



Pathways, Inc.

Pathways, Inc.

Code of Conduct

Dear Pathways Colleague:

At Pathways, Inc., we have always had a tradition of caring for the people we serve, our communities, and our colleagues. We strive to deliver services compassionately and to act with absolute integrity in the way we do our work and the way we live our lives. In the following pages, you will have the opportunity to review our Code of Conduct. It is our intention that its guiding principles will influence the way in which you perform your job at Pathways, Inc.

Our Code of Conduct, which reflects our tradition of caring, provides guidance to ensure our work is done in an ethical and legal manner. It emphasizes the shared common values and culture that guide our actions. It also includes resources to help address any questions about appropriate workplace conduct. Please review it thoroughly. Your adherence to its spirit and its specific provisions is absolutely critical to our future.

If you have questions regarding this Code or encounter any situation that you believe violates provisions of this Code, you should immediately consult your supervisor, another member of management at your site, the Compliance Officer, or the President and CEO. You may also call the Compliance Hotline at (607) 937-3280. You have our personal assurance that there will be no retribution for asking questions, raising concerns about the Code, or reporting possible improper conduct.

We have a rich heritage of ideals reflected in our Mission, Vision, and Philosophy Statement, as well as in this Code of Conduct. We are equally committed to assuring our actions consistently reflect our words. In this spirit, we want this organization to be a family of people with shared values, and we expect all of our colleagues' actions to reflect the high standards set forth in this Code of Conduct.

No Code of Conduct can substitute for our own internal sense of fairness, honesty, and integrity. Thus, in your daily life and work, if you encounter a situation or are considering a course of action that may be technically within the guidelines of the Code of Conduct, but you are worried the contemplated action simply "does not feel right," please discuss the situation with any of the resources listed above. In closing, we trust you as a valuable member of our team. We ask you to assist us and all of our colleagues in this organization in supporting the values and principles that are critical to continuing our tradition of caring.

Sincerely,

Joseph M. Cevette, MPS
President and Chief Executive Officer
Pathways, Inc.

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Mission, Vision, and Philosophy Statement

MISSION

Pathways provides children, adults, and families with Specialized programs and services in developmental disabilities, mental health, family support, traumatic brain injury, nursing home alternatives, home care services, and child care. We hold ourselves accountable for meeting the expressed needs of those we support and for offering them meaningful opportunities to develop their own capabilities.

VISION

We will be recognized for our compassion, skill, and creativity in supporting the needs of others, and for our strengths in developing and providing quality diverse services.

PHILOSOPHY

As part of the community, we believe that all people have the right to make choices about their own lives. Further, we believe that people can grow and change, and are entitled to respect, dignity, and personal fulfillment.

VALUES

We act on our mission and philosophy and seek to achieve our vision by embracing these values:

Quality
Communication
Creativity
Responsiveness
Education
Empowerment
Respect
Perseverance
Integrity
Collaboration

Purpose of Our Code of Conduct

Our Code of Conduct provides guidance to all Pathways' colleagues and assists us in carrying out our daily activities in accordance with appropriate ethical and legal standards. These obligations apply to our relationships with the people we serve, affiliated organizations, third-party payers, subcontractors, independent contractors, vendors, consultants, and one another.

The Code is a critical component of our overall Ethics and Compliance Program. We have developed the Code to ensure we meet our ethical standards to comply with applicable laws and regulations.

The Code is intended to be comprehensive and easily understood. In some instances, the Code fully addresses the subject. In many cases, however, the subject is so complex that additional guidance is necessary for those directly involved in the particular area to have sufficient direction. To provide additional guidance, we have developed a

comprehensive set of compliance policies and procedures. Those policies expand upon or supplement many of the principles articulated in this Code of Conduct.

Though we promote management autonomy at local facilities to meet local needs, the policies set forth in the Code are mandatory and must be followed.

Leadership Responsibilities

While all Pathways colleagues are obligated to follow our Code, we expect our leaders to set the example and be, in every respect, a model. They must ensure that those on their team have sufficient information to comply with laws, regulations, and policies, as well as the resources to resolve ethical dilemmas. They must help to create a culture within Pathways that promotes the highest standard of ethics and compliance. This culture must encourage everyone in the organization to share concerns when they arise. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

Our Fundamental Commitment to Stakeholders*

We affirm the following commitments to Pathways stakeholders:

*The term “stakeholder” refers to those groups of individuals to whom an institution sees itself as having obligations.

To our Individuals: We are committed to providing quality care that is sensitive, compassionate, promptly delivered, and cost-effective.

To our colleagues: We are committed to a work setting that treats all colleagues with fairness, dignity, and respect, and affords them opportunities to grow, develop professionally, and work in a team environment where all ideas are considered.

To our third-party payers: We are committed to dealing with our third-party payers in a way that demonstrates our commitment to contractual obligations and reflects our shared concern for quality services and bringing efficiency and cost-effectiveness to service. We encourage our private third-party payers to adopt their own set of comparable ethical principles that explicitly recognize their obligations to the people we serve and need for fairness in their dealings with providers.

To our regulators: We are committed to an environment in which compliance with rules, regulations, and sound business practices is woven into the corporate culture. We accept responsibility for aggressively self-governing and monitoring adherence to the requirements of law and our Code of Conduct.

To the communities we serve: We are committed to understanding the particular needs of the communities we serve and to providing them with quality, cost-effective services. We realize as an organization that we have a responsibility to help those in need. We proudly support charitable contributions and events in the communities we serve to promote goodwill and further good causes.

To our suppliers: We are committed to fair competition among prospective suppliers and the sense of responsibility required of a good customer. We encourage our suppliers to adopt their own set of comparable ethical principles.

Third-Party Payers

Coding and Billing for Services

We will take great care to ensure all billings to our government payers and customers are accurate and in compliance with all pertinent Federal and state laws and regulations. We prohibit any colleague or agent of Pathways from

knowingly presenting or causing to be presented claims for payment or approval that are false, fictitious, or fraudulent.

We will operate oversight systems designed to verify that claims are submitted only for services actually provided, and services are billed as provided. These systems will emphasize the critical nature of complete and accurate documentation of services provided. As part of our documentation effort, we will maintain current and accurate records.

Any subcontractors engaged to perform billing services must have the necessary skills, quality control processes, systems, and appropriate procedures to ensure all billings for government payers are accurate and complete. Pathways prefers to contract with such entities that have adopted their own ethics and compliance programs. Third-party billing entities, contractors, and preferred vendors under consideration for contract must be approved in accordance with the corporate policy on this subject.

Cost Reports

We are required to submit certain reports on our operating costs. We will comply with all applicable Federal and state laws regarding cost reports. These laws and regulations define which costs are allowable and outline the appropriate methodologies for claiming reimbursement for the cost of services provided to program beneficiaries. Given their complexity, all issues related to the completion and settlement of cost reports must be communicated through or coordinated with our Business Office.

Legal and Regulatory Compliance

Pathways provides a wide range of human services across many locations. These services may be provided only pursuant to appropriate Federal, state, and local laws, regulations, and conditions of participation. Such laws, regulations, and conditions of participation may include certificates of need, licenses, permits, accreditation, access to treatment, consent to treatment, record-keeping, access to records for persons served, confidentiality, the rights of those we serve, clinical privileges, and Medicaid program requirements. The organization is subject to numerous other laws in addition to these regulations and conditions of participation.

We will comply with all applicable laws and regulations. All colleagues, staff members, and contract service providers must be knowledgeable about and ensure compliance with all laws, regulations, and conditions of participation, and should immediately report violations or suspected violations to a supervisor, member of management, the Compliance Officer, or the President & CEO.

Pathways will be forthright in dealing with any billing inquiries. Requests for information will be answered with complete, factual, and accurate information. We will cooperate with and be courteous to all inspectors and surveyors and provide them with the information to which they are entitled during an inspection or survey.

During a survey or inspection, you must never conceal, destroy, or alter any documents; lie; or make misleading statements to the agency representative. You should not attempt to cause another colleague to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of law.

To ensure we fully meet all regulatory obligations, Pathways colleagues must be informed of the stated areas of potential compliance concern. The Department of Health and Human Services, and particularly its Inspector General, has routinely notified service providers of areas in which these government representatives believe insufficient attention is being accorded to government regulations. We should be diligent in light of such guidance to review these elements of our system and ensure their correctness.

Pathways will provide its colleagues with the information and education they need to comply fully with all applicable laws, regulations, and conditions of participation.

Dealing with Accrediting Bodies

Pathways will deal with all accrediting bodies in a direct, transparent, and honest manner. No action should ever be taken in relationships with accrediting bodies that would mislead the accreditor or its survey teams, directly or indirectly.

The scope of matters related to accreditation of various bodies is extremely significant and broader than can be explained in this Code of Conduct. The purpose of our Code of Conduct is to provide general guidance on subjects of wide interest within the organization.

Accrediting bodies may be focused on issues both of wide and somewhat more focused interest. In any case, if Pathways decides to seek accreditation, all standards of the accrediting body are obviously important and must be followed.

Business Information and Information Systems

Accuracy, Retention, and Disposal of Documents and Records

Each Pathways colleague is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements but also to ensure records are available to support our business practices and actions. No one may alter or falsify information on any record or document.

Documents and records for persons served or our business are retained in accordance with the law and our record retention policy. These documents and records include paper documents such as letters and memos, computer-based information such as email or computer files, and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records only in accordance with our policy. You must not tamper with records, nor remove or destroy them prior to the specified date.

Information Security and Confidentiality

Confidential information about our organization's strategies and operations is a valuable asset. Although you may use confidential information to perform your job, it must not be shared with others unless the individuals have a legitimate need to know and have agreed to maintain its confidentiality. Confidential information includes personnel data maintained by the organization; lists of persons served and clinical information; financial information of those we serve; passwords; pricing and cost data; information pertaining to acquisitions, divestitures, affiliations and mergers; financial data; details regarding federal, state, and local tax examinations of the organization or its joint venture partners; research data; strategic plans; marketing strategies and techniques; supplier and subcontractor information; and proprietary computer software. If your relationship with Pathways ends for any reason, you are still bound to maintain the confidentiality of information viewed during your employment.

Our service and business processes rely on timely access to accurate information from our computer systems. Your passwords act as individual keys to our network and to critical care for persons served and business applications, and they must be kept confidential. It is part of your job to learn about and practice the many ways you can help protect the confidentiality, integrity, and availability of electronic information assets.

Electronic Media

All communication systems, including email, intranet, internet access, and voicemail, are the property of the organization and are to be primarily used for business purposes. Highly limited reasonable personal use of Pathways' communications systems is permitted; however, you should assume these communications are not private.

Information regarding persons served or confidential information should not be sent through the intranet or internet until such time that its confidentiality can be assured.

Pathways reserved the right to periodically access, monitor, and disclose the contents of email and voicemail messages. Access to or disclosure of individual employee messages may be made only with Administration's approval.

Colleagues may not use internal communication channels or access to the internet at work to post, store, transmit, download, or distribute any threatening materials, including anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Additionally, these channels of communication may not be used to send personal broadcast messages, or copyrighted documents that are not authorized for reproduction; nor are they to be used to conduct an external job search or open misaddressed mail.

Colleagues who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action.

Financial Reporting and Records

We have established and maintain a high standard of accuracy and completeness in the documentation and reporting of all financial records. These records serve as a basis for managing our business and are important in meeting our obligations to persons served, colleagues, suppliers, and others. They are also necessary for compliance with tax and financial reporting requirements.

All financial information must reflect actual transactions and conform to generally accepted accounting principles. No disclosed or unrecorded funds or assets may be established. Pathways maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and recorded properly to maintain accountability of the organization's assets.

Pathways, Inc. is committed to prompt, complete, and accurate billing of all services provided to the people we serve. Pathways, Inc. and its employees, contractors, and agents shall not make or submit any false or misleading entries on any claim forms. No employee, contractor, or agent shall engage in any arrangement or participate in such arrangement at the direction of another person, including any supervisor or manager, that results in the submission of a false or misleading entry on claims forms or documentation of services that result in the submission of a false claim.

The False Claims Act (31 U.S.C. §§ 3729-3733)

The False Claims Act is a federal law designed to prevent and detect fraud, waste, and abuse in federal healthcare programs, including Medicaid and Medicare. Under the False Claims Act, anyone who "knowingly" submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties of [\\$5,500](#) to [\\$11,000](#) for each false claim submitted.

The law was revised in 1986 to expand the definition of "knowingly" to include a person who:

- Has actual knowledge of falsity of information in the claim;
- Acts in deliberate ignorance of the truth or falsity of the information in the claim; and
- Acts in reckless disregard of the truth or falsity of the information in a claim.

False Claims suits can be brought against individuals and entities. The False Claims Act does not require proof of a specific intent to defraud the Government. Providers can be prosecuted for a wide range of conduct that results in the submission of a false claim.

Some examples include:

- Knowingly making false statements;

- Falsifying records;
- Submitting claims for services never performed or items never furnished;
- Double-billing for items or services;
- Using false records or statements to avoid paying the Government;
- Falsifying time records used to bill Medicaid; or
- Otherwise causing a false claim to be submitted.

Workplace Conduct and Employment Practices

Relationships with Persons Receiving Services

At no time is it acceptable for any employee, contractor, or representative of Pathways, Inc. to engage in a romantic or intimate relationship with a person receiving services. This includes—but is not limited to—dating, socializing outside of professional settings, or any relationship that could compromise professional judgment, create a conflict of interest, or undermine trust.

This policy applies to all employees, contractors, interns, and volunteers across all departments and locations.

Violations: Any violation of this policy will result in disciplinary action, up to and including termination of employment or contract. Allegations will be investigated promptly and confidentially.

Reporting: If you suspect or are aware of a potential violation of this policy, you are encouraged to report it to Human Resources/Quality Assurance or your supervisor immediately.

Conflict of Interest

A conflict of interest may occur if your outside activities or personal interests influence or appear to influence your ability to make objective decisions in the course of your job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract you from the performance of your job or cause you to use Pathways' resources for other than Pathways' purposes. A conflict may exist if any employee has a personal relationship with a person or family member who is receiving direct services from Pathways. Agency Administration reserves the right to determine if a conflict exists when personal relationships become known. Should it be determined that a conflict exists, measures may be taken to eliminate it, including disciplinary action up to and including termination of employment, if necessary. It is your obligation to ensure you remain free of conflicts of interest in the performance of your responsibilities at Pathways. If you have any questions about whether an outside activity might constitute a conflict of interest, you must discuss this with your supervisor.

Additionally, people receiving services shall not carry out the duties of the employee, unless such tasks are described in their plan of service by the program planning team for the purpose of increasing the person's skills.

There shall be no personal financial transactions between employees, volunteers, or family care providers and persons receiving services that may be construed as exploitation of that person or result in greater benefit to the employee, volunteer, or family care provider than to the person.

Person Served Information

Employees, volunteers, and family care providers shall treat all information about the person being served as confidential and utilize such information in a professional manner at all times. To the extent employees, volunteers, or family care providers obtain HIV-related information concerning a person, such information shall be maintained in confidence as required by 10NYCRR Part 63 and the provisions of section 633.19.

Controlled Substances

Some of our colleagues routinely have access to prescription drugs, controlled substances, and other medical supplies. Many of these substances are regulated and monitored by specific regulatory organizations and must be administered only by a physician's order. It is extremely important that these items be handled properly and only by authorized individuals to minimize risks to the people we serve and ourselves. If you become aware of drug diversion from the organization, report the incident immediately. Any staff member who possesses their own personal medication at the work site has an obligation to secure it at all times.

Copyrights

Pathways' colleagues may only use copyrighted materials pursuant to the organization's policy on such matters.

Diversity and Equal Employment Opportunity

Our colleagues provide us with a wide range of talents that contribute greatly to our success. We are committed to providing an equal opportunity work environment where everyone is treated with fairness, dignity, and respect. We will comply with all laws, regulations, and policies related to non-discrimination in all of our personnel actions. Such actions include hiring, staff reductions, transfers, terminations, evaluations, recruiting, compensation, corrective action, discipline, and promotions.

No one shall discriminate against any individual with a disability with respect to any offer, term, or condition of employment. We will make reasonable accommodations to the known physical and mental limitations of otherwise qualified people with disabilities.

Harassment and Workplace Violence

Each Pathway's colleague has the right to work in an environment free of harassment and disruptive behavior. We will not tolerate harassment by anyone based on the diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation, or other forms of harassment are not acceptable in our workplace.

Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Moreover, verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment has no place at Pathways.

Harassment also includes incidents of workplace violence. Workplace violence acts are defined as, but not limited to, robbery and other commercial crimes, stalking cases, violence directed at the employer, terrorism, and hate crimes committed by current or former colleagues. We prohibit colleagues from possessing firearms, other weapons, explosive devices, or other dangerous materials on Pathways' premises at any time. Colleagues who observe or experience any form of harassment or violence should report the incident to their supervisor, the Human Resource Department, a member of management, the Compliance Officer, the President & CEO, or the compliance hotline at (607) 937-3280.

Health and Safety

All facilities must comply with all government regulations and rules, Pathways' policies, and required facility practices that promote workplace health and safety. Our policies have been developed to protect you from potential workplace hazards. You should become familiar with and understand how these policies apply to your specific job responsibilities and seek advice from your supervisor or the Safety Officer whenever you have a question or concern. It is important for you to advise your supervisor or the Safety Officer of any serious workplace injury or any situation presenting a danger of injury so that timely corrective action may be taken to resolve the issue. Persons receiving services at the facility shall not be subject to inappropriate exposure to firearms or other weapons in or on the grounds of the facility. There shall be policies and procedures governing the presence and safekeeping of firearms or other weapons in the facility or on the grounds. Nothing in this provision shall preclude a person from pursuing the

opportunity to receive certification of successful completion of a hunter safety course for a specific firearm or weapon, and the subsequent appropriate use of such firearm or other weapon.

License and Certification Renewals

Colleagues and individuals retained as independent contractors in positions that require professional licenses, certification, or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with Federal and state requirements applicable to their respective disciplines. To ensure compliance, Pathways requires evidence that the individual has a current license or credential status.

Pathways will not allow any colleague or independent contractor to work without valid, current licenses or credentials.

Personal Use of Pathways' Resources

It is the responsibility of each Pathways colleague to preserve our organization's assets, including time, materials, supplies, equipment, and information. Organization assets are to be maintained for business related purposes. As a general rule, the personal use of any asset without the prior approval of your supervisor is prohibited. The occasional use of items, such as copying facilities or telephones, where the cost to Pathways is insignificant, is permissible. Your supervisor must approve any community or charitable use of organization resources in advance. Any use of organization resources for personal financial gain unrelated to the organization's business is prohibited.

Relationships Among Pathways' Colleagues

In the day-to-day operations of an organization like Pathways, issues arise related to how people interact with one another. It is impossible to foresee all of these, and many do not require explicit treatment in a document like this. A few routinely arise, however. One involves colleagues giving gifts for certain occasions. While we wish to avoid strict rules, no one should ever feel compelled to give a gift, and any gifts offered or received should be appropriate to the circumstances. A lavish gift to anyone in a supervisory role would clearly violate organization policy. Another situation that routinely arises, is a fundraising or similar effort, in which no one should ever feel compelled to participate.

Relationships with Subcontractors and Suppliers

We must manage our subcontractor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of subcontractors, suppliers, and vendors will be based on objective criteria, including quality, technical excellence, price, delivery, adherence to schedules, service, and maintenance of adequate sources of supply. Our purchasing decisions will be based on the supplier's ability to meet our needs, and not on personal relationships and friendships. We will always employ the highest ethical standards in business practices for source selection, negotiation, contract award determination, and the administration of all purchasing activities. We will not disclose to any third party any confidential information provided by our suppliers unless the supplier directs us in writing to do so. We will not disclose contract pricing and information to any outside parties.

Sanctioned Individuals

The organization has policies and procedures in place to ensure we do not contract with, employ, or bill for services rendered by an individual or entity that is excluded, suspended, disbarred, or ineligible to participate in Federal or State reimbursement programs; or has been convicted of a criminal offense related to the provision of items or services and has not been reinstated in a Federal or State reimbursement program after a period of exclusion, suspension, debarment, or ineligibility, provided that we are aware of such criminal offense. We routinely search the Office of Inspector General and General Services Administration's lists of such excluded and ineligible persons.

Substance Abuse and Mental Acuity

To protect the interests of our colleagues and persons served, we are committed to an alcohol and drug-free work environment. All colleagues must report for work free of the influence of alcohol, marijuana and illegal drugs. Reporting to work under the influence of any illegal drug or alcohol; having an illegal drug in your system; or using,

possessing, or selling illegal drugs while on Pathways' work time or property may result in immediate termination. We may use drug testing to enforce this policy.

It is also recognized that individuals may be taking prescription or over-the-counter drugs, which could impair judgment or other skills required in job performance. If you have questions about the effect of such medication on your performance or you observe an individual who appears to be impaired in the performance of his or her job, consult your supervisor.

Marketing Practices

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. These laws could be violated by discussing Pathways' business with a competitor, such as how our prices are set, disclosing the terms of supplier relationships, allocating markets among competitors, or agreeing with a competitor to refuse to deal with a supplier. Our competitors are other human service/clinical providers and facilities in markets where we operate.

At trade association meetings, be alert to potential situations where it may not be appropriate for you to participate in discussions with our competitors regarding prohibited subjects. Prohibited subjects include pricing, our services in the market, key costs such as labor, and marketing plans. If a competitor raises a prohibited subject, end the conversation immediately. Document your refusal to participate in the conversation by requesting that your objection be reflected in the meeting minutes and notifying the Compliance Officer of the incident.

In general, avoid discussing sensitive topics with competitors or suppliers unless you have the President & CEO's approval. You must also not provide any information in response to an oral or written inquiry concerning an antitrust matter without first consulting the President & CEO.

Gathering Information about Competitors

It is not unusual to obtain 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 and spoken information. However, you should avoid seeking or receiving information about a competitor through any non-public means if you know or have reason to believe the information is proprietary or confidential, and doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer.

Marketing and Advertising

We may use marketing and advertising activities to educate the public, provide information to the community, increase awareness of our services, and to recruit colleagues. We will present only truthful, fully informative, and non-deceptive information in these materials and announcements. All marketing materials will reflect the services available and the level of licensure and certification.

Environmental Compliance

It is our policy to comply with all environmental laws and regulations applicable to our organization's operations. We will act to preserve our natural resources to the full extent reasonably possible. We will comply with all environmental laws and operate each of our facilities with the necessary permits, approvals, and controls. We will diligently follow the proper procedures for handling and disposing of hazardous and biohazardous waste, including, but not limited to medical waste.

In helping Pathways comply with these laws and regulations, we must understand how job duties may impact the environment, adhere to all requirements for the proper handling of hazardous materials, and immediately alert our supervisors to any situation regarding the discharge of hazardous substances, improper disposal of medical waste, or any situation that may be potentially damaging to the environment.

Business Courtesies

General

This part of the Code of Conduct should not be considered in any way as an encouragement to make, solicit, or receive any type of entertainment or gift. For clarity, please note that these limitations apply to activities with those outside of Pathways. This section does not pertain to actions between Pathways and its colleagues or actions among Pathways' colleagues themselves.

Pathways, Inc. prohibits staff from accepting gifts or favors of any kind from the people we serve or organizations that do business with or may wish to do business with Pathways, Inc.

Accepting gifts, gratuities, or favors of this nature creates a potential conflict of interest and may constitute unethical business practices. If a staff member is offered a gift valued at more a small promotional item, their supervisor should be notified.

Staff may accept a gift or favor from a person served or a member of their family, provided the value of the gift or favor does not exceed \$25. Perishable or consumable items given to a program site or group are not subject to these limitations. Departure from this \$25 guideline requires the program or site manager's review and approval.

Except for small promotional items, staff may not solicit or accept, either for themselves or others, gifts, gratuities, favors, loans, or preferential treatment of any sort from organizations or individuals who do, or seek to do, business with Pathways, Inc. There are times when a current or potential business associate extends an invitation to a social event in order to further develop a business relationship. There are also times when Pathways, Inc. staff extend similar invitations to current or potential business associates. In either case, such invitations must be reasonable and appropriate, and the cost for such an invitation should not exceed \$100. Departures from this \$100 guideline require the President and CEO's review and approval.

U.S. Federal and state governments have strict rules and laws regarding gifts, meals, and other business courtesies for their employees. Pathways' policy does not provide for any gifts, entertainment, meals, or anything else of value to any employee of the Executive Branch of the Federal government, except for minor refreshments in connection with business discussions or promotional items with the Pathways or facility logo valued at no more than \$10. With regard to gifts, meals, and other business courtesies involving any other category of government official or employee, you must determine the specific rules applicable to that person and carefully follow them.

Government Relations and Political Activities

The organization and its representatives will comply with all Federal, state, and local laws governing participation in government relations and political activities. Additionally, Pathways' funds or resources will not be contributed to individual political campaigns, political parties, or other organizations that intend to use the funds primarily for political campaign objectives. Organization resources include financial and non-financial donations, such as using work time and telephones to solicit for a political cause or candidate, or the loaning of Pathways' property for use in a political campaign. The conduct of any political action committee is to be consistent with relevant laws and regulations. In addition, political action committees associated with the organization will select candidates to support based each candidate's overall ability to render meaningful public service. The organization will not select candidates to support, as a reflection of, or as a sign of, the candidate's expected support for any specific issue.

The organization will engage in public policy debate only in a limited number of instances where it has special expertise that can inform the public policy formulation process. When the organization is directly affected by public policy decisions, it may provide relevant, factual information about its impact on the private sector. In articulating positions, the organization will only take positions that it believes can be shown to be in the larger public interest. The organization will encourage trade associations with which it is associated to do the same.

It is important to separate personal and corporate political activities to comply with the applicable rules and regulations governing lobbying or attempts to influence government officials. No use of corporate resources, including email, is appropriate for personally engaging in political activity. You may, of course, participate in the political process on your own time and at your own expense. While you are doing so, it is important not to give the impression that you are speaking on behalf of or representing Pathways in these activities. You cannot seek to be reimbursed by Pathways for any personal contributions for such purposes.

At times, Pathways may ask colleagues to make personal contact with government officials or to write letters to present our position on specific issues. In addition, it is part of the role of some Pathways management to interface regularly with government officials. If you are making these communications on behalf of the organization, be certain you are familiar with any regulatory constraints and that you observe them. Guidance is always available from the Compliance Officer or the President and CEO.

The Corporate Ethics and Compliance Program

Program Structure

The Corporate Ethics and Compliance Program is intended to demonstrate, in the clearest possible terms, the organization's absolute commitment to the highest standards of ethics and compliance. The program's elements include setting standards communicating the standards, providing a mechanism for reporting potential exceptions, monitoring and auditing, and maintaining an organizational structure that supports the program's furtherance.

The elements are supported at all levels of the organization. There is an oversight committee of the Board of Directors; a Compliance Officer; a Compliance Committee consisting of members of management; and the Board of Directors. Collectively, these groups and individuals are responsible for the development of the Ethics and Compliance Program, including the creation and distribution of ethics and compliance standards; the development and delivery of ethics and compliance training, auditing, and monitoring compliance with laws, regulations, conditions of participation, and policies; and providing a mechanism for reporting exceptions.

Resources for Guidance and Reporting Violations

To obtain guidance on an ethics or compliance issue or to report a suspected violation, you may choose from several options. We encourage the resolution of issues, including human resources-related issues (e.g., payroll, fair treatment, and disciplinary matters), at the local level whenever possible. You may want to use the human resources-related problem-solving procedure at your facility to resolve such issues. It is an expected good practice, when you are comfortable with it and think it appropriate under the circumstances, to raise concerns first with your supervisor. If this is uncomfortable or inappropriate, another option is to discuss the situation with your manager, or director, or another member of management at your facility or in your organization.

Pathways will make every effort, within the limits of the law, to maintain the confidentiality of the identity of any individual who reports possible misconduct. There will be no retribution or disciplinary action against anyone who reports a possible violation in good faith. Any colleague who deliberately makes a false accusation with the purpose of harming or retaliating against another colleague will be subject to discipline.

Personal Obligation to Report

We are committed to ethical and legal conduct that complies with all relevant laws and regulations, and to correcting wrongdoing wherever it occurs in the organization. Each colleague has an individual responsibility for reporting to the Compliance Officer any activity by any colleague, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, or this Code.

Internal Investigations of Reports

We are committed to investigating all reported concerns promptly and confidentially to the extent possible. The Compliance Officer will coordinate any findings from the investigations and immediately recommend corrective actions or changes. We expect all colleagues to cooperate with investigation efforts.

Corrective Action

Where an internal investigation substantiates a reported violation, it is the policy of the organization to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever retraining or disciplinary action is necessary, and implementing systemic changes to prevent a similar violation from recurring in the future at any Pathways' facility.

Discipline

All violators of the Code will be subject to disciplinary action. The precise discipline utilized will depend on the nature, severity, and frequency of the violation and may result in any or all of the following disciplinary actions:

- ❖ Oral warning;
- ❖ Written warning;
- ❖ Written reprimand;
- ❖ Suspension;
- ❖ Termination;
- ❖ Restitution;

Internal Auditing and Other Monitoring

Pathways is committed to monitoring compliance with its policies. Much of this monitoring effort is carried out by the Quality Assurance Department, which routinely conducts internal audits of issues with regulatory or compliance implications. The organization also routinely seeks other means to ensure and demonstrate compliance with laws, regulations, and Pathways' policies. Additionally, facilities regularly conduct self-audits pursuant to compliance policies and procedures, and responsible managers routinely undertake monitoring efforts in support of those policies and compliance in general.

Acknowledgment Progress

Pathways requires all colleagues to sign an acknowledgment confirming they have received the Code, understand it represents mandatory policies of Pathways, and agree to abide by it. New colleagues will be required to sign this acknowledgment as a condition of employment. Each colleague is also required to participate in annual Code of Conduct training, and each facility must retain records of such training.

Adherence to and support of Pathways' Code of Conduct and participation in related activities and training will be considered in decisions regarding hiring, promotion, and compensation for all candidates and colleagues. New colleagues must receive Code of Conduct training within 30 days of employment.

Acknowledgement

- I certify that I have received the Pathways' Code of Conduct,
- I hereby acknowledge that I have read and understand the Pathways, Inc. Code of Conduct, which represents the organization's mandatory policies, and agree to abide by it.
- I understand I will be responsible for obtaining all future amendments and modifications thereto, which will be made available to me on the Automatic Data Processing (ADP) website.
- I further acknowledge that I have read and understand all of my obligations, duties, and responsibilities under each principle and provision of the Pathways, Inc. Code of Conduct and Policies, and will read and understand all of my obligations, duties, and responsibilities under all future amendments and modifications thereto.
- I understand that violations of the Code of Conduct or Pathways, Inc. Policies may result in disciplinary action including, suspension without pay and/or discharge.

I certify that this is a true and correct statement by my signature below:

Employee's Signature

____/____/____
Date

Employee's Name (please print)