

# Background Screening Policy

## Policy Statement

This Policy describes South Bow's background screening process and outlines corresponding requirements and roles and responsibilities.

## Scope

This Policy applies to all Employees and Contractors in all jurisdictions where the Company operates.

## Principles

### 1 Responsible hiring and contracting

- 1.1 South Bow undertakes background screening after the conditional decision to employ an Employee or engage a Contractor is made.
- 1.2 Background screening is conducted in accordance with applicable Governing Regulations to verify individuals' background and character, as well as to protect our assets, infrastructure, and data.
- 1.3 Private information required for background screening for existing and potential Employees and Contractors must be collected, maintained, accessed and disseminated in accordance with all applicable privacy legislation and background screening laws in the applicable jurisdiction and South Bow's Protection of Personal Information Policy and Records Retention Schedule.

## Implementation

### 1 Screening requirements

- 1.1 Background screening may include, but is not limited to, the following checks:
  - a) civil litigation;
  - b) credit/bankruptcy;
  - c) criminal background;
  - d) driver/motor vehicle license record abstract;
  - e) education/credential;
  - f) employment history;

- g) political exposure;
  - h) identification/social security number; and
  - i) references.
- 1.2 Fit-for-work testing is part of the Company's background screening, but it is governed separately by the Alcohol and Drug (Employees) Policy and Alcohol and Drug Guideline for Contractors.
  - 1.3 Background screening must be performed on all prospective Employees/Contractors by or on behalf of the Company before the start of employment/contract.
  - 1.4 Acceptable background screening results are a condition of employment/contract (refer to section 3 of this Policy for details).
  - 1.5 Employers of Contractors must incorporate all provisions of this Policy into the hiring practices for Contractors to be engaged by South Bow. Employers of Contractors must also ensure that they can provide sufficient proof that requirements of this Policy were integrated into their hiring processes in case of an audit by the Company or any governing regulatory body.
  - 1.6 Costs associated with background screening of existing and potential Employees of the Company are the responsibility of South Bow.
  - 1.7 Costs associated with background screening of Contractors are the responsibility of employers of Contractors.

## **2 Additional background screening**

- 2.1 Additional background screening must be based on and limited to the elements designated in the Governing Regulations (refer to Table 1 of this Policy for details).
- 2.2 Applicable additional background screening must be conducted before the start of employment/contract in a Sensitive Role and repeated at re-testing dates required by Governing Regulations/South Bow (refer to Table 1 of this Policy for details).
- 2.3 Applicable additional background screening on Employees and Contractors may be required before the start of new or changed duties.
- 2.4 The Company may determine that a cause exists that warrants re-testing of Employees and Contractors earlier than the re-testing dates required by the Governing Regulations/South Bow.

Table 1: Selection of Governing Regulations requirements and their interpretation

Governing Regulation	Applicable roles	Applicable screening components	Frequency of re-testing
Sarbanes-Oxley Act (SOX)	Positions of trust, positions with significant discretionary decision making, some accounting professionals, positions providing financial reporting oversight, and positions with direct access to corporate assets, trade secrets, or information systems at both energy and pipeline facilities.	Civil proceedings, bankruptcy, credit reports and criminal history search.	7 years
Federal Sentencing Guideline Amendments (FSGA)	Positions of trust, influence, authority or discretionary decision making, including those with control of critical operational or information systems.	Civil proceedings, bankruptcy, credit reports and criminal history search.	7 years
Transportation Security Administration Pipeline Security Guidelines	Positions that are: <ul style="list-style-type: none"> <li>• authorized regular unescorted access to control systems or sensitive areas;</li> <li>• authorized access to sensitive information;</li> <li>• assigned security roles; and</li> <li>• assigned to work at or granted access rights to critical facilities.</li> </ul>	Identify verification and validation; authorization to work verification and validation; and, criminal history search.	7 years
Department of Transportation (DOT)	Pre-employment background check, medical screening, and alcohol & drug testing for applicable roles regulated by Federal Motor Carrier Safety Administration, DOT, and Pipeline and Hazardous Materials Safety Administration.	Background, medical screening, alcohol and drug testing.	As required by the regulation

**3 Background screening results**

- 3.1 If any result of the background screening is not clear, the final employment decision by the Company is made by Human Resources, who may consult with other internal stakeholders in the process. Employers of Contractors must work with their Supply Chain representative at South Bow for review and decision making. .
- 3.2 Applicants may be notified of the results of their background screening and the impact these results had on the final employment/contract decision in accordance with the regulations and practices in effect in the applicable jurisdiction.

- a) Applicants in the U.S. must be notified if the Company takes an adverse employment action based on information obtained through the background check.

### 4 Responsibilities

- 4.1 Leaders must follow Supply Chain's engagement process.
- 4.2 Existing Employees must provide the Company accurate information promptly upon receiving a background screening request to be considered for continued employment/service or transfer into a new role.
- 4.3 Human Resources, Corporate Security, and Supply Chain share responsibility for establishing screening protocols, ensuring proper role classification, managing screening processes, and adjudicating results in conjunction with other departments in alignment with legal and governance requirements.

## Your responsibility

Employees and Contractors must follow all applicable provisions and the spirit and intent of this Policy and support others in doing so. You must promptly report any suspected or actual violation of this Policy through available [channels](#) so that South Bow can investigate and address it appropriately. Those who violate this Policy or knowingly permit others under their supervision to violate it may be subject to appropriate corrective action, up to and including termination of employment or contract, as applicable, in accordance with the Company's corporate governance documents, employment practices, contracts, and agreements.

South Bow supports the reporting of suspected breaches of governance, laws, regulations, health, safety, environmental incidents, and near hits, and takes all reports seriously. Those who report in good faith are protected from retaliation, though this protection does not extend to intentionally false or malicious reports or attempts to shield personal negligence or misconduct.

## Interpretation 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.

## Definitions

**Contractor** means a third party hired by South Bow to perform services for or supply equipment, materials, or goods to the Company. Contractors include, without limitation, Contingent Workforce Contractors and Excluded Contractors.

**Contingent Workforce Contractor (CWC)** means an individual who:

- is employed by a third party (preferred Contingent Workforce supplier) to work on behalf of South Bow at a South Bow Office or work site;

- uses South Bow's assets (e.g., workstation, email, phone) and corporate services;
- is compensated on an hourly basis for a defined timeline;
- enters timesheets in Workday following South Bow Guidelines; and
- works under the direction of a South Bow leader.

**Employee** means full-time, part-time, temporary and student employees of South Bow.

**Excluded Contractor** means a third party or individual employed by a third party who:

- delivers services, equipment, materials, or goods to the Company using their own tools and assets (e.g., workstation, laptop, email, phone, PPE, vehicle);
- does not increase South Bow corporate headcount and overhead costs;
- works remotely (offsite);
- does not enter timesheets in South Bow Workday; and
- directs their own work or receives direction from their employer.

**Governing Regulations** consists of the following governing bodies have imposed legislated requirements for background screening:

- Fair Credit Reporting Act (FCRA)
- Federal Sentencing Guidelines Amendments (FSGA);
- Federal Trade Commission (FTC);
- Maritime Transportation Security Act (MTSA); and
- North American Electric Reliability Corporation (NERC).
- Sarbanes-Oxley Act (SOX);
- Transportation Security Administration (TSA); and Transportation Worker Identification Credential (TWIC). Transportation Security Administration (TSA).

**Sensitive Roles** means roles at South Bow that meet any of the following criteria:

- Positions where impaired performance could result in a safety risk to self, co-workers, property, the community or the environment;
- Positions that require physical or electronic access to critical facilities, systems and information;
- Positions of safety, trust, influence, authority or discretionary decision making;
- Positions that perform safety sensitive operations or operate safety sensitive equipment, such as operation of motor vehicles or heavy equipment, piloting and/maintaining aircrafts; and
- Positions with access to facilities and locations that are specifically defined by regulation or legislation and locations deemed by the Company to be security sensitive.

**South Bow** or the **Company** means South Bow and its wholly-owned subsidiaries and operated entities.

## References

### Related corporate governance and supporting documents

- Code of Business Ethics Policy
- Contractor Management Policy
- Corporate Security Policy
- Protection of Personal Information Policy
- Records Retention Schedule

## How to contact us

- [Policy Questions and Comments](#)

## South Bow's reporting channels

- [Ethics Helpline](#)
- [Corporate Compliance](#)
- [Human Resources](#)
- Legal department
- Compliance Coordinators