Exhibit to Agenda Item #3
Accept the monitoring report for Strategic Direction SD-12, Ethics.

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, May 10, 2023, scheduled to begin at 6:00 p.m.
Auditorium, SMUD Headquarters Building
Strategic Direction 12 (SD-12) Ethics
2022 Board Monitoring Report

Maintaining the public trust and confidence in the integrity and ethical conduct of the Board and SMUD employees is a core value. Therefore, to ensure the public interest is paramount in all official conduct, the Board shall adopt and update, as necessary: a Conflict of Interest Code as required by State law. SMUD shall also maintain and enforce a code of conduct applicable to all employees.

Among other things the code of conduct shall:

a) Require high ethical standards in all aspects of official conduct;

b) Establish clear guidelines for ethical standards and conduct by setting forth those acts that may be incompatible with the best interests of SMUD and the public;

c) Require disclosure and reporting of potential conflicts of interest; and

d) Provide a process for (i) reporting suspected violations of the code of conduct and policies through multiple channels, including an anonymous hotline, and (ii) investigating suspected violations.
Maintaining High Ethical Standards

Policy & Procedure Program

- Collaborative process between SMUD’s Legal Department, Unions, and Business Units
- Oversight from People Services & Strategies

Ethics Policy & Procedure

- Administrative Policy - Ethics (5.02.03)
- Management Procedure - Ethics (5.02.03.100)
Guidelines for Ethical Standards & Conduct

Code of Business Ethics & Employee Conduct
- **100%** of all employees and contractors acknowledged code in 2022

Mandatory Ethics Training
- **99.59%** compliant with 2022 training requirement
Ethics Reporting

Require disclosure and reporting of potential conflicts of interest

- Employees in specified job classifications are required to complete an annual Conflict of Interest Statement.
- 99% of 2022 annual conflict of interest statements received

Provide multi-channel process for reporting suspected Code of Conduct and policy violations

- An employee's management or any member of management
- Fair Employment or Labor Relations Office
- Auditor’s Office
- Legal/General Counsel’s Office
- Ethics and Compliance Hotline
Discipline Reporting

Discipline Issued 2018-2022

- Nondiscrimination/Anti-Harassment Policy Violations
- Code of Conduct/Policy Violations

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May 10, 2023
Board Policy Committee and Special SMUD Board of Directors Meeting
 Discipline Reporting

Non-discrimination / Anti-harassment Policy Violations by Protected Class

- Race, Color
- Ancestry, National Origin
- Religion, Creed
- Age (40 and over)
- Disability, Mental and Physical
- Sex, Gender
- Sexual Orientation
- Gender Identity, Gender Expression
- Medical Condition
- Marital Status
- Genetic Information
- Military or Veteran Status
- Retaliation
- Medical Condition
- Genital Information
- Marital Status
- Genetic Information
- Military or Veteran Status
- Retaliation

2018 2019 2020 2021 2022
Recommendation

SMUD is in full compliance with Strategic Direction 12. We recommend acceptance of the SD-12 monitoring report.