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Date: February 6, 2015

**TO: MEMBERS, BOARD OF DIRECTORS**

***DISCUSSION DOCUMENT FOR GOVERNANCE COMMITTEE***

<b>I. AGENDA ITEM # AND TITLE :</b>	Open Agenda Item 7ai - Governance, Compliance & Privacy
<b>II. NAME AND PROGRAM:</b>	Barbara Simmons - Governance, Compliance & Privacy
<b>III. ACTIVITY:</b>	<input checked="" type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
<b>IV. JUSTIFICATION:</b>	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

**V. EXECUTIVE SUMMARY:**

2015 Code of Conduct proposed revisions are based on feedback of employees and managers representing departments across the organization and ethics/privacy topics raised during 2014.

Fourth quarter compliance reporting includes: results of phase I regulatory reporting compliance testing and a summary of 2014 ethics and privacy related issues.

**VI. ANALYSIS:**

The following summarizes compliance related activity for the period and is in alignment with the Compliance Model<sup>1</sup>:

**Clear Written Standards of Conduct, Policies & Procedures**

**2015 Code of Conduct**

The Code of Conduct promotes State Fund’s values, behavior expectations, and standards promoting honest and ethical conduct to prevent and detect illegal conduct. The 2015 edition revisions (Appendix I) includes State Fund’s revised Vision, a simplified Ethics Decision Tree, and general revisions to all Code sections in support of trust, focus on the individual, and improved tone and readability.

<sup>1</sup> All Governance reports are grounded in State Fund’s Compliance Framework – resource USSG Ch. 8 Part B2.1(b)

Material revisions to policies supporting the Code of Conduct are as follows:

*HR 4.1 Equal Employment Opportunity* – Section 6 - protected group definition expanded to include military or veteran status (Cal. Gov’t Code § 12900 et seq. - CA Fair Employment and Housing Act)

*HR 4.3 Sexual Harassment Prevention* – Section 3.1 – added reference to 42 U.S.C. §§ 12101-12213 – Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Amendment Act of 2008)

*EC&F 2.7 Non-Business Use of State Fund Facilities* – Section 2.2.1 – (1) expanded section to include “State Fund may officially recognize other charitable activities” in addition to the Our Promise: California State Employees Giving at work (formerly California State Employees Charitable Campaign) consistent with current practice; and (2) added “State Fund permits other charitable uses with appropriate review and approval by Human Resources.”

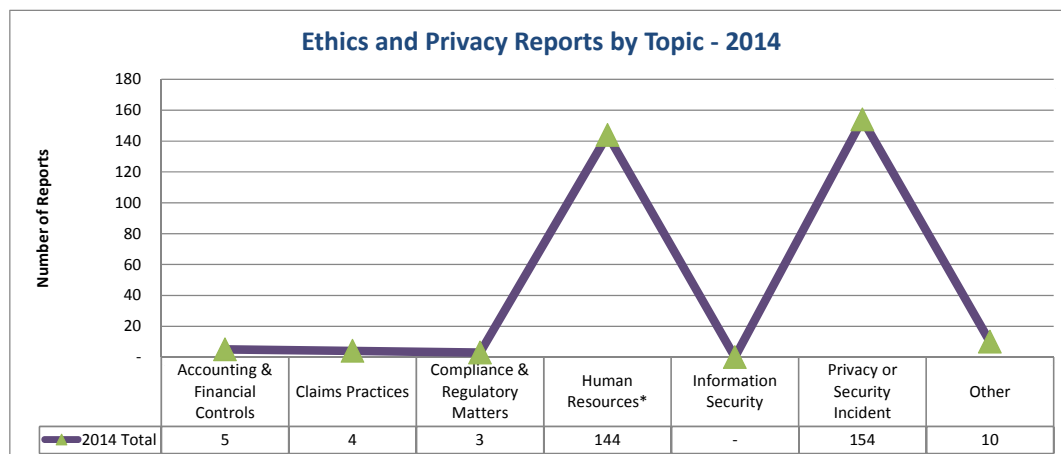
Section 3.1 - added Cal. Gov’t Code § 13293 (payroll deductions for approved charitable organizations).

**Consistent monitoring, evaluation & reporting**

**Regulatory Reporting Compliance Testing**

Compliance testing was completed in 2014 for State Fund regulatory reports to external agencies which carry penalties for non-compliance or late filing. The 41 reports comprising this population were found to be adequately monitored and controlled by the business owners to assure compliance with existing regulations.

**2014 Ethics & Privacy Reported Issues – All Sources**



Human Resources and Privacy Incident reports continue to be the main topics reported internally or through State Fund’s independent hotlines. Continuing a trend in 2014, the majority of referrals to Human Resources in the fourth quarter were

related to conflicts of interest/harassment. The majority of suspected privacy incidents reported are internal and preventable.

**VII. RECOMMENDATION:**

Recommend the Board of Directors approve and endorse the proposed changes to the Code of Conduct for 2015 and supporting policies and direct management to execute and publish the documents for the organization.

**VIII. PRESENTATION EXHIBITS:**

Appendix I – Summary of 2015 Code Changes

Appendix II - 2015 Code of Conduct

Appendix III – Corporate Policies

- HR 4.1 Equal Employment Opportunity
- HR 4.3 Sexual Harassment Prevention
- EC&F 2.7 Non-Business Use of State Fund Facilities

## Appendix I:

### Major Revisions - 2015 Edition State Fund Code of Conduct

<b>Section</b>	<b>Major Revisions</b>
<i>Our Code of Conduct</i>	<p><i>Changed to read:</i></p> <ul style="list-style-type: none"> <li>▪ Defines State Fund’s values.</li> <li>▪ Guides you to make honest, ethical, and right decisions at work</li> <li>▪ Shows everyone State Fund’s commitment to be an honest, legally compliant, and responsible company.</li> <li>▪ Is a living document to use in your everyday work; to share ideas and to ask questions about so we can all make State Fund a better place to work.</li> </ul>
<i>Purpose, Vision &amp; Values</i>	<p><i>Changed Purpose to:</i></p> <p>State Fund's purpose is to provide fairly-priced workers' compensation insurance, make workplaces safe, and restore injured workers.</p> <p>Removed Strategic Objective</p>
<i>Section I Maintaining Trust and Credibility</i>	<p>Changed language to second person and used trust-centered terminology to engender Workforce engagement and understanding (all Code sections)</p> <p>Added language about sharing ideas and concerns:</p> <p><i>“When you make it a practice to think about and bring up your ideas to improve State Fund or your concerns about ethical conduct, you carry out your duty as a public servant and help State Fund reflect its values”</i></p>
<i>Section II Being Ethical</i>	<p><i>Changed “expects” to “trusts”</i></p> <p><i>Added: “you make a difference”</i></p> <p><i>Added: “How you perform your job creates this trust.”</i></p> <p>Streamlined Ethics Decision Tree; <i>changing to “legal <u>and</u> ethical,” change “comply” to agree; changed to “seek help before you act further; added “you can take action in good faith.”</i></p> <p>Changed Section Title to: <i>“Professional Code of Ethics or Rules” and simplified language in section.</i></p>
<i>Section III Governing State Fund</i>	<p><i>Removed Endorses Code’s development, as outdated</i></p> <p><i>Added “material changes to” Corporate Policy approval</i></p>
<i>Section IV Sharing Your Ideas and Questions</i>	<p><i>Added: ““Managers also have an obligation to consider moving employee ideas forward.”</i></p> <p>Added section about sharing ideas: <i>“State Fund provides a venue for everyone to share ideas to improve our business through the Bright Ideas section of our RAVE site. Many departments also have ways to share ideas, such as physical or electronic suggestion boxes”.</i></p>

## Appendix I:

### Major Revisions - 2015 Edition State Fund Code of Conduct

<b>Section</b>	<b>Major Revisions</b>
<p><i>Section V Upholding the Law</i></p>	<p><i>Removed: “responsibility”</i></p> <p><i>“You must understand State Fund’s policies, laws, rules, and regulations for your specific role” as addressed specifically in later section</i></p> <p><i>“State Fund evaluates every concern that is submitted,” as covered later</i></p> <p><i>Updated CPRA Section to align with 2014 revisions to the associated Public Records Corporate Policy:</i></p> <p><i>State Fund is committed to comply fully with the California Public Records Act (CPRA) and other laws governing the disclosure of records.</i></p> <p><i>“We must follow the law by responding when anyone submits a public records request to us.”</i></p> <p><b><i>Language changed to second person to directly address Workforce.</i></b></p>
<p><i>Section VI Protecting and Respecting Information</i></p>	<p><i>Added: “The California Constitution expressly provides that every person has an inalienable right to privacy.”</i></p> <p><i>Added: “You are entrusted to protect private information we own, maintain, or send to others in our daily work. Protecting information also means collecting or sending out only the private information needed for doing business. Our obligations also extend to private information we send to vendors and other third parties who help us conduct business.”</i></p> <p><i>Bulleted format to describe private information elements for ease of understanding and presentation</i></p> <p><i>Updated: Definition of private information, adding new section, “(b) A user name or email address, along with a password or security question and answer that permits access to an online account.”</i></p> <p><i>Example: Added answer of “No.”</i></p> <p><i>Changed legal citation to “California and Federal laws and State Fund’s Policies” to encompass more authorities</i></p> <p><i>Changed “without fear of retaliation” to “We will provide you with a “safe landing spot” if you wish to report incidents or raise questions or concerns.”</i></p> <p><i>Combined Protecting our Proprietary Information and Respecting the Rights of Others to “Respecting the Works of State Fund and Others.”</i></p> <p><i>Added “interests of trademarks and patents” to section</i></p> <p><i>Added: Before you use or send to others material or images that may be copyrighted, trademarked, or patented, contact the Governance department to make sure you have the permission to do so.</i></p>

## Appendix I:

### Major Revisions - 2015 Edition State Fund Code of Conduct

<p><i>Section XIV Voicing Your Legal, Ethical or Privacy Concerns</i></p>	<p>Added to the beginning of section: <i>“We will provide you with a “safe landing spot” if you wish to raise concerns.”</i></p> <p>Added <i>the reporting venue of EEO Program.</i></p>
<p><i>Section XV Acknowledging and Supporting the Code and Related Policies</i></p>	<p>Changed Title to: <i>“Acknowledging and Supporting the Code and Related Policies”</i></p> <p>Changed content to: <i>“State Fund requires you to certify electronically that you have read, understand, and will follow State Fund’s Code of Conduct and its supporting Policies”</i></p> <p><i>You have a duty to report and cooperate with investigations of any Code or Policy violations. States Fund promptly investigates all reports of violations.</i></p> <p><i>See the Governance site for the Corporate Policy Library.</i></p> <p><i>Failing to support the Code of Conduct including its related policies and completing the acknowledgement, may result in referral for disciplinary action up to and including termination.</i></p>
<p><i>Section XVI Reviewing the Important Points of the Code</i></p>	<p>Added <i>“Sharing your ideas about how to make State Fund better reach its goals and your concerns and questions should be part of your everyday work.”</i></p> <p><i>Removed reference to Corporate Policy Library, as provided in section above.</i></p> <p>Added: <i>“Remember, you play a vital role at State Fund; your choices and ideas can make State Fund a better place to work.”</i></p>
<p><i>Section XVII – Resources</i></p>	<ol style="list-style-type: none"> <li><i>1. Policies: Added Link to Corporate Policy Library</i></li> <li><i>2. State Agencies: Updated Links to Agency Websites</i></li> <li><i>3. California Law: Added section with Links to Find California Constitution, Statutes, and Regulations</i></li> </ol>

**Code of Conduct**  
**For All**  
**State Compensation Insurance Fund**  
**Workforce Members**  
**DRAFT 2015**



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## OUR CODE OF CONDUCT

### ***Our Code of Conduct (Code):***

- Defines State Fund values
- Guides you to make honest, ethical, and right decisions at work
- Shows everyone State Fund's commitment to be an honest, legally compliant, and responsible company.
- Is a living document to use in your everyday work; to share ideas and to ask questions about so we can all make State Fund a better place to work.

## State Fund's Vision, Values, Purpose

### **Vision**

To become California's workers' compensation carrier of choice

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### **Values**

- ◆ Honesty
  - ◆ Integrity
  - ◆ Accountability
  - ◆ Adaptability
  - ◆ Collaboration
- 

### **Purpose**

State Fund's purpose is to provide fairly-priced workers' compensation insurance, make workplaces safe, and restore injured workers.

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## What's New in the 2015 Code

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<b>Section II Being Ethical</b>	<p><i>Changed "expects" to "trusts"</i></p> <p><i>Added: "you make a difference"</i></p> <p><i>Added: "How you perform your job creates this trust."</i></p> <p>Moved paragraph on conflicts of interest.</p> <p>Streamlined Ethics Decision Tree, changed to <i>"legal and ethical,"</i> changed <i>"comply" to agree;</i> changed to <i>"seek help before you act further;</i> added <i>"you can take action in good faith."</i></p> <p>Updated <i>Ethics</i> and Labor Relations to <i>"Employee Relations"</i> and added email address.</p> <p><i>Changed Section Title to: "Professional Code of Ethics or Rules" and simplified language in section, using second person to engage Workforce.</i></p>
<b>Section III Governing State Fund</b>	<p><i>Removed Endorses Code's development, as outdated</i></p> <p><i>Added "material changes to" Corporate Policy approval</i></p>
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	<p><i>Others to “Respecting the Works of State Fund and Others.”</i></p> <p><i>Added interests of trademarks and patents to section</i></p> <p><i>Added: Before you use or send to others material or images that may be copyrighted, trademarked, or patented, contact the Governance department to make sure you have the permission to do so.</i></p>
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## I. Maintaining Trust and Credibility

State Fund's success depends on people trusting and having confidence in us. When we do what we say we will do with honesty, integrity, and honor, we gain the trust of the public, our customers, and our employees. How successful we are as a company depends on keeping our commitments and acting honestly to reach our goals.

It is easy to set out rules at State Fund, but the proof lies in how you act every day at work. People will evaluate us on how we conduct our day-to-day business.

You must treat your job at State Fund as a public trust. To do that, you must avoid conflicts of interest and provide a good example of public service. When you make it a practice to think about and bring up (1) your ideas to improve State Fund or (2) your concerns about ethical conduct, you carry out your duty as a public servant and help State Fund reflect its values.

## II. Being Ethical

State Fund trusts you to show the highest standards of ethical and professional conduct with personal integrity in the scope of your duties. When you make good choices that uphold our values, you make a difference.

State Fund is dedicated to ethical, fair, and responsible competition. We sell workers' compensation insurance based on merit, superior quality, usefulness, and fair pricing. We make independent pricing and marketing decisions. We do not improperly cooperate or coordinate activities with our competitors. We do not violate our ethical standards to get a certain business result. We also do not engage or help in unlawful boycotts of customers.

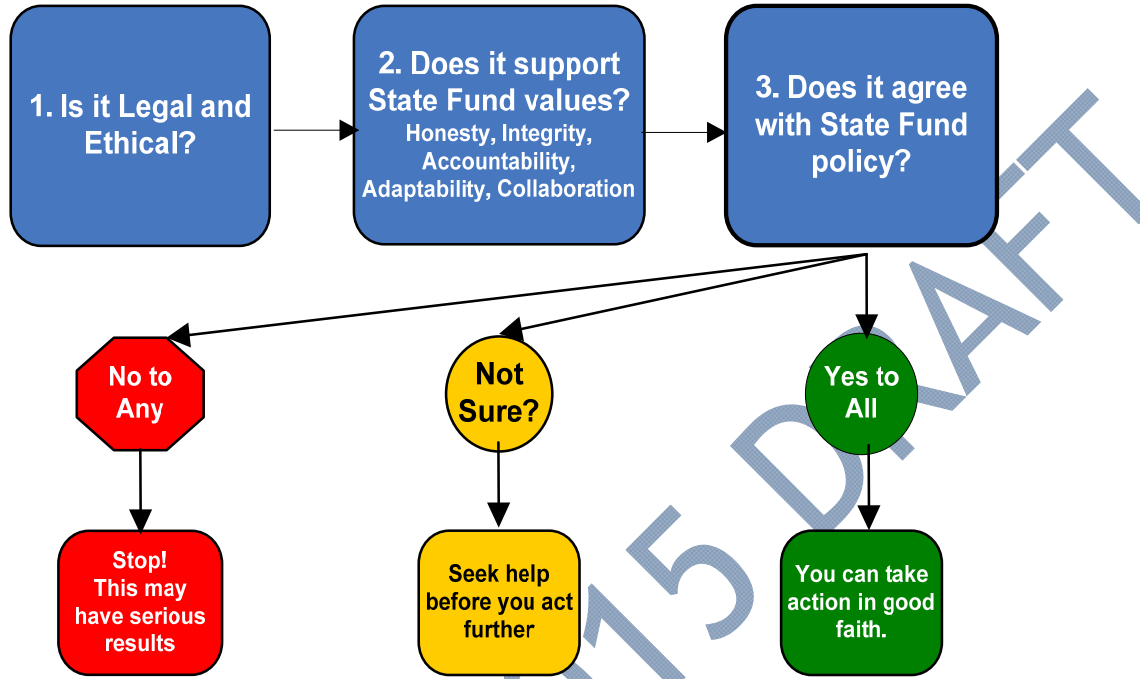
It is vital for the public and our stakeholders to trust the work we do at State Fund. How you perform your job creates this trust.

At work, you must have the courage to tackle tough decisions and make difficult choices. You can feel assured that State Fund supports your decisions when you act in good faith. Make sure to be fair in both what you do and how that action looks to others. At times you may have to do more than simply what the law requires. Acting a certain way just because you *can* does not mean ethically you *should* do so.

Use our [Ethics Decision Tree](#) to help you make wise and ethical decisions.

## Ethics Decision Tree

When you need to choose how to act at State Fund, ask yourself these three questions:



If you think an action may violate State Fund’s standards for ethics, law, or privacy, you have a duty to tell someone. You can reach out to a supervisor, manager, Program Manager, Regional Vice President, or Employee Relations at [ethics@scif.com](mailto:ethics@scif.com) . If you feel uncomfortable using these channels, you can report anonymously to the Ethics Hotline at (866) 294-1742 or [online](#).

### Professional Code of Ethics or Rules

If you have a job such as an attorney, accountant, medical professional, or compliance officer, you must follow codes of behavior for your profession. You must follow State Fund’s Code of Conduct in addition to other professional codes, if they apply to you.

## III. Governing State Fund

State Fund rests on a solid business foundation when our leaders value our policies and procedures and are accountable for what they do. State Fund Governance provides the set of laws, policies, and processes used to run our business.

The Board of Directors (Board) has full power and authority over State Fund. The Board acts so State Fund operates in legal, ethical, and responsible ways.

The Board:

- Authorizes having a Code of Conduct

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- Reviews and approves Code revisions
- Approves and supports the Code's final content
- Approves material changes to Corporate Policies supporting the Code

## IV. Sharing Your Ideas and Questions

When you raise ideas to make State Fund a better place or bring up concerns about work conduct, you can prevent making mistakes or wrong choices, something that benefits State Fund. You should feel comfortable raising your ideas and ethical concerns at work. If you are a manager, remember that you set the tone and need to create an open environment so others feel at ease raising their concerns. Managers also have an obligation to consider moving employee ideas forward.

State Fund provides a venue for everyone to share ideas to improve our business through the Bright Ideas section of our RAVE site. Many departments also have ways to share ideas, such as physical or electronic suggestion boxes.

You can share ideas or raise concerns anonymously, without fear of retaliation, through available [hotlines](#) or [online](#).

Remember that raising ideas, asking questions, and raising concerns to improve State Fund helps uphold State Fund's integrity. Do not view such actions as acting against your co-workers, managers, or department.

## V. Upholding the Law

When you know and follow laws and rules that apply to your job at State Fund, you support our commitment to integrity. Laws and rules affect all State Fund business activities.

If you feel unsure about your legal duties, seek advice from an [appropriate resource](#). When you raise a concern, State Fund will address it. You have a duty to speak up if you notice possible legal violations and to cooperate during investigations.

State Fund has many laws to follow. For example, the information in our financial records, statements, and reports must accurately reflect our financial condition, be prepared in accord with laws and statutory accounting practices, and be filed timely. State Fund Officers must attest that our financial reports are accurate and complete when issuing them.

State Fund also complies with the collective bargaining agreements and laws. State Fund cooperates with CalHR and union representatives to negotiate labor contracts for State Fund employees.

### Transparency - California Public Records Act

State Fund is committed to comply fully with the California Public Records Act (CPRA) and other laws governing the disclosure of records. We must follow the law by responding when anyone submits a public records request to us. State Fund authorizes only the Public Records Office (PRO) to evaluate, respond to, and manage State Fund's public record requests. Since public records requests have important time limits, make sure to send requests you may get to our PRO right away.

You can also request public records from State Fund under CPRA. State Fund cannot retaliate if you exercise these rights.

### **Transparency - Bagley-Keene Open Meeting Act**

State Fund is subject to the Bagley-Keene Open Meeting Act. This act makes certain meetings open to the public, such as meetings of the Board and the Board Committees of Audit, Governance, and Investment. Having open meetings helps keep government accountable and transparent and protects citizens' rights to take part in State government.

You have the same rights as the public under the Act. State Fund cannot retaliate if you exercise these rights.

## **VI. Protecting and Respecting Information**

### **Protecting Private Information**

The [California Constitution](#) expressly provides that every person has an inalienable right to privacy. Because we process and use private information in our work every day, you have the daily responsibility to think about privacy and information security.

You are entrusted to protect private information we own, maintain, or send to others in our daily work. Protecting information also means collecting or sending out only the private information needed for doing business. Our obligation extends to private information we send to vendors and other third parties who help us conduct business.

### **What is Private Information?**

Private information is information related to a person that can be used to track or identify him or her.

Private information means:

(a) A person's first name or first initial and last name in combination with any one or more of the following:

- Social security number
- Driver's license number or California identification card number
- Account number, credit or debit card number, in combination with a code or password that would permit access to a person's financial account
- Medical information
- Health insurance information
- Unique human physical characteristics

(b) A user name or email address, along with a password or security question and answer that permits access to an online account.

Remember to only access, give out, or discuss a person's private information if you have an authorized business reason to do so. Preventing unauthorized release of private information helps protect State Fund and our stakeholders.



**Example:**

*A former State Fund co-worker called and asked me to look up his friend's claim and provide him status on it. The former co-worker now works for another insurance company and is not part of the friend's claim. Should I provide the information?*

Answer: No.

Before you release any private information, make sure you:

- 1. Verify who the person is **and**
- 2. Make sure the record lists the person as authorized to get that information **and**
- 3. Follow State Fund's procedures for releasing information.

You are accountable to restrict release of private information to authorized persons under California and Federal laws and State Fund's Policies.

To report a suspected privacy incident, you can contact the Privacy Office directly by calling 1-888-724-3237 or by email at [PrivacyOffice@scif.com](mailto:PrivacyOffice@scif.com). You may also raise your concerns anonymously, by calling the Privacy Hotline toll-free anytime at (866) 294-1742) or [online](#). We will provide you with a "safe landing spot" if you wish to report incidents or raise questions or concerns.

### **Respecting the Works of State Fund and Others**

State Fund protects and keeps private its trade secrets and proprietary information up to the maximum extent allowed by law.

State Fund does not infringe on the copyright interests, trademarks, or patented works of third parties. Works are presumed copyrighted whether or not the party registers the copyright or whether the work bears the word "copyright" or the "©" symbol.

Before you use or send to others material or images that may be copyrighted, trademarked, or patented, contact the Governance department to make sure you have the permission to do so.

The Privacy Office and its [website](#) provide resources for your privacy protection duties and concerns.

## **VII. Being a Responsible Member of the Workforce**

You are a vital part of State Fund. You make State Fund a better place to work by treating others with respect and dignity. We trust you will avoid exaggeration, insulting remarks, or improper descriptions of people and companies. When you act fairly, ethically, and responsibly at work, you reflect State Fund's values.

If you are a manager, we rely on you to create a workplace that values doing the right thing. In any business, ethical behavior does not simply happen. It comes from people who communicate clear and direct expectations for action and from people at the top modeling it by example. You must promptly address ethical concerns raised by Workforce members and deal with those concerns correctly. Ethical concerns are not threats or challenges to authority. Managers must encourage an ethical dialogue as a natural part of daily work.

## VIII. Complying with Our Corporate Policies

Corporate Policies set State Fund's standards for good decision-making and for our success. They assure that our business practices line up with our vision, values, and purpose.

### **Your Corporate Policy Compliance Obligations**

To make State Fund a successful work environment, you must consistently follow our Corporate Policies and Corporate Procedures. Following them furthers the best interests of State Fund, our Workforce, and our stakeholders.

In your role, you should read, understand, and follow State Fund Corporate Policies and Corporate Procedures that deal with your work role. If you have any questions, ask for help and advice.

If you fail to follow State Fund's Corporate Policies and Procedures, you may be subject to disciplinary action up to and including termination, as allowed under the California Government Code.

## IX. Providing Equal Employment Opportunity

State Fund values its diverse Workforce. You and each member of our Workforce provide a unique viewpoint and input to State Fund. A diverse workforce makes a more productive and fulfilling work environment for all. You and all persons who apply for work at State Fund are given equal employment opportunity and a workplace free from discrimination, including harassment.

Discrimination or harassment against a person due to membership in or association with a protected group is unlawful, prohibited, and not tolerated at State Fund.

You and job applicants will not be discriminated against or harassed based on protected group status. Such status includes, but is not limited to race, color, religious creed, national origin, citizenship, ancestry, physical disability, mental disability, medical condition, pregnancy, genetic characteristics or information, marital status, sex, gender identity and expression, age, political affiliation, sexual orientation, and military or veteran status.

## X. Prohibiting Harassment or Discriminatory Conduct

Workforce members who believe they have been subject to harassment or discrimination based on protected group status and that harassment or discrimination was within the State Fund's jurisdiction may file an informal or formal complaint. You must file a complaint not more than one year after the conduct or by such deadlines as set by law. State Fund's harassment-free workplace policy extends to outside vendors, customers, professionals, and other providers of goods or services to any State Fund location.

State Fund prohibits retaliation and will not tolerate persons who retaliate against anyone who raises an ethics, privacy, harassment, or discrimination issue. Persons who harass or discriminate at State Fund or at State Fund-organized activities outside the workplace will be subject to disciplinary action up to and including termination. State Fund commits to take all steps necessary to prevent and correct harassment or discrimination.

## XI. Working in a Safe and Healthy Environment

State Fund is committed to making the work place safe. You must follow Health and Safety Corporate Policies and Procedures. You must report potential safety hazards or threats of violence.

### Threats and Domestic and Workplace Violence

State Fund will not tolerate violence or threatening behavior.

You must report all threats or acts of violence, including domestic violence, directed at State Fund's Workforce and/or property that may impact the workplace to the Threat Evaluation Team. The Threat Evaluation Team evaluates and responds to all reported threats or acts of violence.

State Fund follows the California Labor Code, Family Code, collective bargaining agreements, and other applicable law affecting State Fund Workforce members who are victims of domestic violence. State Fund also takes part in Workplace Violence Prevention programs.

If you believe there is an imminent danger to you or other people, contact the appropriate public safety officials first. Then report immediately to local management and to the [Threat Evaluation Team](#).

### Substance Abuse-Free Workplace

Substance abuse seriously threatens the safety, health, and productivity of our business, Workforce members, and customers.

The State of California's policy in [California Code of Regulations Title 2, Rule 599.960](#) states that workplaces should be free from the effects of substance abuse. This avoids dangers that come from substance abuse in the workplace. Dangers can include death and injury to you, co-workers, or the public from accidents, poor judgment, and carelessness.

### Functions Involving Alcohol

There may be events you attend as a State Fund Workforce member where alcoholic beverages are available. In these instances, you are responsible for your conduct, must make your own decisions about alcohol consumption, and follow all appropriate laws.

Consumption of alcohol in excess or to the level of intoxication defined by California law is never acceptable or condoned and is prohibited at these events.

### Employee Assistance Program

At times, a personal issue or problem may get in the way of you doing your work well. The State Fund Employee Assistance Program (EAP) gives you a confidential and free service to help you or your family members. It provides professional review, helps solve problems, and refers you to services needed. EAP also supports State Fund managers by providing them with an expert resource.

The Employee Assistance Program toll-free telephone number is: (800) 339-2099.

## XII. Disclosing Conflicts of Interest

### When does a Conflict of Interest Occur?

You have a conflict of interest when you:

- Engage in an activity or enterprise clearly inconsistent or harmful to State Fund's interests or your duties at State Fund.
- Receive or appear to receive private gain from outside relationships, activities, or jobs, arising out of your relationship with State Fund.

Real or apparent conflicts can reduce the trust our stakeholders have in State Fund. Conflicts can also increase our legal risks and hurt our reputation. At all times State Fund must follow Federal and California laws that affect State Fund Workforce member activities inside and outside the workplace.

You must avoid situations that create, or appear to create, a conflict between your personal interests and State Fund interests. When a potential conflict arises, you must disclose it to management and to Employee Relations right away.

### When to Disqualify Yourself from Decision-making or Contracting

State Fund Workforce members must disqualify themselves from making decisions or contracts when taking part in that process would violate the law, State Fund's Corporate Policies or Code of Conduct.

Potentially disqualifying situations include:

- Decisions in which you know or should know you have a personal financial interest; **or**
- Decisions related to a State Fund contract in which you have any type of personal direct or indirect financial interest; **or**
- Decisions related to a State Fund contract where you or an immediate family member also has an outside business relationship with a party to that contract which:
  - Gives you better terms than members of the public get,
  - Is worth \$1000.00 or more, and
  - Your decision is made within the 12 months prior to State Fund's decision; **or**
- Decisions for State Fund where the decision relates to or affects a person or entity with whom you:
  - Are negotiating for a job; **or**
  - Will be employed with in the future.

California Law defines the above situations. If a conflict exists between the Code of Conduct and California law, California law controls.

### Personal Interest Disqualification

At times, to avoid a conflict of interest or the appearance of it, you must remove yourself from making a decision or a contract process based on personal interest.

You must disqualify yourself from making, taking part in, or trying to use your position to influence a State Fund decision when you know or should know you have a personal interest in the outcome that differs from State Fund's interest.

State Fund strives to be fair, efficient, and neutral when making contracts. You must never give friends or family members an unfair or seemingly unfair advantage in the contracting process. This means you should:

- Remove yourself from considering or evaluating a business proposal made to State Fund by friends or family members.
- Never try to divert State Fund business opportunities to friends or family.
- Never provide friends or family members insider information that the public does not have to obtain work from State Fund.
- Avoid even the appearance of impropriety or favoritism in contracting matters.
- Seek guidance of management or Employee Relations if you have any questions about business related conduct.

### Financial Disclosures and the Statement of Economic Interests – Form 700 (SEI)

The California Political Reform Act and State Fund's *Conflict of Interest Code* require certain members of State Fund's Workforce to file yearly financial disclosures. *Statements of Economic Interests, Schedules*, and ethics course certificates can be disclosed to the public.

For more information about annual disclosure requirements, contact the Fair Political Practices Commission (FPPC) Information line at (866) 275-3772; visit the FPPC [website](#); or visit the California Department of Justice, Office of the Attorney General [website](#).

#### Example:

*A. I am a State Fund claims adjuster. My spouse just began working as an underwriter at another insurance company. Do I need to disclose this in my Form 700, Statement of Economic Interests?*

You should show your spouse's income on the Form 700 Statement of Economic Interests. At times, you may need to disqualify yourself from decision-making. This may come up if your spouse's company is involved in a business matter with State Fund and you can, or it looks like you can, influence the matter's outcome. Contact [Ethics@scif.com](mailto:Ethics@scif.com) if this type of situation arises.

*B. If I am a designated filer, how often do I need to file the Statement of Economic Interests, Form 700?*

You need to file:

- Once a year if you stay in the same position;
- Within 30 days of being appointed to a new position;
- Within 30 days from the last day you performed the duties of the your job if you retire or separate.

### Reporting Failures to Disqualify

If you believe a Workforce member failed to disqualify himself or herself when needed, you can report anonymously to the Ethics Hotline at 866-294-1742 or [online](#).

You also can report confidentially and anonymously to the [California State Auditor](#).

You may also report internally to the Employee Relations Department through the [AskHR Portal](#).

### XIII. Avoiding Incompatible Activities

State Fund's Incompatible Activities Statement Policy prohibits Workforce members from taking part in actions contrary to their California civil service and State Fund employment. Our Policy aligns with the [California Government Code \(GC Section 19990\) and the Labor Code \(LC Section 3219\)](#).

State Fund's Incompatible Activities Statement Policy requires you to notify Employee Relations before doing certain acts, including but not limited to:

- Doing any type of work contrary to the business interests of State Fund, such as taking a job with a competitor, supplier, or contractor that may influence the decisions you make in your State Fund job; or
- Receiving any gift or service from anyone except the State related to performing your State Fund job; or
- Serving as a board member for a company or organization that competes with State Fund; or
- Hiring or supervising a close family member at State Fund.

#### Examples:

*A. Can I accept a gift basket from one of State Fund's computer services vendors I work with as a token of thanks for using their services?*

You should not take a gift from a vendor doing business with State Fund if it reasonably may influence your decision to use the vendor.

[Government Code Section 19990 \(f\)](#) prohibits you from taking gifts from someone who does or seeks to do business with State Fund if circumstances reasonably show the person wanted to influence your official decisions or to reward you for any official acts.

For example, if someone from the Farm Bureau takes you to one lunch, this should not reasonably influence your State Fund decisions related to the Farm Bureau. However, you still must report this gift on the Statement of Economic Interests since you received a personal benefit.

**Claims adjusters** must follow special rules in [Labor Code Section 3219](#). The Labor Code prohibits you from taking a benefit that may look like a reward for referring or settling a claim. So, you could not take any gift from doctors, applicant attorneys, or other vendors of services for injured workers.

You must report gifts over \$50.00 from one source. In general, you may not accept more than \$440.00 in gifts during one calendar year from one source. You may take no more than \$10.00 a month from lobbyists or legislative employees. Contact Employee Relations with your questions. You can also find more information at the [Fair Political Practices Commission's website](#).

*B. I have a brother and sister who work in the same department as I do. We each work for different supervisors. Is this a problem for me?*

There is no conflict if you do not review, approve, or appraise each other's work. If your situation changes, contact Employee Relations to discuss what has changed.

### **Other Outside (non-State Fund) Work by Workforce Members**

You may wish to take on outside work with companies that are not our competitors, customers, or suppliers. You may wish to accept a voluntary, elected, or appointed position with a political entity. Outside work in itself is not an incompatible activity. However, you must keep your second job strictly separate from your State Fund job.

- You may not do outside work on State Fund time, on State Fund premises, or with State Fund resources.
- You must not market or sell products or services to State Compensation Insurance Fund, from the business entity, related to your outside job.
- Your outside work must not interfere with or keep you from giving the time and effort needed to fulfill your duties as a State Fund Workforce member.

If you are unsure whether your outside work may be an incompatible activity, tell Employee Relations in writing and get approval before you start the outside work.

Always contact the Employee Relations when you are considering work at another company.

Special provisions of the California Insurance Code apply to the Board of Directors that may supersede the provisions of this Code ([Cal. Ins. Code §11770\(f\)](#)). The Incompatible Activities Statement does not apply to the Board of Directors as they are not "state employees".

#### **Example:**

**A.** I am thinking of working as a part time sales representative for a life insurance company. Can I accept the job and still work for State Fund?

You cannot take the outside work if:

- You cannot devote your full time and attention to your job with State Fund; **or**
- The life insurance company also sells workers' compensation insurance

### **Using State Fund Resources**

State Fund resources, including time, material, equipment, and information, are for State Fund business use. You are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for their department's resources and should resolve issues about their proper use. If you have questions about the proper use of State Fund resources, go to management or Employee Relations.

#### **Example:**

**A.** Can I sell items such as cookies for a charitable organization, products from my personal business, or other items from my work area?

You cannot use your work area to sell items that benefit you either directly or indirectly.

You may use the Community Bulletin Board to post notices, sign-up sheets, or catalogs about your activity. Use only your personal contact information in your posting.

You cannot set up or use tables in work areas to sell or pick up products. You must use your non-work hours (before or after work, lunch or breaks) to deliver or pick up a product. You may use the main lunchroom or parking lots to deliver items sold during non-work hours.

## Gambling

You may not gamble on State Fund premises. Gambling is any game of chance, contest, sweepstakes, or other form of gaming prohibited by the California Penal Code and California Business and Professions Code. Gambling activities include, but are not limited to gaming, lotteries, raffles, office pools, online betting, or where money is exchanged for a chance to win a prize.

## Using State Fund Information Systems

*State Fund's Privacy and Proprietary System Daily Use Notice* provides you guidance on how to protect private and confidential information and use State Fund electronic information systems.

Our information systems include computer equipment, internet, email, computer software, data, databases, electronic files, telephones, voice mail, fax machines, wireless devices, and any other similar information technologies that State Fund currently uses or may use in the future. Apart from minimal and incidental use permitted by law, contract, or specific management exception, State Fund systems are to be used exclusively to conduct State Fund business.

State Fund may monitor its systems. You should not expect privacy regarding use, including personal use of State Fund Information Systems.

You also have a duty to protect private and confidential information about our workforce, policyholders, claimants and third parties. You must not access or use confidential information available to you due to your work at State Fund for personal gain.

### Example:

*A. I would like to respond to a lunch invitation from a friend at a different company. Can I use the State Fund email system in this instance?*

Yes, if the invitation does not contain private information. Your response would be considered minimal and incidental use.

## XIV. Voicing Your Legal, Ethical, or Privacy Concerns

We will provide you with a "safe landing spot" if you wish to raise concerns.

### Retaliation Prohibited and Not Tolerated

State Fund prohibits retaliating or harassing a Workforce member or employment applicant who reports ethics or business conduct concerns. The California Whistleblower Protection Act prohibits retaliation for reporting improper activities.



You may report retaliation to Employee Relations or if related to an equal employment issue, to the [Equal Employment Opportunity Program](#). If you feel uncomfortable reporting through internal channels, you may report to the [State Personnel Board](#).

### **Reporting Ethical and Privacy Concerns or Seeking Advice**

State Fund encourages you to seek advice or raise your ethical or privacy concerns with supervisors or managers. You can also email your concerns to:

- [Ethics@scif.com](mailto:Ethics@scif.com) for ethics matters, including non-compliance with Corporate Policies and the Code of Conduct by State Fund Workforce members.
- [PrivacyOffice@scif.com](mailto:PrivacyOffice@scif.com) for privacy matters, including reporting suspected privacy incidents.

If you are not comfortable going through these channels, you may instead go to State Fund's Ethics and Privacy Hotline.

The [Ethics and Privacy Hotline](#) is available to you 24 hours a day, 7 days a week. It is operated by an independent company and staffed by specially trained interviewers.

The Hotline provides you phone and online choices to report your questions, concerns, or suspicions about ethical or privacy issues. You may raise your concerns without fear of retaliation. Every reported concern is investigated. Your Ethics Hotline report automatically routes directly to a member of State Fund's Board of Directors.

### **Workers' Compensation Fraud**

You can report suspected workers' compensation fraud by policyholders, injured workers, vendors, or State Fund Workforce members by calling toll free (888)-786-7372 or filing a TIP report through State Fund Special Investigation Unit's internal [website](#).

### **Improper Activities - The California Whistleblower Protection Act**

You may report improper activities such as theft, fraud, incompatible activities, misuse or abuse of state property, gross misconduct, and incompetence or inefficiencies by State of California employees. You can find Whistleblower Notices other workforce notices are posted.

To file a complaint, you can contact the California State Auditor by calling the toll-free [Whistleblower Hotline](#) at (800) 952-5665, submit your report [online](#), or send your complaint by mail. The Act protects a reporting person's identity unless a law enforcement agency needs it to conduct a criminal investigation.

## XV. Acknowledging and Supporting the Code and Related Policies

State Fund requires you to certify electronically that you have read, understand, and will follow State Fund's Code of Conduct and its supporting Policies.

Failing to support the Code of Conduct including its related policies and completing the acknowledgement, may result in referral for disciplinary action up to and including termination.

You have a duty to report and cooperate with investigations of any Code or Policy violations. States Fund promptly investigates all reports of violations.

See the Governance site for the [Corporate Policy Library](#).

## XVI. Reviewing Important Points of the Code

You and State Fund earn the trust of our stakeholders by making good choices and acting ethically and honestly.

Learning and following State Fund's values and standards is part of your job.

Sharing your ideas about how to make State Fund better reach its goals and your concerns and questions should be part of your everyday work.

When in doubt, ask for help. If you have ideas, questions, wish to discuss an issue, or want to report a possible violation, talk to your manager or contact [Employee Relations](#).

If you wish to raise concerns or questions anonymously, contact the [Ethics or Privacy Hotlines](#).

Remember, you play a vital role at State Fund; your choices and ideas can make State Fund a better place to work.

## XVII. Appendix - Resources

## 1. HOTLINES

State Fund Ethics and Privacy Hotline	866-294-1742 <a href="https://secure.ethicspoint.com/domain/media/en/gui/34876/index.html">https://secure.ethicspoint.com/domain/media/en/gui/34876/index.html</a>
Workers' Compensation Fraud	888-786-7372
California State Auditor Whistleblower Hotline	800-952-5665

## 2. KEY STATE FUND POLICIES SUPPORTING THE CODE

Corporate Policy	Policy Type	Policy Number
Privacy & Confidentiality	Ethics Compliance & Fraud	<a href="#">EC&amp;F 2.0</a>
Complaint Reporting & Anti-Retaliation	Ethics Compliance & Fraud	<a href="#">EC&amp;F 2.1</a>
Incompatible Activities Statement & Policy	Ethics Compliance & Fraud	<a href="#">EC&amp;F 2.2</a>
Business Ethics	Ethics Compliance & Fraud	<a href="#">EC&amp;F 2.3</a>
Statement of Economic Interests & Financial Disclosure	Ethics Compliance & Fraud	<a href="#">EC&amp;F 2.4</a>
Use of State Fund Facilities for Non-Business Use	Ethics Compliance & Fraud	<a href="#">EC&amp;F 2.7</a>
Close Personal Relationships	Ethics Compliance & Fraud	<a href="#">EC&amp;F 2.8</a>
Equal Employment Opportunity	Human Resources	<a href="#">HR 4.1</a>
Sexual Harassment Prevention	Human Resources	<a href="#">HR 4.3</a>

## 3. STATE FUND DEPARTMENTS

Department	Contact for:	Phone/email	Internal Worksite Page
Employee Assistance Program	Confidential access, assessment, & referral to professional assistance for problem resolution	(800) 339-2099	<a href="http://humanresources.scif.com/BenefitsTransactions/EAP.html">http://humanresources.scif.com/BenefitsTransactions/EAP.html</a>
Equal Employment Opportunity	Diversity, Discrimination and Reasonable Accommodation Issues	<a href="mailto:eeo@scif.com">eeo@scif.com</a>	<a href="http://humanresources.scif.com/EEOPProgram.html">http://humanresources.scif.com/EEOPProgram.html</a>

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Employee Relations	Code of Conduct & FAQs, approval of outside activities, conflicts of interest disclosure, and Statement of Economic Interests filing	(855)-729-8890 <a href="mailto:Ethics@scif.com">Ethics@scif.com</a>	<a href="http://humanresources.scif.com/EE Relations.html">http://humanresources.scif.com/EE Relations.html</a>
Governance	<i>State Fund Corporate Policies &amp; Procedures; Copyright; State Fund Charter; Governance Guide</i>	(888) 724-3237 <a href="mailto:corporatepolicies@scif.com">corporatepolicies@scif.com</a> <a href="mailto:copyright@scif.com">copyright@scif.com</a>	<a href="http://governance.scif.com">http://governance.scif.com</a>
<b>Department</b>	<b>Contact for:</b>	<b>Phone/email</b>	<b>Internal Worksite Page</b>
Internal Audit	Proper use of State Fund resources	(707) 624-4583	<a href="http://internalaudit.scif.com/">http://internalaudit.scif.com/</a>
IT – Enterprise Security	Proper use of information systems	(877)-782-7338	<a href="http://sim.scif.com/">http://sim.scif.com/</a>
Privacy Office	Privacy & Confidentiality questions	(888) 724-3237 (office) (866) 294-1742 (breach reporting hotline) <a href="mailto:privacyoffice@scif.com">privacyoffice@scif.com</a>	<a href="http://privacyoffice.scif.com">http://privacyoffice.scif.com</a>
Public Records Office	Records requests made under the Ca. Public Records Act	(888) 724-3237 <a href="mailto:publicrecords@scif.com">publicrecords@scif.com</a>	<a href="http://pro.scif.com/">http://pro.scif.com/</a>
Real Estate Management Services	Threat reporting	925-523-5219 Imminent danger: 911 <a href="mailto:threatmanagement@scif.com">threatmanagement@scif.com</a>	<a href="http://rpm.scif.com/ThreatManagement.html">http://rpm.scif.com/ThreatManagement.html</a>
Special Investigation Unit	Workers' Compensation Fraud	(888) 786-7372 (323) 266-5138	<a href="http://siu.scif.com/">http://siu.scif.com/</a>

**4. STATE AGENCIES**

Department	Contact for	Contact Information	Website
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Attorney General's Office/California Department of Justice	Statements of Economic Interests, ethics	PO Box 944255 Sacramento, CA 94244 800-952-5225	<a href="http://www.ag.ca.gov">www.ag.ca.gov</a>
California State Auditor Bureau of State Audits	Whistleblower complaints	555 Capitol Mall, Suite 300 Sacramento, CA 95814 (916) 445-0255	<a href="http://www.bsa.ca.gov">www.bsa.ca.gov</a>
Department of Insurance	Insurance complaints	Consumer Communications Bureau 300 South Springs St., South Tower Los Angeles, CA 90013 (800) 927-4357	<a href="http://www.insurance.ca.gov">www.insurance.ca.gov</a>
Fair Political Practices Commission	Statements of Economic Interests questions	428 J Street, Suite 620 Sacramento, CA 95814 (866) 275-3772	<a href="http://www.fppc.ca.gov">www.fppc.ca.gov</a>
State Personnel Board	Whistleblower Retaliation complaints	801 Capitol Mall Sacramento, CA 95814 (916) 653-0799	<a href="http://www.spb.ca.gov">www.spb.ca.gov</a>

**4. CALIFORNIA LAWS**

Legal Resource	Link
California Constitution and Laws	<a href="#">Website Link</a>
California Regulations	<a href="#">Website Link</a>

		<h1>CORPORATE POLICY</h1>	Number: <b>HR 4.1</b> Owner: <b>Corporate Human Resources</b> Type: <b>Human Resources</b> Effective Date: <b>02-2015</b> Last Revision Date: 03-2013
Title <b>EQUAL EMPLOYMENT OPPORTUNITY</b>			

## SECTION 1 – PURPOSE

To assure [equal employment opportunity](#) in job decisions and work practices involving [State Fund Workforce](#) members and job applicants.

## SECTION 2 – POLICY STATEMENTS

State Fund shall provide a workplace free of illegal [discrimination](#) and promote a culture that values equality, diversity, and inclusion.

### 2.1 Discrimination and Retaliation Prohibited

State Fund prohibits discrimination against members of or associated with a [protected group](#).

State Fund also prohibits retaliation against persons who take part in protected activities, including reporting a discrimination complaint, assisting in filing a complaint, taking part in complaint investigations, or asking for reasonable accommodation for medical or religious reasons.

### 2.2 Employment Decisions

State Fund bases job decisions on merit.

### 2.3 Investigation of Complaints

State Fund shall promptly, fairly, and objectively investigate discrimination complaints.

### 2.4 Appeals and Complaints

Complainants not satisfied with State Fund's EEO determination may appeal under State Fund's internal complaint process or file an external complaint as provided by law. .

### 2.5 Discipline

State Fund employees found to have engaged in inappropriate behavior of a discriminatory nature against any person in a protected group, or to have harassed or retaliated against any person for taking part in protected activities will be subject to discipline, up to and including termination.

<b>Policy</b> HR 4.1	<b>Title</b> Equal Employment Opportunity	<b>Effective</b> 02-2015
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### SECTION 3 – APPLICABILITY, SCOPE, & BASIS

This policy applies to the State Fund Workforce and job applicants.

#### 3.1 Related Laws and Regulations

- 42 U.S.C. § 2000e et seq. (Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991) and related statutes
- 42 U.S.C. §§ 12101-12213 (Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Amendment Act of 2008) and related statutes
- Cal Government Code §12900 et seq. (Fair Employment and Housing Act) and related statutes

### SECTION 4 – AUTHORITY

The Executive Vice President & Chief Administrative Officer has the duty of policy assurance and oversight. Vice President of Corporate HR, as policy owner, has the duty for policy compliance, updates, and monitoring.

### SECTION 5 – RELATED CORPORATE POLICIES

- [HR 4.2](#) Reasonable Accommodation
- [HR 4.3](#) Sexual Harassment
- [EC&F 2.1](#) Complaint Reporting and Anti-Retaliation

### SECTION 6 – DEFINITIONS

**Discrimination** - Acts with an adverse effect on job opportunities or environment of one or more persons due to [protected group](#) status. It may include, but is not limited to, these behaviors:

- Negative or offensive comments, jokes, [epithets](#), or discussions about a protected group
- Negative or offensive pictures, objects, cartoons, posters, or e-mails related to a protected group
- Inappropriate or offensive looks, staring or gestures
- Unwanted touching, actions that impede or block, assault, or other physical conduct of a discriminatory nature based on a protected group

Harassment in the form of unwelcome conduct based on protected group status becomes unlawful when:

- Enduring the conduct becomes a condition of continued work or
- Creating a work environment that a reasonable person would consider intimidating, hostile, or abusive

**Epithet** - A defamatory or abusive word or phrase.

<b>Policy</b> HR 4.1	<b>Title</b> Equal Employment Opportunity	<b>Effective</b> 02-2015
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**Equal Employment Opportunity** – Not discriminating based on protected group status in recruiting, hiring, compensation, promotion, training, disciplinary action, or other terms and conditions of employment.

**Protected Group** - A group or class of persons named in state or federal civil rights laws, including but not limited to, race, color, religious creed, national origin, ancestry, physical disability, mental disability, medical condition, genetic characteristics or information, marital status, sex, pregnancy and related medical conditions, gender identity and expression, age, political affiliation, sexual orientation, or military or veteran status.

**Retaliation** - Negative acts or unwelcome changes in a person’s job due to voicing or filing a complaint, assisting with filing a complaint, taking part in a complaint investigation, or asking for reasonable accommodation for medical or religious reasons.

**State Fund Workforce** - A collective group of people who work for State Fund, including officers, employees, and non-employees. State Fund intends and creates no employer-employee or agency relationship by this term. This term has no impact on State Fund’s relationship with consultants or independent contractors.

**SECTION 7 – HELP & ADVICE**

For questions on Corporate Policy, contact the EEO Officer at [eeo@scif.com](mailto:eeo@scif.com).

**SECTION 8 – REVIEW HISTORY**

Review Date	Action Date	Action	Section(s) Revised	Effective Date
03/08/2011	03/08/2011	Final QA	Comprehensive	03/2011
04/30/2012	04/30/2012	Annual Review and QA: Updated definition of protected group to align with current law	Sections 2.1 and 6	07/2012
01/24/2013	01/24/2013	Annual Review; Appeals/Complaints & compliance notice added	2.4, 2.5, 3; 5 & 6	03/2013
12/23/2014	12/23/2014	Final Review and Approval	Comprehensive	02/2015



		<h1>CORPORATE POLICY</h1>	Number: <b>HR 4.3</b> Owner: <b>Corporate Human Resources</b> Type: <b>Human Resources</b> Effective Date: <b>02/2015</b> Last Revision Date: <b>03/2013</b>
Title		<b>SEXUAL HARASSMENT PREVENTION</b>	

## SECTION 1 – PURPOSE

To ensure that State Fund provides a workplace free of [sexual harassment](#) in compliance with State and Federal law.

## SECTION 2 – POLICY STATEMENTS

State Fund shall provide a workplace free of sexual harassment.

### 2.1 Sexual Harassment Prohibited and Not Tolerated

State Fund prohibits and does not tolerate sexual harassment. State Fund regards sexual harassment as offensive and inappropriate employee misconduct. Such misconduct can decrease work productivity, undermine the integrity of employment relationships, and decrease morale.

### 2.2 Policy Dissemination and Training

State Fund shall circulate this policy and the complaint procedure throughout the organization. State Fund provides training on recognizing and preventing sexual harassment and the sexual harassment complaint procedure. Supervisors shall complete the training every two years.

### 2.3 Investigation of Complaints

State Fund investigates sexual harassment complaints promptly, fairly, and objectively.

### 2.4 Appeals and Complaints

Complainants not satisfied with State Fund's EEO determination may appeal under State Fund's complaint process and/or file an external complaint as the law provides.

### 2.5 [Retaliation](#) Prohibited and Not Tolerated

State Fund prohibits retaliation against persons reporting a sexual harassment complaint, assisting in filing a complaint, or taking part in complaint investigations.

<b>Policy</b> HR 4.3	<b>Title</b> Sexual Harassment Prevention	<b>Effective</b> 2/2015
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**2.6 Disciplinary Action**

State Fund employees found to have engaged in inappropriate behavior of a sexual nature or engaged in related retaliatory conduct will be subject to discipline, up to and including termination.

**SECTION 3 – APPLICABILITY, SCOPE, & BASIS**

This policy applies to the [State Fund Workforce](#).

**3.1 Related Laws and Regulations**

42 U.S.C. § 2000e et seq. (Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991) and related statutes  
 42 U.S.C. §§ 12101-12213 (Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Amendment Act of 2008) and related statutes  
 Cal Government Code §12900 et seq. (Fair Employment and Housing Act) and related statutes  
 Cal Code of Regulations, Title 2, §7287.6, §7291.1, Discrimination in Employment

**SECTION 4 – AUTHORITY**

The Executive Vice President & Chief Administrative Officer has the duty of policy assurance and oversight. Vice President of Corporate HR, as policy owner, has the duty for policy compliance, updates, and monitoring.

**SECTION 5 – RELATED CORPORATE POLICIES**

[HR 4.1](#) Equal Employment Opportunity

**SECTION 6 – DEFINITIONS**

[Derogatory](#) – Tending or intended to detract, disparage, belittle, or offend.

[Epithet](#) – A defamatory or abusive word or phrase.

[Explicit](#) – Precisely and clearly expressed or readily observable; leaving nothing to be implied.

[Implicit](#) – Implied or understood though not directly expressed; contained in the nature of something though not readily apparent.

[Retaliation](#) – Negative acts or unwelcome changes in a person’s job due to voicing or filing a complaint, assisting to file a complaint, or taking part in a complaint investigation.

[Sexual Harassment](#) – Unwanted sexual advances, requests for sexual favors, or visual, verbal, written, or physical conduct of a sexual nature. It may include, but is not limited to:

- a. Verbal conduct, such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations, or comments.

<b>Policy</b> HR 4.3	<b>Title</b> Sexual Harassment Prevention	<b>Effective</b> 2/2015
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- b. Physical conduct, such as offensive looks, staring or gestures, unwanted touching, blocking normal movement, or assault.
- c. Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings.
- d. Written conduct such as derogatory and/or sexually oriented emails, letters, or literature.
- e. After learning the interest is unwelcome, continuing to express sexual or romantic interest.
- f. Engaging in behavior and/or explicit/implicit conversation of a sexual nature in the presence of other employees.
- g. Threats or demands to submit to sexual requests as a condition of continued employment or to avoid some other loss.
- h. Offers of employment benefits in return for sexual favors.
- i. Derogatory conversations directed toward a specific gender.
- j. Interfering with work due to a person's gender.

**Sexual harassment may occur when:**

- a. A person makes submission to the sexual advance, request, or conduct an explicit or implicit term or condition of employment.
- b. A person uses submission to or rejection of the advance, request, or conduct as a basis for employment decisions.
- c. Such advances, requests, or conduct have the effect of substantially or unreasonably interfering with a person's work performance by creating an intimidating, hostile, or offensive work environment.
  - i. This includes harassment not necessarily sexual in nature but based on a person's gender.

**State Fund Workforce** – A collective group of people who work for State Fund, including officers, employees, and non-employees. State Fund intends and creates no employer-employee or agency relationship by this term. This term has no impact on State Fund's relationship with consultants or independent contractors.

**SECTION 7 – HELP & ADVICE**

For help on this Policy, contact the EEO Officer at [eeo@scif.com](mailto:eeo@scif.com).

**SECTION 8 – REVIEW HISTORY**

Review Date	Action Date	Action	Section(s) Revised	Effective Date
03/07/2011	03/08/2011	QA Final	Comprehensive	03/2011
06/2012	06/2012	Annual Review. Updated definition of Sexual Harassment to align with current law	6	07/2012
02/28/2013	02/28/2013	Annual review; appeals/complaint & compliant notice added	2.4, 2.5, 3 & 6	03/2013
12/23/2014	12/23/2014	Review and Approval	Comprehensive	02/2015

	<h1>CORPORATE POLICY</h1>	Number: <b>EC&amp;F 2.7</b> Owner: <b>REAL ESTATE MANAGEMENT</b> Type: <b>ETHICS COMPLIANCE &amp; FRAUD</b> Effective Date: <b>02/2015</b> Last Revision Date: <b>03/2013</b>
Title <b>NON-BUSINESS USE OF STATE FUND FACILITIES</b>		

## SECTION 1 – PURPOSE

This policy defines allowed non-business use of [State Fund facilities](#) and conduct regarding such uses.

## SECTION 2 – POLICY STATEMENTS

### 2.1 Use of State Fund Facilities

State Fund intends facility use for the conduct of official State Fund business and allows non-business use in limited situations. Official State Fund business uses take precedence over other allowed uses. Real Estate Management (REM) oversees and monitors State Fund facility use.

### 2.2 Allowable Non-Business Events and Activities

#### 2.2.1 Charitable, Wellness, and Employee Services Activities

State Fund recognizes the [Our Promise: California State Employees Giving at Work](#) Campaign as an authorized charity. State Fund may allow use of State Fund facilities during business hours to support this campaign. State Fund may officially recognize other charitable activities and consequently allow use of State Fund facilities.

State Fund permits other charitable uses with appropriate review and approval by Corporate HR, Employee Relations. The [State Fund Workforce](#) should not carry out such other charitable uses without prior approval.

State Fund allows Wellness and other employee service activities sponsored or supported by Human Resources for facility use when:

- Sponsors obtain written approval for specific activity
- Approved third party vendors have an executed contract through Enterprise Procurement, as required
- Sponsors confirm space availability

#### 2.2.2 Third Party Vendors

All third party vendors must have:

- Association with official State Fund business or approved activities
- Approval by REM to conduct business on State Fund facilities
- An executed contract with State Fund, as required
- A valid Certificate of Insurance on file with REM prior to activity start

### 2.2.3 Vending Machines

REM administers [vending machine](#) installation and operation at State Fund sites with approved service agreements.

## 2.3 Prohibited Activities

State Fund prohibits these activities on its premises:

- Activities which conflict with Corporate Policies
- Product or services sales, except as follows
  - Employees may use the Employee Community Bulletin Boards designated by REM to advertise, solicit, or sell goods or services.
- Gambling, consisting of any lottery, game of chance, contest, sweepstake, or form of gaming prohibited by the California Penal Code or Business and Professions Code. Prohibited activities include, but are not limited to, gaming, lotteries, office pools, raffles, and games of chance.

## SECTION 3 – APPLICABILITY, SCOPE, & BASIS

This policy applies to the State Fund Workforce.

### 3.1 Related Laws and Regulations

- [Cal. Government Code § 13923](#) (payroll deduction for approved charitable organizations)
- [Cal. Government Code § 19990](#) Incompatible Activities
- [Cal. Penal Code §§319-329](#) Lotteries
- [Cal. Bus. & Prof. Code §17539-17539.3, 17539.35, 17539.4, 17539.5, 17939.55](#) Particular Offenses, Sweepstakes

## SECTION 4 – AUTHORITY

The Executive Vice President & Chief Administrative Officer carries out policy assurance and oversight. The Real Estate Management Program Manager as policy owner complies with, updates, and enterprise monitors this Policy.

## SECTION 5 – RELATED CORPORATE POLICIES

[EC&F 2.2 Incompatible Activities](#)

[EC&F 2.3 Business Ethics](#)

[BFM 5.10 Purchasing Authority](#)

## SECTION 6 – DEFINITIONS

**Our Promise: California State Employees Giving at Work:** Campaign created by statute for a single charitable fund-raising drive in the State community.

<b>Policy</b> EC&F 2.7	<b>Title</b> Non-Business Use of State Fund Facilities	<b>Effective</b> 02/2015
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**State Fund Facility:** A State Fund owned or leased facility, includes building, land, and parking lots that State Fund occupies.

**State Fund Workforce:** The group of people who work for State Fund, including officers, employees, and non-employees. State Fund intends and creates no employer-employee or agency relationship by this term. This term has no impact on State Fund’s relationship with consultants or independent contractors.

**Vending Machines:** Building amenities with items for sale.

**SECTION 7 – HELP & ADVICE**

For information on this policy, contact REM at: [realestatemanagement@scif.com](mailto:realestatemanagement@scif.com)  
 For information on charitable uses, contact [Enterprise Service Point](#) or call AskHR at 611 or 1-800-499-8668.

**SECTION 8 – REVIEW HISTORY**

Review Date	Action Date	Action	Section(s) Revised	Effective Date
05/20/2011	05/20/2011	Final QA	Comprehensive	06-2011
08/2014	11/2014	Biennial Review	Comprehensive	02-2015
01/28/2015	01/28/2015	Add regulatory citation for permitted charitable campaigns	Section 3.1	02-2015