Employee Ethics & Business Conduct

Principles

September 2009
On the Cover

The illustrations on the cover and throughout this document are courtesy of Bill Shrader and Ric Lecznar
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Message from the CEO

Dear Employees:

CH2M HILL stakes its reputation on delivering projects that create value for our clients and make the world a better place to live. Maintaining this reputation requires that we excel in service to our clients, while upholding CH2M HILL’s highest ethical standards and core values. CH2M HILL’s Employee Ethics & Business Conduct Principles is your guide to how we interact with each other, our clients, our competitors, our partners, and our suppliers. It is about how we deliver our services, how we influence public policy, and how we support and benefit communities where we live and work. As socially responsible global citizens, we owe it to ourselves, our colleagues, and the people touched by our work to adhere to these ethical principles and seek business partners who live up to the same standards.

As we deliver projects, large and small, there are occasions when we are faced with difficult ethical questions, and it is imperative that we Make the Right Call. As a CH2M HILL employee, we ask you to understand and honor these Employee Ethics & Business Conduct Principles, follow CH2M HILL’s policies, abide by all laws and regulations of jurisdictions where we do business, and follow the CH2M HILL Way:

- Respect one another
- Take care of clients
- Deliver great work
- Stay true to our core values

These Employee Ethics & Business Conduct Principles are designed to address typical issues that may arise from time to time and do not attempt to provide a how-to handbook for every situation that you may encounter while working at CH2M HILL. Ethical dilemmas are common in our ever more complex business environment. When considering how to deal with unexpected situations, always err on the side of making decisions that survive scrutiny. As one of our founders, Jim Howland, said in the Little Yellow Book, “A good test to determine if a contemplated action is ethical is to ask, ‘Would I want to see it in the headlines tomorrow morning?’”

If you have a question on the best course of action in a difficult situation, or if you become aware of a possible violation of a CH2M HILL policy or a law that governs our business, get help from your peers, your supervisor, or The GuideLine (our safe, confidential hotline).

Resolve to always be ethical no matter what the challenge, and be proud of our achievement as one of the most admired and ethical companies in the world!

Lee A. McIntire,
Chief Executive Officer
Acknowledgement and Certification of Your Commitment to CH2M HILL’s Employee Ethics & Business Conduct Principles

I understand that as a CH2M HILL employee I must embrace our Employee Ethics & Business Conduct Principles. These principles support and promote our way of doing business and protect our employees, client relationships, financial integrity, public image, and shareholder value. As a condition of my employment with CH2M HILL, I agree to abide by these important and sustaining rules of conduct and confirm as follows:

1. I Understand and Endorse the Employee Ethics & Business Conduct Principles and Related Policies
   It is my responsibility to be familiar with CH2M HILL’s Employee Ethics & Business Conduct Principles policies and procedures and to understand my obligations as outlined in this document.

   I confirm that these Employee Ethics & Business Conduct Principles cover, among other things, our policies and expected conduct with respect to: diversity; freedom from discrimination; harassment and disrespectful behavior; health and safety; alcohol and substance abuse; violence in the workplace; conflicts of interest; gifts and entertainment; political and lobbying activities; rules for relationships with our competitors and suppliers; obligation to protect CH2M HILL assets; our anti-corruption stand; confidentiality of our proprietary information and information of our clients; fair dealings obligations; fair treatment of labor; accurate record and time keeping; insider trading; and special requirements when doing work for U.S. Government clients.

   I acknowledge that I have received, read, understand, and agree to these Employee Ethics & Business Conduct Principles without limitation. I also understand that I have the responsibility to periodically review and comply with other CH2M HILL policies and procedures that apply to my job and responsibilities at CH2M HILL. I confirm that I have access to these documents through CH2M HILL’s intranet, and if I would like a hard copy, I know that I can ask Human Resources for one.

2. I Have an Obligation to Report Violations
   I agree to report any actual or suspected violations of these Employee Ethics & Business Conduct Principles, CH2M HILL’s policies, laws, and/or regulations of any jurisdiction where I work. I understand that The GuideLine is a safe and confidential way to report these violations. I know how to contact this CH2M HILL hotline (either by phone or online). I also understand that employees who report violations, in good faith, will be protected against any retaliation.

3. I Understand and Accept the Consequences of Violating these Principles
   I understand that a violation of the policies and ethical standards outlined in our Employee Ethics & Business Conduct Principles will subject me to disciplinary action up to and including termination. These Employee Ethics & Business Conduct Principles do not, nor are they intended to, confer any rights or benefits of employment, or constitute an assurance of continued employment or a change in employment status.

________________________________________________________________________

Signature                                      Date

______________________________________________

Printed Name

______________________________________________

Global Employee Number                                      Office Location

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I. Responsibilities of CH2M HILL Leaders

“…the Staff’s perception of its leaders is a major factor in motivating and holding strong people. Even though many may never have met the top people, if their perception is that the leaders are honest, intelligent humans working like mad to advance the company and those in it, the rank and file will respond in kind . . . A strong aspect of Leadership is example.

— Jim Howland, Little Yellow Book

Our leaders foster a strong and sustainable culture of ethics, compliance, respect, and professional excellence at CH2M HILL. They create a work environment where employees aspire to the highest ethical and professional standards, in an environment where employees are comfortable challenging questionable conduct. Our leaders address allegations of wrongdoing promptly through timely and thorough investigations, corrective actions, training, and fair discipline. They make sure that there is no retaliation against those who, in good faith, report issues and concerns.

Our leaders make ethics and compliance a part of ongoing dialogue at CH2M HILL, not only with employees but also with clients, suppliers, and business partners. They lead by example. They set the right tone and right expectations by consistently focusing on and promoting the importance of ethics and compliance as an integral part of the CH2M HILL Way. They never compromise CH2M HILL’s ethical standards in the interest of short-term gains. Our leaders protect and preserve one of our most important assets—our reputation—by modeling ethical decision making every day and expecting the same commitment to ethics and compliance from their teams.

Our leaders believe, and empirical data supports, that ethical companies outperform unethical companies in every business where CH2M HILL works. Our leaders believe being ethical and complying with laws is good for CH2M HILL, good for our business, good for our clients, and good for our employees.
II. Do the Right Thing/Make the Right Call

“Integrity is the all-important prerequisite to employment. The person must be honest with himself and others or we have no foundation on which to build.”
— Jim Howland, Little Yellow Book

Key Point:
CH2M HILL’s The GuideLine can be accessed anonymously.

Ethical Decision Making

“The time is always right to do what is right.”
— Martin Luther King, Jr.

In today’s complex business environment, we may, from time to time, encounter an ethical dilemma. If you are unsure of the right course of action, ask yourself the following questions:

• Is my conduct ethical?
  – Does it comply with our Employee Ethics & Business Conduct Principles and other CH2M HILL policies?
  – Does it comply with the law?
  – Does it feel right?

If your answer to any of these questions is anything other than a resounding “yes,” do not take the action. If you are still in doubt, seek guidance by contacting The GuideLine, by phone or on the web at www.ch2m.com/guideline.

Seeking Guidance and Reporting Potential Ethics Violations

We have a duty to CH2M HILL and our fellow employee-shareholders to report known or suspected violations of our Employee Ethics & Business Conduct Principles, CH2M HILL’s policies, or law. If you suspect or are aware of misconduct, or if you have a question about what is the right thing to do, contact any of the following resources:

• Your supervisor, if not directly involved in the issue
• Your Human Resources (HR) representative
• The GuideLine
• www.ch2m.com/guideline

The GuideLine is our internal hotline for seeking guidance, asking questions, raising concerns, or reporting potential violations of our Employee Ethics & Business Conduct Principles, CH2M HILL’s policies, or laws.

You may contact The GuideLine within the U.S. or Canada by calling +1-TO-MY-CH-GUIDE (+1-866-924-4843). Outside North America, reach The GuideLine by calling +1-720-286-4843. You can also reach out to The GuideLine staff at www.ch2m.com/guideline, a web-based tool that allows you to report suspected violations or ask questions about a myriad of ethics and compliance issues.

If you are asked to participate in an investigation of any ethics or business conduct issue, CH2M HILL expects you to cooperate in good faith and will protect you from any retaliation. CH2M HILL needs and expects your help to protect our company values and reputation.
Reporting Concerns about Financial Reporting

CH2M HILL is a publicly registered company and we report our financial performance to our shareholders and stakeholders accurately and timely. The accuracy of our financial reporting depends on you and how you record your time, manage change orders, and report project estimates, sales, and expenses. Our senior executives and those responsible for our financial reporting are required to sign the *Ethics Code for Executive and Financial Officers* which imposes strict obligations on them to take careful steps to assure that CH2M HILL properly tracks and reports our financial performance. If you have any concerns about our accounting compliance or our financial reporting, you have an obligation to report it immediately to any one of the following:

- The Chief Financial Officer, if not directly involved in the issue
- The General Counsel, if not directly involved in the issue
- A member of CH2M HILL’s Board of Directors
- *The GuideLine*

CH2M HILL does not retaliate against those who raise accounting or financial reporting concerns in good faith.

Reporting Concerns about Violations Involving our U.S. Government Work

As a contractor to the U.S. Government, we are subject to a number of regulations that mandate how, when, and to whom concerns should be reported. If you have concerns on how CH2M HILL uses U.S. Government resources on any of our U.S. Government contracts, contact *The GuideLine*. Many agencies of the U.S. Government have their own hotlines that you can also use to report violations.

Discipline

Conduct determined to be a violation of our Employee Ethics & Business Conduct Principles, Senior Executive’s Code, CH2M HILL’s policies, or the law will subject those involved to disciplinary actions, including termination. If appropriate, we will report financial misconduct to the proper authorities, which may lead to civil liability and/or criminal prosecution.

**Key Point:**

CH2M HILL does not retaliate against those who report concerns to *The GuideLine* in good faith.
III.  Respect for Each Other

“In order to advance each other and CH2M HILL, we must take it upon ourselves to treat one another with respect and wholeheartedly support our colleagues’ efforts.”

— Jim Howland, Little Yellow Book

Diversity and Inclusion

CH2M HILL maintains a workforce that is as diverse as the clients we serve. We encourage every individual to contribute to our growth and success. Each of us must do our part by promoting an inclusive work environment that capitalizes on our different talents, optimizes our collective strengths, and minimizes our individual weaknesses. By virtue of our diversity, we achieve together what we cannot do individually.

Discrimination and Harassment

Discrimination has no place at CH2M HILL. Our commitment to a diverse workforce means that we must work together to eradicate and prevent discrimination. In general, discrimination arises when a person or a group is the target of unequal treatment because of certain protected characteristics such as: race, color, national origin, age, religion, gender, sexual orientation, disability, or any other status protected by law. For additional information about CH2M HILL’s policies on this important issue, see our Equal Employment Opportunity and Affirmative Action Policy and our Americans with Disabilities Act: Disabilities and Accommodation Policy.

Harassment is a form of discrimination. Harassment, generally, refers to any form of conduct that creates (or attempts to create) an intimidating, hostile, abusive, or offensive work environment where the behavior is unwelcome. Harassing conduct can be physical, verbal, written, or visual. CH2M HILL prohibits all forms of harassment, regardless of whether or not harassment happens to be illegal under the law of the jurisdiction where it occurs or whether it happens to be acceptable within local cultural norms in a country where we are working. What may appear to be common behavior in certain countries because of local customs may still be a prohibited conduct for our employees because it is not consistent with our company values and policies.

The effect of the action, not the intent, is what matters. In determining whether conduct constitutes harassment, CH2M HILL will take into consideration whether a reasonable person would be offended under the circumstances, and whether the complaining party was personally offended. For additional information, see our Harassment Policy.

If you know or suspect that discriminatory or harassing behavior has taken place, report the situation immediately by contacting a supervisor you trust, or your HR representative. You will not experience retaliation for making a good faith report.
Disrespectful Behavior

“We need to be interested in pleasant people of unimpeachable character and strong capabilities wherever we can find them.”

— Jim Howland, Little Yellow Book

We make every effort to hire and retain smart, accomplished, professional, talented, and pleasant people for our employee-friendly work environment. At CH2M HILL, we are focused on teamwork, skills, capabilities, and long-term potential, not simply on impressive credentials unsupported by impressive character.

If you are boorish, belittling, condescending, demeaning; if you are unreasonably difficult and unpleasant; if you misuse your management authority to bully or intimidate others and ignore our core values, you have no place at CH2M HILL. Even when you deliver revenue and help capture important projects, if your behavior alienates other talented contributors and creates an unhealthy work environment, you have no place at CH2M HILL. While your abusive behavior may not, technically, violate laws or our anti-discrimination or anti-harassment policies, it is contrary to our collaborative team environment, and CH2M HILL can terminate your employment for disrespectful and unprofessional behavior.

Key Point:

At CH2M HILL we are focused on a person’s character, ethics, and professionalism. We seek to hire the most talented, qualified people in our industry whose conduct makes CH2M HILL internationally recognized as one of the Best Places to Work and Most Admired Companies.

What if?

Q: Amari’s supervisor often makes inappropriate remarks about her appearance when he thinks she is out of earshot. He is making her time at work miserable. Since Amari is working at a construction site that has few female employees, she is concerned that if she complains, she will be seen as “difficult.” What should she do?

A: CH2M HILL’s policy against harassment applies no matter where Amari works, and regardless of her country of origin or citizenship. Her supervisor’s behavior constitutes harassment at CH2M HILL, and it is therefore a violation of our Employee Ethics & Business Conduct Principles. Amari should talk to another supervisor she trusts, her HR representative, or contact The GuideLine.

What if?

Q: Project manager Sergei, IV, regularly insults his subordinates. He is never pleased and seems to be angry about something all the time. He is an “equal opportunity” abuser and targets women, men, gay, straight, young, and old for his unreasonable tirades. Strong performers ask to be transferred from his group or quit to avoid Sergei’s disrespectful behavior. Steve reached out to Sergei to discuss the difficult interpersonal environment on the project; he likes his project assignment, but is at the end of his rope. Sergei is not receptive and tells Steve to “suck it up or he will be fired because management likes me – I get results.” What is Steve to do?

A: Steve should contact his HR representative and talk to the leadership of his group. Sergei’s behavior is not consistent with CH2M HILL’s culture, and his disrespect of subordinates will not be tolerated. If Steve is concerned about retaliation because he reported Sergei’s behavior, he should contact The GuideLine.
Health and Safety

Our employees’ safety is our top priority. Each of us is committed to CH2M HILL’s Target Zero goal, which aims for zero work-related injuries and illnesses. This requires that we understand and embrace our Health, Safety, Security, and Environment (HSSE) Policy, consistently follow all safety procedures outlined in our HSSE Core Standards, and always execute projects in accordance with our HSSE Standard Operating Procedures (SOPs). Remember that safety in our offices and on our project sites is your responsibility, and CH2M HILL is looking to you to continuously consider and recommend ways to enhance safety at your project sites and offices.

CH2M HILL believes that our reputation for safe work environments and strong HSSE commitments helps us secure business, attract top talent, and retain our exceptional workforce.

If you have questions or concerns regarding health and safety at CH2M HILL, speak to your supervisor, HSSE manager, or to our HSSE Team at +1-720-286-4773. If you have security concerns, reach out to our security team at CH2MHILLSecurity@ch2m.com or by phone at 1-720-286-3976.

What if?

Q: My supervisor and CH2M HILL’s management team are very concerned with our health and safety statistics. I injured my hand on the job; should I report it? I do not want to embarrass my team or hurt CH2M HILL’s reputation for safety. I have insurance coverage for my medical expenses, so why does it matter if I report this as an on-the-job injury?

A: Not reporting a workplace injury is a serious violation of CH2M HILL’s HSSE Policy. We earn our reputation for safety by developing the best health and safety standards in our industry, not by hiding occasional injuries. Knowing about your injury may allow us an opportunity to improve our HSSE processes and prevent such injuries in the future. Your failure to report this injury may also cause CH2M HILL to violate important safety laws and reporting regulations.

Workplace Injuries and Illnesses

If you are injured on the job, you must immediately notify your supervisor and follow CH2M HILL’s Injury Management/Return to Work (IMRTW) protocols. In many locations, you will have immediate access to a nurse who will help you evaluate your injury, get appropriate treatment, and stay in contact with you to monitor your recovery and return back to work. If there is an emergency, seek immediate emergency help.
Workplace Violence
As part of our commitment to health and safety, we have zero tolerance for workplace violence. Employees who are violent or make threats of violence in the workplace will be subject to disciplinary action, including termination of employment, and, when appropriate, criminal prosecution. For additional information, see our Workplace Violence Awareness and Prevention Policy.

Drugs and Alcohol
To ensure safety, our workplace is free of drugs and alcohol. Possessing or using illegal drugs, consuming alcohol at work, or misusing prescription and “over-the-counter” drugs puts our safety at risk; is strictly prohibited; and is subject to discipline, including termination. Alcohol consumption on CH2M HILL’s premises is only permitted during CH2M HILL-sponsored social gatherings. For additional information, see our Drug Free Workplace Program Core Standard.

Protection of Personal Information
Privacy and protection of personal information are issues of special concern, particularly in today’s environment of electronic information storage and exchange. We safeguard your personal information, and follow recommended information security procedures. We exercise our best efforts to comply with all privacy laws that apply in jurisdictions where we do business. Sometimes, to provide you with special services (e.g., health care benefits) we may have to share your personal information with others, but only on a “need-to-know” basis. When possible, and unless otherwise required by law, we will always make you aware of where your personal information is going and who has access to it. For more on this, see our Personal Identifiable Information Protection Policy (PII).

Use of Our Communication Systems and Technologies
CH2M HILL expects that you will use our communication systems primarily for work related purposes and will only access appropriate content. CH2M HILL monitors your use of the Internet, to the extent allowed by law. We reserve the right to block access to offensive, illegal, and non-business-related Internet sites and to intercept transmission of any inappropriate materials. Attempts to access offensive or illegal content through our systems or using our computers to store such content may result in disciplinary actions, including termination.

What if?
Q: What if the CH2M HILL- provided IMRTW nurse/doctor tells me that no medical treatment is required, but I feel that I should go to the doctor?
A: The approach you wish to take to regarding your medical care is always your personal decision. You must do what you and your family feel is appropriate under the circumstances. There will be no retaliation because of your decision.

Key Point:
Report all threats and acts of violence at our workplace to CH2MHILLSecurity@ch2m.com or +1-720-286-3976

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To report concerns or seek guidance about any issues raised here, contact The GuideLine at +1-866-924-4843 (U.S. and Canada), +1-720-286-4843 (outside North America) or online at www.ch2m.com/guideline.
IV. Respect for CH2M HILL

“The person closest to the action has the best chance of making the right decision – if the person is properly informed of the firm wide implications.”
— Jim Howland, Little Yellow Book

Key Point:
It is not unethical to have a conflict of interest. How conflicts of interest are resolved is the measure of our ethics.

Conflicts of Interest
Conflicts of interest arise when our personal or financial interests interfere or appear to interfere with our professional judgment or objectivity. Conflicts are inevitable in a large company. If something does not feel quite right, chances are it is not and you should ask for guidance. When dealing with conflicts, disclosure is critical. Timely disclosure to all affected parties resolves most conflicts of interest and can avert an embarrassing situation. If a conflict cannot be addressed through disclosure, we will address it through re-assignment of personnel or change how we deliver the project. Always disclose both actual and apparent conflicts of interest to your supervisor.

Personal Conflicts of Interest
A personal conflict of interest exists whenever individuals are influenced by their own personal interests or relationships when making decisions on behalf of CH2M HILL. For example, if an employee has a close relative in another company, our employee has a personal conflict of interest with respect to any decision he may make on behalf of CH2M HILL to do business with that other company.

Organizational Conflicts of Interest
An organizational conflict of interest may arise when CH2M HILL’s work for one client conflicts with our relationship with another client. That conflict has the potential to diminish CH2M HILL’s capacity to render impartial, technically sound, objective assistance and advice, or may result in an unfair competitive advantage.

What if?
Q: CH2M HILL is working for a commercial client, doing an environmental remediation project on land to be used for an industrial development. A year later, a different business group is asked to do an environmental assessment on the same land for a different client who is purchasing the land. Can we do the work?

A: This scenario represents an organizational conflict of interest. The conflict should be fully disclosed to both clients. We can do the work as long as our clients do not object.
Apparent vs. Actual Conflicts of Interest

An apparent conflict of interest can be just as much of a problem as an actual conflict of interest. While you may be perfectly capable of making an unbiased decision, if an appearance of a conflict of interest exists, someone outside CH2M HILL may feel that we are not being objective. Such appearance of impropriety can undermine the integrity of the process, just as if such conflict actually existed. An apparent conflict of interest should be resolved just as if it were an actual conflict of interest.

Key Point:
Even when the actual outcome is not impacted by a conflict of interest, an appearance of impropriety can impact our reputation.

What if?

Q: Catherine is on the client’s tender selection team for a highly competitive major infrastructure program. She is contacted by an old friend from her prior employer, which is one of three short listed competitors. Her friend is in town for the client presentation and wants to catch up. Can Catherine meet her friend for a drink after work, if she tells him that they cannot discuss the procurement?

A: Whether or not Catherine shares information about competitive selection process with her friend, the mere fact that a member of the selection team meets with a member of one of the three competitors outside of the sanctioned selection process creates an appearance of impropriety. Catherine should delay her catch-up meeting until the selection process is completed. She should disclose to her program manager that she has a personal relationship with a member of one of the competitors’ teams and that she has been approached by this person during the procurement process.

Key Point:
Even when the actual outcome is not impacted by a conflict of interest, an appearance of impropriety can impact our reputation.

Doing Business with Employees, Friends, and Family

“...We are large enough to be able to employ more than one person from a family, but, like the plague, avoid one working for the other.”
— Jim Howland, Little Yellow Book

When a personal or family relationship exists between employees working together, it may create tension in the workplace and may appear as though some employees are receiving preferential treatment. No family member should be in a position where he or she has decision-making authority over another family member.

As a general rule CH2M HILL does not do business with employees or members of their immediate family. A conflict of interest exists if you, your family member, or close friend has a personal stake in a company that is a supplier to, or a client of CH2M HILL. Please notify your supervisor if you become aware of an existing or pending business transaction between CH2M HILL and a party directly or indirectly related to you or another employee. If you are directly involved in the supplier selection process, notify your supervisor immediately and remove yourself from the decision-making role.

Key Point:
Be aware that some of our contracts have specific conflict of interest requirements, which should always be followed.
Corporate Opportunities
You may learn about business opportunities through your work at CH2M HILL. Benefiting personally from such opportunities, or using CH2M HILL’s information to benefit in other ways, creates an unacceptable conflict of interest. You must not engage in any activity that compromises, or appears to compromise, your commitment to act in CH2M HILL’s best interest. If you become aware of an opportunity that may benefit CH2M HILL, let the company know about it. You may disclose such business opportunities to others or take advantage of them yourself only if CH2M HILL has no objections.

Outside Employment
Accepting employment outside of CH2M HILL may at times create a conflict of interest. To avoid such potential conflicts, employees should not accept another job or run a business that may interfere with their work at CH2M HILL. Before accepting any employment or business commitment outside of CH2M HILL, consult with your supervisor and receive prior written approval. Employees with outside jobs must continue to meet performance standards of their CH2M HILL positions and may not conduct outside business during regular working hours or do so using CH2M HILL’s property, equipment, or information. Employees may not accept employment or have a business partnership with our suppliers or competitors.

Serving on a Board of Directors
Serving on the board of directors for any organization (whether or not such service is compensated, whether or not the organization does business with CH2M HILL, and whether or not it is for-profit) requires advance written approval. You should discuss the opportunity with your supervisor and, if approved, contact our General Counsel for further guidance, before accepting such a position. Employees may not serve on the board of directors for a company that competes with, supplies goods or services to, or purchases services from CH2M HILL.

Key Point:
Your work for non-profit organizations benefits our communities and profession, but it can also create conflicts with clients. Keep CH2M HILL informed about your non-profit activities so we can anticipate conflicts.

What if?

Q: Can Isabella hire her friend to coordinate/plan a CH2M HILL holiday party? Three event planners submitted a bid for this job and the friend’s bid was the most competitive. Since the supplier is Isabella’s friend, she knows that the supplier will do a great job.

A: To avoid even the appearance of a conflict of interest, Isabella should notify her supervisor and have somebody else evaluate the event planning bids and make the final selection.
**Gifts and Entertainment**

Business gifts and entertainment are courtesies designed to build working relationships with our suppliers and customers. When offering or providing gifts, entertainment, meals, or anything of value, we should be guided by good judgment, discretion, moderation, and transparency. Giving or receiving anything of value is not appropriate if it creates an obligation, puts you in a situation where CH2M HILL appears biased, or influences our business decisions. It is CH2M HILL’s policy that employees will not solicit or accept any gifts, favors, loans, gratuities, rewards, promises of future employment, or any other things of value, including travel and lodging. It is also our policy that we do not offer gifts or entertainment to clients to influence their business decisions.

Accepting or offering gifts or entertainment is generally discouraged and is permissible only in rare circumstances when they are:

- Nominal in value
- Not prohibited under the contract or by relevant regulations
- Infrequent, in good taste, and unsolicited
- Not cash or a cash equivalent (e.g., gift cards)
- Special occasions when gifting is customary and to do otherwise may be deemed inappropriate (e.g., retirement or Chinese New Year).

**What if?**

**Q:** Nigel serves as a procurement manager for CH2M HILL. A software supplier recently sent Nigel a letter requesting a meeting to discuss new software. The supplier offered to demonstrate the new product on the latest generation mini-laptop, which Nigel could keep afterwards for personal use. The supplier clarified that accepting this demo would not obligate Nigel in any way to purchase the software. May Nigel accept?

**A:** This gift is not of a nominal value and is offered with the expectation that it will influence a business decision. Nigel cannot accept the offer, should politely decline, but can meet with the supplier to discuss the new software tool.

If you are offered gifts or entertainment that do not fit these guidelines, decline politely, citing CH2M HILL’s Employee Ethics & Business Conduct Principles. If, in good faith, you believe that declining an offer may not be in CH2M HILL’s best interest, get written approval from a supervisor before accepting it.
What if?

Q: One of our important suppliers offered Ahmad an all-expenses paid trip to an international golf tournament it is sponsoring. Ahmad will have the opportunity to meet and network with the supplier’s senior management team. Such “access” will be good for our business. Can Ahmad accept?

A: This offer and its expense appear lavish and do not fit within our policy. Ahmad should consider other ways to meet the supplier’s management team. If he strongly believes that attending the tournament is important for the relationship, prior written approval from his supervisor is required to attend the tournament.

Employees of the U.S. Government, other national governments, and many states and municipalities have strict rules regulating the acceptance of gifts and entertainment. Something as simple as lunch or a cup of coffee may require cumbersome disclosure and would be unwelcome. Before offering gifts or entertainment to U.S. Government employees, review *Special Considerations When the U.S. Government is our Client*. Contact our *Government Affairs Office* before offering anything of value to government employees at any level. The Government Affairs Office will work with you to make sure that only permitted gifts and entertainment occur and that they are fully disclosed as required.

What if?

Q: David, one of our business development managers, works closely with Mr. Powers, a member of the Board of Directors for a charitable foundation organization that CH2M HILL supports. Mr. Powers is also an employee of the Public Works Department of one of CH2M HILL’s municipal clients. David wants to invite Mr. Powers to join CH2M HILL’s table for the Mayor’s annual “State of the City” event, because the Foundation is very active in the municipality. Can he do it?

A: Entertaining a government employee, whether or not the basis for your invitation is his employment with the government client, is subject to regulations of the agency for which your guest works. Before extending an invitation, David should check with his supervisor and coordinate the matter with our regional Government Affairs Office to confirm that the invitation is allowed under relevant regulations.

We must also be very careful when offering or accepting gifts or entertainment to or from clients, suppliers, or government officials outside of the United States. At times, it may appear customary to provide such gifts. Laws governing the exchange of business courtesies vary from country to country and the penalties for violating these laws can be severe. For more information on gifts and entertainment of government officials, see the section in this document titled *Corrupt Business Practices*. For special information on our policies and procedures with respect to non-U.S. Government officials, review our *Anti-Corruption Policy and Compliance Handbook*.
Political Activities and Contributions

CH2M HILL encourages all employees to participate in the political process and to support candidates and causes of their choice. CH2M HILL’s political engagement is regulated by strict laws in every jurisdiction where we do business. These regulations dictate what we can and cannot do as a company. They also often regulate what our officers and directors can and cannot do.

CH2M HILL’s Government Affairs Office provides guidance on permissible political activities, and about laws and regulations that apply to political contributions. All political contributions (state, provincial, local, or federal/national), including contributions to political action committees (PACs), whether from corporate or personal funds made in connection with your employment at CH2M HILL, must be coordinated through our Government Affairs Office. CH2M HILL discourages employees from campaigning while at the office, unless such activities are company-sponsored. You should not use CH2M HILL’s name in a political context without written approval from the Government Affairs Office.

What if?

Q: Phil, a civil engineer in our transportation group, would like to run for city council. It is a part-time commitment. Does he need to clear it with anyone at CH2M HILL first?

A: Although running for office is each employee’s personal decision, the Government Affairs Office would like to know about it for coordination purposes. Phil will need written permission from his supervisor (subject to the Legal Department’s approval) to take on another job (public office) while continuing to work for CH2M HILL. If elected, he needs to be very careful about possible conflicts of interest, if CH2M HILL seeks work from the municipality where he is a public official.

Key Point:
Do not use CH2M HILL’s name when participating in political activities without prior written approval from our Government Affairs Office.

All political contributions our employees make in support of candidates or ballot issues are made voluntarily and are never reimbursed by CH2M HILL. We encourage all employees to participate in our PACs and to make personal contributions to candidates and in support of issues important to CH2M HILL’s business. Such contributions are voluntary. Employees’ decisions on whether to participate in PACs, or to engage in any political activities in support of issues important to CH2M HILL, have no bearing on their compensation or promotional opportunities. See CH2M HILL’s Political Contributions Policy.

Political contributions and political activities outside of the U.S. are often subject to even greater regulatory scrutiny, and must be coordinated with the Government Affairs Office and CH2M HILL’s Legal Department. See our Political Contributions Policy and Anti-Corruption Policy and Compliance Handbook for more information about political contributions outside the United States.

Key Point:
All political contributions you make to CH2M HILL-sponsored causes are voluntary and are never tied to your compensation or promotional opportunities. Such contributions should never be given with an expectation of reimbursement.
Lobbying Activities
CH2M HILL complies with all laws and rules that regulate our contacts with government officials in all jurisdictions where we do business. These regulations are often complex and require special expertise to ensure compliance. All lobbying activities on behalf of CH2M HILL at the federal/national level, must be coordinated through our Government Affairs Office. See our *Lobbying Disclosure Compliance Policy* for more information.

The Government Affairs Office also maintains resources at regional levels that can assist you in planning, developing, and implementing your engagement strategies with government officials at the state, provincial, and local level.

Relationship with the Supply Chain
Suppliers and subcontractors are a very important part of our business. We reasonably expect them to give us the best service, deliver the best products and materials, and provide us with the best value. We treat members of our supply chain fairly by using a transparent procurement process and maintaining integrity with their information. We do not abuse our relationship with them by seeking to gain an undue advantage. Our procurement practices encourage, and do not restrain, fair trade.

We never *ask* for gifts, entertainment, favors, or anything of value from our suppliers and subcontractors, and we are careful to comply with CH2M HILL’s gifts and entertainment policy when such courtesies are offered to us or members of our families. To do otherwise could create an appearance of a procurement process that lacks transparency and is not consistent with our core values. For more information on CH2M HILL policies on gifts and entertainment, see the *Gifts and Entertainment* section of this document.

In selecting suppliers and subcontractors, CH2M HILL encourages and supports small, disadvantaged, women-owned, and minority-owned businesses.

Because the business practices of our suppliers and subcontractors impact our reputation and our business, we seek assurances that our suppliers and subcontractors comply with all laws and have policies to require such compliance. We also take steps to make sure that our suppliers and subcontractors have core values similar to CH2M HILL’s on issues of business ethics, environmental sustainability, labor and employment, and fair-trade practices.

**What if?**

**Q:** Wen Li is involved with procurement of goods and services for CH2M HILL. A supplier is trying to increase his share of CH2M HILL’s business and is working to expand his relationship with Wen Li by inviting her to meals and sporting events. Wen Li enjoys the attention, but wonders whether accepting it is appropriate. What should she do?

**A:** Establishing a strong relationship with a supplier is important to support our business. An occasional meal with a supplier’s representative is not inappropriate. Accepting gifts or entertainment on a regular basis, however, is not acceptable, as it can create an appearance of an unfair procurement process and can discourage other interested suppliers from bidding for CH2M HILL opportunities. Accepting gifts and entertainment can also create a quid pro quo obligation that is not consistent with CH2M HILL’s procurement practices and could violate commercial anti-bribery laws. Wen Li should discuss the situation with her supervisor to determine what is appropriate.
Protection of CH2M HILL’s Assets
It is important that we work together to safeguard CH2M HILL property. It is up to each of us to protect our tangible and intangible assets. We use company assets responsibly and protect them from theft, damage, loss, and misuse.

Physical Assets and Technologies
CH2M HILL’s physical assets including our facilities, equipment, vehicles, and computers, may only be used for legitimate business purposes.

While we may engage in limited personal use of CH2M HILL’s communications systems, we may never use them to communicate discriminatory, harassing, or threatening messages. Also, we may not use these systems to conduct work on behalf of others, whether or not that organization competes with CH2M HILL.

Funds and Cash Management
Prudent stewardship of CH2M HILL resources, including cash management, is the responsibility of every employee. We protect CH2M HILL’s funds by carefully structuring our project payment milestones, collection of receivables for work performed, and exercising sound judgment in spending. We protect CH2M HILL funds under our control with the same care and attention as if they were our own. Any decision involving CH2M HILL funds should be made in the best interest of our company and its employee-owners.

Confidential Information and Non-Disclosure Obligations
CH2M HILL’s confidential information is one of our most valuable assets. Confidential information is not publicly available and can take many forms, including strategies, acquisition plans, project pursuit and teaming plans, and/or labor and pricing strategies. You may only use our confidential information for its intended purpose, and never for your own personal gain. During or after your employment with CH2M HILL, you may not reveal CH2M HILL’s confidential information to others (including your new employer).
Intellectual Property Rights
Our Intellectual Property Rights (IPR) are an important part of our asset base. We bring valuable technologies, processes, and Know-How to the work we do for our clients. We protect our intellectual property with patents, when appropriate, and we always reserve our IPR in our contracts. Unless CH2M HILL agrees otherwise, Intellectual Property developed by you while working for CH2M HILL is the property of the company. Our IPR may include tangible (drawings, specifications, client’s lists) and intangible (process testing methodologies, project management, Know-How) property, and may be patented or copyrighted technology, or a trade secret.

Software
To perform our work, CH2M HILL licenses commercial software developed by others. These licenses are subject to terms that we must honor. When using licensed software in your work, be aware of the license limitations of our software. We do not copy software licensed to CH2M HILL for home or other use, nor do we take copies with us when we leave CH2M HILL. We also do not use company equipment to violate copyright laws by downloading or sharing music or videos that belong to others.

Media and Other Inquiries
We are often contacted for comments about our company, our projects, our clients, or events that impact them. To provide complete and accurate information, only designated individuals may speak on behalf of CH2M HILL. If you are asked for information by an outside party (such as a journalist, financial analyst, or attorney) do not respond to these inquiries; direct them to our Director of Media and Public Relations in the Corporate Affairs Office. Do not provide “off-the-record” comments. You should not respond to electronic (e.g., email, blogs) inquiries, or post comments in public forums, including social media forums, which could be attributed to CH2M HILL. When speaking about our business at industry events, or on expert panels, beware that what you say will be attributed to CH2M HILL and may be quoted by media without your knowledge or consent. As a private citizen, your opinions are your own, but as a CH2M HILL representative, you speak on behalf of our company and must be very careful not to negatively impact our business or our clients. Please see our Policy on Relations with the Media for additional information.

Direct all inquiries from lawyers, government investigators, or law enforcement officers to CH2M HILL’s Legal Department.
V. Respect for Clients and the Global Marketplace

Environment and Sustainability

“We do not inherit the earth from our ancestors; we borrow it from our children.”
— Native American proverb

As a responsible global corporate citizen, CH2M HILL has a strong commitment to sustainable development and the environment. Our projects provide long-term sustainable solutions for our clients and preserve natural resources for future generations.

Each of us must take personal responsibility for the effects CH2M HILL’s actions have, not only on the individual communities where we live and work, but also on our planet as a whole. We are committed to our Target Zero goal, which aims for us to have zero negative environmental impact. CH2M HILL complies with all environmental laws, rules, and regulations wherever we do business. Whenever possible, we exceed the requirements of such laws, seeking opportunities to apply sustainable development concepts to our work. We expect our partners and subcontractors to embrace the same commitment to environmental sustainability. We evaluate their environmental stewardship reputation and performance history before we agree to do business with them.

Antitrust and Competition Laws

CH2M HILL competes ethically on our merits, and in so doing deals honestly and fairly with our customers, competitors, and suppliers. We always follow procurement rules and procedures established by our clients. Antitrust and competition laws generally prohibit agreements between competitors such as bid rigging; inappropriate information sharing; price fixing; and market, customer, or territory allocations. Casual and informal information exchanges are also illegal if the intent is to corrupt the procurement process. If you find yourself in discussions, with representatives of a competitor, that appear to be about how you can work in concert to set prices, divide markets, or manipulate business opportunities, stop and seek immediate guidance from your supervisor or CH2M HILL’s Legal Department. Teaming or joint venturing with competitors in pursuit of project opportunities or markets generally is not a violation of antitrust and competition laws.

What if?

Q: Masao just learned that his business group and another business group in our company are chasing the same power project opportunity. Can both business units bid this job as long as they do not exchange information about the bids and submit bids through different legal entities?

A: CH2M HILL is a large company with many business units and, on occasion, different groups inadvertently target the same opportunity. Even if no information is exchanged, two CH2M HILL business units may not submit bids for the same project. This is an unacceptable business practice as it creates the perception of anti-competitive conduct. Different business groups can pool their resources and bid for the opportunity together.
Corrupt Business Practices

“At there is a fine line between failure and success both in getting a project and doing a project.” — Jim Howland, Little Yellow Book

Key Point:
The Foreign Corrupt Practices Act (FCPA) prohibits offering anything of value to foreign government officials to obtain or retain business. FCPA violations may have very serious consequences for CH2M HILL and individuals involved.

At CH2M HILL, our employees do not offer bribes nor do we influence clients’ decisions through improper means.

Except in very unusual circumstances, CH2M HILL generally discourages use of agents to secure work and payment of consulting fees contingent on successful contract awards.

Because we perform extensive work for governments around the world, it is particularly important that we know about and comply with anti-corruption and procurement integrity laws in effect everywhere we do business. CH2M HILL has zero tolerance for those who violate these laws. We expect our partners, agents, and subcontractors to embrace our zero-tolerance policy.

When we work outside of the U.S., we must comply with the U.S. Foreign Corrupt Practices Act (FCPA) and all local anti-corruption and procurement integrity laws. Refer to our Anti-Corruption Policy and Compliance Handbook for further information on proper conduct with non-U.S. government officials.

What if?

Q: CH2M HILL is pursuing a desalination project in India. We have great credentials for the project and are well positioned to win. Several other qualified teams are competing for this major opportunity. A politically connected local businessman (a former official in the government agency that will award the contract) offers to assist us to secure the project. He will be paid a substantial fee if we win. Can we hire this facilitator to help us?

A: While knowledgeable procurement consultants can, at times, be helpful to us in securing work, particularly with new clients in new markets, we must be very careful to make sure that this help does not involve corrupt practices. We must follow our Engagement of Political Consultants Policy and investigate the consultant’s reputation before engaging him. We also must make sure that the consultant is briefed on CH2M HILL’s expectations about integrity in the procurement process, and that he affirmatively agrees to comply with local laws and our Policies Against Corrupt Business Practices, before we can engage him. Finally, we must be sure that such engagement does not violate the client’s procurement rules.
Trade and Export Controls
It is our policy to comply with all trade and export control laws of the countries where we work. If your work involves cross-border transactions, familiarize yourself with our Export Control Policy. Export control laws are complex and you should work with CH2M HILL’s Legal Department to address all questions.

Export Licensing
Transfer of certain technologies and information may require an export license. Review our Export Control Policy and Compliance Plan before transferring any of the following:

- Software and other technologies that we use in the design of facilities on U.S. military installations, strategic infrastructure (ports, airports), or security measures (e.g., monitoring of water supply)
- Alloy metals, certain valves and pumps, gas turbine engine components, and components of nuclear power generation facilities
- Certain personal protective equipment used in security risk areas or nuclear remediation activities
- Transfer of restricted information or technologies to non-U.S. nationals in the U.S. or abroad
- UXO (unexploded ordnance) remediation technologies
- A project site visit for a non-U.S. national when the project uses restricted equipment or technologies

Key Point:
Sharing information about restricted technologies with foreign nationals may be prohibited even if the technology never leaves the U.S. Clear with our Legal Department any information exchange with foreign nationals (even a CH2M HILL employee).

What if?
Q: Wayne is traveling on business outside the U.S. and needs to take his laptop. The laptop contains software that CH2M HILL used to design several major U.S. ports. The information is sensitive, but Wayne does not plan to disclose it to anybody on this trip. What should he do?
A: Wayne needs to contact our Legal Department before taking restricted software on this trip. He may need to remove the software from his laptop or, if he needs the software for his work outside the U.S., we may have to obtain an export license before he can take this software abroad.

Boycotts
All of our business activities, even those outside of the U.S., are subject to U.S. laws that prohibit participation in certain boycotts or other restrictive trade practices against countries that are “friendly” to the U.S. (e.g., the Arab League boycott of Israel). Requests for boycott cooperation may appear in proposal materials or contract terms. Be on the lookout for such requests and report them to CH2M HILL’s Legal Department. CH2M HILL will not abide by such requests and we must report them to the U.S. Government, even if we decide not to bid the project.

Sanctions
We are prohibited from doing business in certain countries and with certain individuals because of U.S. trade sanctions. For an up-to-date list of these restrictions, contact CH2M HILL’s Legal Department.

Employees who violate trade and export control laws and CH2M HILL policies put themselves and CH2M HILL in jeopardy. CH2M HILL takes such violations very seriously and will terminate violators.
Fair Treatment of Labor
As part of our commitment to the global community, we respect and protect the human rights of those who work on our projects. We provide reasonable working conditions and fair wages. CH2M HILL has a zero-tolerance policy for the use of forced labor or other human trafficking practices and will not knowingly do business with subcontractors, business partners, or suppliers who do not have similar standards. If you become aware of any forced labor practices on any of our projects, report your concerns immediately to The GuideLine. For more information on human trafficking, see our Policy Against Trafficking in Persons.

What if?

Q: Sasha is working on a construction project in North Africa. She notices that laborers on the project huddle as a group and shy away from others. When she speaks to them, through an interpreter, Sasha finds out that they were promised jobs in the hospitality industry but are now forced to work heavy construction. They also tell her that their “boss” took their passports and will not return them until the project is finished. Several of them want to go home. She learns that the group lives in small shacks with cots and no plumbing. Surprised and alarmed, Sasha wants to help. What should she do?

A: What Sasha learned is potentially a human trafficking situation involving involuntary servitude. Although Sasha may not have enough information to determine that this situation is indeed human trafficking, she should immediately report what she has observed to her supervisor and the Legal Department.

Community Relations
We encourage all employees to engage in the communities where they live and work. We have a robust charitable giving program that is coordinated by our Foundation and our Community Relations Office. We carefully evaluate all community engagement opportunities to assess their fit with our corporate objectives, balancing available resources against benefits to CH2M HILL’s interests. Use of CH2M HILL resources and facilities, and/or engagement in charitable drives during regular working hours or by using CH2M HILL communication technologies, should be discussed with and approved in advance by your supervisor.

Employment of Former Government Officials
The governments of many countries, states, provinces, and municipalities have rules about private companies employing former government officials. Regulators often require that outgoing government officials avoid working for industries they regulated for a period of years after leaving government service. It is CH2M HILL’s policy to comply with all restrictions on employment of government officials. If you are contacted by a government employee about potential employment opportunities with CH2M HILL, refer the matter to the Human Resources Director for your business group. If you have questions or concerns about hiring former government officials, direct them to CH2M HILL’s Legal Department. For additional information about employment of former or outgoing U.S. Government officials, refer to the Special Considerations When the U.S. Government is our Client section of these Principles.
What if?

Q: Rafael spent the last three years as a high-ranking official for the U.S. Department of Transportation. He is stepping down from his role and wishes to return to the private sector. Rafael calls Al (a senior marketing VP in CH2M HILL’s Transportation Group, whom he met on many occasions in Washington, D.C.) about opportunities with CH2M HILL. Al believes that Rafael’s experience would be very valuable to CH2M HILL in securing transportation work. Can Al invite Rafael to join CH2M HILL?

A: The U.S. Procurement Integrity Act (PIA), among other laws, controls when and how U.S. Government officials may solicit or accept future employment opportunities with contractors who compete for business they oversee. Al should discuss the matter with his Human Resources representative and contact our Legal Department to make sure that our relationship with Rafael complies with all relevant legal requirements.

What if?

Q: CH2M HILL is bidding against a competitor on a new liquid-waste remediation project. Alexa’s supervisor asks her for information about the competitor’s bidding strategy and pricing, because before joining CH2M HILL, Alexa was a part of the competitor’s pursuit team for the same project. Alexa has information that could be useful to CH2M HILL, but is not sure whether it would be ethical to share the information. What should she do?

A: Alexa should not share the information and should ask the supervisor whether it is a conflict for her to participate on CH2M HILL’s project pursuit team. If she has any concerns about the supervisor’s reaction or if she believes there is a conflict of interest that her supervisor does not see, Alexa should call The GuideLine for assistance.

Confidential Information of Clients, Suppliers, and Partners

We protect confidential information that belongs to our clients, suppliers, subcontractors, and joint-venture partners. If you become aware of confidential information of others through your work at CH2M HILL, you may not disclose it to unauthorized persons, or use it for unintended purposes, even after your employment with CH2M HILL ends. You may never use this confidential information for your own personal gain.

Competitive Information

We do not need our competitors’ confidential information in order to be successful. We must never ask co-workers to reveal information about former employers, clients, or business partners, if this disclosure violates obligations of confidentiality.

If you possess proprietary competitive information from your prior employer that is relevant to your work at CH2M HILL, do not disclose the information. If you have any concerns that the knowledge you have may influence the work you are doing for CH2M HILL, discuss the situation with your supervisor so you can work together to address this conflict of interest. If information you have from a prior employer may undermine (or create an appearance of undermining) the integrity of our client’s procurement, we will reassign you to another project.
Accurate Record Keeping
Accuracy of our business records is essential. We must record our time charges, expense reports, project and cost information, mandatory training, and health and safety incidents accurately and timely. Falsification or fabrication of our business records contradicts our core values. Falsifying records is illegal and may result in penalties for the individual and CH2M HILL.

Accurate Financial Reporting
CH2M HILL is a publically registered company and is subject to many financial and internal control regulations of the U.S. Securities and Exchange Commission. We disclose our financial conditions accurately and timely on a quarterly and annual basis. Our senior financial executives abide by a strict Senior Executive’s Code of Financial Conduct.

Report any concerns about accounting or auditing irregularities to our Chief Financial Officer, General Counsel, or any member of CH2M HILL’s Board of Directors.

Insider Trading
As part of our work, we may come across information about CH2M HILL, our clients, or our business partners that is not available to the public at large (or, in the case of CH2M HILL, to other employee-shareholders). It is illegal to buy or sell stock if you have material, non-public information. Carefully consider every transaction you make in CH2M HILL’s Internal Market or public securities market to ensure that you are not making your trading decisions based on material, non-public information.

Because of the unique nature of CH2M HILL’s Internal Market, we take care to share all relevant and material information about our projects and important developments with all our employee-shareholders. Most employee-shareholders, therefore, can participate freely in our Internal Market without concern that they have “inside” information that is not otherwise available to others. On occasion, you may find that you are in possession of material, non-public information (e.g., a pending acquisition or a major project win) that could prevent you from participating in the Internal Market until such information becomes public. CH2M HILL’s Legal Department will notify you of such situations. If you have any concerns, however, please consult our Insider Trading Policy or notify our General Counsel.

What if?
Q: Through his work on a new project, Miguel learns about a process recently developed by one of CH2M HILL’s business partners, a publicly held company. Miguel is planning to buy stock in the company before this information becomes public and the company’s stock price goes up. Can he do so?

A: Miguel may not trade in our partner’s securities because he holds material, non-public information that became known to him through his employment at CH2M HILL. If he buys stock in CH2M HILL’s partner company, he will be violating U.S. securities laws.
Government Inquiries
If a representative of a government agency asks that you take part in an investigation of CH2M HILL or certain of our employees, we must always cooperate with these requests, but only with the assistance of CH2M HILL’s Legal Department. We must be forthright and, at no time may we conceal, alter, or destroy any requested records or information in anticipation of such an inquiry. We must never attempt to influence the results of an investigation or an audit. For information on how to respond to subpoenas or investigation requests, refer to our Records Retention Policy and our Subpoena Guidelines. For further information or help understanding our procedures or processes in this area, please contact your supervisor, the on-site manager at your location, or CH2M HILL’s Legal Department.

Record Retention and Destruction
Our record retention and destruction practices reflect legal requirements and our internal control procedures. If you are notified that documents in your possession are relevant to litigation, investigation, or audit, follow the guidelines set forth in the notification. Do not alter or conceal any document covered by the notification. For information about records retention and destruction procedures, see our Records Retention Policy and direct all your questions to CH2M HILL’s Legal Department.
VI. Special Consideration When the U.S. Government is our Client

“\textit{The person closest to the action has the best chance of making the right decision—if the person is properly informed of the firmwide implications.}”

— Jim Howland, Little Yellow Book

One of our largest clients is the U.S. Government. The work we do for the U.S. Government varies in type and location, but what does not vary are the additional requirements that we must observe while doing this work. When working on U.S. Government contracts, make sure you understand the special, often much stricter requirements that govern this work. Our policy is to always involve the Contracts Department on all U.S. Government work. For more information please see our \textit{Role of Contract Administrators on U.S. Federal Government Proposals, Prime Contracts, and Subcontracts Policy}.

Below is a summary of a few key laws, regulations, and concepts that apply to the procurement and delivery of U.S. Government work. This summary does not attempt to be exhaustive. Before engaging in the procurement or delivery of work for U.S. Government clients, refer to CH2M HILL’s \textit{Procurement Policies and Procedures Manual}.

\textbf{Timekeeping}

Employees of CH2M HILL’s legal entities that perform work for the U.S. Government must follow our established time reporting practices in order to comply with the requirements of our U.S. government contracts.

Accurately reporting time worked on each project is important to keep track of our time and labor charges and to accurately capture project costs. U.S. Government time charging rules are straightforward and apply equally to all hours worked whether you are charging a client or an overhead number:

- Record all hours worked daily
- Do not average your time between days or projects
- Always charge correct projects for time worked
- Do not allow others to change time for you in our timekeeping system—it is your personal responsibility

If you have any questions about time charging or have concerns on how time may be charged by others on a U.S. Government project, ask your supervisor or refer to The GuideLine.

\textbf{What if?}

\textbf{Q:} Elena is working on one of CH2M HILL’s high-profile U.S. Government projects. She records her time daily based on hours worked each day. When she totals her time on the project for the week, she worries that she should have accomplished more in 50 hours. To look more efficient, she charges only 40 hours. Elena reasons this only makes her look better, helps the client, and will not hurt anyone. Is she right?

\textbf{A:} FAR and other laws that govern U.S. Government work require accurate time and record keeping. It is imperative to record all time worked when working for U.S. Government. While Elena may think that her practice is helpful, she is hurting CH2M HILL and our U.S. Government client by providing an inaccurate picture of the staff and time needed for a project.
U.S. Government Contract Procurement
The following laws, regulations, and general principles are important when competitively bidding or negotiating sole-source U.S. Government projects.

Federal Acquisition Regulation (FAR)
FAR is the principal set of rules that governs the U.S. Government contracts procurement process, including how U.S. Government contracts are solicited, negotiated, and awarded; how contractors account for their costs; and how U.S. Government projects are documented and audited. Our Contracts Department is well versed in FAR and you should always rely on it to assist you with FAR compliance.

Truth in Negotiations Act (TINA)
TINA requires U.S. Government contractors to provide accurate project cost and pricing information to support procurement negotiations. Contractors must certify that information provided to the U.S. Government is accurate, current, and complete. Complete TINA training before participating in any project procurement negotiations with U.S. Government clients.

Procurement Integrity Act (PIA)
PIA and several other U.S. laws mandate ethical conduct rules for U.S. Government officials and U.S. Government contractors. It prohibits U.S. Government employees from soliciting or accepting, and U.S. Government contractors (and their representatives) from offering, future employment, gifts, gratuities, or entertainment as a quid pro quo for contract awards. It also prohibits unauthorized disclosure or solicitation of proprietary U.S. Government information developed by government agencies for contract procurement purposes.

Key Point:
U.S. Government Procurement Integrity Act Training and Truth in Negotiations Act Training are available through our Global Learning and Organizational Development website and must be completed before you can participate in any U.S. Government procurements.

Organizational Conflicts of Interest
Organizational Conflicts of Interest (OCIs) arise when our work for one client may provide us with an unfair advantage, or impact our objectivity, about a project we may perform for a U.S. Government client. Before engaging in any work that may result in real or perceived OCIs with a U.S. Government client, consult CH2M HILL’s Legal Department. U.S. Government OCI rules are very strict, and even an inadvertent violation may result in sanctions. Organizational conflicts of interest are not unique to our work for U.S. Government clients; they can occur just as often when we work for commercial clients.

Key Point:
When determining whether we may have a U.S. Government related organizational conflict of interest, consider work performed by all our businesses, not just those engaged in work for the U.S. Government.

What if?
Q: Fritz is working on a large environmental remediation procurement for the U.S. Environmental Protection Agency (EPA). During the contract clarification phase, he receives an unsolicited email that appears to contain a confidential EPA internal evaluation of a competing bid. Fritz believes that the memo may contain valuable information that could help us win the contract. What should Fritz do?
A: As soon as Fritz realizes the confidential nature of the memo, he should stop reading it, notify his supervisor, and contact the Legal Department. Fritz should take every precaution to keep the memo secured to make sure that nobody has access to it, and he should follow instructions from the Legal Department on its disposition. Use of confidential information from a government agency for contract procurement purposes is illegal, may taint the procurement process, and may result in our disqualification for this and other U.S. Government work.
What if?

Q: Carol is a project manager for our water business. Her team has an opportunity to bid on a wastewater treatment plant that will be funded by the U.S. Government. She learns that several years ago, a different CH2M HILL team developed the master infrastructure plan for the municipal client that will award the project. Carol sees this as an opportunity to have an “inside track” to win the project. Is she right?

A: U.S. Government-funded projects are subject to strict OCI rules. Carol should consult with the Legal Department on whether our prior work for the municipality will create an OCI. Most likely, she will be asked to disclose CH2M HILL’s prior engagement on the project. Full disclosure is always the best way to avoid negative consequences in an OCI situation and failure to disclose may result in our disqualification for this and other U.S. Government work.

U.S. Government Project Delivery

The following laws, regulations, and general principles are important when delivering U.S. Government projects.

Reasonable and Unallowable Costs

When working on U.S. Government projects, every effort should be made to capture all project costs. Some costs, even when accurately recorded, cannot be charged to a U.S. Government client. For example, merger and acquisition related costs, political contributions, costs of lobbying activities, or cost of alcohol consumed with meals, cannot be charged to U.S. Government projects either directly or indirectly, nor can they be included in our overhead rates.

When working for the U.S. Government, we must be extremely careful not to charge any inappropriate, excessive, or unreasonable costs to the client. We must strictly comply with U.S. Government regulations, and only costs allowable for reimbursement under a project can be charged to U.S. Government clients. If you are working on a U.S. Government project, familiarize yourself with the relevant FAR on allowable costs for the project, and check with your project manager or contracts administrator if you have questions.

Gifts and Entertainment for Government Officials

U.S. Government employees are prohibited from accepting any gifts or entertainment from U.S. Government contractors. U.S. Government employees are required to disclose any gifts or entertainment received from U.S. Government contractors because such gifts may be seen as influencing their impartiality. Before offering anything of value to U.S. Government employees, check with our Government Affairs Office or the Legal Department.

For more information about our gifts and entertainment policies, see Gifts and Entertainment section of these Principles.
What if?

Q: Shin works very closely with her contracting officer (CO) on a complex project. She wants to cement her relationship with the CO and invites him and his spouse to a popular restaurant. The CO likes working with Shin but politely declines citing disclosure and cumbersome paperwork requirements. As an alternative, Shin invites the CO to her home for a BBQ. Is it permissible?

A: Government employees must maintain impartiality to preserve the integrity of U.S. Government contracts. Dining in a contractor representative’s home might give the appearance of an improper relationship; Shin should not make such invitations.

Human Trafficking and U.S. Government Work
The U.S. Government has a zero-tolerance policy for its contractors and their employees supporting, directly or indirectly, trafficking in persons, procurement of commercial sex acts, or use of forced labor (collectively known as “human trafficking”). See our Policy Against Trafficking in Persons, which addresses our commitment to vigilantly guard against the use of involuntary labor on our projects.

Intellectual Property
Intellectual property (IP) developed by us under U.S. Government contracts belongs to the U.S. Government. Report all IP developed under U.S. Government contracts and, always properly account for all related research and development costs.

False Claims Act (FCA)
The False Claims Act helps the U.S. Government to surface waste and abuse of property and resources by inviting taxpayers to report such violations and even file lawsuits against U.S. Government contractors. FCA covers any improper claim for payment under a contract with U.S. Government. The financial consequences of a FCA violation can be very large (sometimes three times the amount of any wrongful claim), and you do not need to intend to defraud the U.S. Government to have FCA liability. Always follow CH2M HILL U.S. Government contracting procedures when requesting payment or dealing with possible overpayment for U.S. Government work.
**Key Point:**
Except in very unusual circumstances, CH2M HILL generally discourages payment of consulting fees contingent on successful contract awards. We prohibit such arrangements outright when U.S. Government work is involved.

**Contingent Fees**
Federal law and CH2M HILL policy prohibit the payment of contingent fees for soliciting or obtaining U.S. Government contracts. Violations of the contingent fee prohibition may result in rejection of a contractor's proposal, annulment of a tainted contract, refund to U.S. Government of all amounts paid under the tainted contract, and suspension or debarment from future U.S. Government work. Before engaging any consultant to assist with our business development activities for U.S. Government or U.S. Government-funded work, consult our **Federal Contracts Department**.

CH2M HILL does not pay fees that are contingent upon the successful award of U.S. Government contracts.

**Anti-Kickback Act (AKA)**
The Anti-Kickback Act prohibits CH2M HILL and our employees from accepting, soliciting, or offering kickbacks to secure or provide U.S. Government work. It also prohibits inclusion of kickbacks into the contract price of any U.S. Government prime or sub contract. Violation of the AKA may result in criminal sanctions (fines and imprisonment) and significant civil penalties against individuals involved and CH2M HILL. It also can result in suspension or debarment of CH2M HILL from doing U.S. Government work. CH2M HILL and our employees do not engage in kickbacks in connection with U.S. Government or any client’s work.
Protection for Whistle-Blowers

Many U.S. Government regulations provide special protections to U.S. Government contractors’ employees, as well as ordinary citizens, who report violations of FAR or any other laws or regulations that govern U.S. Government work. If you have concerns on how CH2M HILL uses U.S. Government resources on any of our U.S. Government contracts, contact The GuideLine.

Mandatory Disclosure of Violations

When working on U.S. Government projects, you must promptly disclose to your project manager if you have reason to believe we violated laws or received overpayment for our work and refer the matter to CH2M HILL’s Legal Department, who will help you make a determination whether or not we have a disclosure obligation. It is our policy to notify all our clients, including the U.S. Government, if we become aware of any inappropriate conduct or violation of laws that impact our clients. Failure to timely notify the U.S. Government of such violations may result in having our existing contracts terminated and/or CH2M HILL being ineligible to receive future U.S. Government contracts.
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