

Exhibit to Agenda Item #1

Discuss the monitoring report for **Strategic Direction SD-8, Employee Relations.**

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, May 13, 2026, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

Strategic Direction 8 (SD-8) Employee Relations 2025 Board Monitoring Report

Developing and maintaining a high quality, diverse and inclusive workplace that engages and inspires employees to commit to SMUD's purpose, vision and values is a core value of SMUD.

SMUD is committed to diversity and inclusion and will foster and support a workplace that values employees representing a variety of backgrounds, including but not limited to, race, ethnicity, gender, gender identification and/or expression, sexual orientation and identification, national origin, age, physical abilities, veteran status, socio-economic status, life experiences, talents, and thinking styles.

Therefore:

- a) SMUD shall attract and retain a highly qualified and diverse workforce.
- b) SMUD shall promote inclusion and diversity and engage its workforce in activities that demonstrate and support inclusion and diversity across the organization.
- c) SMUD shall engage its workforce in personal and professional development.
- d) SMUD's percentage of engaged employees as measured through the Engagement Index shall exceed 80%.
- e) SMUD shall use a broad mix of communication and outreach channels to ensure its recruitment activities reflect the diversity of the communities it serves.
- f) SMUD shall maintain and communicate written policies that define procedures and expectations for staff and provide for effective handling of grievances.
- g) Annually, and consistent with State and Federal law, the Board shall receive a report detailing the demographics and trends of the SMUD workforce, the available workforce, and the Sacramento region. The report shall also provide information on veterans as a part of SMUD's workforce.

Creating Awareness of SMUD & Energy Careers

Requirements A, B, E



Engaging the whole community

- Casting a wide net
- Leveraging our Community Partners
- Partnership network foundation
- Multi-lingual accommodations
- All-age pipeline for SMUD talent

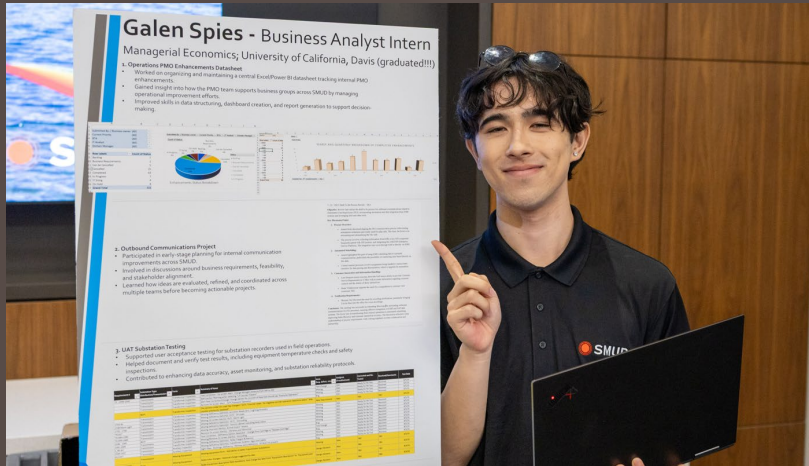
Education Outreach

- Engaged **25,500+** educators, students, and families in SMUD's Zero Carbon effort and related energy careers
- 2025 partners included:
 - K-12 schools
 - Community colleges
 - 4-year universities
 - Education non-profits

Career Ambassador Program

- Reached **8,500+** people at **107** Ambassador outreach events
- Staff saw reduced attendance and fewer virtual collaborations
- 2025 partners included:
 - K-12 schools
 - Community colleges
 - 4-year universities
 - Education non-profits
 - Workforce training programs

Developing Entry-level Pipeline Requirements A, B, E



Internships

- Received **5,300+** intern applications, hired **97** students
- Intern hires increased by **10%**
- 2025 Cohort Contributions
 - AutoCAD engineering drawings for construction projects
 - SAP Service Cloud data integrity
 - Grid evaluation for commercial electrification projects
 - Centralized nonprofit database creation
 - Trades education for Language Academy of Sacramento

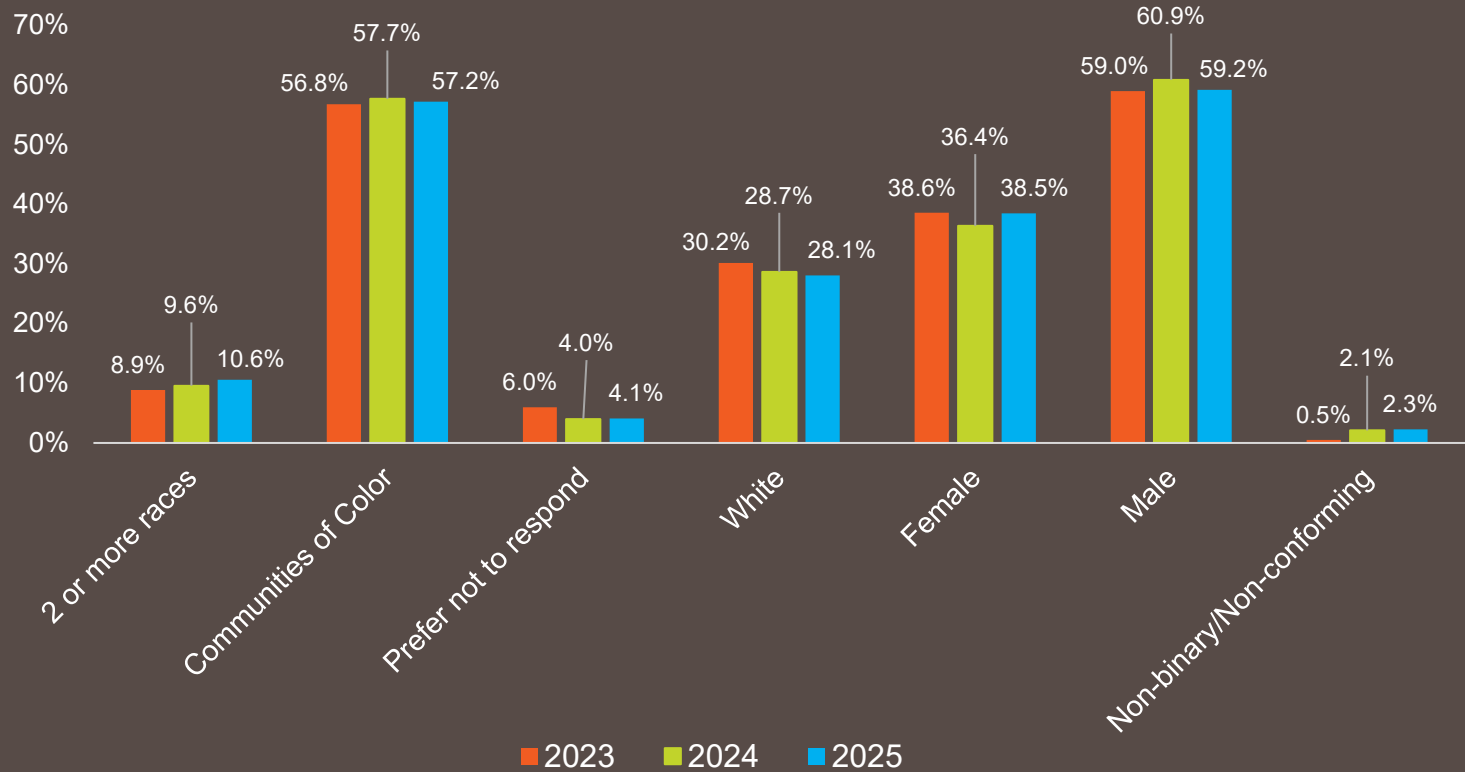


Regional Workforce Development

- Partnered with **44** orgs to develop & train our community
- Reached **7,500+** youths and adults
- Trained **4,000+** in work readiness & technical skills
- Placed **830+** trainees into new careers

Attracting Qualified, Diverse Talent Requirements A, B, E

Applicant Demographics 2023-2025



Hiring Activity

- Managed **nearly 600** internal & external hiring requisitions
- Screened **nearly 40,000** applications
 - All-time **record high** for SMUD
 - Internal apps increased by **125%**
 - External apps increased by **33%**



Developing Qualified, Diverse Talent

Requirements A, B, C, D

Skilled Trades Apprenticeships

- Trained **125** apprentices, up from 110 in 2024

Corporate Learning & Development Curriculum

- Employees averaged **46** hours of training

Employee Leadership Programs

- **11 external and 2 internal** programs with a total of **37** graduates
 - **12** Building Leadership Talent grads
 - **14** Field Leader Training grads

Education Assistance Tuition Reimbursement

- **70** employee participants, down from 99 in 2024
- **4** employees earned Masters degrees
- **6** employees earned Bachelors degrees



Retaining Qualified, Diverse Talent

Requirements A, B



Low Employee Turnover

- SMUD turnover remained steady
 - **5.2%** in 2025
 - **5.1%** in 2024
 - **6.4%** in 2023
- Turnover continues to rank below industry benchmark of **8.4%** in 2025



Employee Exit Interviews

- **63** employees interviewed
- **89%** would consider returning
- **8%** of all exiting employees were dissatisfied with some part of their job
- **100%** would recommend SMUD



Employee Health and Well-being

- SMUD continues to operate Headquarters and East Campus Operations Center Wellness Centers at no cost to employees and expanded hours to **7 days** a week in 2025
- Centers currently serve more than **1,150** employees



SMUD Cares Employee Giving Campaign

- Surpassed our \$440,000 goal, raising **more than \$500,000** for local nonprofits
- Completed **80** SMUD Cares volunteers projects
- Employees volunteered **4,105 hours** throughout 2025

Workforce Culture Requirements A, B, C, D

Employee Engagement

- 2024 survey achieved **91%** participation for the second time in a row, an all-time high for SMUD
- In 2025, incorporated the response themes to inform action planning and process improvements
 - **Highest scores:** Safe practices, sense of contribution to SMUD's success, and team members valuing each other's opinions.
 - **Greatest gains:** Employee growth & development opportunities and increased trust and respect from supervisors.
 - **99%** of leaders developed action plans to support ongoing engagement efforts
 - **2** enterprise-wide process enhancements completed for Procurement and Performance Management

Employee Resource Groups (ERGs)

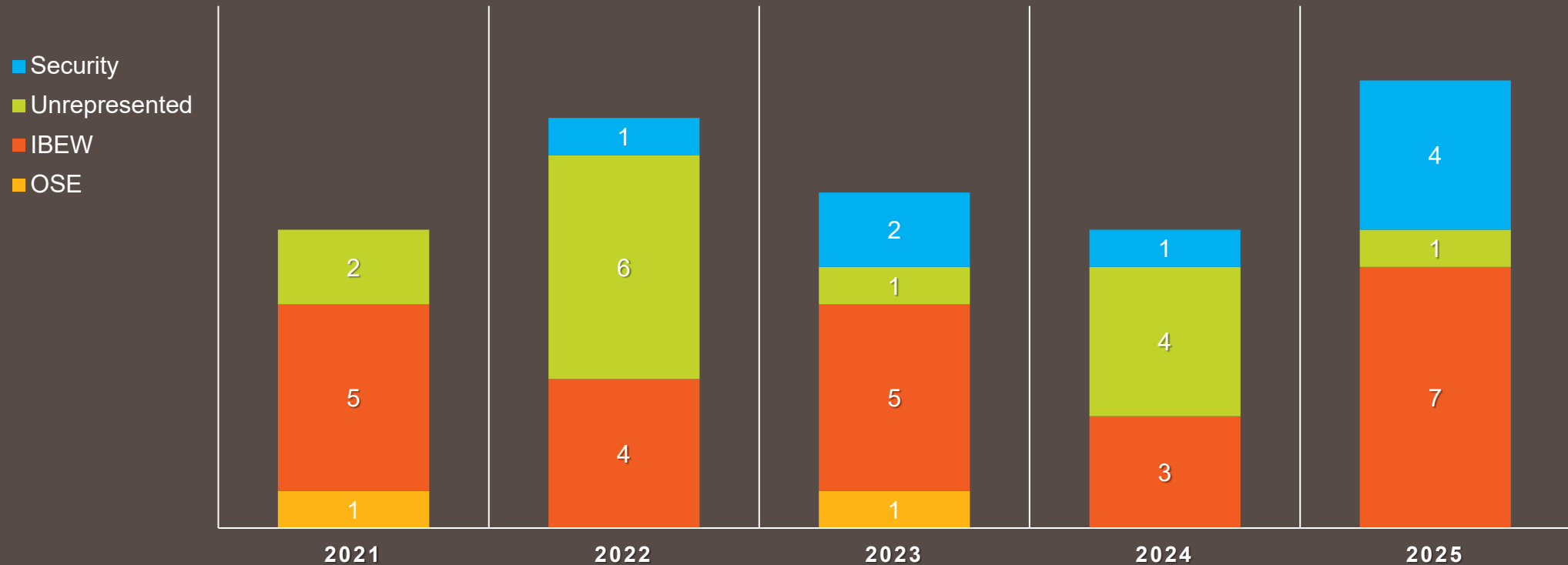
- Hosted **63** events attended by approx. **1,150** employees to increase cultural awareness, foster support and belonging, and promote engagement
- Celebrated largest attended **Diversity Day** in tandem with **ERG Recruitment Fair** with over 220 employees
- Staff shared **SMUD culture best practices** at 2 community ERG Summits



Conduct & Grievances

Requirement F

2021-2025 Grievances



Workforce Demographics - Overall Requirement G (Federally reported)

Calendar Year	Gender		Race/Ethnicity						
	Male	Female	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	2 or more Races
2021	66%	34%	57%	7%	15%	15%		1%	5%
2022	67%	33%	56%	7%	16%	15%		1%	5%
2023	66%	34%	55%	7%	16%	16%		1%	5%
2024	65.2%	34.4%	51.8%	6.9%	15.9%	14.2%	0.9%	0.6%	5.7%
2025	64.8%	34.8%	50.4%	6.6%	16.7%	14.0%	1.1%	0.6%	6.3%
Sac Pop. 2024	49.2%	50.8%	39.0%	8.8%	24.6%	18.7%	1.1%	0.2%	7.6%
Sac Civ. 2024	52.1%	47.9%	39.7%	8.2%	24.6%	19.3%	-	-	-

Workforce Demographics - Veterans

Requirement G (Federally reported)

Veteran Outreach & Hiring

- Attended **4** vet-specific events
- Reached **602** vet orgs
- Sent **4,100+** job email announcements
- Hired **8** vets in 2024, comprising SMUD vet population of **5.5%**

Calendar Year	Gender		Race/Ethnicity						
	Male	Female	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	2 or more Races
2021	91%	9%	58%	6%	13%	13%		0%	9%
2022	90%	10%	56%	6%	13%	15%		0%	10%
2023	91%	9%	56%	5%	12%	16%		0%	11%
2024	82.3%	16.9%	46.2%	6.9%	13.8%	12.3%	3.1%	0.8%	11.5%
2025	83.8%	15.4%	47.7%	6.2%	15.4%	10.8%	3.1%	0.0%	11.5%
CA Vets	89.3%	10.7%	57.0%	10.0%	14.4%	7.9%	0.5%	1.0%	9.3%

Workforce Demographics - Overall

Requirement G (Enhanced Demographic Data)

Calendar Year	Gender				Race/Ethnicity								
	Male	Female	Non-binary/ Non-conforming	Prefer Not to Respond	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	Middle Eastern or North African	2 or more Races	Prefer Not to Respond
2024	65.2%	34.4%	0.1%	0.3%	51.8%	6.9%	15.9%	14.2%	0.9%	0.6%	0.2%	5.7%	3.9%
2025	64.8%	34.8%	0.1%	0.3%	50.4%	6.6%	16.7%	14.0%	1.1%	0.6%	0.3%	6.3%	4.0%
Sac Pop. 2024	49.2%	50.8%	-	-	39.0%	8.8%	24.6%	18.7%	1.1%	0.2%	-	7.6%	-
Sac Civ. 2024	52.1%	47.9%	-	-	39.7%	8.2%	24.6%	19.3%	-	-	-	-	-

Workforce Demographics – Veterans

Requirement G (Enhanced Demographic Data)

Calendar Year	Gender				Race/Ethnicity								
	Male	Female	Non-binary/ Non-conforming	Prefer Not to Respond	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	Middle Eastern or North African	2 or more Races	Prefer Not to Respond
2024	82.3%	16.9%	0.0%	0.8%	46.2%	6.9%	13.8%	12.3%	3.1%	0.8%	0.0%	11.5%	5.4%
2025	83.8%	15.4%	0.0%	0.8%	47.7%	6.2%	15.4%	10.8%	3.1%	0.0%	0.0%	11.5%	5.4%
CA Vets	89.3%	10.7%	0.0%	0.0%	57.0%	10.0%	14.4%	7.9%	0.5%	1.0%	-	9.3%	0.0%

Workforce Demographics by Employee Level Requirement G (Enhanced Demographic Data)

Level	Gender				Race/Ethnicity								
	Male	Female	Non-binary/ Non-conforming	Prefer Not to Respond	White	Black or African American	Hispanic or Latino	Asian	Native Hawaiian or Pacific Islander	American Indian or Alaska Native	Middle Eastern or North African	2 or more Races	Prefer Not to Respond
Execs	66.7%	33.3%	0.0%	0.0%	33.3%	11.1%	0.0%	22.2%	11.1%	0.0%	0.0%	22.2%	0.0%
Directors	60.6%	39.4%	0.0%	0.0%	54.5%	12.1%	3.0%	18.2%	3.0%	0.0%	0.0%	6.1%	3.0%
Managers	61.6%	38.4%	0.0%	0.0%	66.1%	2.7%	8.9%	12.5%	0.0%	0.9%	0.0%	7.1%	1.8%
Supervisors	63.1%	36.9%	0.0%	0.0%	55.9%	7.6%	11.9%	17.4%	0.4%	0.0%	0.0%	4.2%	2.5%
Staff	65.3%	34.3%	0.2%	0.3%	48.9%	6.6%	18.0%	13.6%	1.2%	0.7%	0.3%	6.4%	4.3%
SMUD	64.8%	34.8%	0.1%	0.3%	50.4%	6.6%	16.7%	14.0%	1.1%	0.6%	0.3%	6.3%	4.0%

Recommendation

SMUD is in full compliance with Strategic Direction 8.
We recommend acceptance of the SD-8 monitoring report.