



Environmental, Social, and Governance Report

2021



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www.cwcenergyservices.com



Dear Fellow ESG Stakeholders,

For over 16 years, CWC Energy Services Corp. ("CWC") has provided contract drilling and well services to exploration and production ("E&P") companies in the oil and natural gas industry in Western Canada and more recently in the United States. From the beginning, CWC has had the goal of providing **"Quality People Delivering Quality Service"** for our E&P customers. Never has this tag line and statement been truer than today.

Quality, Health, Safety and Environment

CWC would not be able to provide the services it does without our commitment to the health and safety of our employees, customers and all of the other people we work alongside on the job sites every day. For the trailing twelve months ended April 30, 2021, we continue to demonstrate our strong safety record with a Total Recordable Incident Frequency ("TRIF") of 1.24. For the first time in CWC's 16-year history, our well servicing division did not record a single recordable incident during Q1 2021, in what historically is our busiest quarter of the year. We believe this safety excellence is attributable to the buy in by our people of our safety culture of 100% vigilance by 100% of the workforce, 100% of the time, always asking "what if something should go wrong?"

Sustainability

CWC adheres to the principles of being good corporate citizens. We are members of the Petroleum Services Association of Canada's ("PSAC") Community Partners program whereby the guiding principles on communication, dust, gates, garbage, noise and driving safety and traffic are strictly adhered to by our field employees. Being good community partners in our neighborhoods allows CWC the social license to sustainably carry out the oilfield services desired by our E&P customers while respecting all stakeholders around us.

Our drilling rigs and service rigs are designed to limit the impact on our environment while providing the best-in-class service to our customers. The footprint of all nine of our telescopic double drilling rigs on the lease site require approximately 23 truckloads of equipment to be moved in and out of a lease compared to over 60 truckloads of equipment on a typical AC triple drilling rig. Yet the depth and speed capabilities of our heavy double drilling rigs rival the drill times of an AC triple drilling rig, which ultimately results in cost savings for our E&P customers.

"ESG Excellence at CWC Energy Services Corp."

As for the 145 service rigs, 99% of CWC's service rigs have free standing systems, thereby eliminating the need for ground disturbance from guyed wires resulting in stability of the mast while removing a safety hazard on the job site. These examples of innovation developed over decades help our E&P customers minimize their impact on the environment thereby helping create a more sustainable oilfield services industry.

ESG Development at CWC

In this inaugural ESG report, CWC's objective will be to highlight our Company's ESG profile using the framework established by the Sustainability Accounting Standards Board ("SASB") for Oil and Gas Services. This allows us to identify, manage and report on material ESG factors specific to our industry. While documentation of our ESG journey is currently at an early stage, CWC has always had the principles of being good corporate stewards on environmental, social and governance matters. As our ESG reporting matures, we will endeavor to use this ESG framework to establish targets and goals to achieve our objectives as a Company in line with our stakeholders' expectations of us.

Sincerely and submitted on behalf of the Board of Directors,



A handwritten signature in black ink, appearing to read 'Duncan Au'.

Duncan Au – President and Chief Executive Officer

Our quality of equipment, health & safety program, and experienced crews is what sets us apart



The safety of our 435 employees from the threats of the COVID-19 virus is a top priority

In March 2020, the World Health Organization declared a global health pandemic due to COVID-19. In response to the COVID-19 outbreak, governments around the world implemented measures to control the spread of the virus from Q2 2020 through Q2 2021 including closure of non-essential businesses, restricting travel and encouraging its citizens to stay-at-home.

On March 13, 2020, CWC took immediate action to shut down several of our offices and asked our employees to work from home, a full week prior to any formal announcement from the Alberta government asking employers to consider doing so. We continued this practice until July 6, 2020, a full three weeks after the Alberta government started re-opening the economy and allowing gatherings of people indoors.

When the number of COVID-19 cases began to spike in November 2020, CWC again shut down our offices where it remains closed to date even as the Alberta government has at times loosened restrictions in 2021.

As our field operations are considered an “essential service,” it is not possible for our business to fully shut down. As such, we have implemented appropriate protocols to keep everyone on the job site safe.

Throughout the last year, we implemented new safety protocols to limit the interaction our rig crews had with others.

“There is nothing more important than the health and safety of our employees and to do what we can to help prevent the spread of the virus in our communities”

With the support of our E&P customers, we set up Texas camps on the lease site so that our drilling rig crews did not have to travel to town and stay in hotels, thereby limiting any interaction with outsiders and reducing the possibility of any spread of the COVID-19 virus on the job site.

Our Commitment

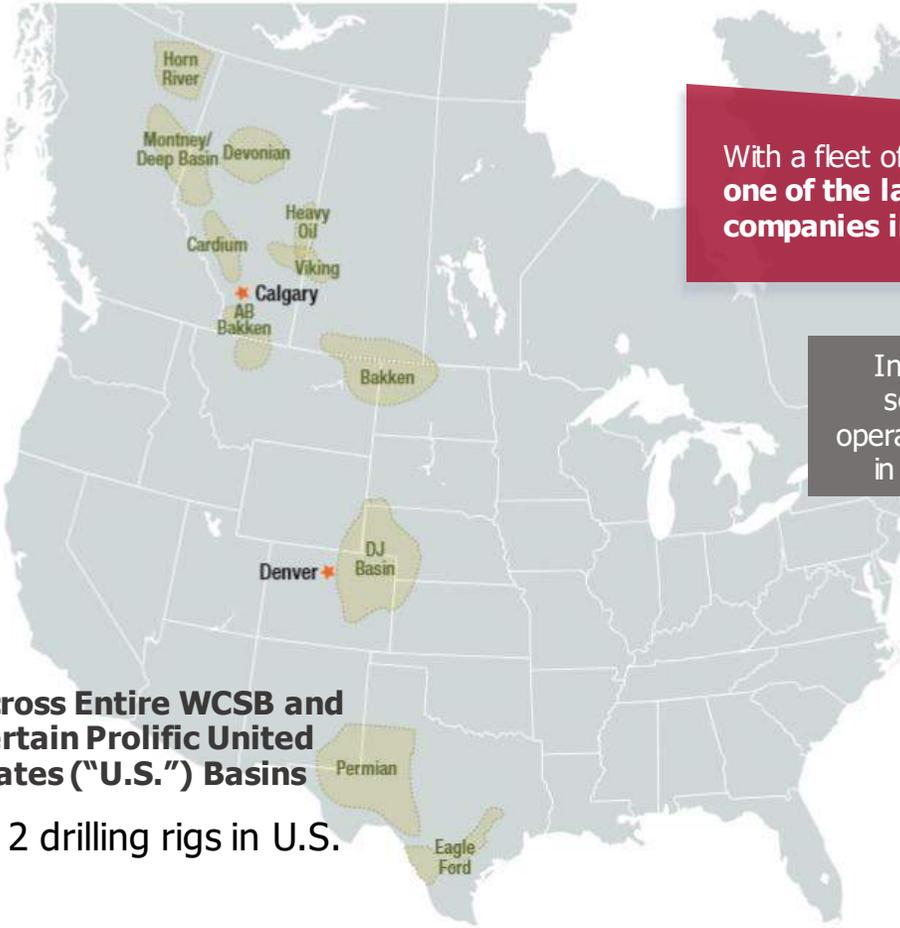
CWC Energy Services is committed to safety excellence and the protection of the environment in every area of operations



**Teach 'Em Right • Do What's Right
• Do It Right**

About CWC Energy Services

CWC Energy Services Corp. is a premier contract drilling and well servicing company operating in Canada and the United States with a complementary suite of oilfield services including drilling rigs, service rigs, and swabbing rigs.



With a fleet of 145 service rigs, CWC is **one of the largest well servicing companies in Canada***

Well Services

In April 2021, CWC recorded the second-highest number of April operating hours for its service rig fleet in the company's 16-year history

Equipment	2020
Contract Drilling	9
Service Rigs	145
Swabbing Rigs	12

**as measured by active fleet and operating hours*

CWC Ironhand Drilling consistently achieves industry leading utilization among the Western Canadian Sedimentary Basin ("WCSB") drilling rig contractors

Contract Drilling

CWC's Canadian drilling rig utilization in Q1 2021 of 50% continued to outperform the Canadian Association of Oilwell Drilling Contractors ("CAODC") industry average of 27%



\$67.9 M TOTAL REVENUE (2020)
Well Decommissioning= 18.4% of Revenue in 2020

Operating Highlights	Q1 2021	2020
Drilling Rig Operating Days - CAD	317	688
Drilling Rig Operating Days - U.S.	2	144
Service Rig Operating Hours	27,087	72,611
Swabbing Rig Operating Hours	976	3,626



824,000 Total # of hours worked by all employees in 2020

Across Entire WCSB and Certain Prolific United States ("U.S.") Basins

- 2 drilling rigs in U.S.



Our Values & Priorities

At CWC, we stand firmly behind our motto **“Teach 'Em Right • Do What's Right • Do It Right”**. This means that we operate in a manner that minimizes adverse effects to the environment and ensures the safety and health of our employees, contractors and the public.

Honesty, integrity, and vigilance are core beliefs that guide how we do business. Aligned with these beliefs, the following are our Core Values and Priorities:

-  **Environmental Stewardship**
-  **Quality, Health & Safety**
-  **Skilled Workforce**
-  **Integrity & Transparency**
-  **Building & Fostering Relationships**

Environmental Stewardship

We operate in a manner that minimizes adverse effects on the environment, and explore innovative technologies, where possible, to further reduce our environmental footprint (e.g., energy consumption, land disturbance).

Building & Fostering Relationships

We care about our customers and the communities within which we operate.

CORE VALUES & PRIORITIES



Integrity & Transparency

We continuously monitor activities to ensure operations are conducted in compliance with applicable laws and CWC's standards. We report and investigate all accidents, serious incidents and environmental concerns.

Quality, Health & Safety

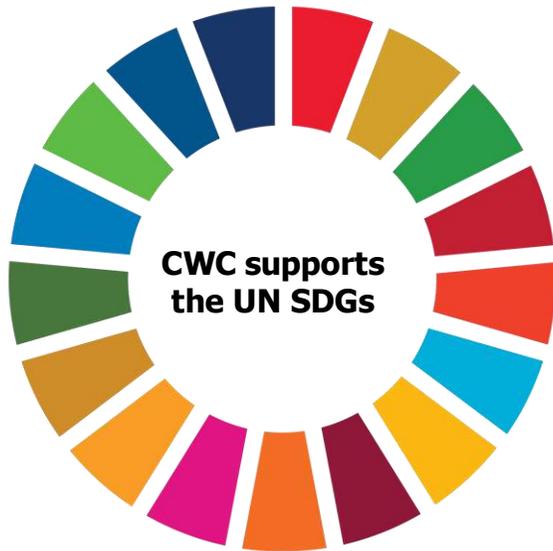
We never compromise the safety of our people and communities. We ensure that practical health and safety programs are in place for all employees and contractors and consider good safety performance in the process of selecting contractors, suppliers or other services.

Skilled Workforce

We maintain training programs that ensure employees receive appropriate training relative to their job functions. By employing local talent, we help build capabilities within the communities we operate.

Alignment with UN SDGs

In 2015, the General Assembly of the United Nations ("UN") adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals ("SDGs"). The goals provide a shared outline for action on global environmental, social, governance issues to achieve a more sustainable future for all.



SUSTAINABLE DEVELOPMENT GOALS

Going forward, we will continue to focus our efforts on these four SDGs to make certain that we are continuing to contribute to a better, more sustainable future.

As part of addressing sustainability in a wider context we have identified four SDGs that we feel are the most material issues for our business that we have an ability to influence:



SDG 3: GOOD HEALTH AND WELL-BEING

The health, safety, and well-being of our people – staff, contractors, customers, and communities, is our highest priority. We will continue to promote a safe working environment.



SDG 8: DECENT WORK AND ECONOMIC GROWTH

Under a strong leadership, we promote sustainable economic growth, full and productive employment, and decent work for all. We will continue to protect labour rights.



SDG 15: LIFE ON LAND

Through the use of free-standing systems for our rigs, and supporting our customers' well decommissioning and reclamation initiatives, we are committed to minimizing our land disturbance.



SDG 16: PEACE, JUSTICE, AND STRONG INSTITUTIONS

With robust ethical policies and anti-corruption practices in place, we conduct strict due diligence to ensure fair and ethical practices are followed based on best industry standards. We will continue to adhere to the highest standards.

ESG At A Glance

At CWC, we are committed to acting responsibly across our operations and to implementing sustainable environmental, social and governance (“ESG”) best practices. **We believe that operating sustainably is the right thing to do.** This means maintaining environmental excellence, promoting a safe and inclusive culture, and ensuring we adhere to the highest governance standards – while focusing on growth for our stakeholders.



ENVIRONMENT

CWC is a constantly evolving company. We pride ourselves in having the right equipment and new industry-leading equipment, where possible and appropriate. We continuously explore applications for new technologies to support our environmental commitments.



SOCIAL

We believe our people are our greatest asset. **“Quality People delivering Quality Service”** is at the core of our beliefs, and we maintain fair and equitable treatment of all employees, customers, and stakeholders.



GOVERNANCE

We hold ourselves to the highest ethical and moral standards when bidding on prospective opportunities and working with our customers. We are committed to adhering to corporate governance practices that meet or exceed industry standards.



Highlights

Diversity & Inclusion

435 Full-Time and Seasonal Employees

41% Female Staff of Full-Time Employees

7% Identify as Indigenous (First Nations, Métis, or Inuit)

4% Identify as Visible Minority*

2018-2020

> 32,000 Training Hours

> 2,400 Wells Decommissioned (for customers)

Zero # of Reportable Spills in 2020

CWC’s Total Recordable Incident Frequency (TRIF) has consistently decreased over our 16-year history

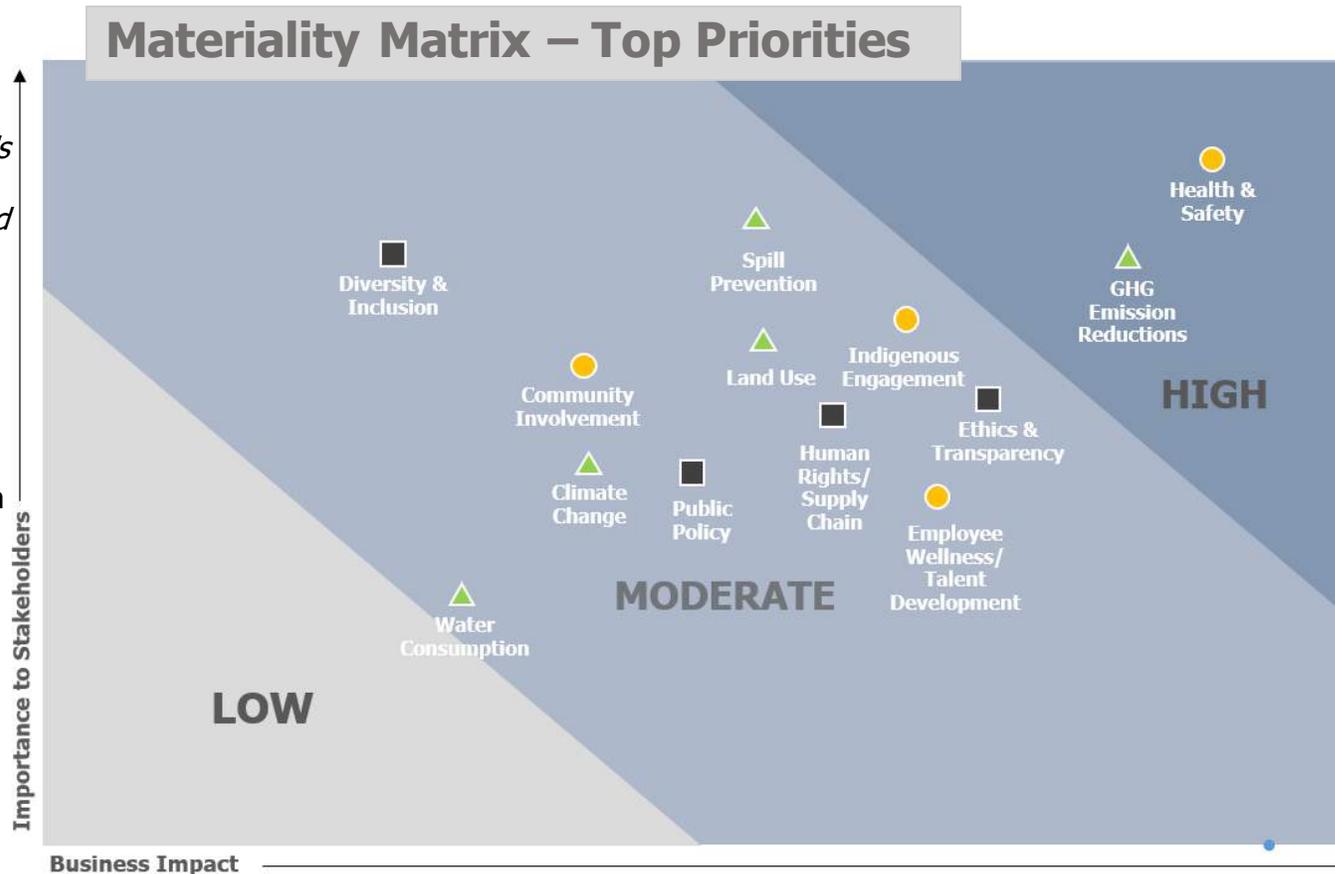
**Visible minority for the purposes of this report refers to whether a person belongs to a visible minority group as defined by the Employment Equity Act.*

Materiality Assessment

To ensure that we address the issues and opportunities that are most material to our business, as an energy service provider, we performed a review of our risks using a Materiality Assessment.

The assessment was conducted using guidance from *Global Reporting Initiatives ("GRI") Standards and the Sustainability Accounting Standards Board ("SASB") Framework* and a review of industry trends, and initiatives. Internal and external stakeholders were engaged to identify and understand CWC's material issues and risks that may have a significant impact on its business operations and stakeholders.

Based on the Materiality Assessment, two of our most significant material impacts are **Health & Safety** and **Greenhouse Gas ("GHG") Emission Reductions**.



Environment

- GHG Emission Reductions
- Water Consumption & Conservation
- Chemicals Management (Usage, disposal)
- Biodiversity/Ecological Conservation
- Land Use
- Climate Change (*Physical Effects From Natural Disasters*)
- Spill Prevention

Social

- Health & Safety
- Employee Wellness/ Talent Development
- Community Involvement
- Indigenous (First Nations, Métis, or Inuit) Engagement

Governance

- Diversity & Inclusion
- Ethics & Transparency
- Human Rights/Supply Chain
- Public Policy



Environment

CWC Energy Services is doing its part to protect and ensure a sustainable future.

We are committed to meeting the highest standards and utilize new technologies, where possible, to further reduce our environmental footprint.

We care about our home and
Do What's Right to protect it

Environmental Management

We make every effort to support our customers in meeting their ESG objectives and continue to innovate and explore new ways to reduce both our and our customers' environmental footprint. Our drilling rigs and service rigs are designed to limit the impact on our environment while providing the best-in-class service to our customers.

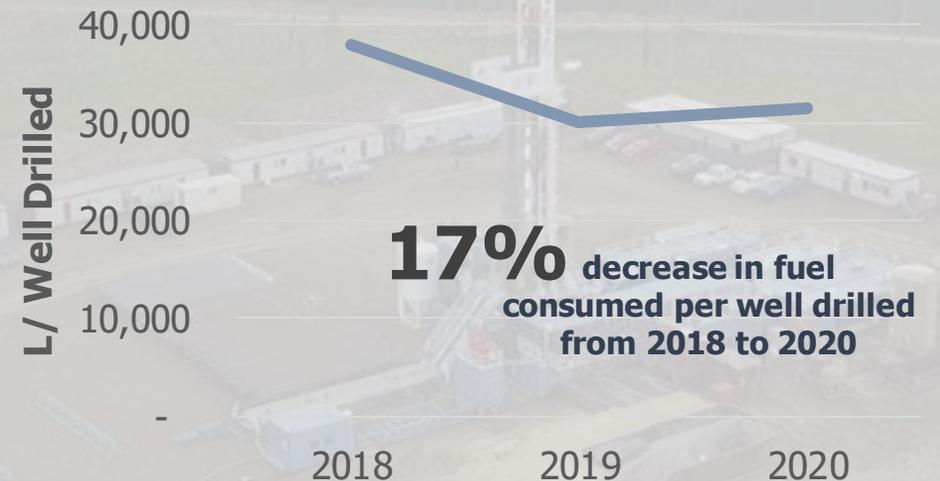
Quality and Efficient Equipment

With an average age of 11 years, CWC's nine telescopic double drilling rigs are one of the youngest fleets in the WCSB and the U.S. Our newer fleet reduces the drilling time per well by about 50% over historic levels and decreases the land footprint by about 30% compared to a typical AC triple drilling rig. Advances in technology and equipment has also allowed us to reduce the amount of time spent on each well. The outcomes are less energy consumed and greenhouse gas emissions ("GHG") generated, reduced land disturbance, and smaller duration of environmental disturbance for our customers' operations.



Our strategic initiative is to continue to focus on more environmentally friendly solutions at a cost-effective price and to increase the capabilities of our existing fleet to meet the growing demands of E&P customers for faster drilling times

Total Fuel Consumed per Well Drilled



Note: Fuel consumption for well services has remained constant from 2018 to 2020 at approximately 40 litres of fuel consumed per operating hour.

Energy & Emissions Management

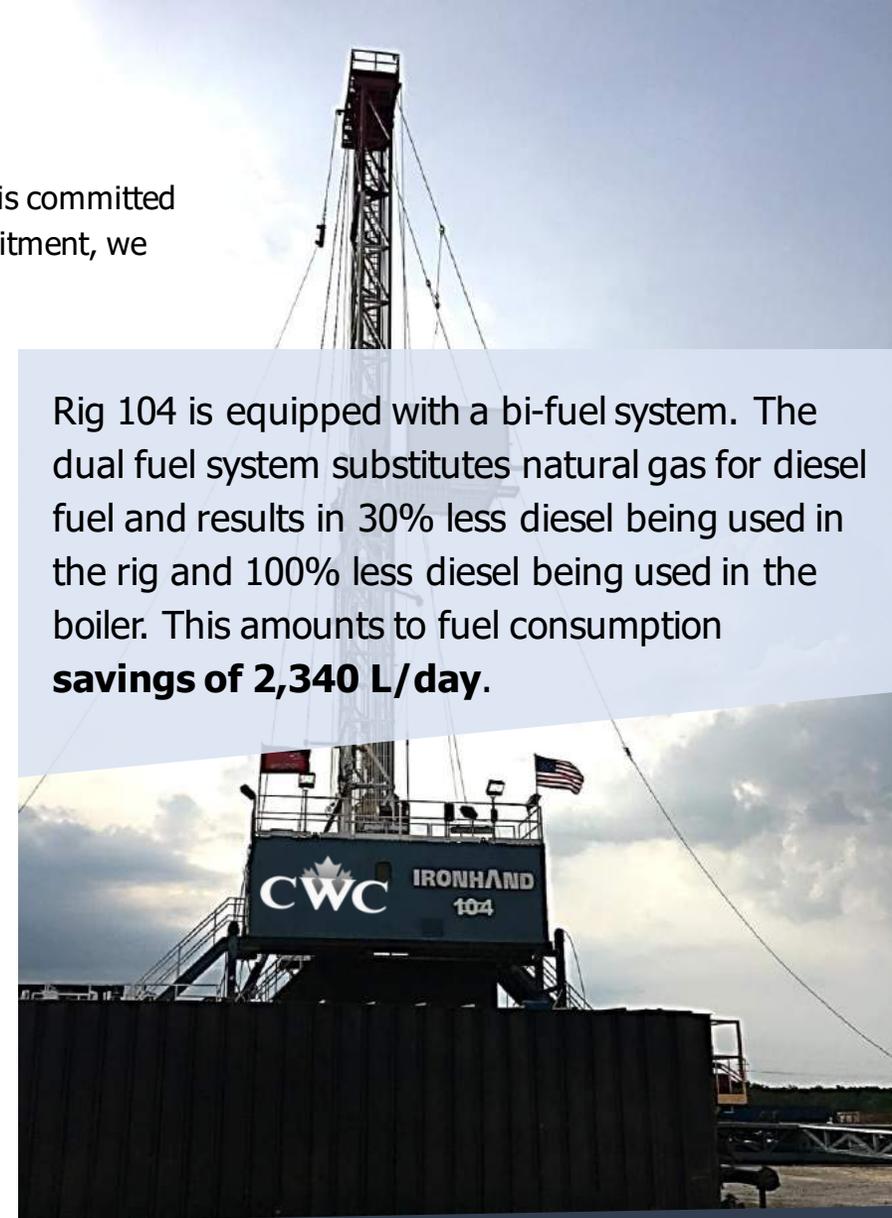
As climate change and associated GHG emissions become an increasing topic of concern in the world, CWC is committed to finding ways to do our part to minimize our energy consumption, where possible. In pursuit of this commitment, we have undertaken the following actions to manage our energy consumption and carbon emissions footprint:

Our Drilling Rigs

- 89% of our rigs utilize high torque top drives, improved drill strings, higher pumping capacities, and automation allowing extended reach in horizontal sections of wells. These technological advances, as well as improved downhole tools and technology from third-party companies has reduced the time spent and associated energy consumed on each well, resulting in approximately 14% of fuel saved on longer-reach horizontal wells.
- The efficient and compact size of our drilling rigs has decreased the number of truck loads needed to set-up and takedown rigs.
 - 33% of our drilling rigs have pad rig walking systems, which allow more efficient and effective rig movement thereby reducing trucking requirements.
 - Less truckloads required to mobilize equipment: the footprint of all nine of our telescopic double drilling rigs on the lease site require approximately 23 truckloads of equipment to be moved in and out of a lease compared to over 60 truckloads of equipment on a typical AC triple drilling rig. This resulted in approximately **8,663 tCO₂e of GHG emissions saved** in 2020.

Other Facilities and Equipment:

- We have switched 85% of our facilities to lower consumption light-emitting diode ("LED") lighting. *Note: We are working to switch over all lighting on our rig systems to LED lighting.*



Rig 104 is equipped with a bi-fuel system. The dual fuel system substitutes natural gas for diesel fuel and results in 30% less diesel being used in the rig and 100% less diesel being used in the boiler. This amounts to fuel consumption **savings of 2,340 L/day.**

Energy & Emissions Management

Understanding that **GHG Emissions Reduction** is an important and material issue for our business, we are actively investigating new opportunities to reduce our energy consumption and GHG emissions footprint.

Although CWC does not currently measure the volume of Scope 1 GHG Emissions emitted from its facilities and fleet, we are in the process of setting up a framework to be able to capture and report this information in the future

Technologies Being Explored

The following technology opportunities are just some examples of the types of initiatives we are currently actively exploring to further reduce our Scope 1 GHG emissions and positively contribute to combating climate change:

✔ **Electrification of Rigs**

Electrification of our drilling rigs by converting our mechanical rigs to AC electric rigs, enabling greater use of alternative fuel systems. Additionally, would allow for opportunities to run the rig on high line power, thereby removing the dependence on solely diesel usage to run our rigs.

✔ **Bi-fuel Systems**

Retrofitting additional drilling rigs to include bi-fuel systems, which utilizes natural gas in place of diesel fuel.

✔ **Upgrading to Tier 4 Engines**

As our equipment reaches its life expectancy, we are looking to replace our current Tier 2 engines to meet Tier 4 standards.

✔ **Hydrogen Fuel Cells**

Installing hydrogen fuel cells on our drilling rigs to allow for the use of multiple fuel sources (diesel, natural gas, and hydrogen) simultaneously.

Land, Water & Waste

At CWC, our environment is important to us. We take all measures possible to ensure that we are conducting our business responsibly.

Water, Waste & Chemical Handling

The management of water, waste and chemical handling are the responsibility of other service providers and our E&P customers. Wastewater generated from the rig is contained and hauled to a third-party facility by a third-party waste management provider. CWC does not manufacture or sell drilling and hydraulic fracturing fluids. In the instances when we do handle chemicals on the drilling rigs, we follow all appropriate safe handling instructions from third-party providers directly responsible for manufacturing and selling these chemicals.

Land Footprint

While our E&P customers are responsible for lease site preparation and the associated land disturbance, we take the following measures to reduce our impact:

- 99% of CWC's service rigs have freestanding systems which eliminate land disturbance from guyed wires required to steady the mast on a service rig.
- We track and report all spills. Our containment systems are outfitted with alarm systems to alert field personnel of any potential spills and to ensure any deficiencies are dealt with immediately. We provide containment liners and secondary containment options for customers that require storage tank farms on location.

Total volume of reportable spills (m³)

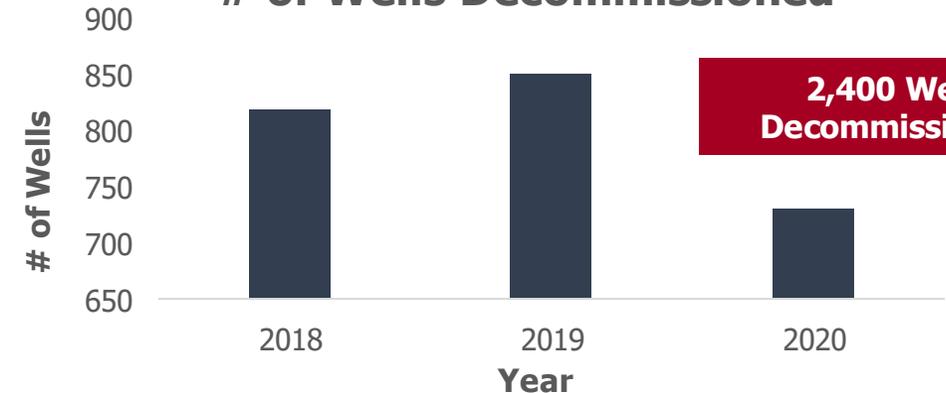


By working with our customers to help decommission their wells, we are actively involved in the first steps to reducing our customer's land footprint that allows for subsequent restoration of the industrial site to its previous state

Well Decommissioning

CWC has had the opportunity to support our customers in safely decommissioning approximately 2,400 wells from 2018-2020, which will be further accelerated with the Government of Canada's \$1.7 billion in funding to Alberta, Saskatchewan, British Columbia and the Alberta Orphan Well Association, in 2021 and 2022. This type of work enables CWC to support our E&P customers in being good corporate stewards by limiting their impact on the environment.

of Wells Decommissioned



> \$42 M in Well Decommissioning Revenue from 2018 to 2020

Social

At CWC Energy Services, we believe our people are our greatest asset.

The health, safety, and well-being of our people – staff, contractors, customers, and communities, is our highest priority.



We Teach 'Em Right to create a high performing safety culture

Quality, Health & Safety

100% Vigilance by 100% of the people, 100% of the time

At CWC, our people are our greatest asset

Promoting a safe work environment is a responsibility shared by every individual within our organization. Our leadership teams and HSE Policy requires that field staff report all incidents and holds managers and supervisors accountable to rectify any concerns raised by field staff regarding safety.

We have a robust Quality, Health, Safety and Environment ("QHSE") system in place that proactively monitors, measures, adjusts, and reports on our safety program. Using **Intactix's CARE dashboard**, we have implemented new data-tracking methods to view our incident investigations and further ingrain safety as a core value of our business.

Actionable, on-the-ground performance insights are delivered, in real-time, to allow us the ability to analyze and interpret our true HSE risk profile, our culture maturity and our actual expected results. This platform allows us to find, investigate and fix high consequence situations that could have material effect on the safety of our personnel.

Contractor Management Systems that we use include **Complyworks** and **ISNetwork**. These bid qualification platforms enable us to ensure that we are meeting and exceeding our customers' and industries' QHSE requirements and expectations.



QHSE is vitally important to CWC and our customers as we understand the risks and hazards our employees face every day. Getting all our employees safely home to their families at the end of each day is our number one priority.

To reinforce our QHSE commitments, both our QHSE Manager and QHSE Field Coordinators have a strong presence in the field. The QHSE Manager is accountable for all safety investigations, and QHSE Field Coordinators routinely conduct inspections to ensure our service rigs are operating safely. Additionally, an external safety consultant performs safety inspections on our drilling rigs. From 2018 to 2020, managers and supervisors conducted **2,677 site visits**.



CWC's TRIF has consistently decreased over our 16-year history

TRIF reports are produced monthly and reviewed by senior management.

	2018	2019	2020
Total Recordable Incident Frequency (TRIF)*	3.14	0.48	1.21*
Fatality Rate	0	0	0
Near Miss Frequency Rate and Amount	0.38 (3)	0.80 (5)	0.97 (4)
Total Vehicle Incident Rate (TVIR)	0.62	0.48	0.49
Total Hours Worked (thousands)	1,593.9	1,249.4	823.69

*Our 2020 TRIF is lower than both our 5-year and 10-year average

Quality, Health & Safety

Continuous improvement is ingrained in our culture

We don't just preach it, we put it in practice. We strive to give our employees the resources they need to be the best they can be. We offer all our employees training and educational programs to develop their skills and promote professional growth. We have an internal safety tickets monitoring system for all our field employees to ensure their tickets are up to date.



Senior drilling employees are trained through the former **Rig Tech** program and all service rig employees are trained through the **ESC Competency** program.

Our employees understand that quality work takes time, and cutting corners is not acceptable. This gives our customers, suppliers, community partners, and stakeholders a strong belief and sense of trust in the talents of our employees.

"We believe in investing in our people to build a stronger workforce"

Workforce Health & Safety Policies and Procedures

CWC has a **QHSE Committee of the Board of Directors**, and a **HSE Committee** made up of elected employees representing employees and management. Our Board of Directors are mandated to regularly review all QHSE systems and policies to ensure a safe working environment.

The following are examples of documents, procedures and courses in place to ensure the safety of CWC's workforce and communities where it operates:

- ✓ **HSE Policy**
- ✓ **10 Life Saving Rules**
- ✓ **Common Safety Orientation**
- ✓ **Critical Task Supervision**
- ✓ **Transportation Fleet Safety Manual**
- ✓ **Aerial Safety Cage Training**
- ✓ **Defensive Driving Demerit Reduction**
- ✓ **Fatigue Management for Supervisors & Drivers**
- ✓ **Front End Loader**

CWC is proud of its **Certificate of Recognition (COR)** grade. We have consistently achieved an audit grade between **90% to 92%** over the last 5 years in both the drilling and well servicing division for our QHSE program, policies, and execution.



> 32,000 Training Hours

Employee Training Hours	
2018	9,543
2019	12,776
2020	9,729

Talent Management

We understand that the challenges of life can differ between individuals, and we're here to support our staff and contractors to ensure they can continue being the best version of themselves.

In pursuit of this, CWC has implemented:

- An **"Open Door"** approach for all employees to provide a safe, confidential line of communication to senior management.
- A **"Fit-for-Duty"** policy, where early signs of struggles in an employee can be identified in order to provide support in any way we can.



CWC ENERGY SERVICES CORP.

Fit for Duty Policy No. A004



Diversity & Inclusion

Varied skills, backgrounds, and perspectives of our people are what contributes to our success. Our diverse workforce across race, gender, age, and religion all help to promote an inclusive culture and lays the foundation for strong teamwork.

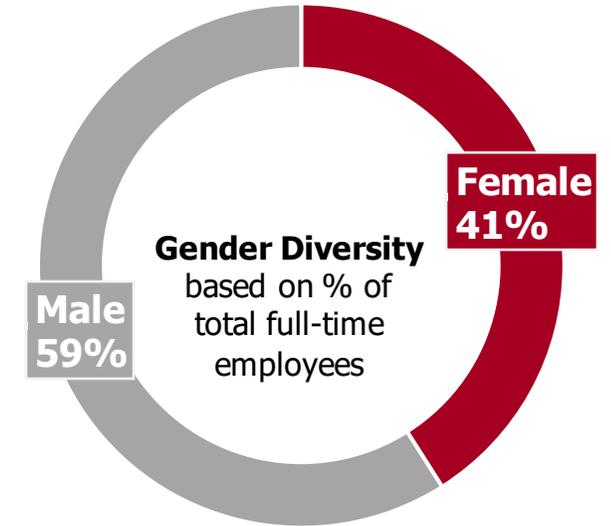
As we continue to strengthen our team with the highest quality of people, we make a conscious effort to ensure we promote an inclusive and diverse culture and treat all candidates equally.

Additionally, we continuously push ourselves to look for ways in which we can breakdown workplace barriers for women and minorities.



*Based on 198 responses

Staff Diversity



Position	Female	Male	Total
Executive	0	6	6
Director, Controllers, Sales, Operation Managers	3	14	17
Support Managers & Field Supervisors	2	12	14
Administration	19	2	21

***'Visible minority' for the purposes of this survey refers to whether a person belongs to a visible minority group as defined by the Employment Equity Act and, if so, the visible minority group to which the person belongs. The Employment Equity Act defines visible minorities as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour."



Quality, Health & Safety

Talent Management

Diversity & Inclusion

Indigenous Employment

Community Partnerships

Indigenous Employment & Building Lasting Relationships

CWC recognizes the importance of Reconciliation, and we are proud to be strong supporters of Indigenous Peoples (First Nations, Métis, and Inuit), and the communities we work in. By working directly with local communities, we actively engage in creating lasting relationships and programs for Indigenous employment.

We consciously make an effort to employ local individuals, contractors and service companies within the areas that we operate as well as participate in local job fairs. For example, our service rig crew at our Slave Lake operations (Rig 143) is comprised of local talent and includes a full crew that predominately identifies as Indigenous (First Nations, Métis, or Inuit).

We take pride in our people and skilled workforce. We believe that working closely with Indigenous communities and contributing to employment opportunities that build important local skillsets and capabilities enables all of us to succeed.

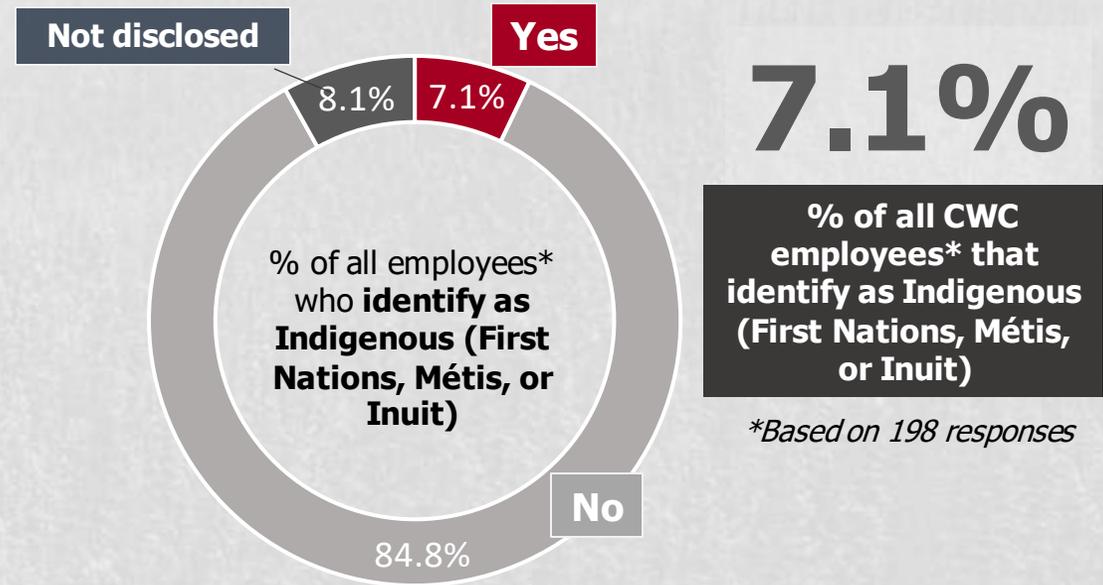


We proudly support and work with indigenous-owned service providers, like West Earth Science, a Canadian Certified Aboriginal Business, provides a broad range of environmental and geomatics services, covering all phases of a project lifecycle.



We believe it is important to support training programs for Indigenous communities. CWC employees have engaged with the Indian Resource Council ("IRC") in supporting the development of employee training courses for prospective Indigenous employees to ensure their success in the energy services industry.

Staff Diversity



Community Partnerships

At CWC, we are members of **PSAC's Community Partners program**, an industry-wide in-the-field program that fosters courteous behaviour in areas of oil and gas activities. Through this program, we ensure that we operate in the field with behaviour that is considerate and abides by the guiding principles of communication, dust, gates, garbage, noise, driving safety, and traffic.



CWC believes in taking an active role in the communities we work with to foster a collaborative environment. We strive to go above and beyond to be contributors and supporters.

Through our sponsorships of local events and teams, to supporting emergency services such as fire halls by providing air pack for training firefighters, we take our commitment to be a good neighbour and operator seriously.



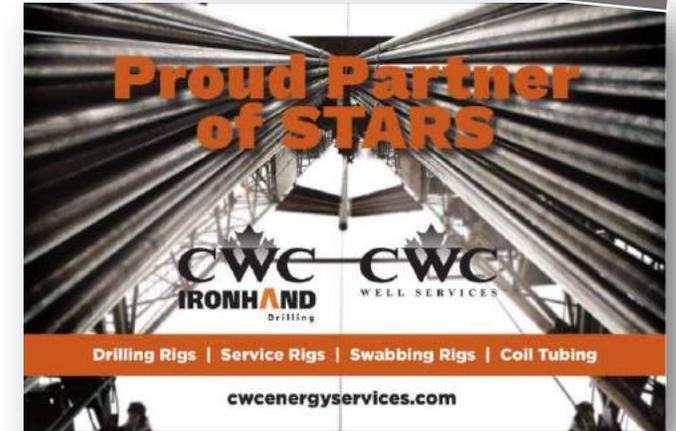
Community Involvement

The following are examples of some of the community initiatives CWC has had the opportunity to support:



From 2018 to 2020, CWC directly contributed over \$63,000 to local communities.

CWC is proud to be a supporter of the PSAC STARS & Spurs Gala, STARS Air Ambulance service, and Technical Search and Rescue



\$1.3M

In 2018/19 when CWC's President & CEO was Chairman of the 24th Annual PSAC STARS & Spurs Gala, which is an annual industry fundraiser to support STARS Foundation, his Committee raised a **record \$1.3 million** for the foundation



Corporate Governance

Honesty, integrity, and vigilance are core beliefs that guide how we do business.

We are committed to fostering a safe and ethical work environment for our shareholders, customers, and local communities.

We Do it Right

Board Structure

All members have been involved with the Board of Directors for at least 7 years



Duncan Au – President and Chief Executive Officer
Director since 2010



Jim Reid – Chairman of the Board & Director
Director since 2007



Gary Bentham – Director
Director since 2009



Dean Schultz – Director
Director since 2014



Daryl Austin – Director
Director since 2014



Wade McGowan – Director
Director since 2010

CWC is committed to conducting our business responsibly, honestly, and with integrity. Our Board of Directors ("Board") are comprised of qualified, independent members who are trusted to oversee the strategy and direction of the company. Our Board is responsible for maintaining a high level of governance and ethics and regularly reviews ESG materials.

There are three Committees under the Board tasked with overseeing corporate governance:

1. Audit Committee
2. Compensation and Corporate Governance Committee
3. Quality, Health, Safety and Environment ("QHSE") Committee

While not formalized in one complete ESG strategy, components of material significance are embedded in our strategy for success. For example, we have a robust QHSE system that proactively monitors, measures, adjusts, and reports on our safety program. Additionally, a **portion of executive compensation is linked to QHSE performance.**

Material ESG items are reported at the Board and Audit Committee, Compensation & Corporate Governance Committee and QHSE Committee levels on a quarterly basis.

As the Board, we strive to create a culture without discrimination, and provide a respectful workplace where all employees (regardless of age, ethnicity, religion, gender, etc.) are included.

ESG Governance

One of the actions that we have recently undertaken to further engrain ESG into our business is to appoint a new Director, ESG and Communications who is responsible for tracking, monitoring, and reporting our ESG performance

A focus on QHSE has always been an integral part of CWC's business model. This includes having clear Key Performance Indicators ("KPIs") identified, and a percentage of employee compensation linked to the performance of these QHSE KPIs.

Looking ahead, the major material issues and challenges identified under the Materiality Matrix and the *SASB Framework for Oil and Gas Services* will be integrated into our strategic decision-making to re-align how we think about setting goals for our business. This will allow us to identify, manage and report on material ESG factors specific to our industry.

Our ESG Commitment

As our ESG reporting matures, we will endeavor to use the SASB framework to establish additional policies, and procedures as well as create targets and goals to achieve our objectives as a Company in line with our stakeholders' expectations of us.

We have established an Audit Committee, which monitors internal controls and compliance, and ensures that all corporate policies, and risk assessment and management frameworks are sufficient to address current and future needs.

** Material issue name as identified under SASB framework for Oil and Gas Services*

Material Issue*	Governance Documents & Policies
Emissions Reduction & Fuel Management	HSE Policy Internal Procedures for Implementation of New Technology (e.g., Equipment and fuel efficiency)
Biodiversity & Ecological Conservation	Spill Response Procedures Procedure for Chemical/Waste Handling
Workforce Health & Safety	HSE Policy Life Saving Rules Critical Task Supervision Transportation Fleet Safety Manual
Employee Wellness	Fit for Duty Policy Respectful Workplace, Discrimination, Harassment & Workplace Violence Policy
Indigenous Collaboration	Indigenous Employment Opportunities Community Involvement Initiatives
Diversity & Inclusion	Corporate Governance Manual Respectful Workplace, Discrimination, Harassment & Workplace Violence Policy
Business Ethics and Transparency	Corporate Governance Manual Code of Business Conduct and Ethics Disclosure, Confidentiality & Trading Policy Whistleblower Policy
Critical Incident Risk Management	Critical Task Supervision Risk Management Process

Board Committees

The **Audit Committee** of the Board is responsible for internal accounting standards, reviewing financial statements, ensuring the external auditor's independence, facilitating financial discussions between internal and external bodies, and compliance with legal and regulatory requirements.

In January 2019, the Board established a new QHSE Committee to bring more focus and accountability on health, safety and environment at the Board level. The **QHSE Committee** is responsible for matters related to quality, health, safety and environment. The committee reviews the current QHSE policies and procedures and ensures that all legal and regulatory requirements are met or exceeded.



The **Compensation and Corporate Governance Committee** ensures responsible leadership in human resources and compensation. The Committee oversees matters of corporate governance and ensures executive financial compensation is tied to performance of the company's stated goals and objectives.

As of 2012, the **Compensation and Corporate Governance Committee** approved a Bonus Program that measures corporate performance based on 3 KPIs:

1. Operating and Financial Performance
2. Capital Expenditure Performance
3. Quality Health, Safety, Environment, Transportation and Human Resources Performance

Examples of metrics under the third KPI include:

- TRIF record vs. prior years
- Qualitative activities to enhance safety (e.g., safety meetings, safety equipment, safety manuals, QHSE personnel)
- Qualitative activities to attract sufficient workforce (e.g., Human Resource programs to crew rigs)
- Qualitative activities to retain workforce

Code of Business Conduct

Honesty, integrity, and vigilance are core beliefs that guide how we do business. We are committed to fostering a safe and ethical work environment for our shareholders, customers, and local communities.

CWC has implemented a **Code of Business Conduct and Ethics**, applying to our employees, directors, and officers.

The Code of Business Conduct and Ethics is understood and acknowledged by all employees of the company and ensures that we are accountable in the key areas:

- Avoiding conflicts of interest
- Maintaining confidentiality
- Protecting privacy
- Proper use of assets
- Prohibiting insider trading
- Discrimination and harassment
- Bribery and corruption
- Fair dealings



Compliance & Reporting

Regulatory and Legal

At CWC, we are committed to following all regulatory and legal requirements and continuously monitor activities to ensure our operations are conducted in compliance with applicable laws and CWC's standards.

In 2018, CWC implemented a new **Learning Management Software ("LMS")** program to track all regulatory and company required training.

CWC is a member of both the **Canadian Association of Energy Contractors ("CAOEC")**, formerly CAODC, and the **Petroleum Services Association of Canada ("PSAC")** where we participate in drafting **Industry Recommended Practices ("IRPs")** and follow all legal and regulatory processes and procedures.

Whistleblower Policy

CWC Energy believes in strong moral and ethical values at every level of the company. We expect all employees, directors, officers, and consultants to hold and exhibit the same values, and encourage each person to speak out to report potential issues.

To provide a safe and secure reporting mechanism, we have a **Whistleblower Policy** in place, offering a toll-free independent Hotline that is monitored 24/7. The policy ensures all matters are investigated thoroughly while protecting confidentiality and prohibiting retaliation.

**CWC Energy Services Hotline
1-844-597-9874**

Performance Data Sheet

	Units	2018	2019	2020
Emissions Reduction & Fuel Management				
CWC Ironhand Drilling				
Total fuel consumed in Canada	Litres ("L")	4,964,193	2,050,636	1,305,096
Total fuel consumed in U.S.	Litres ("L")	0	985,154	801,351
Total energy consumed off-road equipment and vehicles in Canada	Total Energy Use ("GJ")	184,365	73,930	47,803
Total energy consumed on-road equipment and vehicles in Canada	Total Energy Use ("GJ")	7,402	5,204	2,540
Total energy consumed off-road equipment and vehicles in U.S.	Total Energy Use ("GJ")	0	37,601	30,618
Total energy consumed on-road equipment and vehicles in U.S.	Total Energy Use ("GJ")	0	478	357
CWC Well Services				
Total fuel consumed in Canada	Litres ("L")	6,364,847	4,872,934	3,124,351
Total energy consumed off-road equipment and vehicles in Canada	Total Energy Use ("GJ")	227,598	176,226	114,891
Total energy consumed on-road equipment and vehicles in Canada	Total Energy Use ("GJ")	17,895	12,603	7,222
Emissions Reduction & Fuel Management – Continued				
% of renewable, % used	%	0	0	0
Description of strategy or plans to address air emissions related risks, opportunities, and impacts		See pg. 12-14 for a description		
Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	%	0	0	0

	Units	2018	2019	2020
Activity Metrics				
Number of Active Drilling Rigs (end of period)	#	9	9	9
Number of Active Service Rigs (end of period)	#	92	84	81
Number of Active Swabbing Rigs (end of period)	#	8	5	5
Number of Wells Drilled	#	131	101	67
Total Depth Drilled - Canada	Meters (in thousands)	485.7	261.7	222.0
Total Depth Drilled – U.S.	Meters (in thousands)	0	68.1	40.5
Drilling Rig Operating Days - Canada	Days	1,622	816	688
Drilling Rig Operating Days – U.S.	Days	0	236	144
Service Rig Operating Hours	Hours	156,358	117,188	72,611
Swabbing Rig Operating Hours	Hours	6,410	4,322	3,626



Performance Data Sheet

	Units	2018	2019	2020
Water Management Services				
N/A; CWC is not responsible for water and/or waste management (see pg. 15)				
Chemicals Management				
N/A; CWC does not manufacture or sell drilling and hydraulic fracturing fluids (see pg. 15)				
Ecological Impact Management				
Average disturbed acreage per (1) oil and (2) gas well site	Acres	NR	NR	NR
Number of Reportable Spills	Count	3	1	0
Total Volume of Reportable Spills	m ³	10.9	0.1	0
Description of strategy or plan to address risks and opportunities related to land and ecological impacts from core activities			See pg. 15 for a description	

("NR") – Not reported at this time



	Units	2018	2019	2020
Health, Safety, and Emergency Management				
Total Recordable Incident Frequency (TRIF)	#	3.14	0.48	1.21*
Fatality Rate	#	0	0	0
Near Miss Frequency Rate	#	0.38 (3)	0.80 (5)	0.97 (4)
Hazard identification	#	73	61	43
Total Vehicle Incident Rate	Cases per 200k work hours	0.62	0.48	0.49
Total Hours Worked	Thousands	1,593.9	1,249.4	823.7
Employee Training Hours	Hours	9,543	12,776	9,729
Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and project lifecycles			See pg. 17-18, 23-26 for a description	
Business Ethics & Payments Transparency				
Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	CAD dollars (\$)	\$0	\$0	\$0
Description of the management system for prevention of corruption and bribery throughout the value chain			See pg. 27 for a description	
Management of the Legal & Regulatory Environment				
Amount of political campaign spending, lobbying expenditures, and contributions to tax-exempt groups including trade associations	CAD dollars (\$)	\$12,000*	\$0	\$0

*Supporting Modern Miracle Network

Forward-Looking Statements

Certain statements contained in this presentation, including statements which may contain words such as “anticipate”, “could”, “continue”, “should”, “seek”, “may”, “intend”, “likely”, “plan”, “estimate”, “believe”, “expect”, “will”, “objective”, “ongoing”, “project”, “view” and similar expressions relating to oil and gas service industry activity estimates, estimates of drilling activity, oil and natural gas supply and demand estimates, estimates of Canadian wells required to maintain production, realization of the benefits from the C&J transaction, potential acquisition opportunities in the current market, expectations with respect to the relaxation of financial covenants in the Company’s credit facility and similar facts and similar expressions and statements relating to matters that are not historical facts, are forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties which may cause the actual results, performances or achievements of CWC to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include fluctuations in the market for oil and gas and related products and services; competition; our ability to integrate and manage acquired businesses; new products and services developed by CWC; the demand for services provided by CWC; changes in laws and regulations, including royalties and environmental, to which CWC or its customers are subject; CWC’s ability to attract and retain key personnel and other factors affecting both the oil and gas business and oilfield services.



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