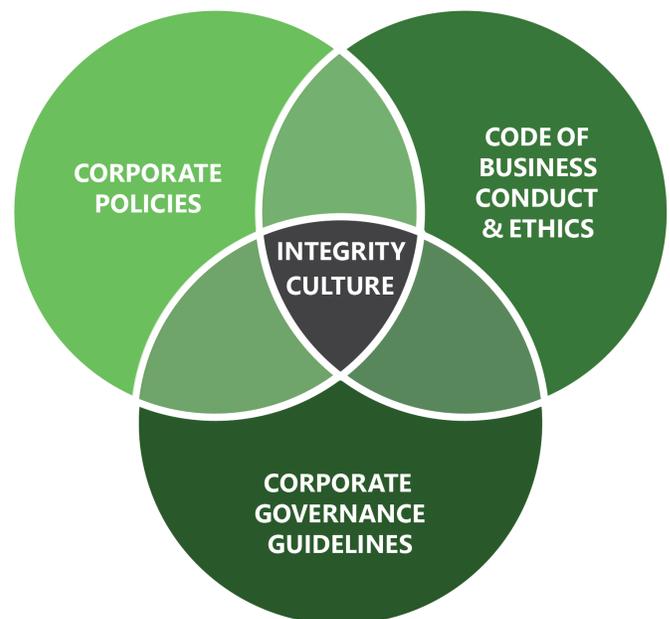
Veronica Foley
Senior Vice President
General Counsel and
Chief Compliance Officer

GOVERNANCE MATERIALS AVAILABLE ON OUR WEBSITE

Our Corporate Governance Guidelines set forth our governing principles for an effective functioning Board. They are reviewed annually, revised in response to changing governance practices and requirements, and are posted on the Corporate Governance section of our website at www.precisiondrilling.com/investor-relations/corporate-governance/overview.

Other information related to the corporate governance of Precision is available on the Corporate Governance section of our website, including:

- Corporate Bylaws
- Code of Business Conduct and Ethics
- Board of Directors Charter
- Audit Committee Charter
- CGNRC Charter
- HRCC Charter
- Policy on Majority Voting
- Procedures for communicating complaints and concerns



OUR CODE OF BUSINESS ETHICS

We believe ethical behavior is fundamental to the way we do business. Our Code ensures every director, executive officer, manager, employee, and contractor represents Precision's values. The full text of the Code is available at www.precisiondrilling.com.

We have a robust, proven corporate governance system that is effective in ensuring a transparent culture. It allows for ethical issues to be reported, assessed, and resolved in a timely manner. This system employs a strong body of policies, enforcement mechanisms, and a closed-loop resolution process of issues that are reported.

The Code addresses the following key areas, among others:

- Financial reporting and accountability
- Maintaining confidentiality
- Avoiding conflicts of interest
- Complying with laws
- Safeguarding corporate assets
- Reporting illegal or unethical behavior
- Fair dealing
- Disclosure
- Anti-retaliation
- Data and privacy security
- Bribery and corruption
- Harassment and discrimination

Every director, executive officer, manager, and employee must annually acknowledge that they have read, understand, and will abide by the Code. Each member of the senior management team must also certify quarterly whether they are aware of any breaches of the Code. In-person and online training is provided annually to all permanent employees and covers an array of topics related to business conduct and ethics. Annually, our employees, including our directors, complete the Code of Business Conduct and Ethics training.



Ethics
Line

24/7 ACCESS

PD ETHICSLINE

PD EthicsLine is our ethics reporting platform available for anyone within or outside of Precision to confidentially and anonymously report any suspected illegal or unethical conduct or breach of our policies. With the oversight of the Audit and HRCC Committees, there were no ethics incidents in 2020 that required disclosure and 100% of the issues reported through the hotline were reviewed and resolved. An independent third party operates the hotline and notifies the Chief Compliance Officer (CCO) immediately upon receiving a complaint.

In 2020, Precision enhanced our PD EthicsLine internal process by streamlining the procedures for reviewing all complaints. Our CCO is responsible for initially reviewing all EthicsLine complaints and delegating complaints to the proper internal department based on the subject matter. All complaints are then investigated by our legal, internal audit, or human resources departments based on the subject matter of the allegation. All reports based on such investigations are provided to the CCO for final reviews and then reported quarterly to our Compliance Committee. Once the Compliance Committee has reviewed all reports, management then presents the reports to the Audit Committee or the HRCC, depending on the nature of the allegation.

INTERNAL POLICIES

We work proactively to ensure our workforce and the Board understand their obligations to uphold our standards and the law when it comes to ethics and compliance. We have developed internal corporate policies, in addition to our Code, to guide our directors, officers, and employees in meeting our standards and fulfilling our responsibilities to our shareholders, government and regulatory authorities, business partners, and each other. The following are some of our internal policies that we have put in place to ensure compliance and to reflect our current business practices.

HUMAN RIGHTS

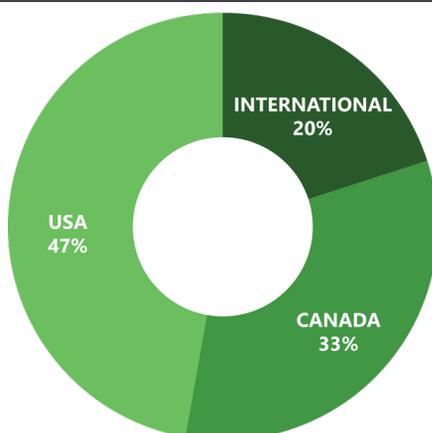
Precision respects Human Rights as a fundamental value. Our objective is to promote Human Rights throughout the world, our organization, our customers, operations, and entities with which we do business. Our Compliance Department is responsible for the execution and maintenance of our Human Rights policy detailed in the Code. Our policies aim to help identify and prevent any threats to Human Rights. If a breach is identified, we work diligently to ensure a fair and impartial remediation.

ANTI-BRIBERY AND ANTI-CORRUPTION

We recognize that we operate in some countries with a low ranking on the Corruption Perception Index, as compiled by Transparency International. Precision has an Anti-Bribery and Anti-Corruption Policy that sets out the Company's standards for detecting and preventing corruption. Our Compliance Department provides mandatory, comprehensive training annually on issues dealing with bribery and corruption for key groups of employees. Additionally, in-person training is delivered throughout the organization and scheduled as needed.

There have been no internal or external investigations regarding non-compliance with anti-bribery and corruption laws or our policies and there are currently none underway. Our Compliance Department continually monitors intermediaries through internal reviews and assistance from a third-party vendor. Our due diligence procedures generate a risk score for intermediaries. Based on the results, due diligence recommendations are completed and monitored through an intermediary database.

2020 REVENUE BY LOCATION



TRANSPARENCY INTERNATIONAL CORRUPTION PERCEPTION INDEX

United States of America	25
Canada	11
Saudi Arabia	52
Kuwait	78

INTERNATIONAL TRADE SANCTIONS

Our international trade policies are designed to ensure compliance with applicable laws and regulations governing the export and import of Precision's products, services, software, and technology to areas where we conduct or plan to conduct business. In 2019, we conducted a comprehensive assessment of our international trade policies and completed the refreshment of our international trade manual in 2020.

Precision complies with all export control, sanctions, and hiring requirements of the countries where we operate, including Canada and the U.S. Precision also complies with the anti-boycott laws of the U.S.

While Precision's products, services, software, and technology are generally not military in nature, some purely commercial or civilian items are regulated because they have a "dual-use," meaning they could be used for military, weapons proliferation, or other nefarious use even though we and our business partners do not use them for such purposes. Therefore, Precision ensures that no such items are exported without the appropriate authorization.

It is our general policy that no U.S. incorporated or U.S. based affiliate of Precision, no non-U.S. entity subject to U.S. jurisdiction (including foreign entities owned or controlled by a U.S. party), no U.S. citizen or resident employee wherever located, or no non-U.S. employee or resident while acting in the United States, may participate in, approve, facilitate, assist, advise on, or support any transaction involving countries sanctioned by the U.S. government (e.g., Cuba, Iran, Syria); companies organized in, or owned or controlled by the governments of those countries; or sanctioned parties.



"At Precision we ensure our employees are informed and aligned in accordance with all trade and compliance regulations. We have established a strong reputation for conducting our business in a safe, efficient, and ethical manner. We believe the highest level of performance is delivered by standards that are well understood and maintained. Our strength is within our people!"

Ross Pickering

Senior Vice President
Global Operations Excellence



CLAWBACKS

Our senior leadership team is held accountable for their decisions. As such, we have designed our compensation plan so any consequences stemming from our policies, employment agreements and incentive plans align with Precision's best interests.

Our Clawback Policy entitles us to recoup some or all incentive compensation awarded or paid to our senior leadership team, including our CEO, both past and present, if:

- There was a restatement of our financial statements for a fiscal year or fiscal quarter when they were with Precision.
- There was an error in calculating executive compensation during their time with Precision.
- The member of the senior leadership team engaged in misconduct, including fraud, non-compliance with applicable laws, and any act or omission that would entitle an employee to be terminated for cause.

The Policy applies to all forms of incentive awards including bonuses, restricted share units, performance share units, and stock options.

INSIDER TRADING

Our Insider Trading Policy applies to all directors, executive officers, managers, and employees. Reviewed annually by the CGNRC, the Policy:

- Sets out our obligations to stock exchanges, regulators, and investors.
- Prohibits "tipping" or the purchase or sale of Precision shares while in possession of undisclosed material information.
- Establishes a regular black-out calendar.
- Prohibits short-term trades, purchases on margin, short sales, trading in derivatives, or hedging the value of Precision shares through specific financial instruments.
- Requires insiders to pre-clear trades of Precision shares.
- Prohibits insiders from participating in equity monetization transactions involving any unvested equity awards under our long-term incentive plans or Precision shares that constitute part or all our terms for meeting our minimum share ownership guidelines.

PRIVACY

Precision has a Privacy Policy and our organization respects and is committed to protecting the privacy and security of all personal information collected by Precision. We recognize the importance of having effective privacy protections in place and are committed to complying with applicable privacy laws and regulations in our various jurisdictions, supplemented by our internal policies and standards.

Our Chief Privacy Officer (CPO) is responsible for ensuring our internal policies are implemented and maintained. The CPO ensures the appropriate personnel understand our Privacy Policy and provides all necessary guidance to assist with implementing and monitoring of the Privacy Policy.

Our Privacy Policy details what personal information is, how we collect, share, use, and protect this information, and how employees can exercise their privacy rights. We process personal information for the purposes set out in our Privacy Policy and if we need to process personal information for other purposes, we provide notice to the employee and, if required by law, seek their consent. In 2019, we updated our Privacy Policy to ensure compliance with various regulations and provided privacy training to all corporate employees.

We have implemented appropriate physical, technical, and organizational security measures to secure personal information against accidental loss and unauthorized access, use, alteration, or disclosure. In addition, we limit access to personal information to those employees, agents, contractors, and other third parties that have a legitimate business need for such access. Each department is responsible for the security of information in its custody and implementation of measures to keep such information safe.

REPORTING AND ACCOUNTABILITY

The Human Resources department reviews the structure, size, pay equity, and composition of our workforce annually and prepares a report for the Chief Administrative Officer and the CEO.

The CGNRC also monitors Board diversity and prepares an annual report for the Board that includes information about factors to consider when recruiting new directors.

AVOIDING CONFLICTS OF INTEREST

The Board is committed to making decisions in the best interests of Precision and considers the interests of our shareholders, securityholders, customers, employees, suppliers, communities where we operate, the environment, governments, regulators, and the general public.

From time to time, directors may face potential conflicts of interest related to our business. Some directors may hold management or director positions with customers or with other oilfield services providers that may be in direct competition with us. Some may also be involved with entities that periodically provide financing or make equity investments in companies that compete with us.

Any conflicts are subject to the procedures and remedies set out under the Business Corporations Act (Alberta). If directors find themselves in a conflict of interest, they advise the Chairman of the Board, abstain from participating in any discussions and voting on the matter or excuse themselves from the meeting.

Our employees are also required to disclose any potential conflicts of interest. The conflicts disclosed are reviewed by our Audit and Compliance departments and resolved in accordance with the Code.

PUBLIC POLICY & LOBBYING

Precision is politically neutral and does not engage in political activities or make political contributions. We may not use company funds or assets for political purposes. However, we are active members of various associations that conduct lobbying on behalf of the oil and natural gas industry, and we allow lobbying on behalf of Precision's interests, in accordance with all federal and provincial regulations. The CEO must approve all such requests for financial support for these associations.

Our policy requires that employees inform the CCO of any company communication with government officials, including elected officials and bureaucratic staff. However, this does not include dealings with regulators on ordinary matters (the Alberta Energy Regulator, Occupational Health & Safety officials, and other regulators in Canada, the U.S., or internationally that interact with Precision in the ordinary course of business), unless their actions raise questions under our policies.



"At Precision, our guidance, training, oversight, enforcement, and reporting is our commitment to the highest ethical standards including honesty and integrity. We operate with the highest ethical standards because we recognize that our business impacts our employees, our shareholders, and society."

Deepa Patel

Senior Compliance and
Governance Specialist

SUPPLY CHAIN MANAGEMENT

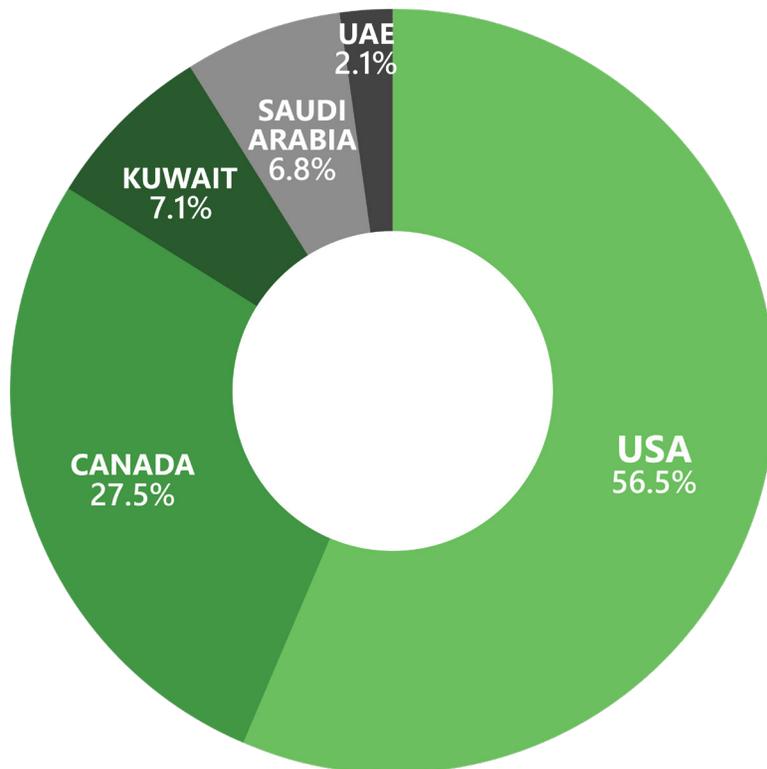
Our Supply Chain provides essential support to our business operations and extends our commitment to sustainability beyond our doorstep.

We engage suppliers, consultants, and independent contractors to assist in supporting our global operations. These suppliers provide goods and services such as materials, equipment, construction, labor, transportation, office products and services, benefits administration, accounting, legal, and engineering services. These reliable, highly capable, and trusted partners share our core values and drive for superior results. Our suppliers achieve high safety and ethical standards, offer innovative, value-adding capabilities, understand our business, embrace quality procedures and processes, and offer superior technology, cost, or service advantages.

We manage supply risk through our comprehensive selection process. We predominantly use U.S. and Canadian domestic suppliers, which are bound by U.S. and Canadian laws and regulations. We ensure that these suppliers comply with their obligations and the law before entering into contractual arrangements.

Internationally, we manage supply chain risk by stringently vetting suppliers and following specific processes to determine the appropriate type of due diligence required before engaging with them. Our Anti-Corruption compliance policy requires certain high-risk suppliers to successfully complete an added layer of due diligence, receive anti-bribery training, and undergo frequent audits.

2020 VENDOR SPEND BY COUNTRY



We require all suppliers to comply with our Code. We emphasize our expectations of suppliers in areas of legal and ethical compliance, environmental, health, safety and security, conflict minerals, conflict of interest, human rights, diversity, and compliance assurance.

Our approach to managing supply chain focuses on two elements that are critical to maintaining our commitment to being a valued partner:

- Creating prosperity through local and inclusive economic opportunity: Our supply chain is one of our most powerful tools for creating prosperity in the communities where we operate. We spent more than \$457 million and \$275 million in total goods and services in 2019 and 2020, respectively, much of it going to locally owned companies. Precision recognizes that the positive local impact of our supply chain investments can be amplified by the sourcing decisions of our suppliers. These relationships create an opportunity for local businesses to gain access to new technology, bring their processes up to international standards, and train their people on the latest industry practices.
- Encouraging our partners to meet high standards of ethical, safety, social, and environmental performance: Our expectations of our contractors and suppliers, as well as the standards to which we hold them, help raise the bar for thousands of companies on issues such as respecting human rights and health, environment, and safety practices.



"We work with our customers, partners, and suppliers to reduce environmental impact through increased efficiencies and new technologies in our own operations and in our supply chain. We are committed to these efforts to ensure we are always making progress toward a more sustainable energy future."

Farhan Amir

Director, Supply Chain

ENTERPRISE RISK MANAGEMENT

Precision employs a comprehensive Enterprise Risk Management (ERM) program that proactively assesses material risks to the organization and manages several robust mitigation strategies.

ERM OVERSIGHT

The Precision Board maintains an active approach in overseeing the internal risk function. The Board performs timely review of all risk related matters, including assessment of the Company's internal Risk Matrix and evaluation of quarterly updates from its delegated internal Risk Committee. ESG related risks, including climate change, have notably become increasingly significant in our ERM process and are incorporated into regular Board reviews.

Precision's senior management team is primarily responsible for monitoring all macro, organizational, and sustainability related risks on a frequent basis. The ERM process is led by Precision's Senior Vice President, General Counsel and Corporate Secretary, and supported by the Company's entire officer group, which ensures that all material risks are identified and that proper mitigation strategies are fully implemented.

ERM FUNCTION

Precision's ERM process is a continuous, thorough, and forward-looking evaluation of enterprise-level risks that could directly or indirectly impact the organization's ability to operate. The Company's designated Risk Committee manages an internally developed Risk Matrix, which outlines all identified risks to the organization and their resulting compounding effects on other related challenges. The Risk Committee reviews all findings on a quarterly basis, identifies new potential risks for the organization, and proposes enhancements to mitigating efforts. Documented findings are reviewed by Precision's CEO and presented quarterly to the Board of Directors for further collaboration to ensure effective oversight of the Company's risk function.



ERM LINK TO CORPORATE RESPONSIBILITY

We acknowledge the Company's various ESG-related responsibilities when managing the ERM function. Precision continuously monitors various risks related to its ESG performance, specifically identifying several risks and mitigation opportunities for the following:

Environmental impacts, including climate change, air and water pollution, and energy efficiency.

Social factors addressing corporate culture, inclusiveness, and our world-class HSE program.

Governance controls throughout the organization to ensure ethical conduct and transparency.

ROLE	RESPONSIBILITY
Board of Directors	Oversight of enterprise risk
Corporate Governance, Nominating, and Risk Committee	Oversight of ERM process
CEO and Executive Team	Management of enterprise risk
Internal Audit	Incorporates ERM risks and mitigation into annual internal audit plan
Risk Owners	Ownership and accountability of specific ERM risks

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

TOPIC	RECOMMENDED DISCLOSURE	LOCATION IN REPORT (PG)
Governance	Describe the board's oversight of climate-related risks and opportunities.	13, 60-61
	Describe management's role in assessing and managing climate-related risks and opportunities.	15
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	15
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	15
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	15
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	15, 60
	Describe the organization's processes for managing climate-related risks.	15
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	15, 60
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	18
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	Future Disclosure
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Future Disclosure

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

CODE	TOPIC	ACCOUNTING METRIC	LOCATION IN REPORT (PG)
EM-SV-110a.1	Emissions Reduction Services & Fuels Management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	Future Disclosure
EM-SV-110a.2		Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts.	15-21, 23-25
EM-SV-110a.3		Percentage of engines in service that meet Tier 4 compliance for non-road diesel engines.	Future Disclosure
EM-SV-140a.1	Water Management	(1) Total volume of fresh water handled in operations, (2) percentage recycled.	Low Materiality
EM-SV-140a.2		Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts.	16-17
EM-SV-150a.1	Chemicals Management	Volume of hydraulic fracturing fluid used and percentage hazardous.	Not Applicable
EM-SV-150a.2		Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	Not Applicable
EM-SV-160a.1	Ecological Impact Management	Average disturbed acreage per (1) oil and (2) gas well site.	Not Applicable
EM-SV-160a.2		Discussion of strategy or plans to address risks and opportunities related to ecological impacts from core activities.	22
EM-SV-320a.1	Workforce Health & Safety	(1) TRIR, (2) fatality rate, (3) near miss frequency rate, (4) TVIR, and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees.	34-36, 38, 40
EM-SV-320a.2		Description of management systems used to integrate a culture of health and safety throughout the value chain and project life cycle.	34, 37
EM-SV-510a.1	Business Ethics & Payment Transparency	Amount of net revenue in countries that have the 20 lowest rankings in the Transparency International's Corrupting Perception Index.	53
EM-SV-510a.2		Description of the management system for prevention of corruption and bribery throughout the value chain.	52-54, 58-59, Ethics on Corporate website
EM-SV-530a.1	Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry.	57
EM-SV-540a.1	Critical Incident Risk Management	Description of the management systems used to identify and mitigate catastrophic and tail-end risks.	37-38, 60

Feedback

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Forward-Looking Statement

Certain statements contained in this report, including statements that contain words such as "could", "should", "can", "anticipate", "estimate", "intend", "plan", "expect", "believe", "will", "may", "continue", "project", "potential" and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information and statements").

Certain of the information in this presentation is "financial outlook" within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding our reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that this financial outlook may not be appropriate for other purposes. These forward-looking information and statements are based on certain assumptions and analysis made by Precision in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. These include, among other things: the fluctuation in oil prices may pressure customers into reducing or limiting their drilling budgets; the impact of the COVID-19 global pandemic on our operations; the status of current negotiations with our customers and vendors; customer focus on safety performance; existing term contracts are neither renewed nor terminated prematurely; our ability to deliver rigs to customers on a timely basis; and the general stability of the economic and political environments in the jurisdictions where we operate.

Undue reliance should not be placed on forward-looking information and statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from our expectations. Such risks and uncertainties include, but are not limited to: volatility in the price and demand for oil and natural gas; fluctuations in the demand for contract drilling, well servicing and ancillary oilfield services; our customers' inability to obtain adequate credit or financing to support their drilling and production activity; the success of our response to the COVID-19 global pandemic; changes in drilling and well servicing technology which could reduce demand for certain rigs or put us at a competitive disadvantage; shortages, delays and interruptions in the delivery of equipment supplies and other key inputs; the effects of seasonal and weather conditions on operations and facilities; the availability of qualified personnel and management; a decline in our safety performance which could result in lower demand for our services; changes in environmental laws and regulations such as increased regulation of hydraulic fracturing or restrictions on the burning of fossil fuels and greenhouse gas emissions, which could have an adverse impact on the demand for oil and gas; terrorism, social, civil and political unrest in the foreign jurisdictions where we operate; fluctuations in foreign exchange, interest rates and tax rates; and other unforeseen conditions which could impact the use of services supplied by Precision and Precision's ability to respond to such conditions.

Readers are cautioned that the forgoing list of risk factors is not exhaustive. Additional information on these and other factors that could affect our business, operations or financial results are included in reports on file with applicable securities regulatory authorities, including but not limited to Precision's Annual Information Form for the year ended December 31, 2020, which may be accessed on Precision's SEDAR profile at www.sedar.com or under Precision's EDGAR profile at www.sec.gov. The forward-looking information and statements contained in this news release are made as of the date hereof and Precision undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by law.



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