



# Working with Integrity

## CODE OF BUSINESS CONDUCT



Caring Foundation  
HCI, Inc.  
Highmark Blue Cross Blue Shield West Virginia  
Highmark Foundation  
Highmark Health Insurance Company  
Highmark Senior Resources Inc.  
Highmark Ventures Inc.  
HM Insurance Group, Inc. and its Subsidiaries  
HVHC Inc.  
Davis Vision, Inc.  
Visionworks of America, Inc.  
Viva Optique, Inc.  
Keystone Health Plan West, Inc.  
Standard Property Corporation  
United Concordia Companies, Inc. and its Subsidiaries

**INTEGRITY OFFICE  
HELPLINE**

**1-800-985-1056**

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# MESSAGE

Dear Highmark Colleague:

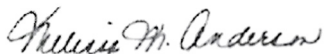
Highmark is widely recognized for its integrity. We believe that we are in a business of trust. As an industry leader, we are committed to the highest standards of honesty and corporate responsibility.

Building a strong reputation is difficult, but losing it is easy. That is particularly true today as the health care industry, including health insurers, is under increasing scrutiny. Questionable or unlawful acts quickly erode public confidence, causing customers and other stakeholders to lose trust.

At Highmark, we embrace our Corporate Values. We recognize that it is not enough to merely comply with laws and regulations. We believe that it is imperative to abide by the highest ethical standards in serving our constituents and communities. Therefore, it is important that we do not lose sight of one basic principle of integrity—“We care not only for the end result but how it is obtained.” This means conducting ourselves with integrity in everything we do.

The responsibilities and expectations found in the Code of Business Conduct are not new. Highmark’s Code of Business Conduct forms the backbone of our ethical culture. In fact, over the years it has become the cornerstone of Highmark’s commitment to integrity, one of Highmark’s core values.

All concerns deserve proper attention, no matter how small they are. If you are unsure about what to do in a given situation, you are encouraged to consult with your management. You may also contact the Integrity Office using the resources outlined in this guide. We are counting on your assistance in preserving and strengthening our long-standing tradition as an ethical organization.



Melissa M. Anderson  
Executive Vice President,  
Chief Auditor and  
Compliance Officer  
Highmark Inc.

“We care not only for the end result but how it is obtained.”

# Introduction

The Highmark Code of Business Conduct (“the Code”) establishes the standards of business conduct expected of all employees and reflects the company’s commitment to the highest standards of ethical business conduct. This Code, which is part of the broader Integrity Process, provides the foundation for carrying out our daily activities within appropriate ethical and legal standards. The Code applies to all employees of Highmark Inc. and the organizations listed on the cover of this Code (other organizations are collectively referred to as "Subsidiaries" in this guide). For the purposes of this Code, the use of “Highmark” refers to Highmark Inc. and its Subsidiaries. These standards apply to all our relationships with our customers, suppliers, and each other.

The Code establishes a process to ensure that we all comply with our legal and ethical responsibilities and requirements, and that no one is forced to act in an unethical manner. In addition, the Code is intended to reinforce the principle that each and every one of us, including senior management, officers, and the members of the Board of Directors of Highmark, has a responsibility to help ensure that, as a company, Highmark operates legally and ethically in its business conduct.

Integrity is a firm adherence to a code or standard of values.

– Webster’s Dictionary

## Corporate Values

Highmark's success is built on a foundation of core corporate values. With these values, together we build and nurture a culture with integrity that focuses on customers, employees and communities.

- United in our Vision and Mission
- Focused on our Customers
- Dedicated to Excellence
- Committed to our Employees and the Communities We Serve
- Uncompromising in our Integrity

Highmark’s Integrity Process sets the ethical tone for conducting business and creates a corporate culture that enhances the reputation of the company. The Integrity Process incorporates the Principles of Integrity and the Code.



## Principles of Integrity

The Principles of Integrity serve as a path to what is proper in most work situations, regardless of the job at hand. Use them as your primary road map to be successful at Highmark.

- Personal and professional integrity is and has been our most important attribute.
- We care not only for the end result but how it is obtained.
- We are honest and forthright. We observe all laws and regulations. But lawful behavior is not enough; ethical behavior is our standard.
- We trust and rely on our instincts to tell us that something is not quite right.
- Customer, provider and supplier relations are the cornerstones of our business. They must be built upon credibility and mutual respect.
- We demand ethical conduct in all of our activities.
- We always do the right thing.

## Ethical Leadership and Accountability

Ethical leadership at Highmark begins with the board of directors and senior leaders setting the ethical direction. By incorporating “integrity” as one of Highmark’s corporate values, our leaders aspire to maintain a corporate culture that not only embraces the principle of doing the right things, but also doing things the right way.

Management at all levels has the responsibility to set the example by leading ethically. We hold all employees accountable for performing their jobs with integrity.

“No individual’s position or influence is considered to be more important than the goal of institutional integrity.”

– Integrity Process  
Employee Guidebook,  
1st edition

# Employee's Obligations to Highmark

Integrity, professionalism, and ethical behavior are all qualities that are important to Highmark. Employees are expected to work within the limits of the law, and have high ethical standards of behavior when dealing with customers, suppliers, and others with whom the company conducts business.

## Legal and Regulatory Compliance

### Strict Compliance with All Applicable Laws, Contractual Obligations and Regulations

The activities of Highmark and each of its officers, members of its board of directors, and employees must be carried out in accordance with applicable laws, rules, regulations, and contractual obligations. All employees are required to obey all applicable laws, including United States laws that have application outside of the United States. Employees who violate laws, rules or regulations may be personally subject to individual civil or criminal liability as well as to disciplinary action. Employee actions may also expose Highmark to civil or criminal liability or loss of business.

### Antitrust Laws

The United States antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. Federal and state antitrust laws are intended to encourage such competition by prohibiting agreements that restrain trade, such as agreements by competitors



regarding the price they will charge for their products. Other practices limiting competition, such as agreeing on product characteristics, dividing up markets, “rigging” bids for contracts and agreeing to boycott competitors or suppliers, may also violate the antitrust laws.

Under antitrust laws, competitors may not make agreements on the prices they will charge for products or services, the territories in which each company will sell products, customers to whom each company will offer its products, or certain types of products, and the amount of any product each company will produce or offer for sale in the marketplace. In addition, competitors may not agree on the use or non-use of suppliers or on any contract terms and conditions.

Tying arrangements exist when one company conditions the sale of goods or services on the purchase of some other, unrelated good or service. In certain circumstances, antitrust laws prohibit these arrangements. Employees should seek guidance from the Highmark Law Department if they have any questions or concerns.

Members of trade associations and other industry groups are, by their very nature, competitors. You must be particularly sensitive about trade association activities that might be construed as leading toward an agreement concerning prices or services.

Employees with sales and marketing responsibilities and agents and producers acting on behalf of Highmark are expected to be familiar with the prohibited activities and must comply with applicable antitrust laws.

## **Export Restrictions**

Employees involved with the export or re-export of goods and services must be familiar with and follow the regulations of those countries where any subsidiary conducts business. Employees are responsible for knowing with whom they are transacting business and must not facilitate business with entities or individuals specifically prohibited by law, or countries that may fall under comprehensive trade embargoes or economic sanctions. Employees should seek guidance from the Highmark Law Department concerning export or re-export of goods and services, including transactions involving a foreign subsidiary, if they have any questions or concerns.

## **Anti-Boycott**

Any subsidiary that conducts international business must also comply with the anti-boycott requirements of the Export Administration Regulations. These anti-boycott requirements prohibit certain conduct and actions that further boycott or restrict trade practices not supported by the United States, such as agreeing to boycott terms and conditions in a transaction. Generally, we are required by law to report any request to participate in an unapproved boycott to the United States government.

## Product Safety

The Highmark brand and its reputation have been achieved by and are maintained through the provision of high quality and safe products and services.

Highmark strives to consistently deliver products and services that continually meet consumers' and customers' expectations according to its own high standards.

Highmark complies with all applicable laws and consumer product safety laws in every jurisdiction in which we do business.

## Intellectual Property Laws

It is critical that we understand the rules governing the use of intellectual property, including copyrighted and trademarked materials. We must comply with the laws and regulations that control the rights to and protection of our own and other's intellectual properties.

A copyright is an intangible right of the creator of certain works such that he/she is the only individual allowed to copy the work, or a significant portion of it. In general, employees may not copy any copyrighted materials unless prior written permission is obtained from the copyright owner. A copyrighted work can usually be recognized by the symbol ©, date of publication and the name of the copyright owner displayed prominently on the work.

Examples of copyrighted materials include books or other literary works, pictorial and graphic works and computer software.

The term trademark includes any word, name, symbol or device or any combination thereof adopted and used by an individual or corporation to distinguish its goods from those sold by others.

Highmark licenses computer software from a variety of suppliers. Most of our software license agreements contain restrictions regarding the use of the software. This means that employees are prohibited from copying, downloading, or reproducing the software for personal use. In addition, Highmark is prohibited from creating or loading any unauthorized copies of software programs.

## Government Relations

### Political Activities

Federal law restricts the use of corporate funds in connection with federal elections. There are similar laws in many states governing state and local elections. Highmark corporate funds cannot be contributed directly or indirectly to individual political campaigns or political parties. Additionally, Highmark is generally prohibited from using company resources or facilities to support fundraising activities of candidates for office. Examples of activities prohibited to be performed for fundraising for political candidates include use of employee time, office supplies, donated food services, or purchases of prizes for use or consumption in the fundraisers.

Highmark operates a political action committee. The law permits corporations to establish such committees, usually referred to as PACs. All exempt level employees of Highmark are eligible to join the PAC and make voluntary contributions to it. Funds contributed to the PAC are permitted to be used for contributions to candidates for elected office.

As an individual, we may, of course, choose to participate in the political process on our own time and in the manner we choose. Highmark cannot and will not reimburse employees for any personal activities or personal political contributions.



Additionally, we may not use our position to coerce another member of the workforce to work for a candidate or political organization, or to make private, personal contributions to a party or candidate.

## **Government Investigations and Interacting with Government Personnel**

Appropriate handling of government investigations is very important, both for Highmark and its workforce. Virtually all the laws regulating Highmark's business – including antitrust, insurance, and government contracting laws – contain criminal and civil penalties. Violation of these laws can result in criminal penalties not only to the company but also to individuals. It is Highmark's policy to provide full cooperation with any government agency responsible for audits, investigations, or corrective actions.

Government officials may rely upon the accuracy of oral and written statements made by Highmark or its employees. It is a violation of the law for any individual to knowingly make a false or misleading statement to a government official or representative, including auditors conducting audits on behalf of the government, in connection with a government program. In every instance, it is the obligation of Highmark and its employees to provide accurate and complete information to the government.



Federal and state laws impose significant criminal penalties for bribing any public official, governmental employee, or candidate for public office. Specifically, these laws prohibit us from offering or giving anything of monetary value (such as a gift, loan, contribution, reward, or promise of employment) to any public official, public employee, or candidate for public office — or any member of their immediate family — based on our understanding that his or her vote, official action, or judgment could be influenced as a result.

Congress has adopted strict rules generally prohibiting the provision of gifts, including travel, to members of Congress and congressional staff members. Additional restrictions apply to Executive Branch officials. State laws may also restrict making gifts or providing things of value to certain public officials.

## **Interacting with Foreign Government Personnel**

Corruption can distort the marketplace and erode public confidence. There are United States laws that address this concern. Specifically, the Foreign Corrupt Practices Act (FCPA) imposes criminal penalties on American enterprises that bribe officials of foreign governments. The FCPA prohibits payments of (including promises to pay or authorizations to pay) money, gifts or anything of value to officials of foreign governments, in order to obtain or retain business. Payments or gifts to a third party while knowing that all or part of the money or gifts will be offered to a foreign government official are also prohibited.

Highmark is committed to conducting ethical business practices free from unfair inducement by ensuring that its employees are aware of their responsibilities whenever conducting business in the United States and throughout the world. Employees with a responsibility in international operations must be familiar with, and comply with, the FCPA and with similar laws that govern our operations in countries in which our company conducts business. If there is any uncertainty, you should consult the Highmark Law Department for guidance.

## Proper Use of Company Assets

By using Highmark assets only for business-related purposes, we can deliver products and services more efficiently and cost effectively. Company assets include such things as equipment, inventory, corporate funds, and office supplies as well as intangible items such as concepts, business strategies and plans, customer information, financial data, intellectual property rights, and other business information. Highmark employees, officers, and members of its board of directors are prohibited from using company property, information, or positions for personal gain.

Communications delivered via corporate systems are not private and are, as such, subject to management review and can be subpoenaed to serve as evidence in a court of law.

### PASS THE WORD...

To allow others access to your work files while you are on vacation or away from work...

- Move them to a shared or public drive within your department;
- Consult with your management to determine other options or to assign a surrogate.

You are responsible for systems accessed under your logon ID.

### DID YOU KNOW THAT...

...without proper documentation you cannot prove a job was done?

...failing to keep documentation could subject Highmark to financial penalties?

...willful recording of incorrect information could be considered a false claim?

## Accurate and Timely Records and Financial Reporting

Our customers depend on Highmark to provide accurate information. Maintaining information and records accurately and completely is vital to the success of Highmark's businesses. A record is defined as a book, document or any other data, regardless of the type or form. A record may be written or electronic. Records may contain financial or operational data.

We are obligated to accurately and truthfully document our work and to not make false or misleading oral or written statements regarding such work. Highmark employees, officers, and members of its board of directors are prohibited from taking any action to manipulate, mislead, coerce or inappropriately influence any independent auditor engaged in an audit of the financial statements of any Highmark company.

When preparing source documents for financial transactions, it is important to provide accurate information so that costs can be allocated to the appropriate product lines. No payment may be approved or made with the intention or understanding that any part of the payment is to be used for a purpose other than company business. Failure to maintain accurate books and records may expose Highmark to significant fines, as well as civil and criminal penalties.

It is a criminal offense to destroy records that are subject to a subpoena or government investigation. Records must be maintained in accordance with departmental and corporate records retention guidelines and must not be destroyed before the prescribed retention period has expired or until threatened or pending litigation or government investigations are concluded.

## **Public Representation of Highmark**

When communicating publicly, you must be cognizant of keeping your personal views separate from communications you make and actions you take on behalf of the company.

### **Interacting with the Media**

To ensure that the views of Highmark are accurately depicted and appropriately and consistently represented in public, all news media communications made on behalf of Highmark must be coordinated through Corporate Communications and Public Relations.

### **Participating in Social Media**

Participation in social media on behalf of the company must be coordinated through Corporate Communications and Public Relations. When you speak, write, or participate in public forums or social media networks on behalf of the company, you are expressing the views of Highmark, not your own personal opinion. Employees participating in social networking on their own time must not publish content that belongs to Highmark or to its members, or that could damage Highmark's business reputation or the business reputation of its customers and providers. This includes, but is not limited to, statements about Highmark or its customers and providers that contain ethnic or racial slurs, personal insults, obscenity, profanity, slanderous and libelous commentary, political attacks, or that contain harassing, threatening, hateful or demeaning language. Furthermore, employees who use social media to promote Highmark products and services must identify that they are Highmark employees.

### **Endorsing Other Organizations or Products**

As a general rule, members of the board of directors, officers and employees shall not provide testimonial statements that could be used as an advertisement for vendors or their products unless supported by Highmark. If you receive a request for an endorsement of an external entity, you must

consult with the Integrity Office before you respond to such request. For the purpose of this Code, an endorsement means any promotional message reflecting the opinions or experiences of a third party's services or products that the third party could use for advertising purposes. References provided for vendors in the ordinary course of business are not considered endorsements.

## Conflicts of Interest

Conflicts of interest may arise when outside personal interests, employment, or affiliations influence or create the appearance of influencing business decisions. Business affiliations and financial interests by immediate family members, or by persons with whom an employee, officer or member of the board of directors has a close personal relationship may also create a possible conflict of interest. Employees, officers, and members of the board of directors must avoid situations where personal interests appear to conflict or actually conflict or compete with the interests of Highmark. For instance, it is a conflict of interest to work simultaneously for Highmark and a competitor of Highmark. In addition, certain affiliations with a vendor, provider or customer may create a potential conflict of interest situation depending on the employee's position with Highmark. Examples of prohibited activities include, but are not limited to, performing billing services for a physician or provider that seeks payment from Highmark; and selling products similar to those offered by Highmark for a competitor of Highmark.

DO YOU HAVE...

...another job outside of the company that could influence your judgment or decisions you make in your Highmark work?

...a financial interest or investment in a business outside of the company that may conflict with the interests of Highmark?

...an offer of a gift or entertainment from someone who has a business relationship with Highmark?

If you do, a potential conflict of interest exists. You should consult with the Integrity Office.





To further ensure independent decision making, Highmark shall not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit in the form of a personal loan to or for any member of the board of directors or officer.

Before engaging in any activity or action that is, or has the potential to be, a conflict of interest, you must disclose it to the Integrity Office. Additionally, the annual Conflict of Interest Disclosure Statement must be completed by all officers and employees of Highmark, and all members of the board of directors and members of governance or program committees. If a real or potential conflict exists, attempts will be made to minimize, reduce, or eliminate the conflicts through instituting internal controls or other safeguards.

## Trade Secrets and Competitive and Confidential Health Information

All of us are expected to actively safeguard the company's trade secrets and competitive and confidential health and financial information from improper disclosure. We must also prevent improper access to trade secrets and confidential information by any other person or company, including our competitors. Even after our employment ends, this obligation continues to remain in effect, as outlined in the *Confidential Information and Invention Agreement* we signed.

## Protecting Company Information

Proprietary information and trade secrets include information regarding the company or in which the company has an ownership interest. Some examples are business strategies as well as marketing, sales and/or payment information that could harm the company if released or revealed. Proprietary information must be safeguarded against unauthorized or inadvertent disclosure to internal or external parties during and after your employment with the company.

Information entrusted to Highmark by customers should be treated in the same manner as if it were Highmark's information. The intentional or inadvertent release or exchange of trade secrets between Highmark and its competitors may violate anti-trust or confidentiality laws and regulations, and may breach the trust that Highmark has with its customers.

## Protected Health Information

Confidential health information involves inherently personal and private aspects of our members' lives. Safeguarding such information is every employee's responsibility. Given the highly personal and sensitive nature of protected health information (PHI), Highmark members expect the company's workforce to treat their PHI with respect and in accordance with all applicable laws. Corporate standards which include internal controls to protect data must be followed when handling PHI in any form.

## Government-Owned Information

Certain government contracts prohibit the use of Medicare information or data to further Highmark's private business endeavors. Release of such data, even to our own subsidiaries or non-Medicare business areas, is considered improper.



## PASSWORDS

It is important to maintain the confidentiality of passwords, as they are unique to you. If someone signs onto a system using your ID and password and has tampered with or destroyed confidential or proprietary information, you will be held responsible. This means that you should not share your password even with your supervisor or manager. Protecting passwords ultimately protects our customers, our company, and you.

I am preparing for our annual employee golf outing. Can I request items from some of our vendors to use as prizes for this event?

Should I accept those sporting event tickets offered by one of our customers?

Is it okay to have a lunch meeting where the supplier picks up the tab?

These and other questions can be addressed by asking yourself a few questions as covered in this section or by consulting with the Integrity Office.

## Fair Dealings

Customer and supplier relationships should be based on the cost and the quality of the products and services and should not be influenced by personal relationships. Employees involved in purchasing or the bidding process must ensure that communications and representations made to prospective suppliers and customers are true and accurate.

In addition, Highmark employees shall not take unfair advantage of our customers and suppliers through manipulation, coercion, misrepresentation of information, or abuse of privileged information.

We are obligated to guard against any behavior, including the personal giving or receipt of gifts, meals or other gratuities that could be perceived as improperly intended to influence a business decision. These rules apply to the products and services Highmark buys as well as to products and services that Highmark sells.

## Gathering Information about Competitors

Obtaining public information about other organizations, including our competitors, through legal and ethical means such as public documents, public presentations, journal and magazine articles, and other published information is not unusual nor is it restricted. Highmark employees are not permitted and should always avoid using improper means, such as misrepresentation, theft, bribery, or improper infiltration to gather competitive intelligence.



## Marketing and Advertising

Highmark uses marketing and advertising activities to educate the public and increase awareness of our products and services, and to provide information to the community.

Highmark will present truthful, fully informative, and non-deceptive information in these materials and announcements. All advertising materials must be clear, honest and fair as to content.

## Gifts, Gratuities and Entertainment

Employees, officers and members of the board of directors are discouraged from accepting or offering any gift or entertainment that is not incidental to a business relationship.

As a general rule, gifts and entertainment of a nominal nature may be an acceptable business practice as a means to build corporate goodwill. However, offering or accepting gifts or entertainment that are not incidental to a business relationship, or might be perceived to be primarily intended to gain favor or to compromise a business decision, must be avoided. Examples of inappropriate gifts and entertainment include:

- lavish dinners
- weekend trips
- cash or cash equivalents (such as gift cards or gift certificates, loans, stock, stock options), and honoraria for company-related activities
- personal charitable contributions on behalf of the employee
- “Quid pro quo” offerings - gifts that are given or taken in return for something else

### ASK YOURSELF:

- How would accepting or giving the gift or entertainment appear to others at Highmark, my peers, or the general public?
- Will my giving or accepting this gift influence what the company pays or is paid for its products, services, etc.?
- Should I give or accept this gift merely because “it always has been done this way”?
- Is this gift being offered or given because my position enables me to influence a Highmark decision in favor of the customer or supplier?
- By giving or accepting this gift, will I put myself, or appear to put myself, in a compromised position?

If you answered “yes” to any one of these questions, then declining the gift may be the appropriate action. Because each offering is different, your decisions should be evaluated on a case-by-case basis.



All gifts, gratuities and entertainment provided to any labor organization, officer, employee, agent, shop steward or other representative of a labor organization (even if the person is a relative or friend) must be reported through the appropriate internal reporting process so that the required LM-10 reports may be filed with the Department of Labor.

### **Accepting or Offering Kickbacks and Gifts**

Highmark employees shall not offer or accept any kickbacks, gifts, entertainment, gratuities, or anything of value from suppliers, providers, consultants, or government officials in exchange for an unfair competitive advantage. It is a violation of the federal Anti-Kickback

Act to offer or accept “remuneration” (anything of value) in exchange, directly or indirectly, for the referral of a federally funded health care program, unless it falls within certain “safe harbors” specified under federal laws. Because these laws and the accompanying safe harbor provisions are complex, you should refer any questions or concerns regarding a specific transaction to the Highmark Law Department.

Local, state, and federal government agencies have strict rules describing if and when their employees can, or cannot, accept entertainment, meals, transportation, gifts and other things of value from companies or people they regulate or with whom they do business. Highmark employees are not permitted to give, or offer to give, to government employees any item, service, entertainment, meal, gift, or transportation, regardless of value. Similarly, Highmark employees shall not make loans, guarantee loans, or make payments to or on behalf of any local, state, or federal government employees.



# The Company's Obligations as a Government Contractor

## Guidelines for Government Programs

Highmark Inc. and certain Subsidiaries are government contractors under both federal and state contracts. In the course of your employment you may directly or indirectly perform services or work related to one or more of these contracts.

When performing services related to one of these contracts, we must be cognizant of any additional requirements and obligations imposed by the government. It is Highmark's policy to go beyond the minimum requirements for legal and regulatory compliance to avoid even the hint of any impropriety. In this regard, it is critical that every Highmark employee recognizes the applicable legal and regulatory obligations and that these obligations apply not only to employees in the dedicated government units but to all employees who support these government contracts.



All employees performing services related to one of these contracts have the same obligations to comply with the standards and policies set forth in the Highmark Code of Business Conduct. In addition, there are certain unique and stringent standards and obligations within these contracts to which employees must strictly adhere in order to meet Highmark's obligations as a government contractor.

## Dealing with Excluded or Ineligible Persons

Under certain contracts with the federal government, Highmark is prohibited by law from contracting or doing business with any person or entity that is currently debarred, suspended, excluded, proposed for debarment, or declared ineligible to perform work under any government contract or subcontract.

Highmark will not knowingly employ, with or without pay, any individual who has been convicted of a criminal offense involving government business, is listed by a federal agency as suspended, debarred, excluded, proposed for debarment or suspension, or is otherwise excluded from federal program participation, for the purpose of fulfilling its obligations under certain contracts with the federal government.

### DID YOU KNOW THAT...

- any individual who is under federal exclusion or debarment cannot be employed by Highmark for work under their federal government contracts?

## Bidding on Government Contracts

When bidding on or negotiating federal contracts, Highmark is subject to specific legal requirements. The Federal Procurement Integrity Act dictates certain business conduct for companies seeking to obtain work from the federal government. During the bidding process, employees may not offer to discuss employment or business opportunities at Highmark with agency procurement officials; offer or give gratuities or anything of value to any agency procurement official; or, seek to obtain any confidential information about the selection criteria before the contract is awarded.

Another federal law, the Truth in Negotiations Act, requires Highmark to certify cost and pricing data submitted to the government as "current, accurate and complete." It is Highmark's policy to ensure that only accurate and complete information is provided to the government.

## Purchasing and Procurement Compliance

As a government contractor, Highmark must adhere to a variety of government procurement laws and regulations such as prior notification and approval when purchasing amounts exceed certain dollar thresholds or when certain subcontracting requirements are met. Highmark must follow certain procedures to help ensure that we are paying the most appropriate costs for goods and services. In addition, Highmark must make sure that its contracts to purchase goods and services for a government contract do not present actual, potential, or apparent conflicts of interest. To comply with the government's diverse and complex procurement rules, Highmark's procurement policies must be followed for all procurement activities. Procurement activities also must often be conducted on a competitive basis based on such factors as functionality, cost, quality, and any other relevant business factors.

With regard to fulfilling its obligations under its government contracts, Highmark will not knowingly enter into a contract with an entity that has been convicted of a criminal offense involving government business, listed by a federal agency as suspended, debarred, excluded, or proposed for debarment or suspension, or otherwise excluded from federal program participation.





## **Making Claims, Statements and Representations to the Government**

It is a violation of federal laws to knowingly make fraudulent claims or misleading statements to the government or to alter documents being processed in connection with claims against the government. A violation of these federal laws can lead to severe civil and criminal penalties against the individual and the company, and can lead, among other things, to sanction, debarment, or exclusion penalties.

It is a potential violation of federal law if an employee makes little or no effort to validate the truth and accuracy of his or her statements, representations, or claims or otherwise acts in a reckless manner as to the truth even if the individual is unaware that the data or information is false or deliberately avoids finding out whether the statements, representations, or claims are true or false.

Government officials rely on the accuracy of verbal and written statements of Highmark and its employees. These “statements” could include formal certifications, reports, or responses given during audits and even to conversations with government representatives. In every instance, it is the obligation of Highmark and all of its employees to provide accurate and complete statements to the government.

## **Allocating Appropriate Costs to Government Contracts**

A cost that is a legitimate business expenditure for the company may not be appropriate as a charge under the contracts with the federal government. Certain costs are known as "unallowable costs" for purposes of government contracts. Under some government contracts, the company must certify that our cost submission does not contain any unallowable costs. Therefore, we must charge all direct and indirect costs accurately to the appropriate contracts in accordance with the guidelines specified under the respective contract. Inflating time reporting or individual or department workload statistics is strictly prohibited as these statistics are often used as the basis to determine the cost allocation.

## **Gift Guidelines for Government Business**

Under no circumstance should Highmark employees offer money, gifts, services, entertainment, or anything of value, directly or indirectly, to any government official or employee in connection with a government contract.

## **Hiring Former and Current Government Employees**

The federal government regulates the employment activities of current and former government employees in order to restrict a company from gaining an unfair competitive advantage by hiring a current or former government employee. The terms of these restrictions vary according to the employment status and function of the government employee and what the employee's role will be at Highmark. These restrictions can last for varying periods of time from one year to a lifetime.

It is Highmark's policy to comply with all laws concerning the recruitment and employment of former and current government employees, either as employees or consultants. Before entering into employment discussions or negotiations with former or current federal, state or local government employees, legislators, or members of their immediate families, whether initiated by you or them, seek approval from Highmark Human Resources and the Highmark Law Department.

# Mandatory Disclosure Requirement

Contractor Business Ethics Compliance Program and Disclosure Requirements obligate federal contractors to disclose certain violations to the government. These provisions state that the agency suspension and debarment official may suspend or debar a contractor if it is determined that there was a knowing failure by a principal of the contractor to timely disclose to the government, in connection with the award, performance or closeout of a contract or subcontract thereunder, credible evidence of (a) a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations in Title 18 of the U.S. Code; (b) a violation of the civil False Claims Act; or (c) significant overpayments on the contract.

As federal government contractors, Highmark Inc. and certain subsidiaries are obligated to timely disclose to the government, in writing, information regarding credible evidence of the conduct described above. For the purpose of this disclosure requirement, the term “principal” means an officer, member of the board of directors, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., a general manager, head of a subsidiary, division, or business segment and similar positions).

Prompt disclosure of all known facts and circumstances is to be made to the Integrity Office to enable Highmark to properly assess such information and to determine whether it has an obligation to further investigate and/or make a disclosure to the government.



# Treatment of Fellow Employees

One of the guiding principles of our company is to provide equal employment to qualified individuals regardless of their race, age, sex, religion, national origin, ancestry, creed, sexual orientation, mental or physical disability, veteran status, or any other status or condition protected by law. Differences in backgrounds that each individual brings to Highmark are to be respected, as it is those differences that bring value and diversity to the company. We are expected to treat all people we encounter with professional respect and courtesy, regardless of their position, age, race, sex, disability or other differences and we should expect the same level of respect in return whether they are our co-workers, customers or suppliers.

## Diversity and Inclusion

Highmark is committed to diversity and the creation of an inclusive work environment where everyone is valued for both their similarities and their differences. Highmark respects the unique attributes and diverse thinking of each employee, and recognizes and embraces the many diverse perspectives and life experiences that each individual brings to the workplace. A diverse and inclusive workforce ensures Highmark's capacity to serve all communities and to reach new and emerging markets.

## Equal Employment Opportunity

Current and prospective employees can be assured that our work environment promotes fairness and equal opportunity in the employment process. Equal opportunity is provided in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination of employment, wage and salary administration, and selection for training.

## Employees/Applicants with Disabilities

Our company provides a work environment that helps prevent discrimination against qualified individuals with disabilities with respect to any offer, condition, or privilege of employment. Applicants and employees are assured that all information regarding a disability will be kept confidential.



## Harassment-Free Work Environment

All Highmark employees and visitors must be treated with professional respect and courtesy. Harassment, which may be of a sexual, physical, written, or verbal nature, will not be tolerated from employees, management personnel, co-workers, customers, outside business invitees, or visitors.

## Safe and Healthy Work Environment

We have the right to a safe and healthy work environment, free of drugs, alcohol and workplace violence. Highmark will not tolerate actions or threats by anyone that disrupt business activities or place customers, employees, suppliers or visitors at risk of harm.

Workplace safety also extends to our physical work environment. It is, therefore, important that you identify and promptly report any condition that could create a physical hazard in your area.

### SAFETY FIRST

I overheard a co-worker make a threatening remark about another employee. This is not the first time. I am afraid that someday they will act upon the threat. What should I do?

Notify your supervisor, Employee Relations, Corporate Security, or the Integrity Office.

# The Company's Compliance Program Structure

## Corporate Compliance Officer and Integrity Office

The Highmark Integrity Process and the Compliance Program are part of the stringent corporate governance guidelines that demonstrate the company's commitment to the highest standards of ethics and compliance.

The Boards of Directors of Highmark and its Subsidiaries appoint the Corporate Compliance Officer. In addition, the Audit Committee of the Highmark Inc. Board of Directors, along with the Corporate Compliance Committee, comprised of executive management, the President and Chief Executive Officer and the Chairman of the Highmark Inc. Board of Directors, provides guidance and oversight to the Corporate Compliance Officer. The Integrity Office, under the direction of the Corporate Compliance Officer, has overall responsibility for administering the Highmark Integrity Process, including the Code of Business Conduct.

To ensure a high degree of autonomy for the Integrity Process, the Corporate Compliance Officer reports directly to the Highmark Inc. President and Chief Executive Officer, as well as the Highmark Inc. Board of Directors.

"Integrity is the right thing you do when no one is watching."

- unknown

## The Integrity Process Is a Shared Responsibility

The Integrity Process is about people working together. It integrates our own judgment with the company's tradition, commitment and leadership along with compliance with laws and regulations to ensure that we conduct ourselves in an ethical manner. To help you understand the Integrity Process, the Highmark Corporate Compliance Officer and the Integrity Office provide periodic training to educate members of the board of directors, officers, and employees on the ethics and compliance expectations of their respective duties. Members of the board of directors, officers, and employees are required to complete the mandatory training.

**Board of Directors** – Highmark’s Board of Directors has adopted this Code. The Code applies to all members of the Board of Directors and officers and employees of Highmark and its Subsidiaries. Compliance with the Code and the Integrity Process is a condition of employment. The Board of Directors has delegated responsibility for oversight of the Compliance Program to the Audit Committee. The Audit Committee receives regular reports from the Corporate Compliance Officer. The Board receives copies of the minutes of all meetings of the Audit Committee and receives reports on matters of significance as determined by the Corporate Compliance Officer and the Audit Committee Chair.

**Management** – Management must encourage open communication about ethical and compliance issues that may arise. A vital component of this responsibility is to communicate regularly with each person on your team and to actively promote Highmark values and ethical standards so that all of your employees understand how the Code of Business Conduct and the Integrity Process help them to do the right thing.

**Employees** – In carrying out our day-to-day business activities, we need to be sensitive to situations that could lead us or others to violate the Code of Business Conduct or other Highmark policies. In addition, as employees we have an obligation to report violations of policy, illegal, or unethical behavior to management, the Integrity Office, or to another appropriate resource.

**Integrity Office** –The Corporate Compliance Officer and the Integrity Office staff are available to offer you guidance and support towards Highmark’s commitment to do the right thing.

## Personal Obligation to Report

It is important to remember that the designation of a Corporate Compliance Officer and existence of the Integrity Office in no way diminishes your individual responsibility to comply with laws and regulations, the Integrity Process, Code of Business Conduct, and related policies and procedures.

In addition, corporate attorneys shall report evidence of a material violation of law or breach of fiduciary duty or similar violation by Highmark, its agents, or any controlled affiliate, to the Chief Legal Officer or the Chief Executive Officer (CEO). If the Chief Legal Officer or CEO does not appropriately respond to the evidence, the attorney should report the evidence to the Audit Committee of the Highmark Board of Directors.

Disciplinary or corrective action in response to substantiated allegations is an integral part of the Highmark Integrity Process. If you experienced or are aware of any ethical or compliance concern, you have a personal obligation to report it. Knowledge of a possible violation of a law that is not reported may result in disciplinary action.

Employees are expected to fully cooperate with inquiries made by the Corporate Compliance Officer or the Integrity Office and respond completely and truthfully to any and all questions. Employees must refrain from discussing such inquiries with others to protect themselves and the integrity of the investigation.

## Protection from Retaliation and Intimidation

Highmark maintains a reprisal-free environment and has a policy of non-retaliation and non-intimidation to encourage employees to raise ethical or legal concerns in good faith. Retaliation or intimidation against those who, in good faith, report wrongdoing to management, the Integrity Office, or a government agency is prohibited.

Management must establish a culture of openness and accessibility so that employees are not reluctant to bring concerns and questions to their attention.





Management must refrain from speculating or questioning individuals in an effort to determine who might have reported a possible violation or cooperated in an investigation. Such behavior can give the appearance of retaliation or can be perceived as intimidation by an individual who has reported or is thinking of reporting a matter to the Integrity Office.

## Disciplinary Action

Failure to comply with the Code of Business Conduct and Highmark's policies could result in disciplinary action, up to and including termination of employment. The severity of the discipline depends on the nature of the violation.

Employees should also be aware that they have an obligation to report known actions or occurrences of wrongdoing and failure to do so could also result in disciplinary action.



# Resource Guide and Reporting Concerns

## Contacting the Integrity Office

Employees are encouraged to contact the Highmark Integrity Office for assistance with ethical or compliance concerns. If you observe, learn of, or in good faith suspect a situation that could result or has resulted in a violation of applicable laws, regulations, or the standards of conduct defined in the Code, you must immediately report the actual or suspected violation.

For your convenience you may use the toll-free number or confidential Post Office Box to report your concerns and you may remain anonymous.

You may also contact the Integrity Office by any one of the following methods:

Call the **Integrity Helpline (Available 24 hours a day/seven days a week) at 1-800-985-1056.**

Write to our Confidential Post Office Box:

Highmark Inc.  
Integrity Office  
P.O. Box 150  
Enola, PA 17025

E-mail to:  
[Integrity@highmark.com](mailto:Integrity@highmark.com)

All matters will be handled with the appropriate level of confidentiality. However, if a matter necessitates the involvement of law enforcement, information may be shared as required by law.

In order to receive status updates on the matter or to provide additional information, employees are encouraged to re-contact the Integrity Office, referencing the matter they have reported.

### WHEN CONTACTING THE INTEGRITY OFFICE...

- ...You will be treated with dignity and respect;
- ...You do not have to give your name;
- ...No caller ID is used when calling the toll-free helpline number;
- ...All matters will be handled with the appropriate level of confidentiality;
- ...Your questions or concerns will be reviewed and addressed; and
- ...You will be protected from any form of retribution or intimidation.

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