



# **SUPPLIER CODE OF CONDUCT**

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## **I. INTRODUCTION**

Itron Supplier Code of Conduct defines corporate responsibility requirements that apply to all Itron third party suppliers, vendors and service providers (“Itron Supplier Code of Conduct” or “Supplier Code of Conduct”). Itron includes Itron Inc. and all its direct and indirect subsidiaries and affiliates worldwide.

Itron is an equal opportunity employer. We celebrate diversity and are committed to creating an inclusive environment within our supply chain. Moreover, Itron is committed to the values and ethics rules as defined by the United Nation’s Global Compact of March 4<sup>th</sup> 2004. Itron expects all Suppliers (as defined below) to direct their efforts in the same direction.

As a condition of doing business with Itron, suppliers, vendors, contractors, service providers, consultants and subcontractors (collectively “Suppliers”) are required to comply with laws and regulations applicable to their business and basic principles of business ethics as encompassed in Itron Supplier Code of Conduct. Supplier must promptly inform Itron when any situation develops that causes the Supplier to operate in violation of this Itron Supplier Code of Conduct. Itron may require the immediate removal of any Supplier representative(s) or personnel who behave in a manner that is unlawful or inconsistent with this Supplier Code of Conduct. Supplier is further responsible to ensure that Supplier’s -employees, contractors, vendors, suppliers, or other sources in the supply chain commit to comply with these requirements and principles. Supplier acknowledges and agrees that Itron may at its sole discretion modify the existing principles and requirements of the Itron Supplier Code of Conduct or add new principles or requirements. Supplier acknowledges and agrees that any misconduct or potential misconduct (including misconduct by Itron employees) shall be reported in confidence to Itron’s Chief Compliance Officer

Each Supplier of Itron is required to comply with the Itron Supplier Code of Conduct. Supplier agrees that Itron or its representative or a third party appointed by Itron may conduct audits at your premises as may be necessary to verify Supplier’s compliance with Itron Supplier Code of Conduct, provided that any such audit are conducted during regular business hours, in accordance with applicable data protection laws, and shall neither unreasonably interfere with our business activities nor violate or cause us to violate our confidentiality agreements with third parties. Supplier further agrees to reasonably cooperate and assist Itron with any audits conducted by Itron (including making personnel available to respond to questions and/or provide control documentation) and to bear Supplier’s expenses in connection with such audits. Supplier understands that Itron will bear its own expenses associated with the audits, unless otherwise agreed to in an agreement between Itron and Supplier.

Itron considers Supplier’s compliance with the Supplier Code of Conduct as a decisive factor in making its sourcing and procurement decisions. Itron reviews and assesses conformance of its Suppliers to the requirements of the Supplier Code of Conduct and the applicable laws and regulation on a regular basis. Itron reserves the right to terminate the relationship with a Supplier if the Supplier violates the Supplier Code of Conduct or any applicable law or regulation and does not cure such violation within a reasonable

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period of time as requested by Itron. Violations of anti-bribery and anti-corruption laws, competition/antitrust laws, intellectual property infringement, data protection laws, export/import controls and other serious violations will result in immediate termination of business relationship with Itron.

Itron Supplier Code of Conduct requires all Suppliers to ensure that working conditions in their operations and supply chains are safe, that workers (e.g., employees, contract workers) are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

Sections II, III, and IV of the Supplier Code of Conduct address standards for Labor, Health and Safety, and the Environment, respectively. Section V sets forth standards and requirements relating to business ethics and compliance with laws and regulations. Section VI sets forth information and standards requirements related to information security and data protection.

Supplier agrees to operate in full conformance with the applicable laws, rules and regulations of the countries in which you conduct your business. Supplier is expected to meet internationally recognized standards and best practices in order to advance social and environmental responsibility, and business ethics.

## **II. LABOR; FUNDAMENTAL WORKERS RIGHTS; WORKPLACE STANDARDS AND PRACTICES**

Supplier is required to observe the human rights of your workers and to treat them with dignity and respect as understood by the international community and proscribed by international norms. This applies to all workers, including temporary, migrant, student, contract, direct employees, and any other type of worker.

The employment/labor requirements for Suppliers include, but are not limited to, the following:

**1. Freely Chosen Employment; No Forced Labor.** Supplier shall not use forced, bonded (including debt bondage) or indentured labor, involuntary prison labor. Supplier shall not engage in slavery or trafficking of persons. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. All work will be voluntary, and workers will be free to leave work at any time or terminate their employment. Workers will not be required to surrender any government issued identification, passports, or work permits as a condition of employment. Excessive fees are unacceptable and all fees charged to workers will be disclosed to Itron. In addition, to the extent applicable, Suppliers will comply with the United States Trafficking Victims Protection Reauthorization Act 2013 (P.L. 113-4) and CA SB 657, California Transparency in Supply Chains Act of 2010, the “Directive 2011/436/EU of the European Parliament and of the Council of April 5, 2011 on the combating and preventing trafficking in human beings and protecting its victims” as well as applicable national legislation regarding reporting of efforts to eradicate slavery and human trafficking from their supply chains (such as, but not limited to, the UK Modern Slavery Act 2015) and Supplier will promptly respond to Itron’s inquiries regarding such acts.

**2. No Child Labor. Supplier** shall not use child labor in any stage of manufacturing. Your hiring practices shall be in conformance with International Labor Organization (ILO) Conventions for minimum age (C138) and child labor (C182). The term “child” refers to any person under the age of 15, the age for completing compulsory education, or the minimum age for employment in the country as set forth by local law, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported.

**3. Fair Working Hours.** Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Supplier will manage your operations in ways that ensure that overtime does not exceed the level of permitted maximum working time under applicable law. Workweeks, including overtime, will be the lesser of the maximum set by applicable law or 60 hours per week. Supplier shall not require your workers to work more than 6 consecutive days without a rest day or at least 11 hours of uninterrupted rest.

**4. Fair Wages and Benefits.** Compensation paid to workers will comply with all applicable wage laws and/or applicable collective agreements, including those relating to minimum wages, overtime hours and legally mandated benefits. In conformance with local laws, workers will be compensated for overtime at pay rates greater than regular hourly rates.

**5. Fair Employment Practices.** Supplier will respect the dignity, privacy, and personal rights of your employees. There will be no cruel, harsh or inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor will there be the threat of any such treatment.

**6. Non-Discrimination.** Supplier will be committed to a workplace free of harassment and unlawful discrimination. Supplier will not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, nationality, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices, including, without limitation, promotions, compensation, rewards, and access to training.

**7. Freedom of Association.** Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Supplier will respect your workers' rights to associate freely, join or refrain from joining labor unions or other association of their own choosing, unless otherwise prohibited by law, or seek representation, or join workers' councils, in accordance with local laws will be respected. Supplier will not discriminate against or in favor of any worker for joining associations.

**8. Non-Retaliation.** Supplier will have a well-defined process for its personnel to enable them to raise any concerns without fear of retaliation.

### **III. HEALTH and SAFETY**

In addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace. Itron expects all its Suppliers to operate a safe and healthy work environment.

Supplier will comply with the following requirements:

**1. Occupational Health and Safety.** Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) will be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures, and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers will be trained and provided with appropriate, well-maintained, personal protective equipment.

**2. Occupational Injury and Illness.** Procedures and systems will be in place to prevent, manage, track and report occupational injury and illness, including provisions to: encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of workers to work.

**3. Machine Safeguarding.** Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers will be provided and properly maintained where machinery presents an injury hazard to workers.

**4. Training.** Supplier should provide to its workers health and safety training during employee orientation and repeat it as required by regulations. Workers should be able to demonstrate knowledge of safe practices for assigned work tasks to reduce the likelihood of injury.



#### IV. ENVIRONMENTAL

Environmental responsibility is integral to producing world class products. Itron expect its Suppliers to minimize adverse (and potentially adverse) effects on the community, environment and natural resources while safeguarding the health and safety of the public and sustaining the environment. Itron suppliers will comply with all environmental regulations and laws applicable. Appendix A (“Environmental Laws and Regulations”) gives examples of these regulations (non-exhaustive list).

Supplier will comply with the following requirements:

**1. Compliance Declarations.** Supplier will provide any compliance declaration (RoHS 2011/65/UE Directive, Reach 1907/2006 UE directive, Conflict Minerals, etc.) and Raw Material Certificate upon request by Itron.

**2. Environmental Permits and Reporting.** Supplier will obtain, maintain and keep current all required environmental permits, approvals, and/or registration. Supplier will follow and comply with all operational and reporting requirements proscribed by the required permits, approvals and/or registrations.

**3. Pollution Prevention and Resource Reduction. Supplier** will comply with all applicable environmental laws and regulations. Waste of all types, including water and energy, will be reduced or eliminated at the source or by practices such as production modification, maintenance and facility processes improvement, materials substitution, conservation, and recycling and reusing materials.

**4. Hazardous Substances.** Chemicals and other materials posing a hazard if released to the environment will be identified and managed to ensure their safe handling, movement, storage, use, recycling and reuse, and disposal. Any release of the hazardous substances to the environment shall be reported to the authorities in accordance with the applicable local environmental laws.

**5. Wastewater and Solid Waste.** Wastewater and solid waste generated from operations, industrial processes and sanitation facilities will be characterized, monitored, controlled and treated as required by local environmental laws and/or other applicable standards prior to discharge or disposal.

**6. Air Emissions.** Air emissions of volatile organic chemicals, aerosols, corrosives, particulates and combustion by-products generated from operations will be characterized, monitored, controlled and treated as required by local environmental laws and/or other applicable standards prior to discharge.

**7. Product Content Restrictions.** Supplier will adhere to all applicable laws, regulations and Itron requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal. Supplier shall comply with Itron’s material requirements.

## V. COMPLIANCE WITH LAWS; BUSINESS ETHICS

Itron expects all its Suppliers to maintain compliance systems and be able to demonstrate a satisfactory record of compliance with all applicable laws and regulations in the conduct of Supplier's business, including, without limitation the requirements set forth in this Supplier Code of Conduct.

To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents will uphold the highest standards of business ethics including:

Supplier will comply with the following requirements:

**1. Business Integrity and Anti-Corruption. Supplier** will uphold the highest standards of integrity in all business interactions. Supplier will always act with honesty, trustworthiness, and reliability in your business activities. Supplier will have a zero-tolerance policy that prohibits any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes). All business dealings will be transparently performed and accurately reflected on Supplier's business books and records. Supplier will implement monitoring and enforcement procedures to ensure conformance with anti-corruption laws.

Offering or granting, directly or indirectly, anything of value, including, but not limited to cash, bribes, or kickbacks, to any Itron employee, representative, or customer of Itron, or a public official in connection with or related to any Itron procurement activity is strictly prohibited. Itron also requires that you do not offer or grant Itron employees or representatives any gifts or entertainment. A business meal may be permitted so long as it is of modest value and is part of a business meeting agenda.

**2. Disclosure of Confidential and Proprietary Information.** Unless required by law, information regarding business activities, structure, financial situation and performance of Itron may be disclosed to a third party only if permitted in writing by Itron prior to any such disclosure and only in accordance with the terms and conditions of an applicable confidentiality agreement between Itron and the Supplier. If a disclosure is required by law, a Supplier shall promptly notify Itron in writing before making a required disclosure.

**3. Accuracy of Records and Retention.** Supplier shall ensure that business records relating to Itron are securely retained for the period required by law, and that they accurately and fairly reflect all business transactions. Falsification of records or misrepresentation of conditions or practices in the supply chain is expressly prohibited.

**4. Intellectual Property. Supplier** will respect intellectual property rights of Itron, Itron's customers, your business partners, and any other third party. Supplier will handle proprietary information or intellectual property of Itron in a reasonable and responsible manner in strict compliance with the terms and conditions of the relevant agreements between Supplier and Itron. Transfer of technology and know-

how will be done in a manner that protects intellectual property rights and in accordance with the most stringent information protection requirements under the applicable agreements between Itron and the Supplier. Supplier will use Itron's intellectual property only for the purpose for which it was provided to you and protect it against damage, loss, and/or misuse. Supplier will respect Itron's and any other third party's patents, trademarks, copyright and/or other intellectual property rights and protect it against loss and/or infringement.

**5. Advertising and Competition, Prohibited Collusive Conduct.** Supplier will uphold standards of fair business, advertising and competition. Sharing or exchanging any price, cost or other competitive information or undertaking of any other collusive conduct with any other third-party supplier or bidder to Itron with respect to any proposed, pending, or current Itron procurement activity is prohibited.

**6. Responsible Sourcing of Minerals.** Itron expects all its Suppliers to fully comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act's provisions and the corresponding enabling regulations regarding conflict minerals as specified in more detail in Appendix B ("Conflict Minerals"). Supplier shall exercise due diligence and demonstrate compliance with the Dodd-Frank Act with respect to the source and chain of custody of conflict minerals and promptly provide evidence of such compliance to Itron upon Itron's request. Supplier shall respond to Itron's request for additional information or action that is necessary for Itron to complete its own due diligence as set out in the U.S. Dodd-Frank Act, Section 1502 or other responsible sourcing risks. Supplier shall also make every effort to source from smelters and refiners that are compliant with the Responsible Mineral Initiative's assessment protocols, extend this expectation to your suppliers, and reach out to non-compliant or non-active smelters to join the RMI program. If a high-risk smelter, as defined by Itron, is identified in the your CMRT, you must develop a risk mitigation plan to remove the smelters and report progress on removing the smelter to the Itron Conflict Minerals Team.

**7. Privacy.** Supplier commits to protecting the reasonable privacy expectations of personal information of everyone they do business with, including its suppliers, customers, consumers and employees. Supplier will comply with privacy and information security laws and regulatory requirements if personal information is collected, stored, processed, transmitted and shared and will comply with the most stringent information protection requirements under the applicable agreements between Itron and Supplier.

## **VI. INFORMATION SECURITY; DATA PROTECTION**

Itron expects all its Suppliers to protect Itron's confidential information, business records and intellectual property through an information security program that meets industry best practices. Ideally, suppliers who provide services which involve processing and handling Itron's data and intellectual property would maintain certification for a recognized information security framework such as ISO

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27001 or SOC 2 Type 2. Supplier shall, at a minimum, maintain compliance with the requirements set forth in this Supplier Code of Conduct.

- 1. Network Security.** Suppliers shall maintain network security that protects their networks, systems and data from external threats. Suppliers shall ensure that all external connectivity to Supplier systems and resources are made through Virtual Private Networking (VPN) connections which utilize multi-factor authentication. Supplier shall periodically execute penetration testing to ensure and verify the security of their network and systems.
- 2. Data Protection.** Supplier shall protect the confidentiality, integrity and availability of data under their responsibility. Controls utilized to protect the data shall be commensurate with the sensitivity or classification of the data. At a minimum, Supplier shall 1) maintain a patch management program that ensures timely application of patches based on criticality; 2) portable devices containing Itron data shall be encrypted; 3) data shall be backed up on a regular basis; 4) data transmissions or communications of Itron data shall be encrypted; and 5) Itron data shall not be distributed or re-used for any purpose not provided for by either contract or explicit written approval by Itron.
- 3. Termination of Agreement.** At the termination of any agreement between Supplier and Itron, Supplier shall either return or destroy Itron's data, based on instructions from Itron. Supplier may retain copies of Itron data required for legitimate ongoing Supplier business purposes.
- 4. Security Breach Notification.** In the event of any breach or suspected breach of Supplier's security obligations or suspected loss or unauthorized access to Itron data, Supplier shall promptly notify Itron of said breach. Supplier will maintain continuous communication and cooperation with Itron's Information Security.

### APPENDIX A: ENVIRONMENTAL LAWS AND REGULATIONS

- EU RoHS2 Directive: Restriction of Hazardous Substances in Electrical and Electronic Equipment (2011/65/EU) From January 2013, this directive of the European Parliament and the Council of the European Union restricts the use of certain materials and hazardous substances in electrical and electronic equipment and the Directive (EU) 2017/2102 of the European Parliament and of the Council of 15 November 2017 amending Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment.
- EU Commission delegated directive 2015/863 of 31th March 2015: adds 4 more substances to RoHS2
- EU REACH Regulation (EC 1907/2006): Registration, Evaluation, Authorization and Restriction of Chemicals REACH requires companies involved in manufacturing or importing of chemicals (or products containing chemicals) to collect or generate data on the substances. It is designed to control risks to human health and the environment.
- Management Methods for Pollution Control of Electronic Information Products (CMM) China requires labeling and substance disclosure tables for certain products. Chinese regulators have released a draft catalogue of products that is undergoing review and will ultimately identify the first group of products required to meet hazardous substances limits in China.

**APPENDIX B: CONFLICT MINERALS**

Supplier shall have a program in place for tracking and reporting conflict minerals (3T+G) in Supplier's products.

Supplier shall meet its compliance obligations, including those in the applicable laws and regulations.

In the U.S. the Dodd-Frank Act requires companies to file annual reports with the U.S. Securities and Exchange Commission (SEC), indicating if they are using 3TG originating from the DRC or adjoining countries.