Exhibit to Agenda Item #2

Discuss the monitoring report for **Strategic Direction SD-16, Information Management and Security**.

Board Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting

Wednesday, November 20, 2024, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

SD-16 Information Management and Security Policy

Proper management of cyber and physical information, as well as physical security, is a core value. Robust information management and physical security practices are critical to effective risk management and to ensure regulatory compliance, business resiliency and customer satisfaction. SMUD shall take prudent and reasonable measures to accomplish the following:

a) Information Security: SMUD will protect customer, employee and third-party information, and SMUD information systems are protected from unauthorized access, use, disclosure, disruption, modification, or destruction.

b) Physical Security: SMUD will safeguard its employees while at work as well as customers and visitors at SMUD facilities. SMUD will also protect its facilities and functions that support the reliability of the electric system and overall operation of the organization from unauthorized access or disruption of business operations.

c) Customer Privacy: SMUD will annually notify customers about the collection, use and dissemination of sensitive and confidential customer information. Except as provided by law or for a business purpose, SMUD will not disseminate sensitive and confidential customer information to a third party for non-SMUD business purposes unless the customer first consents to the release of the information. Where sensitive and confidential information is disseminated for a business purpose, SMUD will ensure: (i) the third party has robust information practices to protect the sensitive and confidential customer information, and (ii) use of the information by the third party is limited to SMUD's business purpose. SMUD will maintain a process that identifies the business purposes for which SMUD will collect, use and disseminate sensitive and confidential customer information.

d) Records Management: SMUD will maintain the efficient and systematic control of the creation, capture, identification, receipt, maintenance, use, disposition, and destruction of SMUD records, in accordance with legal requirements and Board policies.

Monitoring Summary

SMUD is in substantial compliance with SD-16, Information Management and Security Policy.

2023-2024 Activities

- Information Security
  - Program aligned to National Institute of Standards & Technology (NIST)
  - NIST Cybersecurity Framework (CSF) v2 update added “Governance”
  - Zero Trust Strategy
- Customer Privacy
  - Annual notice of privacy practices sent with May bill cycle
  - No data shared for non-SMUD business purposes
  - Data Sharing policy and process remain effective

2023-2024 Activities

- Payment Card Industry (PCI) – Data Security Standard (DSS)
- SMUD is compliant with new version standard (v4)
- Merchant Bank: Chase Paymentech
- Level 2 Merchant – transaction volumes (for 2023 full calendar year):
  - Visa: 1,882,359
  - MasterCard: 402,338
  - AmEx: 12,255
  - Discover: 38,416
- PCI DSS Self-Attestation required Annually
  - Self-Assessment Questionnaires (SAQ) submitted to Merchant Bank June 14, 2024

2023-2024 Activities

- Physical Security
  - New Visitor Control and Management policy
  - Thermal Imaging Intrusion Detection Systems
  - Homeless Response/Substation Intrusion
  - Partnership with Volunteers of America
  - Workplace Violence & Prevention Policy (SB 553)

2023-2024 Activities

- Information Management & Compliance
  - Enterprise Content Migration Project
    - Planned completion of 24 (total of 29) out of 41 total business areas by year end
    - Estimated total of 4.5 million documents classified & migrated
    - Implemented comprehensive Information Management procedures for all migrated areas
  - Continued to Partner with IT to review software integrations
    - Evaluate software tools for information management compliance and redundancies
  - Continued collaboration with IT and governance groups within SMUD
    - Enterprise Content Management Team, Cybersecurity, Data Governance, the Critical Infrastructure Protection (CIP) Program and others

Questions and Answers