Exhibit to Agenda Item #2
Accept the monitoring report for Strategic Direction SD-12, Ethics.

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, May 11, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
Strategic Direction 12 (SD-12) Ethics
2021 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.
Integrity & Ethical Conduct

Require high ethical standards in all aspects of official conduct

- Administrative Policy - Ethics (5.02.03)
- Management Procedure - Ethics (5.02.03.100)

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

- Code of Business Ethics and Employee Conduct Booklet provided to all new employees upon hire and all contractors issued a SMUD identification badge
Code of Conduct for All Employees

- Ethics Training is a mandatory requirement for all employees
- Employees are required to take the training every 2 years
- 98% compliant with 2020 Ethics training
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.
- 100% of the 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 2018-2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Nondiscrimination/Anti-Harassment Policy Violations</th>
<th>Code of Conduct/Policy Violations</th>
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<tbody>
<tr>
<td>2018</td>
<td>8</td>
<td>39</td>
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<td>33</td>
</tr>
<tr>
<td>2021</td>
<td>4</td>
<td>24</td>
</tr>
</tbody>
</table>

- **Nondiscrimination/Anti-Harassment Policy Violations**
- **Code of Conduct/Policy Violations**
Discipline Reporting

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

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

Years: 2018, 2019, 2020, 2021
Recommendation

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