# Principles for Renewable Energy Procurement and Development

We're committed to developing and procuring carbon free renewable energy in a manner that supports the community, protects the environment including Tribal, cultural and historic resources, and respects human rights. This document provides guidance on the key objectives that we expect to achieve associated with this commitment. We require that each project address these Principles and report on our implementation plan to our Board in a transparent public process, with follow-up to monitor actual outcomes.

Key objectives:

1) Land use - Siting: Prioritize previously developed lands. Avoid then minimize impacts on sensitive environmental resources, including but not limited to cultural resources, Tribal cultural resources, and biological resources such as special status species habitat, vernal pools and other sensitive habitats, parks and protected lands, Waters of the US and Waters of the State. Compatibility with surrounding sensitive land uses shall be considered and conflicts identified shall be avoided, minimized or mitigated as feasible along with other required mitigation. When considering projects where special status species have been identified, work with relevant agencies to determine surveys required to support environmental review. Consider how required mitigation can optimize outcomes for special status species in the region of the project.

2) Tribal cultural resources – Ensure tribes are consulted, as appropriate, on potential impacts to Tribal cultural resources during project siting.

3) Land use – Practices: All projects shall employ techniques for maintaining and/or restoring ecosystem functions including those which address potential indirect and direct habitat connectivity impacts, in conjunction with renewable energy outcomes, as consistent with prudent utility practices. Employ project site selection, project design and construction practices that minimize ground disturbance and protect topsoil. Techniques may include establishment of native vegetation, pollinator habitat, restricting use of herbicides and pesticides, use of grazing for vegetation management and seasonally appropriate maintenance practices.

4) Agriculture: Where development is on or surrounded by agricultural lands the project should also employ agricultural practices on the property during operations including sheep grazing, pollinator habitat, dry crop farming and irrigated food production where feasible.

5) Community outreach: Community engagement shall be demonstrated during project development. All developers are required to proactively engage with affected communities, including the authority having jurisdiction, to ensure transparency, gather input, share findings with SMUD and address concerns throughout the project.

6) Sustainable life cycle management: Include plans for sustainable life cycle management of construction materials and project components during construction and operation that provides for recycling and reuse of construction waste and waste during operation including but not limited to the solar panels.

7) Sustainable communities: Include plans to engage a local workforce and provide a sustainable community strategy that addresses workforce disparity gaps for historically underserved communities and maximize the percentage of local labor used to staff the project. If the project is in SMUD's service territory, hiring targets should include communities with medium high to high sensitivity within SMUD's service territory as defined on SMUD's Sustainable Communities Resource Priorities Map as well as strategies to engage local workforce programs for recruitment.

8) Sustainable materials & equipment: Material and equipment shall be sourced from companies that have a human rights policy and statement of supply chain ethics commitment to respect human rights and uphold ethical business practices in their operations and value chains.

SMUD