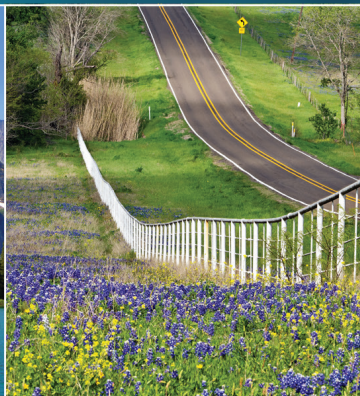


# Living Our Purpose and Core Values



## Code of Ethics and Conduct for Vendors

December 2018

## HCSC Vendor Code of Ethics and Conduct

**Since 1936, Health Care Service Corporation, a Mutual Legal Reserve Company (HCSC)** has built its success around its commitment to its members, community and business partners to operate under sound ethical and sustainable business practices. Embedded in these practices are our core values of:

- Integrity – Always do the right thing;
- Respect – Everyone deserves it;
- Commitment – We keep our promises,
- Excellence – We drive extraordinary results; and
- Caring – We put our heart into our work.

We are excited to do business with others who share our values and commitment to:

- Protect the rights of all workers by providing a respectful, safe and healthy work environment;
- Establish high standards of ethical conduct and compliance with all laws and regulations that govern its business operations;
- Support diversity and inclusion as an integral part of doing business today;
- Understand the importance of doing our part to keep the environment clean and sustainable for years to come; and
- Protect the privacy and confidentiality of information entrusted to us.

These commitments are outlined in this Vendor Code of Ethics and Conduct and are applicable to all our business partners who currently perform services for us or seek to do business with us. We expect that these principles will be effectively communicated to all vendor employees, officers, directors and contractors.

## HCSC Vendor Code of Ethics and Conduct

### Legal Compliance

HCSC is committed to obeying the law. We expect our vendors to comply with all federal, state and local laws and regulations applicable to the vendor's business and the rendering of services to HCSC. Additionally our Vendors shall comply with all applicable laws and requirements concerning activities outside the U.S., such as (i) the Foreign Corrupt Practices Act of 1977, as amended, and, where applicable, legislation enacted by member States and signatories implementing the OECD Convention Combating Bribery of Foreign Officials, the UK Bribery Act of 2010, and the India Prevention of Corruption Act, 1988.

### Conflict of Interest

HCSC employees must act in the best interests of HCSC and must have no relationships, financial or otherwise, with any vendor that might conflict or appear to conflict with the employees' duty to act in HCSC's best interest. If a vendor's employee has a family or other personal relationship with an HCSC employee, or if a vendor has any business or other relationship with an HCSC employee, the vendor must disclose this fact to HCSC and discuss whether there might be a conflict of interest to resolve. When in doubt, the vendor should timely notify HCSC with the facts of the situation so HCSC can mitigate or resolve the conflict.

### Gifts, Gratuities and Kickbacks

When doing business with HCSC, vendors are prohibited from exchanging gifts or gratuities with HCSC employees beyond common business courtesies of nominal value (\$50 or less per

year given to or received from one source), and gifts or items of any value must never be offered to or accepted from government employees. Vendors engaging in activities that involve foreign countries and governments shall not offer anything of value (including money or items of value, including nominal value) to an official of a foreign government, foreign political party, candidate for a foreign government office, or to any third party if the vendor knows or has reason to know that all or a portion of the item of value will be offered to such foreign individuals or entities. Under no circumstances is a vendor allowed to accept or give kickbacks when obtaining or awarding contracts, services, referrals, goods, or business. A kickback means to willfully offer, receive, request or pay anything of value, even nominal value, in order to induce or reward referrals of business including goods or services. When doing business with HCSC, vendors may not offer or accept any gifts of cash or cash equivalents regardless of the amount. Cash equivalents include checks, honorariums, money orders, stocks and saving bonds. Gift certificates and gift cards are not considered cash equivalents, but are subject to the above nominal limitation on common business courtesies.

### Privacy and Confidentiality

HCSC has a responsibility to protect the Personally Identifiable Information (PII) of our members, employees, vendors, and customers and any other PII in our possession as well as HCSC's Business Confidential Information (BCI). PII includes: Protected Health Information (PHI), State Personal Information (SPI), and Contract Personal Information (CPI). Vendors with access to PII or BCI will be required to execute applicable confidentiality and minimum-security requirement agreements. Vendors whose

## HCSC Vendor Code of Ethics and Conduct

work requires them to create, receive, maintain or transmit PHI are considered Business Associates under the Health Insurance Portability and Accountability Act (HIPAA) and as such must execute a Business Associate Agreement with HCSC.

### Information Security

Vendors have a responsibility to manage risk and implement reasonable and appropriate security measures. Vendors must comply with applicable law and contractual requirements with HCSC with respect to PHI, SPI, CPI and BCI. In the event a security incident does occur, the vendor is responsible to notify HCSC timely, as required by the HCSC agreement, immediately mitigate the effects of the issue, implement appropriate corrective action and work with HCSC to determine the impact of the incident. The cyber threats affecting the health industry are numerous. HCSC expects our vendors to:

- Continuously analyze cyber threats and vulnerabilities;
- Exercise diligence to monitor their environment for any impacts;
- Educate their workforce members so everyone understands the importance of security controls and notification; and
- Implement effective administrative, technical and physical controls and assess the effectiveness of those controls.

Vendors who access PII either within or outside the HCSC network environment are prohibited from transmitting or storing this information:

- On any personal device, including a mobile device or laptop, of a Vendor's contractor or employee
- On any portable storage device

- On any non-HCSC-owned or leased equipment, including but not limited to Vendors issued mobile devices, laptops, personal computers and servers
- Through non-HCSC e-mail, including but not limited to Vendor's own e-mail solution and any personal e-mail of Vendors employees or contractors
- On any third-party solution, including but not limited to the network of a Vendors subcontractor or a cloud storage solution

Vendors who access and use HCSC's information must be limited to the Vendor's personnel that are directly assigned to work on HCSC-sanctioned projects. Any sharing of HCSC data among Vendor's employees or contractors must be limited to the minimum necessary and can only be shared via an HCSC approved network environment. Vendors may not use HCSC data in any way not approved or authorized by HCSC.

### Accuracy of Records

Vendors must maintain accurate and complete records of all matters related to their business with HCSC. In addition, all records should be stored for the period of time required by the HCSC Enterprise Records Retention Schedule.

### Fair Competition

HCSC is committed to a policy of vigorous, lawful and ethical competition which is based on the merits of our products and services. We will maintain the trust of our customers and providers by developing and providing high-quality products and services in a fair, ethical and legal manner.



## HCSC Vendor Code of Ethics and Conduct

### Employment and the Workplace

HCSC is committed to Diversity and Inclusiveness. We understand that a diverse and positive workplace creates stronger partnerships and better business outcomes.

HCSC expects vendors to treat all of the vendor's and HCSC's employees with dignity and respect. Vendors must not discriminate against, sexually harass, mentally or physically coerce, verbally abuse or threaten any of its or HCSC's employees. Vendors must adhere to all laws pertaining to labor practices, including but not limited to human trafficking or forced labor, child labor, minimum wages, working hours and freedom of association.

Vendors are also expected to cooperate with HCSC in maintaining a work environment free of possession, use or distribution of alcohol and illegal drugs and to adhere to all OSHA laws. While working on HCSC's premises, vendors' employees shall abide by HCSC's rules pertaining to safety and security. HCSC prohibits entering with or keeping weapons on HCSC property.

### Use of HCSC Physical Assets

Vendors may use HCSC's property and physical assets only to provide services or fulfill its contractual obligations to HCSC, with permission from HCSC. This property includes but is not limited to computers, email, internet/intranet, fax, phone and copiers. Vendor and its employees are prohibited from using these assets to send, receive or view inappropriate material including offensive, threatening, biased, or sexually explicit material. HCSC assets must be returned at the termination of vendor services, or whenever requested by HCSC.

Vendor or vendor's employees will not download any (personal or other) software to HCSC computers without prior written authorization from an officer of HCSC. Copying or unauthorized use of unauthorized software may be a violation of federal copyright laws resulting in civil and/or criminal liability.

User IDs and passwords issued to Vendor and its employees are for the exclusive use of the intended recipient, and for the specific business use for which they are issued. User IDs and passwords may not be shared with others. Vendors must also promptly report any activities that may compromise the security and confidentiality of HCSC's data and/or information systems. Violation of this policy may result in termination of the vendor's contract.

### Government Contracts

Vendors working directly or indirectly on government contracts or programs (e.g. Medicare, Medicaid, Indian Health Service, state or municipal government employee benefit programs, etc.) have a special obligation to know and comply with all the terms of the government contract and laws and regulations applicable to the government program. In addition, Vendors must not submit false or fraudulent claims for payment, make any false statements or representations, or do business with suspended, debarred or excluded individuals or entities. Vendors must cooperate fully with any government requests for information. Vendors also must never offer gifts, entertainment, meals or anything of value to a government employee.

## HCSC Vendor Code of Ethics and Conduct

### Reporting Potential Misconduct

A vendor or any vendor employee that has knowledge of any actual or potential violations of the terms and conditions of the Vendor agreement, or this Code, or applicable laws and regulations must immediately bring this to the attention of their HCSC business contact or call the HCSC Corporate Integrity HOTLINE (1-800-838-2552) which is available 24 hours a day/seven days a week. Actual or potential wrongdoing not pertaining to work performed under the vendor's agreement with HCSC should be reported according to the Vendor's Code of Conduct and policies.

HCSC strictly enforces its non-retaliation policy, protecting those who, in good faith, report suspected wrongdoing. Likewise, Vendors shall not retaliate against their employees, who in good faith, report potential wrongdoing.

### Sustainability

We encourage all vendors to have an effective environmental policy and to endeavor to achieve this policy using the best available techniques; to implement this policy at all levels throughout the company; and to include a commitment to continual improvement in environmental performance, energy efficiency, and waste reduction.

