SPEAK UP

ANNUAL REPORT 2025

CareFirst

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SPEAK UP ANNUAL REPORT 2025

Our mission guides everything we do. How we act matters as much as our results. How we treat our peers, partners and the people we serve is what sets us apart as a company.

We started the Speak Up program to provide a safe space to share your thoughts and concerns. When you speak up, you help us identify and address potential issues, strengthening our commitment to transparency and integrity.

The Speak Up report provides insight into our investigative processes, trends and statistics. It demonstrates our commitment to compliance, ethics, governance and advancing our mission.

If you identify something that doesn't seem right, please speak up. Your feedback helps us work together as one company and one team

With Care,



Angela Celestin

EVP, Chief Human Resources Officer
CareFirst BlueCross BlueShield



Darnell Burgess

VP, Chief Ethics & Compliance Officer
CareFirst BlueCross BlueShield

IN GOOD COMPANY

The World's Most Ethical Companies® award is given out by the Ethisphere Institute, a global leader in business ethics. In 2025, CareFirst was one of **136 organizations** spanning **19 countries** and **44 industries** recognized for our unwavering commitment to business integrity. CareFirst is one of only three companies representing the health insurance industry on the list.

In our **thirteenth consecutive year** as a World's Most Ethical Companies Honoree®, CareFirst stands with other companies that prioritize ethical behavior and understand the correlation between values-based leadership and overall business success.

2025 WORLD'S MOST ETHICAL COMPANIES® ™
ETHISPHERE
13-TIME HONOREE



"Your commitment to acting with unquestionable ethics, upholding a culture of compliance and reporting potential violations or concerns is vital to protecting fellow Difference Makers, members and the CareFirst brand."

Darnell Burgess

VP, Chief Ethics & Compliance Officer, CareFirst BlueCross BlueShield

Photo credit: Baltimore Business Journal

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THE INVESTIGATION PROCESS

Every investigation follows the same, straight-forward process from beginning to end. Our goal is to provide fair and consistent outcomes for everyone involved. All investigations remain confidential to the greatest extent possible.

1. A concern is received and documented.
2. The concern is assessed and assigned for investigation.
3. The investigation takes place.
4. The information is reviewed for a fair and consistent outcome.
5. The investigation concludes and appropriate communications and actions are taken.



2024 YEAR IN REVIEW

INVESTIGATION STATUS

All reported concerns are treated seriously and investigated to the greatest extent possible to determine cause, context and solution. Additionally, investigations seek to identify any underlying issues or opportunities for improvement. Reporting issues is necessary for a compliant and ethical culture. In 2024, 168 concerns were received and analyzed. A total of 135 concerns required further investigation.

Unsubstantiated vs. Substantiated



44%
UNSUBSTANTIATED

A report is deemed unsubstantiated when it cannot be proven with sufficient confidence. Reasons include a lack of witnesses or insufficient or unclear information.

54% NAVEX GLOBAL BENCHMARK[1]

56%
SUBSTANTIATED

A report is considered substantiated when some or all the allegations raised can be proven with reasonable certainty.

46% NAVEX GLOBAL BENCHMARK[2]

[1] Navex Global Benchmark Source: Whistleblowing & Incident Management Benchmark Report 2025

[2] A high Substantiation Rate reflects a well-informed workforce making high-quality reports, coupled with effective investigation processes.

Complete vs. Pending



100%
COMPLETE

38 DAYS
Mean Case Closure Time

The issue was investigated and is now closed. A summary of facts and conclusions were shared with business leadership. If substantiated, corrective action and appropriate communication were referred to appropriate parties.

42 DAYS NAVEX GLOBAL BENCHMARK

0%
PENDING

The issue was evaluated and assigned for investigation. The case remains open.

Ethics & Compliance and Human Resources partner to determine the scope and assignment of investigations. All reported concerns are treated with the greatest confidentiality possible.

INVESTIGATIONS BY THE NUMBERS

CareFirst conducted a total of 135 investigations in 2024.

Identity of Reporters



26%
ANONYMOUS

54% NAVEX GLOBAL BENCHMARK[1]

74%
IDENTIFIED

46% NAVEX GLOBAL BENCHMARK[1]

[1] Navex Global Benchmark Source: Whistleblowing & Incident Management Benchmark Report 2025

[2] Generally, a lower anonymity rate signals reporters trust the system without fear of retaliation.

Investigations by Team



29%
ETHICS & COMPLIANCE

71%
HUMAN RESOURCES

Intake Method



7%
HOTLINE PHONE

29% NAVEX GLOBAL BENCHMARK

41%
OTHER

Direct reporting to Ethics & Compliance, Human Resources, people leader or senior leadership

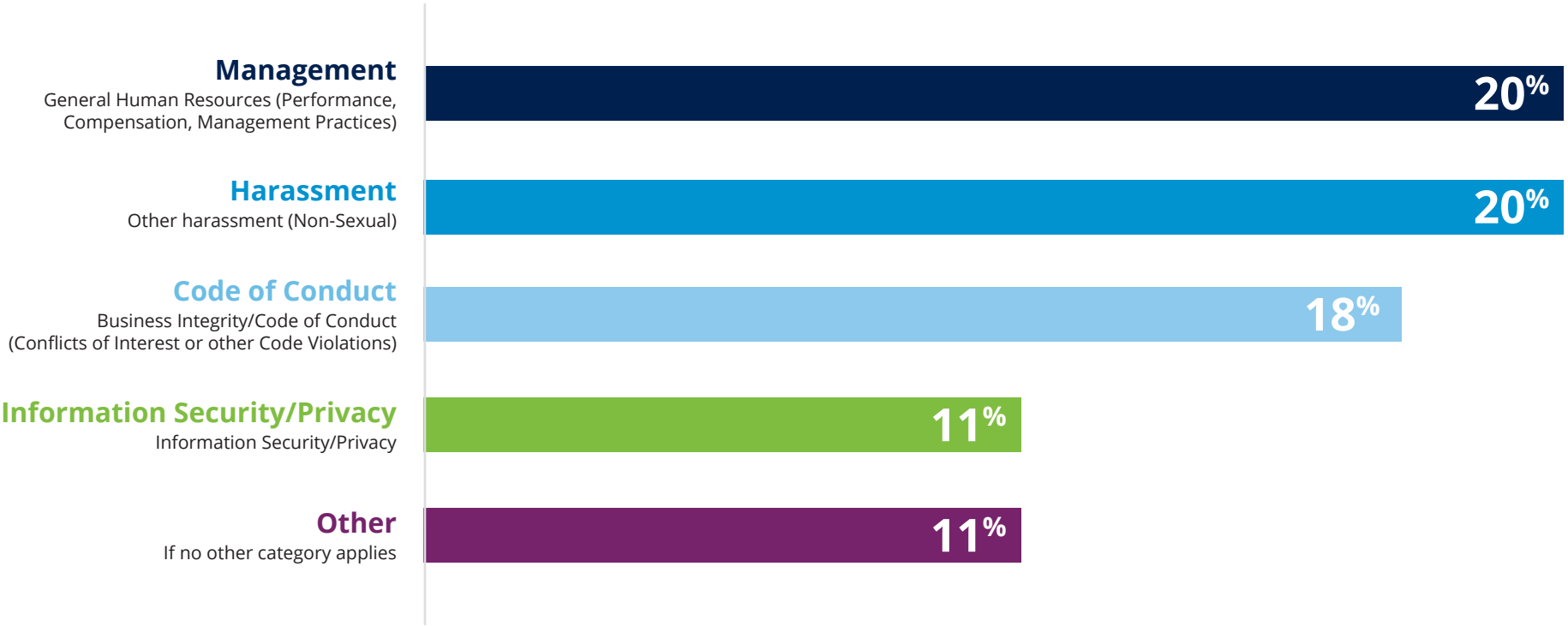
37% NAVEX GLOBAL BENCHMARK

52%
WEB PORTAL

33% NAVEX GLOBAL BENCHMARK

The Ethics & Compliance Office documents every reported concern. All reports are evaluated with Human Resources to determine how to best proceed. The majority of the concerns received are from individuals willing to identify themselves.

TOP REPORTED ISSUES



*In 2024, a total of 168 concerns were received—representing 2.7 concerns per every 100 employees.**

1.57 Reports per 100 Employees MEDIAN REPORTING VALUE (MRV) NAVEX GLOBAL BENCHMARK[1]

[1] Navex Global Benchmark Source: Whistleblowing & Incident Management, Benchmark Report 2025

* Report volume per 100 employees is calculated by dividing the total number of reports by the number of full-time employees in the organization, then multiplying by 100.

CAREFIRST BY THE NUMBERS 2024

As a not-for-profit healthcare company, CareFirst works to make the communities it serves healthier places to live. With 85+ years of service, CareFirst is the largest healthcare insurer in the Mid-Atlantic.

6,316

FULL-TIME EMPLOYEES

$40.4M

IN TOTAL CONTRIBUTIONS

including subsidies, grants and sponsorships

3.5M

MEMBERS

served by CareFirst



HOW TO SPEAK UP

If you suspect a violation, it is your duty to report it. Retaliation and intimidation are prohibited. When an individual reports an issue in good faith, they should never face retaliation or intimidation. Individuals may report concerns about suspected business compliance and ethics violations in any of the following ways:

Talk to your people leader or management team about your concern.

Contact your Human Resources Business Partner.

Contact the Ethics & Compliance Office by phone **410-528-7193** or by email at ethicsandcompliance@carefirst.com.

To the Ethics & Compliance Hotline online at carefirst.com/speakup or by phone at **410-528-7800**.

The Ethics & Compliance Hotline, managed by a third-party vendor, is available 24/7. Calls are completely anonymous, with no tracing or caller ID.

Thank you for making compliance and ethical concerns a part of your daily work.



WHY IT'S IMPORTANT TO SPEAK UP

CareFirst is committed to reinforcing our longstanding culture emphasizing compliance and ethics, providing an environment that encourages individuals to bring their concerns forward.

Easily accessible reporting methods, supported by an investigation process focused on thoroughness and transparency, help us foster a "Speak Up" culture and retain that commitment.

Everyone is reminded that each one of us, through our day to day work-related activities and interactions, represents as a key element in ensuring the ethical health and strength of our company.

Retaliation and intimidation are prohibited. An individual who reports an issue in good faith should never face retaliation or intimidation. Refer to Illegal Retaliation policy HR 200.05.



ADDRESSING RELUCTANCE

In 2024, 96% of survey respondents stated that they would be willing to report misconduct they observed. Survey respondents who said they would not be willing to report observed wrongdoing or unethical behavior cited fear of retaliation, lack of anonymity and not believing corrective action would be taken as primary reasons for not reporting.

Did you know?

- CareFirst has an Illegal Retaliation policy HR 200.05.
- We require every employee and contingent worker to complete Code of Conduct and harassment prevention training each year.
- Results of the annual Ethics and Compliance Perceptions and biennial Employee Engagement surveys are shared with leadership as well as the board of directors.
- People Leaders and those interested in leadership roles can review the Onboarding Leadership Playbook. The Playbook includes Ethics & Compliance Program documentation and educational and support tools, made available to further assist people leaders in their role and in education of their teams regarding compliance and ethics topics.

How can employees help?

- Review policies and other resources.
- Take pride in CareFirst's reputation for ethical business practices.
- Respond to ethics and engagement surveys.
- Participate in awareness efforts.
- Complete mandatory training.

We want to hear from you

*We're here to answer your questions and offer our help. Contact us at ethicsandcompliance@carefirst.com or by phone at **410-528-7193**.*

Source: 2024 Ethics and Compliance Perceptions Survey

ABOUT THE SURVEY

Every year, the Ethics & Compliance Office facilitates a survey to evaluate workforce perception of the CareFirst compliance and ethics culture. The results are used to measure our ability to detect and prevent misconduct and our workforce's awareness of resources. It also helps identify opportunities for improvement and guide compliance and ethics efforts for the following year.

According to the 2024 CareFirst Ethics and Compliance Perceptions Survey:

78.5%

respondents agreed that the **company enforces its non-retaliation policy**.

72.4% ETHISPHERE®, 2024 CULTURE QUOTIENT BENCHMARK

94.1%

respondents said they have a **personal responsibility for making sure the company behaves ethically.**

88.3% ETHISPHERE®, 2024 CULTURE QUOTIENT BENCHMARK



95.8%*

respondents said they **knew how to make an anonymous report** regarding wrongdoing or unethical behavior.

74%*

respondents said they feel **the company handles ethical problems completely and appropriately**.

*Ethisphere®, 2024 Culture Quotient Benchmark not available.

CONCERNS TO REPORT

Compliance is a necessity in maintaining an ethical business culture and certain concerns require you to speak up. These concerns may include:

- Abuse of accounting, financial policies and requirements
- Bribery or kickbacks of any kind
- Conflict of interest with any business, individual or organization
- Disclosure of proprietary or confidential information
- Filing false claims with a government agency or violating government contract requirements
- Harassment, intimidation or other inappropriate workplace behaviors
- Misuse of company resources, funds or property
- Theft, fraud or other criminal activities
- Violation of a law or regulation



REAL-LIFE SCENARIOS AND OUTCOMES

The scenarios on the next few pages provide summaries of actual investigations conducted in 2024 and represent concerns raised to and addressed by the CareFirst investigation teams. These investigations involved individuals across all levels of the organization.

Details of the investigations have been adjusted or redacted in order to balance CareFirst' ongoing commitment to both confidentiality and transparency.



HOTLINE REPORTS

Code of Conduct, management, harassment, information security/privacy and other were the most reported concerns in 2024.

Time Fraud: Daylighting

In February 2024, a CareFirst Human Resources ("HR") business partner received a concern from an employee that another employee was working two simultaneous full-time jobs. The Ethics & Compliance Office ("E&C") partnered with HR to launch an investigation that included an interview with the employee, as well as a review of documentation, including the employee's emails. E&C and HR were able to obtain the name of the other potential employer (a direct competitor of CareFirst) and ultimately confirmed with that organization that the individual was also employed there in the exact same role they were performing for CareFirst.

CareFirst policy does not prohibit secondary employment, however, outside activities must not conflict with your obligations to CareFirst. Additionally, the CareFirst Code of Ethical Business Conduct & Compliance (the "Code") specifies that company time is just one example of a company asset and as such, working two simultaneous full-time jobs would be a violation of the Code.

During the investigation, the employee submitted their resignation in lieu of termination for violating CareFirst policies and the Code.



Contract Management

In April 2024, the Ethics & Compliance Office received a concern from an employee indicating that a contingent worker revised already submitted contract provisions, on behalf of their employer, without engaging necessary CareFirst employees and departments.

An investigation was launched that included interviews with the contingent worker, other contingent workers and employees, as well as a review of documentation.

The investigation concluded that the contingent worker drafted and modified contract provisions and selected and directed communications with a vendor, violating CareFirst policies and the Code of Ethical Business Conduct & Compliance (the “Code”).

CareFirst’s Code emphasizes that we uphold an honest, fair and objective procurement process. We base our purchasing decisions solely on quality, performance, price and the supplier’s ability to meet CareFirst’s needs. Purchasing decisions must never be made based on personal relationships, friendships, gifts or favors. Corporate policy RFP Requirements Related to Organizational Conflicts of Interest PUR.02 states that Strategic Sourcing and Procurement is responsible for overseeing and governing CareFirst’s procurement process, including the issuance of Requests for Quote, Requests for Information, Requests for Proposal and Requests for Solution.

The vendor was disqualified from consideration and the contingent worker was terminated.



Artificial Intelligence ("AI") Recording and Transcription

In August 2024, the Ethics & Compliance Office received a concern from an employee stating an external vendor used an AI note-taker tool to electronically record and take notes during a project implementation meeting and that CareFirst team members were not made aware prior to or during, the meeting that the AI tool would be used. An investigation was launched that included interviews with employees, as well as a review of documentation.

The investigation concluded that the external vendor did not obtain prior and appropriate authorization for use of the AI tool to record and take notes for the meeting in question.

CareFirst policy Company Telephone Monitoring and Electronic Recording IT 300.09 requires the written approval of both senior management and Human Resources for the use of any audio or video recording other than CareFirst approved collaboration tools. As a reminder, the policy applies to CareFirst employees, contingent workers, visitors and board members.

For subsequent meetings, the vendor was informed they did not have permission to use the AI tool for meeting recording and note taking.



CareFirst

2025 WORLD'S MOST ETHICAL COMPANIES® ETHISPHERE 13-TIME HONOREE

ThinkFIRST
What *you* do matters.

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Speak Up Annual Report 2025 (9/25)