



# CONTRACTOR ALCOHOL AND DRUG POLICY

## INTRODUCTION

TransCanada (the “Company”) is committed to being an industry leader in maintaining a safe and healthy workplace. The use of Illicit Drugs and the inappropriate use of Alcohol and Medications can adversely affect job performance, and can have a negative impact on the worker’s personal safety and the safety of others.

## PURPOSE AND SCOPE

This Policy is intended to provide direction to all Contract Workers and Independent Consultants regarding the Company’s requirements. It is intended to minimize the risks associated with our operations and to ensure a safe and healthy workplace.

This document outlines the minimum expectations regarding Alcohol and Drug possession and use for all Contractors. Contractors are encouraged to implement their own company policy that meets or exceeds these requirements; however, having a separate policy is not obligatory. All Contractors regulated by the Department of Transportation (DOT) are expected to be fully compliant with the regulations. Independent Consultants and other small proprietors that do not have their own company policy are expected to adhere to this policy and meet the expectations set out for Contractors and Contract Workers where Independent Consultants are not explicitly referenced.

## DEFINITIONS

**Contractor** is a company entity who has signed a contractual scope of services with TransCanada.

**Contract Worker** is an employee, sub-contractor or agent of the Contractor.

**Independent Consultant/Small Independent Contractor** is an individual or corporate entity that has a contractual relationship either directly with TransCanada or through a third-party provider, typically on a short-term or project basis to provide specialized expertise not available in-house. They are on a contract for service and invoice TransCanada directly or through third-party provider.

**TransCanada Business** refers to all business activities undertaken by Contract Workers in the course of performing duties, whether conducted on or off TransCanada premises.



**TransCanada Premises** includes but is not necessarily restricted to all land, facilities, work sites, and vehicles owned, leased or otherwise controlled by TransCanada for the purpose of conducting Company Business.

**TransCanada Worksite** includes any site or location where an employee has been assigned to work.

**TransCanada Representative** refers to the person accountable for a particular area or shift, including managers, and others in supervisory positions who direct others.

**Alcohol** refers to beer, wine and distilled spirits, and includes the intoxicating agent found in medicines or other products.

**Drug** means any substance, including Illicit Drugs or Medications, the use of which has the potential to change or adversely affect the way a person thinks, feels or acts.

**Illicit Drug** means any Drug or substance that is not legally obtainable and whose use, sale, possession, purchase or transfer is restricted or prohibited by law (e.g. street Drugs such as marijuana and cocaine).

**Medication** refers to a Drug obtained legally, either over-the-counter or through a doctor's prescription.

**Drug Paraphernalia** refers to any personal property which is associated with the use of any Drug, substance, chemical or agent, the possession of which is unlawful in Canada. This would also include any product or device that may be used to attempt to tamper with a testing sample.

**Fit for Work** in the context of this policy means being able to safely and acceptably perform assigned duties without any limitations due to the use or after-effects of Alcohol, Illicit Drugs, Medications, or other substances.

**Safety Sensitive Role** typically refers to any employee who is performing an operations, maintenance, construction or emergency response role.

**Serious Work-related Incident** refers to any incident that results in, or may reasonably have resulted in, any of the following:

- a fatality;
- serious injury to any individual requiring medical attention away from the scene;
- an environmental incident with significant implications;
- significant loss or damage to property, equipment or vehicles;
- significant loss of Company or client revenues; or
- any other serious work-related incident or a near miss considered to have had significant potential for more serious consequences.



**Reasonable Cause Test** refers to testing that takes place whenever a leader has directly observed out of character behaviour and has reasonable cause to believe that the actions, appearance or conduct of an employee while at work or on Company Premises are indicative of the use of Alcohol or Drugs. The decision to test shall be made by a leader after consultation and agreement of a second leader in person or by phone. The basis for the decision will be documented as soon as possible after action has taken place. The referral for a test will be based on specific, personal observations resulting from, but not limited to such indicators as:

- observed use or evidence of use of a substance (e.g. smell of Alcohol);
- erratic or atypical behaviour or changes in behaviour of the employee;
- changes in the physical appearance or speech patterns of the employee; or
- any other observations that suggest Alcohol or Drug use may be a factor.

## POLICY

### RESPONSIBILITIES

Contractors are expected to ensure that their Contract Workers remain free from any adverse performance effects of Alcohol or other Drugs in compliance with the standards below when engaged in TransCanada Business, at all times when on TransCanada Premises and Worksites, and when operating Company vehicles and equipment.

Contract Workers are expected to:

- report fit for work, and remain fit throughout their work day or shift,
- adhere to the fitness for work standards set out below,
- maintain a valid drivers license if it is a condition of work and report any loss of license immediately (no later than 24 hours after losing the license),
- conduct themselves in an appropriate manner while on TransCanada Business, Premises, and Worksites; and
- co-operate with an investigation into a policy violation including any testing requirements.

Any Contract Worker who is scheduled on call is expected to remain fit to respond to a call-in and be in compliance with this policy. If unexpected circumstances arise where a Contract Worker is requested to perform services while under the influence of Alcohol or other Drugs that could impact safe operations, it is the responsibility of that individual to inform the Contractor or a TransCanada Representative that they cannot accept that assignment.



## STANDARDS

**Illicit Drugs:** The use, possession, cultivation, manufacture, distribution, offering or sale of Illicit Drugs or Illicit Drug paraphernalia is prohibited while on Company Business, Premises, and Worksites. Contract Workers cannot:

- reporting to work or being at work while under the influence of Illicit Drugs; and
- have a positive Drug test result as determined through the testing program.

**Alcohol:** The use, possession, distribution, offering or sale of beverage Alcohol, and the possession of beverage Alcohol containers that are not factory sealed is prohibited when on TransCanada Business, Premises and Worksites. In addition, anyone working at these locations cannot:

- have an Alcohol test result of .04 BAC or greater result as determined through the testing program; and
- use Alcohol after an incident until tested or advised by the TransCanada Representative testing is not required.

**Safety Sensitive Roles:** All Contract Workers assigned to Safety Sensitive Roles cannot:

- report for work or remain at work under the influence of Alcohol from any source;
- consume any product containing Alcohol during the work day, including during meals or other breaks; and
- return to work or report for work after consuming Alcohol at a social event.
- any Contract Worker who is working in the field and has an Alcohol test result of .02 to .039 BAC will be removed from work at least until their next shift.

**Medications:** Contract Workers are expected to responsibly use Medications. They should investigate (through their doctor or pharmacist) whether a Medication can affect safe performance, and take appropriate steps to minimize associated risk, which would include notifying their company or a TransCanada Representative of any need for modified work under the circumstances. The following are prohibited while on TransCanada Business, Premises, and Worksites:

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



## INVESTIGATIONS

**Unfit for work Investigations:** TransCanada reserves the right to require a Contractor to fully investigate a possible policy violation if a Contract Worker is at work in an unfit condition, including requiring a reasonable cause test.

In the case of an Independent Consultant or small independent Contractor, the individual will be removed from the immediate worksite and an investigation will be undertaken by a TransCanada Representative. As a part of the investigation process, the Company reserves the right to request an Alcohol and Drug test at their discretion.

**Impaired Driving Situations:** If required to operate any Company vehicle on behalf of TransCanada, Contract Workers are expected to report the loss of their driver's license. In addition, they are required to immediately report receipt of an impaired driving charge to their company or TransCanada Representative if it is received while operating a vehicle on behalf of TransCanada, and to comply with all investigation procedures and consequences.

**Incident Investigations:** TransCanada reserves the right to require a Contract Worker to be tested for Alcohol and Drugs as part of an investigation into a serious work-related incident. The decision to refer a Contract Worker or a group of individuals, for a test will be made by the TransCanada Representative investigating the incident in consultation with the Contractor.

**Other Testing Circumstances:** TransCanada 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. Testing may also be required on a random basis when it is deemed necessary to meet the objectives of this policy. All individuals affected will be advised in advance of these requirements.

**Testing Program:** Minimum standards for testing undertaken as part of the TransCanada program are provided in the appendix.

**Possession of Alcohol or Drugs:** TransCanada reserves the right to conduct investigations when there are reasonable grounds to believe that Alcohol or Illicit Drugs are present on Company premises or property, or worksite. A Contract Worker who refuses to submit to an investigation requested by a TransCanada Representative will be removed from the premises.

## VIOLATIONS OF CONTRACTOR EXPECTATIONS

If there is any reason to believe any Contract Worker is unfit for work or otherwise in contravention of the basic intent and provisions of this Policy, an investigation will take place. The following procedures will be applied depending on the circumstances:

**Contractor's employee, sub-contractor or agent:**



- the TransCanada Representative will disengage the Contract Worker from the work, conduct the individual to a safe place, and advise the Contractor;
- the Contractor will be expected to investigate the situation to the TransCanada Representative's satisfaction, including conducting a reasonable cause test as appropriate;
- the Contractor must satisfy the TransCanada Representative that there was not a breach of the policy;
- if the Contractor confirms that a breach of the policy has occurred, the individual will not be allowed to return to work for TransCanada without written permission, and will be required to adhere to any conditions governing their return.

**Independent Consultants/Small Contractors:** The individual will be escorted from the worksite by a TransCanada Representative and given an opportunity to explain the situation. If the TransCanada Representative still believes the individual is unfit for work, and after consultation and agreement of a second level of supervision or management whenever possible:

- the individual will be taken for a reasonable cause test if there are grounds to believe Alcohol or other Drugs may be involved; or
- if there are grounds to believe there is a medical problem, the individual will be taken for appropriate medical attention; or
- the TransCanada Representative will take other action appropriate to the situation; and
- in the case of a confirmed violation resulting from this investigation, the individual will not be allowed to return to work for TransCanada without written permission from the Company, and will be required to adhere to any conditions governing their return.

**Failure to Test:** Failure to report directly for a test, refusal to submit to a test, refusal to agree to disclosure of a test result to the Program Administrator, a confirmed attempt to tamper with a test sample, or failure to report involvement in an incident which may require testing, are a violation of this Policy.

## 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 TransCanada Corporate Policies website for more information.



## 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.

## REFERENCES AND LINKS

### REFERENCES

- Site Access Protocol
- Site Access Toolkit

### HOW TO CONTACT US

- [Policy Questions and Comments](#)



## APPENDIX A: REQUEST FORM

<b>Document Owner</b>  Jan Leighton Manager, Health & Industrial Hygiene	<b>Signature</b>
<b>Approval for Issuance</b>  Kristine Delkus Chair, Corporate Policy and Practices Committee, Executive Vice-President, General Counsel and Chief Compliance Officer	<b>Signature</b>





## APPENDIX B: ALCOHOL AND DRUG TESTING PROCEDURES

Collection of specimens for testing, analysis and reporting of results must be conducted in accordance with the forensic quality assurance standards established by the U.S. Department of Health and Human Services (DHHS) and accepted in Canada, in order to ensure the accuracy and integrity of results. Rigorous sample collection, storage and chain-of-custody procedures, in conjunction with independent medical review of results as required, must be followed.

Standards for testing include the following:

- Testing will be conducted in those circumstances outlined above to determine the presence of cannabinoids, amphetamine/ methamphetamine, cocaine metabolites, opiates, phencyclidine and Alcohol. The testing program will cover Alcohol and the specified Drugs only; Contractors who wish to test for other substances must do so under their own policy.
- Alcohol tests must be administered by a calibrated U.S. Department of Transportation approved breathalyzer with a printout of test results. Only in those situations when a breath analyzer is not readily available will Alcohol testing be done with a saliva strip and urine collection for analysis in the laboratory.
- All Drug tests will be administered by urinalysis and/or by collection of an oral fluid (saliva) specimen for analysis in a fully qualified and accredited laboratory. A “point of collection” (quick test) urine Drug screening test can be administered provided appropriate adulterant checks are utilized and any result that is not negative is forwarded to a laboratory for confirmation analysis.
- Collection of specimens for Drug testing and administration of Alcohol tests must be performed by trained nurses or trained collection agents. In post incident and reasonable cause testing situations, samples will be collected as soon as possible after the triggering incident, but collection attempts will end 8 hours after the incident for an Alcohol test, and 32 hours after the incident for a Drug test. Any reason for a delay beyond 2 hours must be documented and provided to the TransCanada Representative.
- All individuals who are tested are required to sign a form to acknowledge the accuracy of the employee and employer information and authenticity of the specimen(s). They will be given a copy of the Drug Testing Custody and Control Form and the Alcohol Testing Form for their records.
- Urine specimens must be analyzed by a fully qualified laboratory accredited by the DHHS using a two-step process with initial screening by immunoassay and all confirmations being performed by gas chromatography/ mass spectrometry. If a point of collection screening device is used, any non-negative result will be forwarded to a laboratory for confirmation analysis. Saliva specimens for Drug testing must be analyzed at the laboratory using a similar process with all confirmations being performed by liquid



chromatography/mass spectrometry/mass spectrometry, or gas chromatography/mass spectrometry/mass spectrometry.

- For the purpose of this policy, a positive Alcohol test will be one in which the blood Alcohol concentration is at or above .04 BAC. However, any Contract Worker assigned to field work who has an Alcohol test result of .02 to .039 BAC must be removed from work until at least their next shift. For all unannounced testing situations (e.g. follow-up testing as a condition of continued assignment) the Alcohol cut-off level will be .02 BAC.

A laboratory confirmed positive urine Drug test is one in which the amount of Drug in the sample identified by the confirmation test is at or exceeds the cut-off levels noted below which have been established for workplace testing programs throughout North America. If the Contractor chooses to use oral fluid testing, TransCanada will advise on the appropriate cut-off levels.

<b>Drug</b>	<b>Initial Test Levels (ng/ml)*</b>	<b>Confirmation Test Levels (ng/ml)*</b>
Marijuana	50	15
Cocaine	300	150
Opiates Morphine Codeine	2,000	2,000 2,000
Phencyclidine (PCP)	25	25
Amphetamines Methamphetamine	1000	500 500

\* A ng/ml means nanograms per millilitre. A nanogram is one billionth of a gram. A millilitre is one thousandth of a litre.

- U.S. Department of Health and Human Services

- Laboratory positive test results must be reviewed by a qualified Medical Review Officer who is independent of the laboratory and who will provide the donor an opportunity to discuss the result in an effort to determine whether a positive test could have resulted from the legitimate use of Medications or other medical explanations. The individual concerned will be given an opportunity to explain the finding to the Medical Review Officer who will then determine whether the result will be reported to the Company as a negative, a verified positive, or a tampered or substituted specimen.
- In the case of a verified positive test result of a urine test conducted in accordance with this policy, the person who has been tested may request the Medical Review Officer to direct the second/split sample to be tested by an accredited laboratory within 72 hours of



receiving their results. Where split samples are not collected, the donor can request that their original sample be reanalyzed. In both cases, associated costs would apply.

- All test results for individuals directed for testing by a TransCanada Representative using the TransCanada testing system will be reported directly to Health Services who will communicate the result to the Contractor. Contractors using independent testing facilities will be expected to advise Health Services whether any individual under their direction is in violation of this policy, or any agreement of continued assignment.
- Any positive test result will be considered a violation of this policy, whether or not the Drugs or Alcoholic beverage were actually consumed on Company Business, Premises, or Worksites. Failure to report directly for a test, refusal to submit to a test, refusal to agree to disclosure of a test result to the Health Services or an attempt to tamper with a test sample are a violation of the policy requirements.