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## Code of Conduct

Approved:   
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Date: 3-16-17



# Code of Conduct

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## 2. Policy Statement

H&M Construction Co., LLC expects all of our employees and subcontractors to observe the highest standards of ethics and integrity in their conduct. This document will serve as a guide to proper conduct in our workplaces, our communities, and our environment.

This Code of Conduct is used in conjunction with our Employee Handbook and any of H&M's established Safety, Quality, and Environmental policies, programs, and procedures.

## 3. Scope

This policy applies to all of our employees, subcontractors, and suppliers.

## 4. Client Relationship

Our reputation as a company that our clients can trust is our most valuable asset, and it is up to all of us to make sure that we continually earn that trust. All of our communications and other interactions with our clients should increase their trust in us.

We offer many different types of construction services for clients large and small, public and private, but our one guiding principle in all cases should be: "Is the service we provide useful?"

Part of being honest and useful is being responsive: We recognize relevant client feedback when we see it, and we do something about it. We take pride in responding to communications from our clients, whether questions, problems or compliments. If something is broken, we should fix it.

Any time you feel our clients aren't being well-served, don't be bashful—let someone in the company know about it. Continually improving our services takes all of us, and we're proud that our employees champion our clients and take the initiative to step forward when the interests of our clients are at stake.

## 5. Stakeholder Communication

The Identify Stakeholders process is used to identify all people or organizations that may be impacted by or have an impact on a project.

Stakeholder analysis is used to focus on the stakeholder's importance to the project and to the organization, the influence exerted by the stakeholder, plus stakeholder participation and expectations so these can be taken into account to improve communication, planning, and execution throughout the life of the project.

## 6. Employee Attitude

All employees should fulfill their job duties with integrity and respect toward customers, stakeholders and the community. Supervisors and managers mustn't abuse their authority. We expect them to delegate duties to their team members taking into account their competencies

and workload. Likewise, we expect team members to follow team leaders' instructions and complete their duties with skill and in a timely manner.

We encourage mentoring throughout our company, and are committed to a supportive work environment, where employees have the opportunity to reach their fullest potential.

## **7. Harassment**

Each employee is expected to do their utmost to create a respectful workplace culture that is free of harassment, intimidation, bias and unlawful discrimination of any kind.

Employment here is based solely upon individual merit and qualifications directly related to professional competence. We strictly prohibit unlawful discrimination or harassment of any kind, including discrimination or harassment on the basis of race, color, religion, veteran status, national origin, ancestry, pregnancy status, sex, gender identity or expression, age, marital status, mental or physical disability, medical condition, sexual orientation or any other characteristics protected by law.

If you believe you've been harassed by anyone at H&M, or by an H&M partner or vendor, you should immediately report the incident to your supervisor. Similarly, supervisors and managers who learn of any such incident should immediately take action to promptly address and thoroughly investigate any complaints and take appropriate action.

We also make all reasonable accommodations to meet our obligations under laws protecting the rights of the disabled.

## **8. Substance Abuse**

Our position on substance abuse is simple: It is incompatible with the health and safety of our employees, and we don't permit it. Consumption of alcohol is banned at our offices. Also, illegal drugs in our offices or at sponsored events are strictly prohibited. If a manager has reasonable suspicion to believe that an employee's use of drugs and/or alcohol may adversely affect the employee's job performance or the safety of the employee or others in the workplace, the manager may request an alcohol and/or drug screening. A reasonable suspicion may be based on objective symptoms such as the employee's appearance, behavior or speech.

## **9. Workplace Violence**

We are committed to a violence-free work environment, and we will not tolerate any level of violence or the threat of violence in the workplace. Under no circumstances should anyone bring a weapon to work. If you become aware of a violation of this policy, you should report it to supervision immediately.

## **10. Media**

Employees are allowed to associate themselves with H&M when publishing in print, on-line, or posting on social media platforms, but they must clearly brand their publications or posts as personal and purely their own. This includes any publications or posts relating to our clients,

subcontractors, vendors, or suppliers. The company should not be held liable for any repercussions the employees' content may generate.

Content pertaining to sensitive company information should not be shared with the online or print community. Divulging information like the company's business plans, internal operations, and legal matters are prohibited.

H&M manages its own print and web presence. No employee without approval from the Operations Manager should create in print or on-line any publication, web page, or social media account that seeks to represent itself as official H&M content.

## 11. Anti-Bribery and Corruption

In working at H&M, we have an obligation to always do what's best for the company and our clients. When you are in a situation in which competing loyalties could cause you to pursue a personal benefit for you, your friends, or your family at the expense of H&M or our clients, you may be faced with a conflict of interest. All of us should avoid conflicts of interest and circumstances that reasonably present the appearance of a conflict.

When faced with a potential conflict of interest, ask yourself:

- Would this activity create an incentive for me, or be perceived by others to create an incentive for me, to benefit myself, my friends or my family, or an associated business at the expense of H&M or our clients?
- Would this activity harm my reputation, negatively impacting my ability to do my job at H&M, or potentially harm H&M?
- Would this activity embarrass H&M or me if it showed up on the front page of a newspaper or in a news broadcast?

If the answer to any of these questions is "yes," the relationship or situation is likely to create a conflict of interest, and you should avoid it.

If you are considering entering into a situation that creates a conflict of interest, don't. If you are in a situation that may create a conflict of interest, or the appearance of a conflict of interest, review the situation with senior management. Finally, it's important to understand that as circumstances change, a situation that previously didn't present a conflict of interest may present one.

## 12. Personal Investments

Avoid making personal investments in companies that are H&M competitors or business partners when the investment might cause, or appear to cause, you to act in a way that could harm H&M.

When determining whether a personal investment creates a conflict of interest, consider the relationship between the business of the outside company, H&M's business and what you do at H&M, including whether the company has a business relationship with H&M that you can influence and the extent to which the company competes with H&M. You should also consider:

- any overlap between your specific role at H&M and the company's business

- the significance of the investment, including the size of the investment in relation to your net worth
- whether the investment is in a public or private company
- your ownership percentage of the company
- the extent to which the investment gives you the ability to manage and control the company.

Investments in venture capital or other similar funds that invest in a broad cross-section of companies that may include H&M competitors or business partners generally do not create conflicts of interest. However, a conflict of interest may exist if you control the fund's investment activity.

### **13. Outside Employment, Advisory Roles, Board Seats and Starting Your Own Business**

Avoid accepting employment, advisory positions or board seats with H&M competitors or business partners when your judgment could be, or could appear to be, influenced in a way that could harm H&M. Additionally, because board seats come with fiduciary obligations that can make them particularly tricky from a conflict of interest perspective, you should notify a senior manager before accepting a board seat with any outside company. Finally, do not start your own business if it will compete with H&M.

### **14. Business Opportunities Found Through Work**

Business opportunities discovered through your work here belong first to H&M, except as otherwise agreed to by H&M.

### **15. Friends and Relatives; Co-Worker Relationships**

Avoid participating in a potential or existing business relationship involving your relatives, spouse or significant other, or close friends. This includes being the hiring manager for a position for which your relative or close friend is being considered or being a relationship manager for a company associated with your spouse or significant other.

To be clear, just because a relative, spouse/significant other or close friend works at H&M or becomes a H&M competitor or business partner doesn't mean there is a conflict of interest. However, if you are also involved in that H&M business relationship, it can be very sensitive. The right thing to do in that situation is to discuss the relationship with a senior manager.

Finally, romantic relationships between co-workers can, depending on the work roles and respective positions of the co-workers involved, create an actual or apparent conflict of interest. If a romantic relationship does create an actual or apparent conflict, it may require changes to work arrangements or even the termination of employment of either or both individuals involved.

### **16. Accepting Gifts, Entertainment and Other Business Courtesies**

Accepting gifts, entertainment and other business courtesies from an H&M competitor or business partner can easily create the appearance of a conflict of interest, especially if the value of the item is significant.

Generally, acceptance of inexpensive “token” non-cash gifts is permissible. In addition, infrequent and moderate business meals and entertainment with clients and infrequent invitations to attend local sporting events and celebratory meals with clients can be appropriate aspects of many H&M business relationships, provided that they aren’t excessive and don’t create the appearance of impropriety. Before accepting any gift or courtesy, be aware that you may need to obtain senior management approval.

## **17. Anti-Bribery Laws**

Like all businesses, H&M is subject to laws that prohibit bribery in virtually every kind of commercial setting. The rule for us at H&M is simple – don’t bribe anybody, anytime, for any reason.

You should be careful when you give gifts and pay for meals, entertainment or other business courtesies on behalf of H&M. We want to avoid the possibility that the gift, entertainment or other business courtesy could be perceived as a bribe, so it’s always best to provide such business courtesies infrequently and, when we do, to keep their value moderate.

Offering gifts, entertainment or other business courtesies that could be perceived as bribes becomes especially problematic if you’re dealing with a government official. “Government officials” include any government employee; candidate for public office; or employee of government-owned or -controlled companies, public international organizations, or political parties. Several laws specifically prohibit offering or giving anything of value to government officials to influence official action or to secure an improper advantage. This not only includes traditional gifts, but also things like meals, travel, political or charitable contributions and job offers for government officials’ relatives. Never give gifts to thank government officials for doing their jobs. By contrast, it can be permissible to make infrequent and moderate expenditures for gifts and business entertainment for government officials that are directly tied to promoting our products or services (e.g., providing a modest meal at a day-long demonstration of H&M’s services). Payment of such expenses can be acceptable (assuming they are permitted under local law) but may require pre-approval from the Operations Manager.

The U.S. also has strict rules that severely limit the ability of a company or its employees to give gifts and business courtesies to a U.S. government official and also limit the official’s ability to accept such gifts. The Honest Leadership and Open Government Act prohibits giving any gifts, including travel and other courtesies, to Members, Officers and employees of the U.S. Senate and House of Representatives unless they fit within one of a number of specific exceptions. Gifts to employees of the U.S. executive branch are also regulated and subject to limits. Finally, state and local government officials in the U.S. are also subject to additional legal restrictions. Before giving any such gifts or business courtesies, ask for approval.

## **18. Use of H&M Equipment and Services**

Avoiding potential conflicts of interest also means that you should not use H&M equipment, services or material in a way that improperly benefits you or someone you know. For example, you should never approve H&M accounts, services or credits for yourself, your friends, or family

members. If you find yourself subject to a conflict of interest regarding an H&M piece of equipment, material, or service, discuss the situation with a senior manager.

H&M furnishes the tools and equipment we need to do our jobs effectively, but counts on us to be responsible and not wasteful with the H&M tools we are provided. Company funds, equipment and other physical assets are not to be requisitioned for purely personal use. Not sure if a certain use of company assets is okay? Please ask a senior manager.

## 19. Spending H&M's Money

A core H&M value has always been to spend money wisely. When you submit an expense for reimbursement or spend money on H&M's behalf, make sure that the cost is reasonable, directly related to company business and supported by appropriate documentation. Always record the business purpose (e.g., if you take someone out to dinner on H&M, always record the full names and titles of the people who attended as well as the reason for the dinner). If you're uncertain about whether you should spend money or submit an expense for reimbursement, check with a senior manager. Managers are responsible for all money spent and expenses incurred and should carefully review such spending and expenses before approving.

## 20. Signing a Contract

Each time you enter into a business transaction on H&M's behalf, there should be documentation recording that agreement, approved by the Operations Manager. Signing a contract on behalf of H&M is a very big deal. Never sign any contract on behalf of H&M unless all of the following are met:

- You are authorized to do so by the Operations Manager. If you are unsure whether you are authorized, ask.
- The contract has been approved by Legal. If you are using an approved H&M form contract, you don't need further Legal approval unless you have made changes to the form contract or are using it for other than its intended purpose; and
- You have studied the contract, understood its terms and decided that entering into the contract is in H&M's interest.

All contracts at H&M should be in writing and should contain all of the relevant terms to which the parties are agreeing – H&M does not permit “side agreements,” oral or written.

## 21. Recording Transactions

If your job involves the financial recording of our transactions, make sure that you're fully familiar with all of the H&M policies that apply, including our purchasing policy.

Immediately report any transactions that you think are not being recorded correctly.

## 22. Reporting Financial or Accounting Irregularities

It goes without saying that you should never, ever interfere in any way with the auditing of H&M's financial records. Similarly, you should never falsify any record or account, including time reports, expense accounts and any other records.

If you suspect or observe any of the conduct mentioned above or, for that matter, any irregularities relating to financial integrity or fiscal responsibility, no matter how small, immediately report them.

## **23. Hiring Suppliers**

As H&M grows, we enter into more and more deals with suppliers of equipment and services. We should always strive for the best possible deal for H&M. This almost always requires that you solicit competing bids to make sure that you're getting the best offer. While price is very important, it isn't the only factor worth considering. Quality, service, reliability and the terms and conditions of the proposed deal may also affect the final decision. Please do not hesitate to contact the purchasing department if you have any questions regarding how to procure equipment or services.

## **24. Compliance with Laws, Rules, and Regulations**

H&M takes its responsibilities to comply with laws and regulations very seriously and each of us is expected to comply with applicable legal requirements and prohibitions. While it's impossible for anyone to know all aspects of every applicable law, you should understand the major laws and regulations that apply to your work.

## **25. Business Relevant Human Rights (UDHR)**

No one may be compelled to belong to an association.

Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.

Everyone, without any discrimination, has the right to equal pay for equal work.

Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity.

Everyone has the right to form and to join trade unions for the protection of his interests. Nothing in this Code of conduct is designed to interfere with, restrain or prevent employee communications regarding wages, hours or other terms and conditions of employment.

Everyone has the right to rest and leisure, including reasonable limitation of working hours.

## **26. Environmental Aspects and Impacts**

The significant environmental aspects and impacts of H&M, our subcontractors, and our suppliers are identified as part the implementation of our Environmental Management System (EMS) on an on-going basis.

H&M uses the company's Environmental Management System to identify and reduce or eliminate negative environmental impacts to our employees, clients, and communities.

## **27. Support Community Development**

H&M actively participates in and supports various local community development and improvement activities and projects using the Community Economic Development (CED) approach as well as Faith-Based approaches, however, it is H&M's policy that the company seek no public recognition for any positive contributions to the communities we operate in.

## **28. Policy Communication and Training**

H&M's Code of Conduct is included in all new-hire packages and receipt is acknowledged by signature. Review of the Code of Conduct is conducted at least annually and documented.

## **29. Career Management and Training**

H&M actively seeks and facilitates training and certification courses for employees and managers which will improve leadership and management skills, as well as technical education programs to develop understanding and expertise in the roles and responsibilities assigned to them.

## **30. Health, Safety, and Environmental Training**

H&M has an active Health, Safety, and Environmental Program which includes new-hire orientation for all new employees and scheduled retraining where required during continuing employment.

The program includes documented scheduled safety meetings, tool box talks, safety bulletins, and audits. The Program is administered by the Corporate Safety Manager and his safety team, and is implemented by Project Managers and Superintendents.

## **31. Right to Refuse Work**

Employees and supervisors are trained to understand that a worker can refuse to work if he or she has reason to believe that any machine, equipment, or tool that the worker is using, or the physical condition of the workplace, is likely to present a danger to themselves or other employees.

## **32. Training Records**

Training matrixes are maintained by the Corporate Safety Department and the Corporate Quality Department to track safety, skills, and certification training received by employees.

## **33. Discipline for Policy Violations**

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the compliance department.

Our company may have to take disciplinary action against employees who repeatedly or intentionally fail to follow our code of conduct. Disciplinary actions will vary depending on the violation.

Possible consequences include:

- Demotion.
- Reprimand.
- Suspension or termination for more serious offences.
- Detraction of benefits for a definite or indefinite time.

We may take legal action in cases of corruption, theft, embezzlement or other unlawful behavior.

#### **34. Protection for Whistleblowers**

H&M has established internal procedures under which its failure to conform to the above practices will be handled. Each year, the company reviews this code of conduct and its internal procedures with each of its employees. If an employee, customer or other individual becomes aware of a circumstance in which H&M or an employee of the company fails to conform to the above standards, he/she should immediately report such circumstance Senior Management. They will initiate an investigation of and otherwise resolve the reported issue.

A reporting employee need not fear reprisals under any circumstance for reporting a failure to conform to the Code, and can expect anonymity if requested.

#### **35. Monitoring Effectiveness of the Code**

In order to provide protection for whistleblowers and facilitate monitoring, accountability, and effectiveness of the Code of Conduct, H&M utilizes a third party provided anonymous reporting and case management program.

Wallet cards, wall posters, and training videos are used to communicate the availability of the program, and procedures used to participate in it, to all employees.



# Code of Conduct

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## Verification

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*(Print Employee or Company Name)*

has received a copy of H&M Construction Company, LLC's Code of Conduct and acknowledges that they understand and will abide by its contents. Employee also acknowledges that any future questions or clarifications that may arise regarding the Code of Conduct should be brought immediately to the attention of their supervisor or senior management and will be promptly addressed.

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*(Authorized Signature)*

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*(Date)*