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Gainesville Regional Utilities

Moody's Environmental, Social and Governance Report

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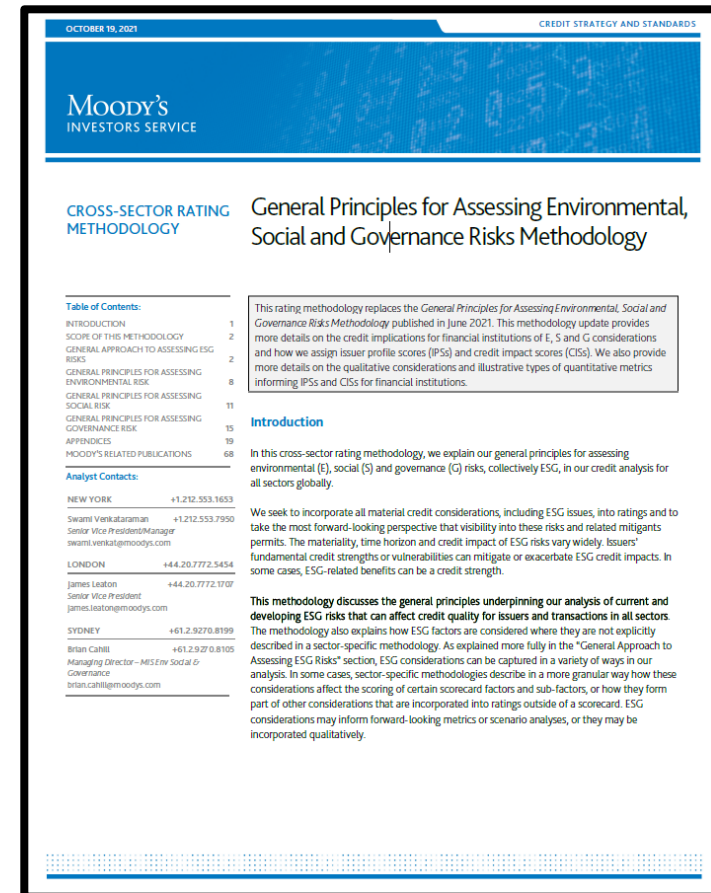


Moody's Environmental, Social and Governance Efforts

- Moody's recently released their Environmental, Social and Governance ("ESG") Criteria
- Applies to issuers nationally as well as globally, regardless of business line
- Moody's started to release reports
- Public Power issuers were released in early May, with a focus on larger organizations

Conclusion of GRU's ESG Assessment:

- Moody's ESG ratings have already been incorporated into GRU's Aa3 rating (the "CIS" score)
- GRU scored "about average" in 3 of the 4 categories
- In areas where GRU scored below average, the score was heavily influenced by criteria outside of GRU's direct control





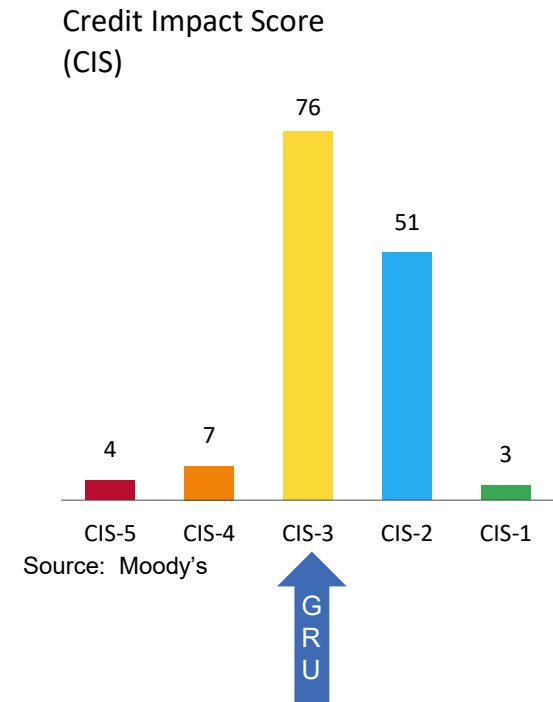
Moody's ESG: Credit Impact Score (CIS)

- Reflects the impact of ESG criteria on GRU's credit rating (Aa3)
- Direct influence on GRU's cost of debt if the CIS score causes a downgrade
- However, Moody's has been incorporating ESG factors into the credit rating for several years – so no change to GRU's Aa3 rating
- GRU scored a “3” – Moderately Negative “limited impact on the current rating, with greater potential for future negative impacts over time”

Conclusion of GRU's CIS Assessment:

- Already incorporated into GRU's rating
- GRU's CIS is “about average” for issuers with fossil fuel exposure

Moody's CIS Scores, Across Power Sector





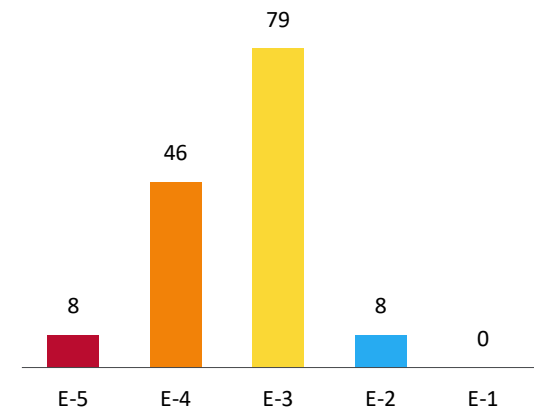
Moody's ESG: Environmental Profile (E-4)

- Focus on the following environmental factors and scores:

Physical climate risk	4
Carbon transition	3
Water management	2
Waste and pollution	2
Natural capital	2

Moody's "E" Scores, Across Power Sector

Environmental Issuer Profile Score



Source: Moody's



Conclusion of "E" Assessment:

- Physical climate risk is highly negative due to threat of hurricanes
- Carbon transition risk elevated due to current generation portfolio
- Likely these 2 areas will not materially change over the next decade
- "Riskiest category" (Physical climate risk) drives this overall "E" score

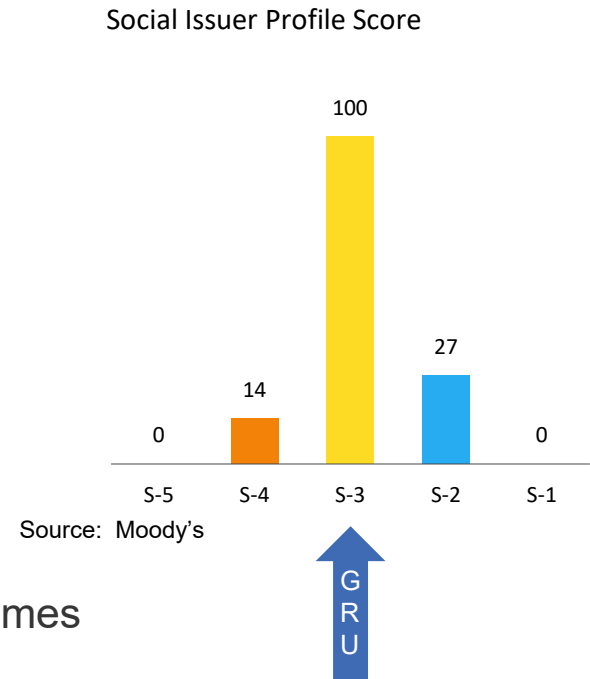


Moody's ESG: Social Profile (S-3)

- Below are *some* of the factors and scores:

○ Customer relations	3
○ Human capital	2
○ Health & safety	2
○ Responsible production	2
○ Demographics & trends	2

Moody's "S" Scores, Across Power Sector



Conclusion of "S" Assessment:

- Influenced by 2 primary factors: higher rates and lower incomes
- Function of student population as well as economic profile (federal data on unemployment and median household income)
- Likely these factors will not change in the near-to-mid term
- GRU "about average" compared to the power sector



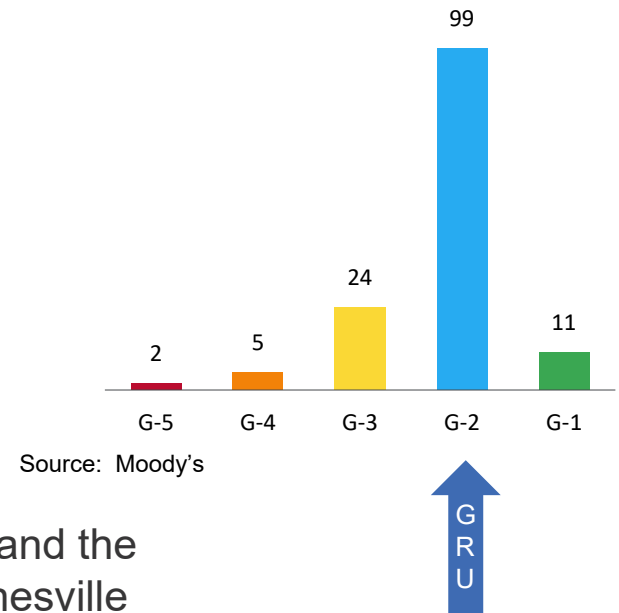
Moody's ESG: Governance Profile (G-2)

- Below are *some* of the factors and scores:

○ Financial strategy	2
○ Management credibility	2
○ Organizational structure	2
○ Board structure/policies	3
○ Compliance & reporting	2

Moody's "G" Scores, Across Power Sector

Governance Issuer Profile Score



Conclusion of "G" Assessment:

- Influenced by 3 primary factors: higher leverage, high GFT and the fact that the governing board is elected by the citizens of Gainesville
- Recognizes that there is a plan to reduce the GFT over time
- Moody's will revisit to see if the plan is followed
- GRU "about average" compared to the power sector



Moody's Environmental, Social and Governance Efforts

- Environmental, Social and Governance (“ESG”) concerns are a continued focus from the investment community, rating agencies and the federal regulators
- Moody's is first rating agency to provide a thorough criteria and assessment of ESG
- GRU's credit impact score is a “4”
 - Already incorporated into GRU current Aa3 rating
 - Similar to other public power issuers with physical climate and fossil fuel exposure
- Factors influencing GRU's overall scoring are largely out of GRU's control for the near to mid-term:
 - Environmental: Threat of hurricanes
 - Social: Regional economic growth, mean household income and rates
 - Governance Sustained GFT reduction
- Compared to other public power and investor-owned utilities, GRU is “about average”



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