



SOUTHBOW

**ALCOHOL AND DRUG GUIDELINE
FOR CONTRACTORS**

ALCOHOL AND DRUG GUIDELINES FOR CONTRACTORS



Document No:

Driver: Regulatory

Rev.: 0

Publish Date: 2024/09/24

1.0 PURPOSE

South Bow (the “Company”) is committed to being an industry leader in maintaining a safe and healthy workplace. The use of Alcohol and Drugs, including medications, can adversely affect job performance and can have a negative impact on the worker’s personal safety and the safety of other personnel, property, and the environment.

This document outlines the minimum expectations regarding Alcohol and Drug possession and use for all Contractors and is driven by the requirements of the Construction Owners Association of Alberta’s (COAA) Canadian Model for Providing a Safe Workplace: Drug and Alcohol Guidelines and Work Rule, as well as the U.S. Department of Transportation (DOT) requirements and regulations.

Contractors are expected to have a policy which meets or exceeds the Alcohol and Drug requirements outlined in this document.

2.0 SCOPE

This Guideline is intended to provide direction to all Contract Workers and Independent Consultants regarding South Bow’s requirements. It is intended to minimize the risks associated with the Company’s operations and to ensure a safe and healthy workplace. All Contractors regulated by the DOT are expected to be fully compliant with all applicable DOT requirements and regulations including, without limit:

- a) Rule 49, Code of Federal Regulations (CFR) Part 40, Section 40.1;
- b) Rule 49, CFR Part 199; and
- c) Rule 49, CFR Part 382.

3.0 GUIDELINE

3.1 Responsibilities

Contractors are expected to ensure that their Contract Workers are free and remain free of any Alcohol or Drugs (including all medications which may cause impairment) in compliance with the requirements of this document when engaged in South Bow Business when on South Bow Premises and South Bow Worksites, and when operating Company vehicles and equipment.

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Contract Workers must:

- a) report Fit for Work, and remain Fit for Work throughout their work day or shift;
- b) adhere to the Fit for Work standards set out in this document;
- c) maintain a valid driver's license if it is a condition of work and report any loss of such license immediately, and in any event, no later than 24 hours after losing the driver's license;
- d) conduct themselves in an appropriate manner while on South Bow Business, South Bow Premises, and South Bow Worksites; and
- e) co-operate with an investigation into any violation, including any testing requirements.

Any Contract Worker who is scheduled on-call must remain Fit for Work to respond to a call-in and comply with this Guideline.

Should unexpected circumstances arise where a Contract Worker is unknowingly requested to perform services while under the influence of Alcohol or Drugs or is not Fit for Work, it is the responsibility of that individual to inform the Contractor or a South Bow Representative that they cannot accept that assignment.

3.2 Fit for Work Requirement

All Contract Workers must not:

- a) use or consume any Alcohol and Drugs, whether legal or illegal, while engaged in South Bow Business, with the exception of medications used in accordance with the provisions of this Guideline;
- b) attend any South Bow Premises or South Bow Worksites, for any reason, after using any Alcohol and Drugs;
- c) consume any amount of Alcohol and Drugs during the work day, including during meals or other breaks;
- d) return to work or report for work after consuming Alcohol or Drugs at a social event; or
- e) have a positive result on an Alcohol and Drug test based on DOT Rule 49, CFR Part 40 and COAA Testing Protocols.

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3.3 Alcohol and Drugs on Company Premises and Worksites

The use and possession of Alcohol and Drugs are prohibited on South Bow Premises and South Bow Worksites. In particular, Contract Workers must not:

- a) use, consume, possess, or store of any Alcohol or Drugs or related Drug Paraphernalia on South Bow Premises or Worksites, with the exception of medications used in accordance with this Guideline;
- b) distribute, offer, sell, cultivate, manufacture any Alcohol or Drugs or Drug Paraphernalia on South Bow Premises or South Bow Worksites;
- c) use a South Bow marked vehicle for the purchase, acquisition, or transportation of Alcohol or Drugs; or
- d) operate a Company vehicle (including any equipment) or vehicle rental after consuming Alcohol or Drugs at any time

3.4 Alcohol

The use, possession, distribution, offering or sale of beverages containing Alcohol, and the possession of beverages containing Alcohol in containers that are not factory sealed, is prohibited when on South Bow Business, South Bow Premises and South Bow Worksites. In addition, anyone working at these locations must not:

- a) have an Alcohol test result of 0.02 BAC or greater result as determined through the testing program; and
- b) use Alcohol after an incident until tested or advised by the South Bow Representative testing is not required.

3.5 Medications

Contract Workers are expected to investigate and confirm whether a medication could affect fitness for work and proactively take action to avoid, prevent, and mitigate any potential safety concerns. The following are prohibited while on South Bow Business, South Bow Premises, and South Bow Worksites:

- a) the intentional misuse of medications (e.g., not using the medication as it has been prescribed or directed by the pharmacy or physician, using someone else's prescription medication, combining medication and Alcohol use against direction); and
- b) the possession of prescribed medications without a legally medically obtained prescription and unauthorized distribution, offering or sale of prescription medications.

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3.6 Investigations

South Bow reserves the right to require a Contractor to fully investigate any possible violations and require Contract Workers to be tested for Alcohol and Drugs as part of the investigation.

In the case of an Independent Consultant, the individual will be removed from the immediate South Bow Worksite and an investigation will be undertaken by a South Bow Representative.

As a part of the investigation process, South Bow reserves the right to request an Alcohol and Drug test. An Independent Consultant must provide confirmation of a compliant test result to their South Bow Representative prior to returning to the South Bow Worksite.

Contract Workers required to operate any motorized vehicle, including rental vehicles, in the course of their job duties on behalf of South Bow must immediately inform their supervisor if, at any time or location, whether the incident was in a South Bow vehicle, rental vehicle, or personal vehicle, if they:

- a) have been charged with an impaired driving offense; or
- b) have had their driver's license revoked or received an administrative license suspension.

South Bow reserves the right to conduct investigations when there are reasonable grounds to believe that Alcohol or Drugs are present on South Bow Premises or South Bow Worksites. A Contract Worker who refuses to submit to an investigation requested by a South Bow Representative will be removed from the South Bow Premises or South Bow Worksites.

3.7 Other Testing Investigations

Where applicable, South Bow reserves the right to require Contract Workers who hold a higher-risk position, or who are assigned to work on a high-risk operating or project site to be tested prior to assignment.

Where applicable and permissible by law, testing may also be required on a random basis when it is deemed necessary to meet the objectives of this Guideline. All individuals affected will be advised in advance of these requirements.

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Where applicable, pre-site access testing will be required for all individuals accessing major pipeline and energy construction projects.

Minimum Alcohol and Drug standards for testing must be based on DOT Rule 49, CFR Part 40 and COAA Testing Protocols.

3.8 Violations of Contractor Expectations

If there is any reason to believe any Contract Worker is not Fit for Work or otherwise in contravention of the intent and provisions of this Guideline, the worker will be removed from South Bow Premises or South Bow Worksites and an investigation must take place.

3.9 Testing Program

The minimum standards for testing are as outlined in the DOT Rule 49, CFR Part 40, Section 40.1 and COAA Testing Regulations.

4.0 ROLES AND RESPONSIBILITIES

4.1 Compliance

Personnel must comply with all aspects of this Policy and support others in doing so. Personnel are responsible for promptly reporting suspected or actual violation of this Policy, applicable law, or any other concern, through available channels so that it can be appropriately investigated, addressed and handled. Personnel who fail to comply, or knowingly permit Personnel under their supervision to not comply, may be subject to appropriate corrective disciplinary action in accordance with the Company's Policies and processes. Please refer to the South Bow Corporate Policies website for more information

4.2 Interpretations and Administration

The Company has sole discretion to interpret, administer and apply this governance document and to change it at any time to address new or changed legal requirements or business circumstances.

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4.3 Non-Retaliation

We support and encourage Personnel to report suspected incidents of non-compliance with applicable laws, regulations, and authorizations, as well as hazards, potential hazards, incidents involving health and safety or the environment, and near hits. We take every report seriously, investigate each report to identify facts, and effect improvements to our practices and procedures when warranted. All Personnel making reports in good faith will be protected. Good Faith Reporting is intended to remove protection for Personnel making intentionally false or malicious reports, or who seek to exempt their own negligence or willful misconduct by the act of making a report. We ensure immunity from disciplinary action or retaliation for Personnel for the Good Faith Reporting of such concerns. Reports can be made to management, a compliance coordinator, or anonymously to the ethics helpline

5.0 REFERENCES

5.1 Definitions and Acronyms

Term	Definition
Alcohol	the intoxicating agent in beer, wine, distilled spirits, and other low-molecular weight alcohols.
Contingent Workforce Contractor (CWC)	an individual who typically: <ul style="list-style-type: none"> • is employed by a Supplier to work on behalf of South Bow; • uses South Bow assets (e.g., workstation, email, phone); • is compensated on an hourly or daily rate basis; and • works under the direction of a South Bow leader.
Contract Worker	an individual or entity employed by a service provider to work at, or on behalf of South Bow for a defined period. Contract Workers can be a Contingent Workforce Contractor, Consultant, Excluded Contractor, Independent Contractor, Sole Proprietor or Seconded
Drugs	substances, including but not limited to illicit drugs, medications, or other mood-altering substances, the use of which has the potential to change or adversely affect the way a person thinks, feels, or acts. For purposes of this document, drugs of concern are those that inhibit a

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