

Exhibit to Agenda Item #3

Discuss, with possible amendment, **Strategic Direction SD-6, Safety.**

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, March 10, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Existing Strategic Direction (SD)-6, Safety

Creating a safe environment for employees and the public is a core value of SMUD. Through continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. This includes a comprehensive approach to monitoring organizational and public safety performance. Therefore, SMUD will continue to improve safety results to:

Workplace Safety

- a) Reduce SMUD's injury severity rate to 1.4 by 2020, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates strong safety performance.
- b) Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

Public Safety

- a) Track and report injuries to the public related to SMUD operations or facilities.
- b) Implement measures to protect the public from injuries related to SMUD operations or facilities.

Proposed Strategic Direction (SD)-6, Safety

(Note: Proposed changes in red)

Creating a safe environment for employees and the public is a core value of SMUD. Through **best practice methods** and continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. **This requires a proactive approach, including active involvement of SMUD leadership, employees, contractors, and our community, as well as comprehensive monitoring of organizational and public safety performance.** Therefore, SMUD will continue to improve safety results to:

Workplace Safety

- a) Reduce SMUD's injury severity **incidents to 13 or less by 2025**, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates **top quartile** safety performance.
- b) Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

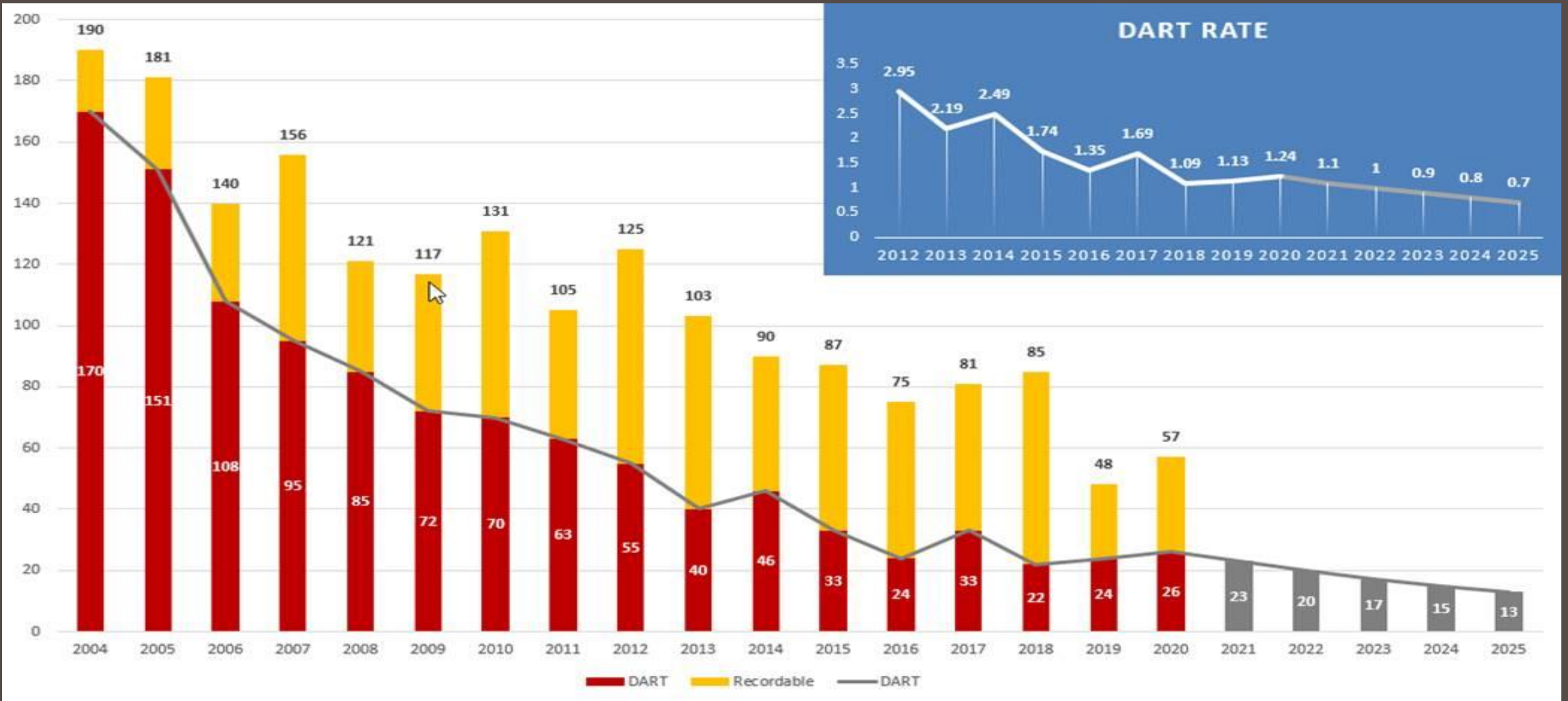
Contractor Safety

- a) **Support contractors to reduce and eliminate potential hazards for Serious Injuries and/or Fatalities (SIF) when conducting high risk work.**

Public Safety

- a) Track and report injuries to the public **directly** related to SMUD operations or facilities.
- b) Implement measures to protect the public from injuries related to SMUD operations or facilities.

DART Glide Path



Explanation of Changes

- **Paragraph 1** – Added language to focus on best practice methods and ongoing continuous improvement and that calls out the emphasis on safety for SMUD leaders, employees, contractors, and the public.
- **Workplace Safety** – Establish an aggressive 50% reduction in DART injuries to less than 13, which is equivalent to a DART rate of 0.70. SMUD is proposing to use a DART number rather than a rate to more clearly communicate reductions to the Board and employees. The DART number is based on an expected average of 4.3M hours worked in a year.
- **Contractor Safety** – Added a section on Contractor Safety to support SMUD’s efforts to assess and mitigate safety hazards for high-risk work our contractors perform.
- **Public Safety** – Clarify public safety expectations to address those incidents that are directly related to SMUD activities. We strive to identify, address, and resolve potential hazards and risks associated with our work to keep the lights on.

Requested Action

- Accept the proposed language changes and adopt the revised Strategic Direction SD-6, Safety.
- Place item on the Board consent calendar for approval.