



# Global Anti-Bribery Manual

A guide to responsible and ethical code of conduct



## A Message from our CEO:

Our company has a long and proud history of providing industry leading products and services to our customers. We must continue to work with the highest standards of excellence in all areas of our business. As Itron's CEO, I want to empower each of you to continue building on the momentum that we have created, driving innovation in our products and services, and striving to improve our customers' success.

Ensuring our customers' success begins with fulfilling our commitments, especially our commitments to business integrity and ethical conduct. As a publicly traded, global organization with thousands of customers in over 100 countries, we operate in a complex and strict regulatory environment in which integrity, compliance and accountability are critical. Integrity is the cornerstone for the way we do business at Itron. This is why adherence to a strict standard of ethical behavior and the laws and regulations of each country where we conduct business is not only the right thing to do, but essential to executing our business objectives.

This Global Anti-Bribery Manual is intended to serve as a guide to help you comply with our Anti-Bribery and Corruption Policy and make ethical business decisions every day. This Manual is not intended to provide a solution to every problem or serve as a substitute for ethical decisionmaking. If you are not sure how to proceed, ask for help and guidance. In all instances, follow the spirit of our Code of Conduct and make decisions that are honest, ethical and fully transparent.

Generations of Itron employees have worked hard to earn our reputation for honesty and integrity; we want to build on that legacy and avoid doing anything that might diminish it.



A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the left.

**Tom Deitrich,**  
President and CEO

# The Basics

Our Anti-Bribery and Corruption Policy sets forth the following basic Approach and Principles:

## WHO DOES OUR POLICY APPLY TO?

Our Anti-Bribery and Corruption Policy applies to all persons working for or on behalf of Itron, including directors, officers, employees, contractor workers, agents, resellers, distributors, suppliers, and other third-parties working for us or on our behalf. We each have an obligation to ensure that no one offers to make, or makes, an improper payment in order to obtain a business advantage.

One of our greatest risks is what others might seek to do on our behalf, which is why it is critical that we comply with our [cite to third-party policy/procedure] when onboarding and overseeing our distributors and sales representatives. We must ensure that their costs and expenses are appropriate and accurately reported in our books and records. Even though these third-parties are not part of Itron, we can be held responsible for the actions they take on our behalf and liable for their wrongdoing. Accordingly, we must be vigilant in regard to our own behavior as well as our business partners’.

## What is a “thing of value”?

A “thing of value” can take many forms and should be construed to include anything that may have value to another person. Plainly, this would include cash, gifts, and travel. But it also includes other types of benefits, such as an offer of employment for a family member or friend, extension of a loan, or a contribution to a favored charity. As these examples show, the thing of value need not be given directly to the person who is to be improperly influenced, but it can be given to a friend, family member or any other third party.

There is no minimum threshold for a “thing of value”; it can be of any amount whatsoever. While it may be appropriate to give standard business courtesies or promotional items of token value (see below), you must keep in mind that a gift that might be considered “token” in a developed country might have greater value and influence in an undeveloped country. Whether a gift is appropriate or not will depend on the specific circumstances, and you should consider the significance of every “thing of value” that you offer to give, or give, to a person outside our company.

## Our Approach

*We are committed to winning business based on our merits, including our reputation for honesty and fair dealing. We will not offer or pay bribes to anyone, anywhere, anytime. We are dedicated to complying with all applicable anti-corruption and commercial bribery laws in countries where we conduct business. We are committed to doing business honestly because it is the right thing to do, allows us to maintain a competitive advantage in the marketplace, and is required by law. The consequences of non-compliance will be severe for the company and any individuals involved. We value our reputation and pledge to maintain the integrity of the company against any potential threats of corruption.*

**“Itron will not tolerate retaliation for any report or inquiry made in good faith.”**

## Our Principles

*We are committed not to pay, offer to pay, or authorize payment of anything of value to a government official or private party to obtain an improper business advantage, either directly or indirectly. We are also committing to making and keeping accurate books and records identifying the relevant details and true nature of all transactions involving our funds and assets, as well as devising and maintaining a system of internal accounting controls to ensure that transactions are authorized and accurately recorded. It is against our principles to ask for or accept anything of value for the purpose of providing an improper business advantage. Further, it is against our policy and business principles to do indirectly anything that we are prohibited from doing directly.*

This Manual is intended to supplement our Anti-Bribery and Corruption Policy, explaining with specificity our ethical and legal obligations. In all instances, Itron’s employees, representatives and business partners must act ethically and in accordance with the basic principles set forth above and in our Code of Conduct.

If you have a question about whether conduct is permissible or not, you must seek guidance before acting. Likewise, if you know of a possible violation of this or any of Itron’s policies or Code of Conduct, you must report it. You can seek advice or report an issue to your supervisor, Legal, or the Global Compliance Team at [Compliance@itron.com](mailto:Compliance@itron.com). If you wish to report or inquire anonymously, you may use our EthicsPoint Hotline at [www.itron.ethicspoint.com](http://www.itron.ethicspoint.com).



### What is an “improper business advantage”?

It is against company policy and criminal anti-bribery laws to provide a thing of value with the intent to improperly influence a business decision. An offer or payment of a thing of value is “improper” or intended to create an “improper business advantage,” when it is made for the purpose of influencing the recipient’s business decision. Simply put, an offer or payment is made to obtain an “improper business advantage” where it is intended to cause the recipient to act to your benefit.

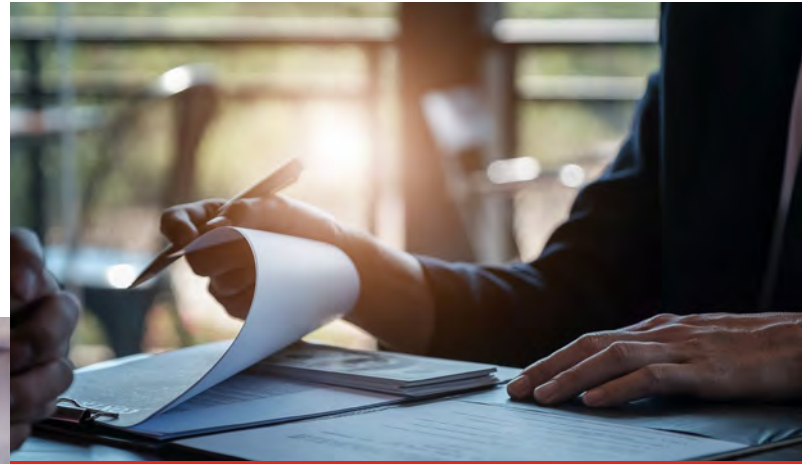
Not all gifts, entertainment or hospitality are improper or intended to cause an “improper business advantage.” It is customary and typically proper to take a customer to dinner, host a charitable event, or offer token promotional items. Such acts are ordinary business practices and, while they may be intended to create good will, they cannot be expected to influence the recipient’s business decision and create an unfair business advantage.

To make sure that any gift, entertainment or hospitality that you intend to offer is proper, you must comply with our [Policy on Gifts/Hospitality/Ent.](#) Generally speaking, all gifts, meals, etc. of \$50 or above require approval.

### What does it mean to do something “indirectly”?

The law prohibits you from doing indirectly that which you cannot do directly. For example, when it is improper for you to give a gift to a specific person, you cannot arrange for someone else to give the gift to that person. Nor can you give the gift to a third party, or arrange from someone else to do so, when the gift to the third party is intended to benefit of the person to whom you are prohibited from giving a gift.

Simply put, if you are not allowed to do something according to law or company policy, you cannot seek clever ways to evade or bypass that prohibition.



“It is against company policy and criminal anti-bribery laws to provide a thing of value with the intent to improperly influence a business decision.”

# Specific Policy Prohibitions

Our Anti-Bribery and Corruption Policy sets forth these specific prohibitions (A-F):

**A. Payments to Government Officials:** Do not pay, offer to pay, or authorize payment of anything of value to a government official. This prohibition applies to persons related to, or associated with, government officials. It may be permissible in specific cases to provide token gifts or hospitality to a government official; however, advance written approval must be obtained from Itron's Chief Compliance Officer (or a person specifically designated by the Chief Compliance Officer) before any such gift or hospitality is provided to a government official, in accordance with Itron's Gifts and Hospitality Policy.

## Who is a "government official"?

As explained in our policy, a "government official" is any person, regardless of position or rank, working for or acting on behalf of a government, or a government-controlled entity or business. This includes any person or entity acting for or on behalf of a government or government controlled public international organization; political party; or candidate for political office.

Note that a "government official" includes any person employed by a government-owned business, even if the business is run solely for commercial gain. For example, a person working for a Chinese company that is owned or controlled by the Chinese government would be a "government official." You should be very careful when doing business in countries where the government controls segments of the economy, as it can be difficult to distinguish between government businesses and truly private businesses.

## When can a thing of value be given to government officials?

Generally speaking, you should not provide anything of value to a government official without prior approval obtained in accordance with our [Gifts and Entertainment Policy](#) aside from a non-alcoholic drink, such as coffee, soda or bottled water. The laws of different countries vary widely as to when, if ever, government officials can accept meals, travel or hospitalities. Thus, you must seek approval from Itron's Global Compliance Team before offering any such benefit to a government official, which you can do by contacting Itron's Global Compliance Team at [Compliance@itron.com](mailto:Compliance@itron.com)

**B. Payments to Private Parties:** Do not pay, offer to pay, or authorize payment of anything of value to a private party to obtain an improper business advantage. In certain instances, it may be acceptable to provide promotional gifts or hospitality to a private party. Such gifts or hospitality must be given in compliance with the Itron's Gifts and Hospitality Policy.

## Who is a "private party"?

A "private party" is any person who is not a "government official." For example, if your customer is privately owned (i.e., not owned or controlled by a government), your point of contact for that customer would be a "private party."

Remember: in many countries for-profit corporations are owned or controlled by the government; therefore, their employees must be considered "government officials."

## Does this mean I cannot entertain or provide business courtesies to private parties?

You may provide business courtesies to private parties in accordance with our [Gifts and Hospitality Policy](#). What is prohibited is the offer or provision of a benefit that is made for the purpose of obtaining an "improper business advantage"; that is, the offer or giving of a benefit that is intended to cause a person to make a decision in our favor because, in part, of the offer or benefit that provided.

In many jurisdictions it is illegal to bribe a private party, just as it is illegal to bribe or attempt to bribe a public official. At Itron, anything that may be perceived as a bribe is prohibited; whether to a public official or a private party.



## Why, then, make a distinction between public officials and private parties?

Even though we prohibit making improper offers of payment or payment to public officials and private parties, the rules regarding what gifts and hospitalities can be provided to each set of persons differ. Accordingly, we treat public officials and private parties separately, even though we prohibit the improper offer of, or giving of, things or value to both sets of parties.

To contact the Compliance Department or report an issue, email [Compliance@itron.com](mailto:Compliance@itron.com)



**C. Facilitation and Personal Safety Payments:** The prohibitions set forth in this Policy include payments made to facilitate or “grease” routine government functions (such as issuing a permit or releasing an item from customs), regardless of whether such payments are allowable by law. However, the prohibitions do not apply to payments made in response to imminent threats to health or safety. In the event such payment is made or anticipated, Itron’s Chief Compliance Officer must be immediately notified.

#### What is a “facilitation payment”?

Generally speaking, a “facilitation payment” is small payment made to facilitate a routine government action that should be performed regardless of the payment. For instance, in some countries, government officials require bribes before performing routine acts, such as issuing a building permit or providing a custom’s stamp. A number of anti-bribery laws make exception for such payments and allow them. However, many anti-bribery laws do not make an exception for such payments; and such payments are almost always illegal in the counties where they occur. Accordingly, we uniformly prohibit the making of such payments.

If a government official demands such a payment, you should not make the requested payment and immediately advise Itron’s Chief Compliance Officer of the demand.

#### What if my health or safety are at issue?

In rare instances, employees traveling abroad could be physically detained or threatened with harm by government officials. Likewise, it is conceivable that an employee might be denied necessary health care services unless a facilitation payment is made. If anything like this were to occur to you, we would not expect you to suffer harm because our policy prohibits the making of facilitation payments. Accordingly, if you are threatened with physical harm, or fear you will be harmed or deprived of necessary medical services, you may make a facilitation payment to avoid such harm or obtain help.

However, regardless of whether you use your own money or company funds to make such payment, you must immediately report the payment to the Itron Global Compliance Team.

**D. Receipt of Payments:** Do not ask for or accept anything of value from any person or entity for the purpose of providing an improper business advantage. It may be acceptable to receive basic hospitality and promotional items, but only if done in compliance with Itron’s Gifts and Hospitality Policy.

#### Why does it matter what I accept?

If it is wrong to give an improper benefit, it is also wrong to receive one. Some countries make the receipt of an improper benefit illegal. Even where that is not the case, it still may be illegal to “conspire” with someone to give such a benefit, which the recipient typically does when he or she agrees to receive such benefit. Thus, regardless of the specifics of local laws, it is generally illegal to receive, or agree to receive, an improper payment that is intended to influence your business decision.

We are committed to making our business decisions based on the merits, and in the best interests of our company. We will not be influenced in any way by the promise or receipt of a personal benefit. Of course, it is permissible to receive customary business courtesies, such as **a working meal, entertainment during travel, or promotional items**. You should consult with our [Gifts and Hospitality Policy](#) to determine whether a benefit is appropriate or not. If you receive a gift or an offer of a gift with value of more than \$50, you should not accept such gift and should inform the Itron Global Compliance Team at once.

**E. Charitable and Political Contributions:** Do not provide Company funds or assets to any political party, candidate or a charitable organization without advance written authorization from Itron’s Chief Compliance Officer. Employees should not make contributions in the Company’s name, even if no Company funds or assets are used. Further, government procurement personnel may not make any private political contributions without approval by the Chief Compliance Officer. Please consult Itron’s Political Action Policy for additional information.

#### Why are charitable and political contributions limited?

Charitable and political contributions are limited for several reasons. First, we need to be extremely vigilant to ensure that our contributions are not made for the purpose of influencing a business decision, in which case the contribution—even if made to a legitimate and sympathetic organization—could be considered a bribe. Second, there are many laws and regulations that limit the types and amounts of gifts and charitable contributions we can give, and under what circumstances.

Accordingly, such gifts and contributions must be approved by Itron’s Compliance Officer, before any such gift or contribution is offered or made with company funds.





#### **Why are my personal contributions limited in some circumstances?**

Many government procurement laws (including State and local laws in the U.S. and elsewhere) limit the ability of persons who are involved in government procurement activity to make political contributions, even if the contributions are personal. Oftentimes we must certify as part of our bid proposals that no such gifts or contributions have been made by our company or by the employees who are involved in the bidding process.

If you are in a government procurement function, you should consult the Itron Global Compliance Team and/or Itron's Regulatory Affairs Team for further guidance on this topic.

**F. Third Party Due Diligence:** Do not pay expenses on behalf of a third-party working with Itron without first reviewing supporting documentation for the expenses. Unusual or excessive expenses must be questioned, and expenses that appear improper or questionable must not be paid. Decisions to work with third parties that will act as our agents must be made in accordance with Itron's third-party due diligence and approval processes.

#### **Why should I be concerned about what third-parties do?**

For companies with mature financial and compliance controls like ours, the greatest risk of a bribery violation comes from our third-party partners, such as sales agents and distributors. Thus, we must be vigilant when overseeing our partners' business dealings. This includes: approving expenses only if they have supporting documentation; scrutinizing expenses to make sure they are appropriate; ensuring expenses are accurately reported in our books and records; communicating our ethical and compliance standards to our partners; and making sure that our partners understand that we will never pay a bribe, under any circumstances.

We may think of our business partners as responsible for their own conduct; but that is not how the law treats such relationships. We can be held responsible for what our partners do, and we must make every effort to ensure they are compliant with all applicable laws and our Anti-Bribery and Corruption Policy, regardless of where our business partners operate and what might be considered "local custom" there. Even if bribery is common-place where our business partners operate, we will not tolerate the offer, or making, of any bribe, and we will not turn a blind eye to any such conduct.

**“For companies with mature financial and compliance controls like ours, the greatest risk of a bribery violation comes from our third-party partners, such as sales agents and distributors.”**



## Final Words

### Violations

Itron will treat any violation of its Anti-Bribery and Corruption Policy extremely seriously. A violation of this policy may result in disciplinary action, up to and including termination. Third parties who violate this Policy are subject to immediate contract termination. Further, a violation of our policy may also be a violation of anti-bribery and corruption laws, and could result in the criminal prosecution of the individuals who are involved. The criminal prosecution of individuals often results in sentences of imprisonment, significant fines, and restitution.

If you violate company policy or any applicable laws, the consequences for you personally—as well as our company—could be extreme.

### Reporting

All personnel must immediately report any concerns, misconduct, or potential violations of this Policy or applicable anti-bribery or corruption laws. Itron does not tolerate retaliation against anyone who in good faith reports possible violations of law, the Itron Code of Conduct, or company policies or procedures.

“All complaints are taken seriously and addressed reasonably promptly, discreetly, and professionally.”

We have implemented formal processes to enable anyone, including employees, contractors, subcontractors, agents, and external stakeholders, to report anti-bribery and corruption concerns through our third-party operated ethics reporting portal, located at [www.itron.ethicspoint.com](http://www.itron.ethicspoint.com).

All compliance investigations are conducted in accordance with Itron's internal investigations procedures and guidelines and any other relevant Company policies and processes. All complaints are taken seriously and addressed reasonably promptly, discreetly, and professionally. Employees must cooperate with internal investigations, and it is impermissible to retaliate against an employee for cooperating in good faith in such an investigation.

Employees are encouraged to bring their questions, concerns, or complaints to their manager, the Compliance Officer or another member of the Global Compliance Team, an executive officer, or local representatives of Human Resources or Legal. Managers must report complaints or concerns about suspected anti-bribery and corruption violations to our Compliance Officer.

Additional information on how and where to make complaints, report concerns, or ask questions may be found on Itron's Compliance webpage. Please see Itron's [Reporting and Non-Retaliation Policy](#) for additional detail.

### Questions

Questions about this Policy should be directed to Itron's Global Compliance Team at [Compliance@itron.com](mailto:Compliance@itron.com) or at the ethics hotline at [www.itron.ethicspoint.com](http://www.itron.ethicspoint.com).

### Related Policies and Procedures

- » Code of Conduct
- » Reporting and Non-Retaliation Policy
- » Gifts and Entertainment Policy
  - Gift Approval Form
- » Supplier Code of Conduct
- » Conflict of Interest Policy
- » Political Action Policy



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creating a more **resourceful world**

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