

Exhibit to Agenda Item #1

Discuss the monitoring report for Strategic Direction SD-7, Environmental Leadership.

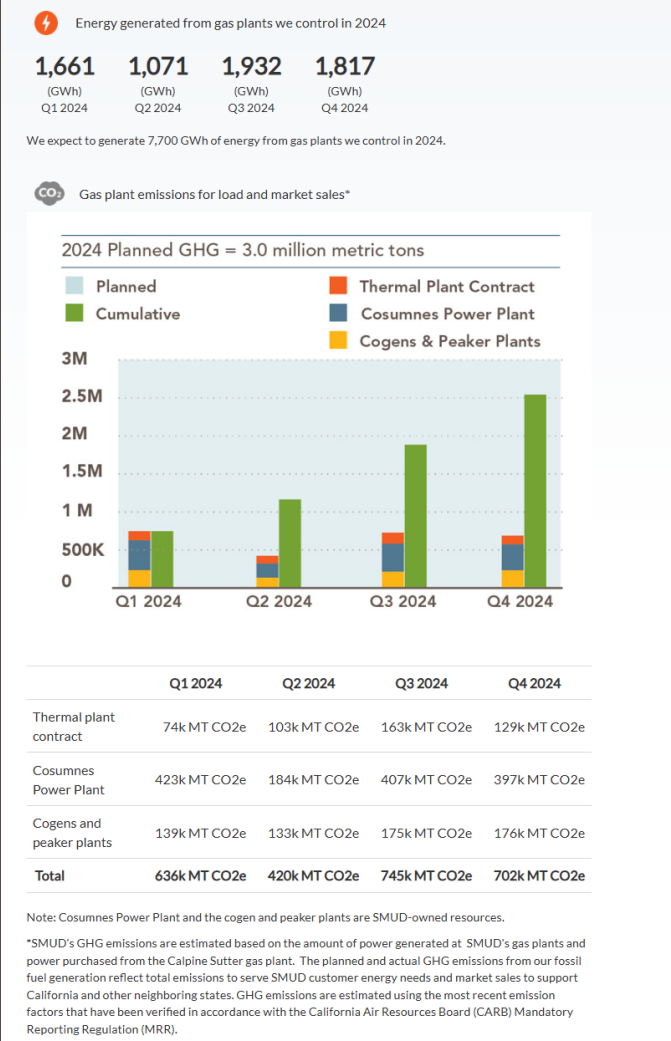
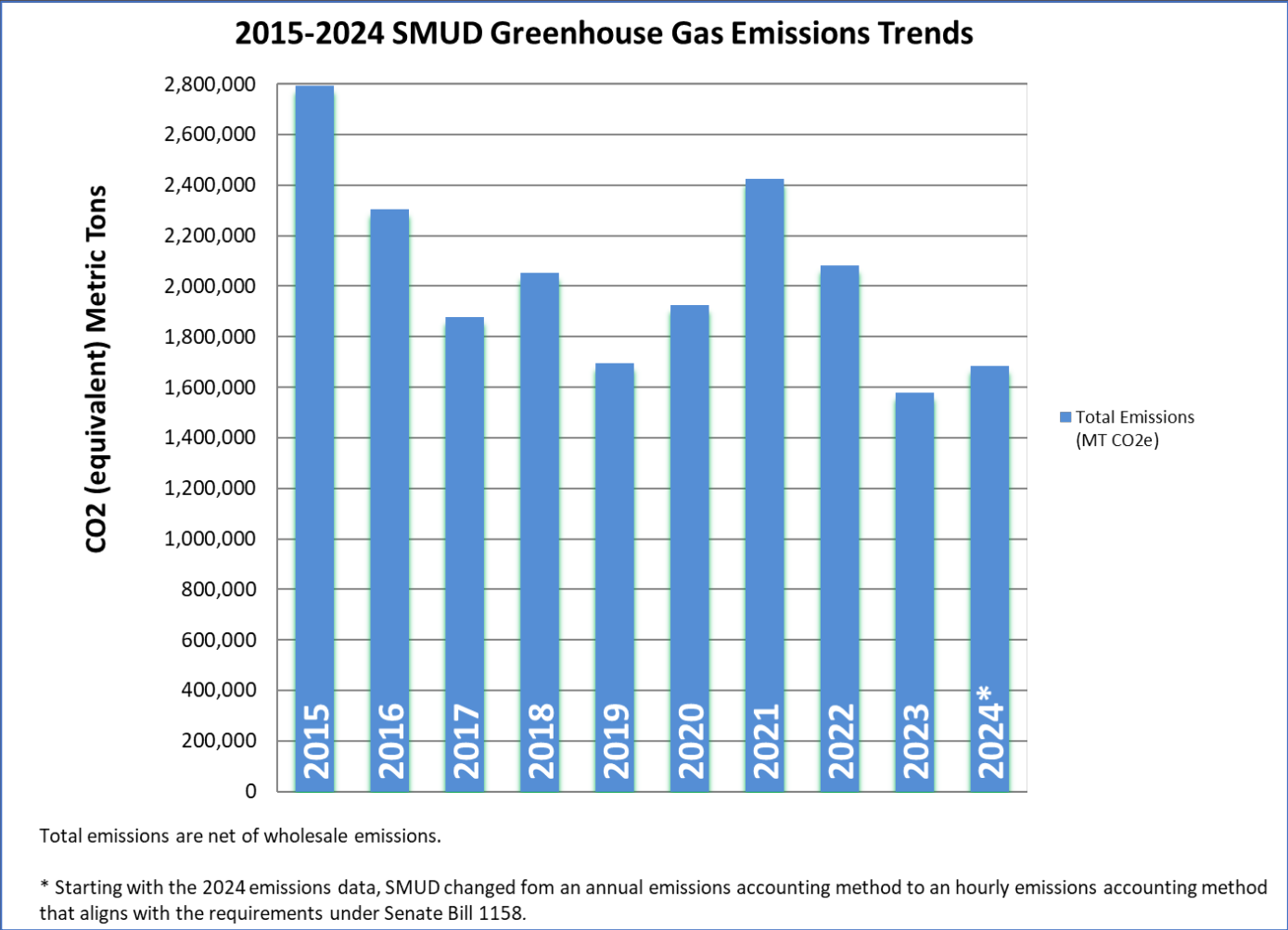
Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, December 10, 2025, scheduled to begin at 6:00 p.m.
Auditorium, SMUD Headquarters Building

Strategic Direction (SD)-7, Environmental Leadership

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

- a. Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, including Tribal and other cultural impacts, conserving resources, enhancing regional biodiversity and promoting equity within SMUD's diverse communities.
- b. Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.
- c. Promote the efficient use of energy by our customers.
- d. Advance the electrification of vehicles, buildings, and equipment.
- e. Attract and build partnerships with customers, communities, policy makers, the private sector, and other stakeholders.

Leadership & Innovation to Reduce GHG Emissions



Conducting Business Affairs Sustainably

- Sacramento Tree Foundation
- Investment Recovery & Sustainable Solutions



Conducting Business Affairs Sustainably

- SMUD Operation and Maintenance Habitat Conservation Plan
- Equipment Electrification



Enhancing Regional Biodiversity

- Pollinator gardens
 - Orangevale substation
 - El Dorado Hills Community Services District
 - SMUD Headquarters
 - Rancho Seco Solar II & Recreation Area
- Pine Hill Preserve Research Partnership
- Beehive hosting
- Nature Based Carbon Solutions & Biodiversity feasibility study



Sustainable Communities Partnerships

- Shine Awards provided over \$500,000 in funding to 29 nonprofit organizations
- Partnership with Volunteers of America (VOA) to help the unhoused population around our infrastructure sites
- Clean energy project expanded to electrify up to 300 homes in Meadowview
- Continued partnership with American River College's Native American Resource Center



Requested Action

- Accept the Monitoring Report for Strategic Direction SD-7, Environmental Leadership.