

The background of the entire page is a photograph of a landscape at sunset. Two large, steel lattice transmission towers are visible, with power lines stretching across the sky. The sun is a bright, glowing orb positioned between the two towers, creating a strong lens flare effect with rays of light radiating outwards. The foreground is filled with dense, green foliage and tall grasses, which are partially illuminated by the warm light of the setting sun. The sky transitions from a deep blue at the top to a warm orange and yellow near the horizon.

ENERGY to Light the Way

2021 CORPORATE RESPONSIBILITY REPORT



A MESSAGE FROM OUR PRESIDENT AND CHIEF EXECUTIVE OFFICER AND CORPORATE GOVERNANCE AND CORPORATE RESPONSIBILITY BOARD COMMITTEE CHAIR

Over the past year, we've engaged in honest dialogue, reflection and redirection. We listened to our diverse set of stakeholders, who inspired us to take critical new steps toward not only conducting our business better, but toward doing better for the world.

This necessary and collaborative process led us to refine our mission statement, refresh our core values and reinforce our commitment to placing integrity at the center of our business practices and daily behaviors. Stewardship walks hand-in-hand with transparency and accountability, and we're pleased to share our ESG achievements, along with our aspirational goals for FirstEnergy.

When it comes to providing energy, doing better means taking action to address the increasing and undeniable effects of climate change. When we sent hundreds of employees to Louisiana to help restore power after Hurricane Ida, we saw the devastating effects of extreme weather firsthand. Resolved to strengthen our own system against both physical and cyber threats, we're targeting up to \$2.8 billion in investments in 2021 to improve the reliability and resilience of our transmission system and modernize the grid for the millions of people who depend on us.

Such customer-focused investments are also key to supporting increased renewable energy sources and enabling a clean energy future. Our Climate Strategy includes significant goals for near-term emissions and waste reductions, as we strive for carbon neutrality by 2050. We're also taking tangible steps to support widespread electrification and incorporate emerging smart technologies that help us mitigate our effect on the environment and give our customers more tools to better manage their energy use. We'll continue to reflect on the crucial role our industry plays in the race towards a sustainable future, while supporting our customers' evolving energy needs.



Employees at every level of FirstEnergy inspire our strategies, expand our perspectives and drive our success. Our ongoing commitment to diversity, equity and inclusion (DEI) remains essential to our forward-looking strategy, and we've taken significant steps to accelerate our DEI progress through improvements in leadership development, hiring practices and supply chain spend. FirstEnergy's DEI core value also informs our *Investing with Purpose* initiative and inspires the positive contributions our employees make in the diverse, wide-reaching communities we serve.

Beyond these crucial environmental and social goals, we've also made meaningful progress on a range of key governance and accountability measures. In 2021, we introduced *The Power of Integrity*, FirstEnergy's new Code of Conduct, which places integrity at the forefront of everything we do. The Code requires us *all* to speak up if we see inappropriate behavior anywhere in the organization. And, we've empowered employees to do so by establishing multiple reporting channels, where they can raise genuine questions or concerns anonymously and without fear of reprisal.

FirstEnergy's recalibration and growth in corporate responsibility stem from an influx of strong new leaders, appointed both at the board and executive levels. Together with established leaders, they are creating an environment where not only our words, but our actions, align with our core values and behaviors. These leaders and thousands of dedicated employees are lighting the way to a stronger, more sustainable future for FirstEnergy and the communities we serve.

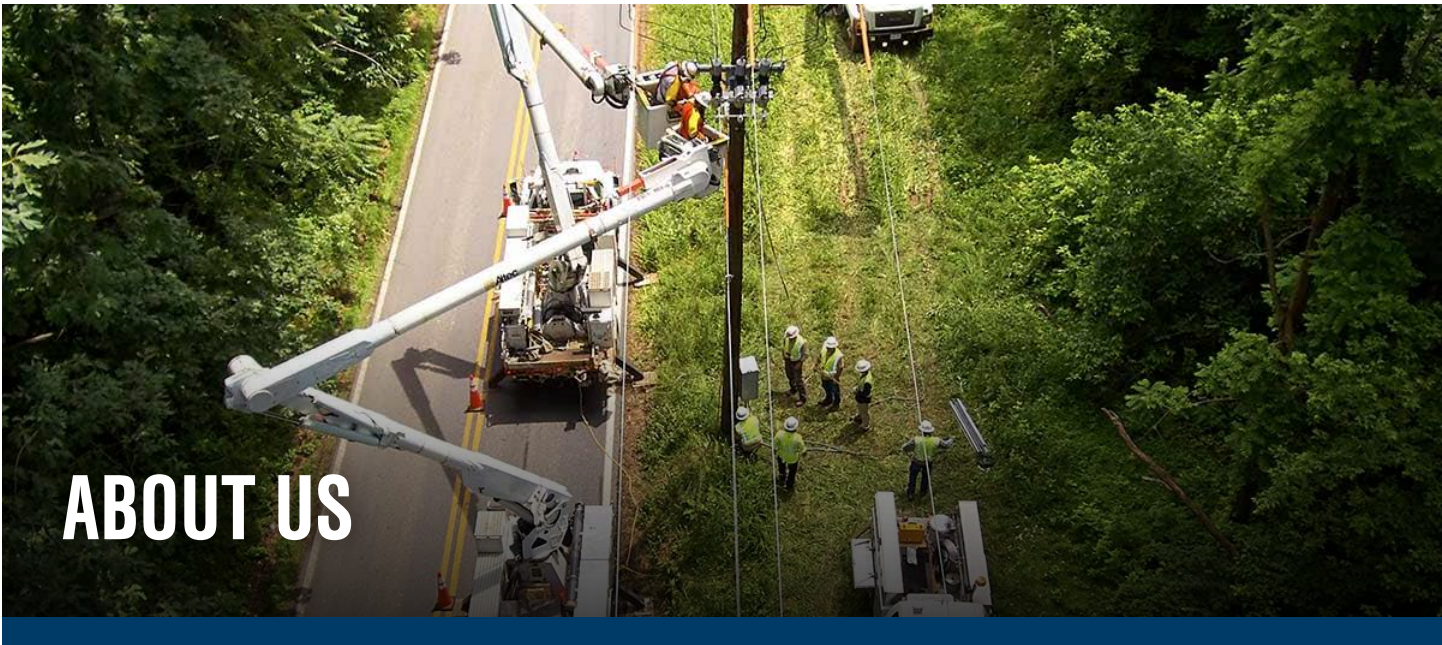
Sincerely,



Steven E. Strah
President and CEO



Julia L. Johnson
Board Committee Chair,
Corporate Governance and
Corporate Responsibility



COMPANY OVERVIEW

Headquartered in Akron, Ohio, FirstEnergy is a fully regulated electric utility with over 12,000 employees dedicated to safety, reliability and operational excellence. Our subsidiaries are involved in the transmission, distribution and regulated generation of electricity. Our 10 electric distribution companies form one of the nation's largest investor-owned electric systems, based on serving more than six million customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland and New York.^[1] The company's transmission subsidiaries operate approximately 24,000 miles of transmission lines connecting the Midwest and Mid-Atlantic regions. FirstEnergy subsidiaries also control 3,580 megawatts of generating capacity from two regulated coal plants and one pumped-storage hydro facility.

<div>\$44_B</div> <div>Total Assets</div>	<div>6_{M+}</div> <div>Total Customers</div>	<div>24_K</div> <div>Transmission Line Miles</div>	<div>65_K</div> <div>Square Miles of Service Territory</div>	<div>12_{K+}</div> <div>Employees</div>
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MISSION

We are a forward-thinking electric utility centered on integrity, powered by a diverse team of employees committed to making customers' lives brighter, the environment better and our communities stronger.

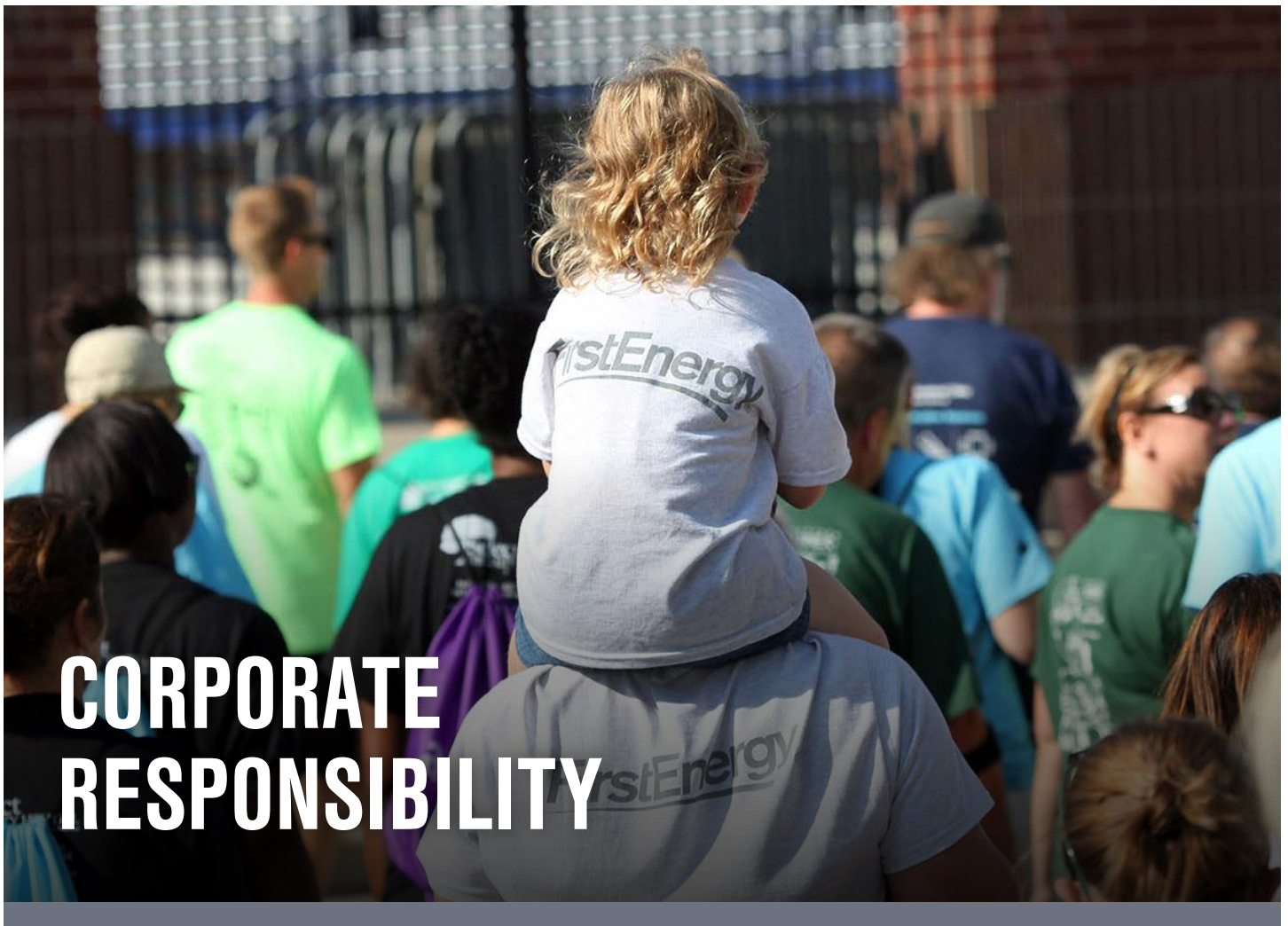
CORE VALUES

FirstEnergy's core values identify the beliefs and ideals that matter most to us. They guide the decisions we make and the actions we take every day, defining who we aspire to be.

We believe that for our core values to really matter, they must be more than just words—they must be engrained in how we operate, behave and interact daily with each other and our communities. To accomplish this, we communicate regularly with employees about what the values mean, why they are important and how we all can put them into action. We also rely on our leaders to model our core values every day, as they set an ethics- and integrity-focused tone at the highest levels of our company.

<p>Integrity</p> <p>We always act ethically with honesty, humility and accountability.</p>	<p>Safety</p> <p>We keep ourselves and others safe.</p>	<p>Diversity, Equity and Inclusion</p> <p>We embrace differences, ensure every employee is treated fairly and create a culture where everyone feels they belong.</p>	<p>Performance Excellence</p> <p>We pursue excellence and seek opportunities for growth, innovation and continuous improvement.</p>	<p>Stewardship</p> <p>We positively impact our customers, communities and other stakeholders and strive to protect the environment.</p>
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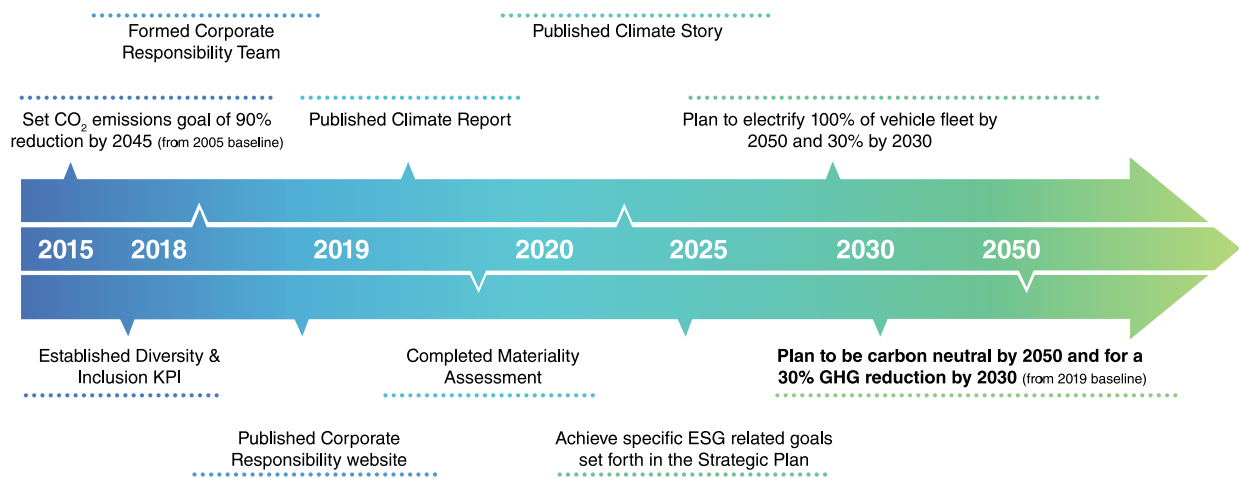
[1] Penelec has reached an agreement to sell our New York distribution assets to Tri-County Rural Electric Cooperative, pending approval from the New York State Public Service Commission. Our Waverly, NY, service territory—located northwest of Towanda, PA—serves about 3,800 customers in a small area just across the state line.



CORPORATE RESPONSIBILITY

At FirstEnergy, corporate responsibility is about staying true to our mission, core values and commitment to integrity. It's about understanding the impact our company can make in the world around us and choosing to do what is right and good with that opportunity. For us, that means pursuing initiatives and goals that align with our foundational principles and positively impacting all of our stakeholders.

We are proud of the steps we've taken to demonstrate our commitment to corporate responsibility, and we look forward to continuously refining our approach and improving our performance on environmental, social and governance (ESG) matters.



ESG REPORTING

Executing our ESG strategy requires that we be responsive to external stakeholder guidance and expectations regarding ESG performance and transparency. We are working toward aligning our ESG disclosures with leading reporting initiatives, such as the Sustainability Accounting Standards Board (SASB), Taskforce on Climate-Related Financial Disclosures (TCFD) and Global Reporting Initiative (GRI).

[READ MORE](#)

ESG GOALS AND PERFORMANCE

We are focused on the future of our company and the opportunities ahead. We have established companywide ESG goals that target improvements in key areas of our business and support our vision for a FirstEnergy that is more resilient, innovative, diverse, sustainable and transparent.

[READ MORE](#)



[1] We did not use the U.S. Securities and Exchange Commission's concept of materiality within the context of this assessment.



ESG APPROACH

We believe our success requires strong management and oversight of environmental, social and governance (ESG) matters, as well as transparency and accountability regarding where we need to improve and how we're going to succeed. We also believe staying true to our mission and core values means executing our corporate responsibility approach to pursue objectives and initiatives that positively impact all of our stakeholders.

ESG Vision:

- Strengthen our business and achieve our vision for a more sustainable, forward-thinking and industry-leading FirstEnergy

ESG Strategic Priorities:

- **Environmental:** Protect the environment by minimizing our impact, improving the sustainability of our operations, executing our Climate Strategy and finding opportunities to enhance the ecosystems we interact with
- **Social:** Support the development of an inclusive, equitable, rewarding and safe work atmosphere, while empowering our diverse and innovative team to make our customers' lives brighter and our communities stronger
- **Governance:** Maintain oversight of significant company issues and strengthen risk management; build a strong, centralized corporate compliance program and culture of ethics and integrity; continue stakeholder engagement efforts and provide consistent, transparent disclosures on ESG topics

How We Manage Our ESG Priorities:

- Assess the company's significant ESG-related risks and opportunities and evaluate opportunities to mitigate those risks and capitalize on opportunities that help us be a more sustainable, forward-thinking electric utility
- Respond to external stakeholder guidance and expectations regarding ESG performance, reporting transparency and accountability
- Collaborate with employees across the company to advance ESG priorities and integrate our corporate responsibility approach into FirstEnergy's overarching business strategy
- Demonstrate the value that ESG goals and initiatives bring to our stakeholders
- Inform stakeholders of our efforts to improve our ESG performance and demonstrate accountability and transparency on ESG goals and initiatives

CORPORATE RESPONSIBILITY GOVERNANCE AND OVERSIGHT

Board and executive-level oversight ensures the transparency, accountability and relevancy of our ESG initiatives.

Corporate Governance and Corporate Responsibility Committee

The Corporate Governance and Corporate Responsibility Committee of the Board of Directors, comprising independent directors, provides oversight of the company's corporate responsibility approach and supporting ESG initiatives. The Committee meets five times per year to discuss, among other things, updates on a broad range of ESG issues, and company management provides regular updates on ESG progress throughout the year. Please see the [Corporate Governance and Corporate Responsibility Committee Charter](#) for a description of the Committee's full responsibilities.

Corporate Responsibility Executive-Level Steering Committee

This cross-functional, executive-level steering committee oversees our company's corporate responsibility approach and supporting ESG initiatives. Members of this group include senior leadership from the company's five organizational pillars—Finance & Strategy, Customer, Operations, Legal, and Human Resources & Corporate Services. The Committee receives quarterly reports on ESG progress from the Corporate Responsibility Supervisor and Corporate Responsibility team.

Supervisor, Corporate Responsibility

The Supervisor manages the Corporate Responsibility team responsible for the execution of our corporate responsibility approach and the development of our ESG initiatives. This person reports to the Vice President of Investor Relations and Communications and regularly updates the executive-level Corporate Responsibility Steering Committee and the Corporate Governance and Corporate Responsibility Board Committee on evolving considerations for our company and our ESG progress. The position is also responsible for educating employees on the importance of corporate responsibility efforts and improving ESG focus and performance across business areas.



ESG MATERIALITY ASSESSMENT

In 2020, FirstEnergy conducted its first materiality assessment of potential ESG topics as part of our ongoing commitment to corporate responsibility. Our process was guided by the foundational principles outlined in the Global Reporting Initiative (GRI) Framework, as well as by the Sustainability Accounting Standards Board (SASB).^[1] We partnered with a third-party consultant to complete the assessment according to the following approach:

- Identify our list of potential topics through research and benchmarking
- Refine our list of topics through an in-person workshop conducted with members of FirstEnergy's executive leadership team
- Prioritize the topics in our list through surveys of FirstEnergy employees and key external stakeholder groups (customers, non-governmental organizations, suppliers and investors)
- Validate our topic list through interviews with stakeholders from each of the external stakeholder groups identified above

Engaging stakeholders is a critical component of the ESG materiality assessment, and their insights helped us focus our ESG efforts to best drive change and create value. Our ESG materiality assessment also provided opportunities for educating our employees about evolving stakeholder expectations around ESG management, reporting and disclosure. This assessment reinforced the need to regularly engage with our stakeholders to validate our ESG priorities. For details on FirstEnergy's broader stakeholder engagement efforts, please see our [Stakeholder Engagement](#) page.

The results of our assessment affirmed several topics that are integral to our business, such as **Safety & Health, Financial Performance, Energy Reliability & Resiliency, and Cyber & Physical Security**. Additionally, our ESG materiality assessment validated topics that are central to corporate responsibility efforts at FirstEnergy and provide a strong foundation for continued forward-thinking initiatives: **Greenhouse Gas Emissions & Climate Change, Innovation, Community Vitality, and Diversity, Equity & Inclusion**. These topics align with our company's mission and core values, and we expect them to be central to our company strategy into the foreseeable future.

The findings from our ESG materiality assessment will also help inform and drive our ESG priorities and initiatives. The results will be used to continue to educate and inform our stakeholders, enhance our reporting disclosures and evaluate opportunities for goal setting.

Going forward, we plan to periodically refresh our ESG materiality assessment to ensure that our material topics remain relevant and responsive to evolving stakeholder expectations.



ESG GOALS AND PERFORMANCE

OUR ESG GOALS AND PERFORMANCE

We believe setting goals and disclosing our progress is a critical part of living our mission and demonstrating transparency and accountability on ESG matters. The following companywide goals are designed to prepare us to meet our customers' future energy needs and move us closer to our vision for a more resilient, innovative, diverse and sustainable FirstEnergy.

Our ESG goals also align with the United Nations Sustainable Development Goals (UN SDGs), which provide a framework for companies and organizations to support global sustainability. Currently, our goals map to 11 of the 17 UN SDGs. We will continue to evaluate where our business and expertise can contribute to the UN's sustainability mission and assess any potential future goals in support of additional SDGs accordingly.

As part of our commitment to strong governance efforts, including increased transparency and accountability, we will update our progress toward these goals on this website annually and in our Investor Factbook as updates are available.

It is important to note that FirstEnergy has additional internal metrics and goals, including the key performance indicators (KPIs) that make up our short-term incentive program for employees. These KPIs provide shorter-term targets to measure performance and improvement in areas that are high priorities for the company and critical to our continued success. Among others, those areas include customer reliability, customer service, environmental protections, safety, and diversity, equity and inclusion. Our company's incentive-based KPIs strongly support our progress toward the ESG goals noted below and our overall commitment to strong ESG performance. For additional information about our KPIs, please visit our [2021 Proxy Statement](#).

FORWARD-THINKING	EMPLOYEES	CUSTOMERS	ENVIRONMENT	COMMUNITIES
Electrification	Reach 30% electrification of our light-duty and aerial truck fleet			
Performance Update	100% of new vehicle purchases for our light-duty and aerial truck fleet are now electric or hybrid moving forward			
Target Date	2030			
UN SDGs	<div>7</div> <div>13</div>			

Renewable Energy

Own at least 50 MW of solar generation in West Virginia



Performance Update

In progress

Target Date

2025

UN SDGs



Emerging Technologies

Convert 100% of streetlights owned by our operating companies to smart LEDs



Performance Update

In progress

Target Date

2030

UN SDGs



Innovation

Deploy at least six bots and four analytical models that deliver streamlined business solutions



Performance Update

In progress

Target Date

2022

UN SDGs







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FORWARD-THINKING	EMPLOYEES	CUSTOMERS	ENVIRONMENT	COMMUNITIES
Diverse Workforce		30% aspirational increase in the number of racially and ethnically diverse employees and leaders		
Performance Update		In progress		
Target Date		2025		
UN SDGs		<div>5</div> <div>10</div>		

D&I Perception

Year-over-year improvement in our annual D&I Employee Survey's inclusion index, which measures perceptions of our efforts to create a diverse and inclusive environment



Performance Update

Demonstrated a six-point improvement in the annual D&I Employee Survey's inclusion index in 2020

Target Date

2022

UN SDGs



Exposure Recognition and Reduction

Reduce employees' exposure to potentially life-changing events in the workplace



Performance Update

In progress

Target Date

Continuous

UN SDGs



Workplace of the Future

100% remote capability for employees to access their work on any device at any time



Performance Update

In progress

Target Date

Continuous

UN SDGs







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FORWARD-THINKING	EMPLOYEES	CUSTOMERS	ENVIRONMENT	COMMUNITIES
<div> <div>Grid Modernization</div> <div>Install smart meters for two-thirds of our total customers</div> <div>⊖</div> </div>				
<div> <div>Performance Update</div> <div>2.4M smart meters have been installed, the equivalent of 40% of our total customers</div> </div>				
<div> <div>Target Date</div> <div>2025</div> </div>				
<div> <div>UN SDGs</div> <div> <div>7</div> <div>9</div> <div>11</div> </div> </div>				

Energy Efficiency

Help customers achieve electricity savings in excess of 7.5M MWh between 2021 and 2025



Performance Update

In progress

Target Date

2025

UN SDGs



Service Reliability

5% reduction in the duration of service interruptions for customers



Performance Update

In progress

Target Date

2025

UN SDGs



Transmission Reliability

20% reduction in Transmission Outage Frequency on 100 kV-and-above lines



Performance Update

In progress

Target Date

2025

UN SDGs



Supply Chain

Achieve 20% of our supply chain spend with diverse suppliers



Performance Update

Achieved 16% diverse supplier spend

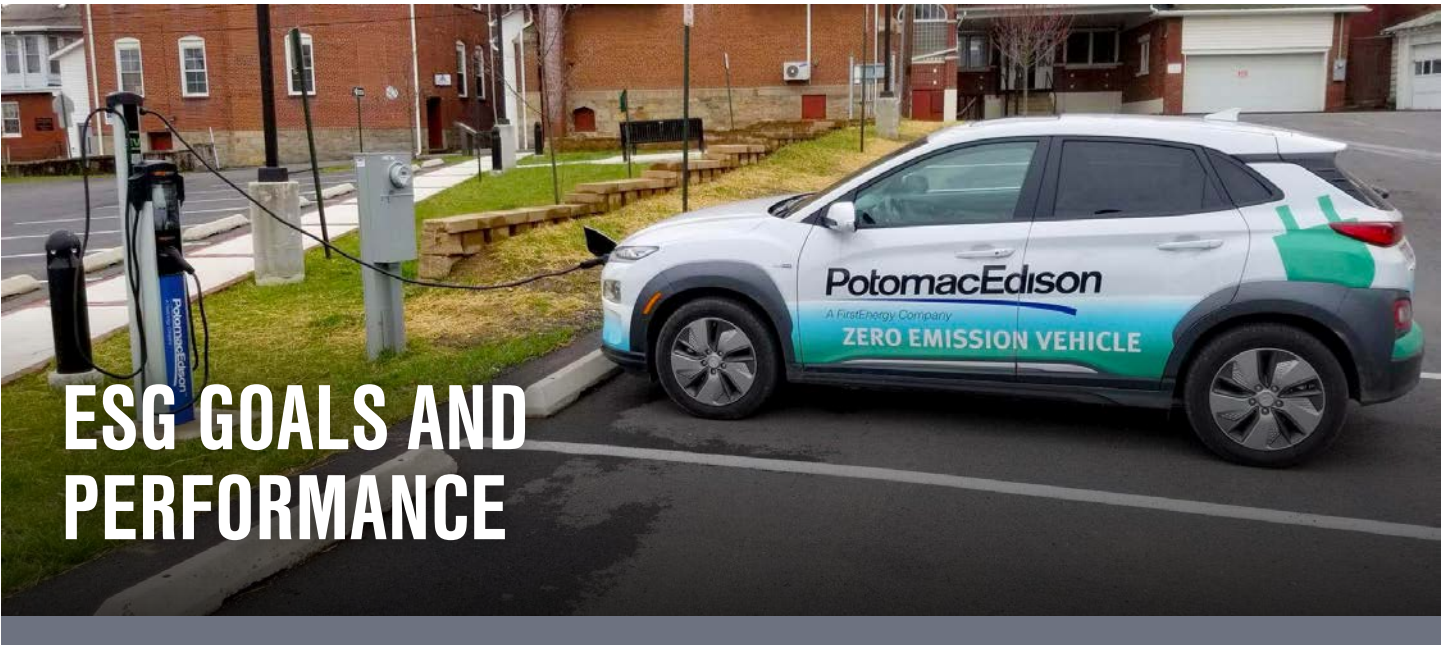
Target Date

2025

UN SDGs







ESG GOALS AND PERFORMANCE

OUR ESG GOALS AND PERFORMANCE







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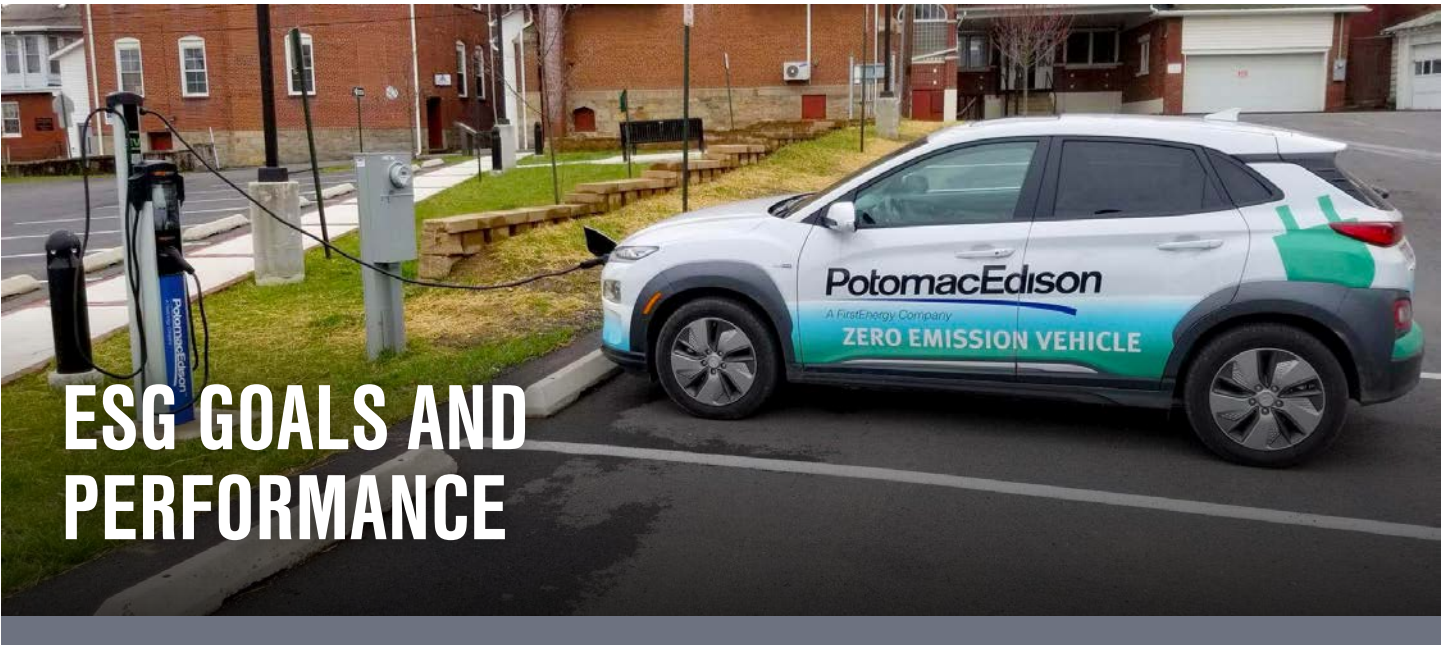
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FORWARD-THINKING	EMPLOYEES	CUSTOMERS	ENVIRONMENT	COMMUNITIES
Greenhouse Gases		Achieve carbon neutrality by 2050, with an interim goal to reduce our companywide Scope 1 greenhouse gas (GHG) emissions 30% from our 2019 baseline by 2030 <div>⊖</div>		
Performance Update		In 2020, achieved a 19% reduction in Scope 1 GHG emissions from 2019 baseline		
Target Date		2030, 2050		
UN SDGs		13		

Vegetation	Create 225 acres of biodiverse pollinator habitats	
Performance Update	Created approximately 54 acres of biodiverse pollinator habitats in 2020	
Target Date	2025	
UN SDGs		
Waste	Recycle or beneficially reuse 50% of our wood poles at the end of their useful lives	
Performance Update	In progress	
Target Date	2025	
UN SDGs		
Water	20% reduction in water consumption at our two coal plants	
Performance Update	In progress	
Target Date	2030	
UN SDGs		





ESG GOALS AND PERFORMANCE

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FORWARD-THINKING	EMPLOYEES	CUSTOMERS	ENVIRONMENT	COMMUNITIES
<div> <div>Economic Development</div> <div>Create \$25B in cumulative economic impact</div> <div>⊖</div> </div>				
<div> <div>Performance Update</div> <div>Attracted 25,000 new jobs (direct, indirect and induced) and created \$11.5B in economic impact in 2020</div> </div>				
<div> <div>Target Date</div> <div>2025</div> </div>				
<div> <div>UN SDGs</div> <div> <div>8</div> <div>9</div> <div>11</div> <div>12</div> </div> </div>				

Volunteerism

75% senior leadership participation on nonprofit boards and 25% executive team involvement on diverse or multicultural nonprofit boards



Performance Update

In progress

Target Date

2025

UN SDGs

5





Our approach to governance includes maintaining oversight of significant company issues and strengthening risk management; building a strong, centralized corporate compliance program; ensuring a culture of ethics and integrity; continuing stakeholder engagement efforts; and providing consistent, transparent disclosures on a range of ESG topics.

CENTRALIZED COMPLIANCE PROGRAM

We are focused on embedding a culture of uncompromising integrity and ethical behavior throughout FirstEnergy. Centralizing compliance assurance activities within a single organization under the leadership of the Chief Ethics and Compliance Officer is key to that effort.

[READ MORE](#)

PUBLIC POLICY ENGAGEMENT

We are developing a new approach to public policy engagement that aligns more closely with our strategic goals and includes more robust oversight and disclosure of our advocacy efforts. While this process is underway, we have stopped contributions to 501(c)(4) entities.

[READ MORE](#)

ETHICS ACCOUNTABILITY

For all non-bargaining, non-physical employees, we implemented a new ethics and compliance key performance indicator component in our annual incentive compensation program to drive employee accountability and reinforce the importance of a strong culture of ethics and integrity.

[READ MORE](#)

NEW CODE OF CONDUCT

FirstEnergy's Code of Conduct, The Power of Integrity, lays the foundation for what we expect from all employees, regardless of their role. We're focused on empowering employees to speak up whenever a situation does not appear to conform to our Code of Conduct.

[READ MORE](#)

CLIMATE ALIGNMENT DISCLOSURE

Our new Corporate Engagement Report assesses alignment between the 501(c)(4) and 501(c)(6) trade organizations we support and our climate position and strategy – including our pledge to achieve carbon neutrality by 2050 and our support for the intent of the Paris Agreement.

[READ MORE](#)

BOARD DIVERSITY

We strive for a well-rounded and diverse Board of Directors, whose members represent a wide breadth of experiences and perspectives. The Board has set a goal targeting at least 30% diverse members (by race, ethnicity and gender combined) for the foreseeable future.

[READ MORE](#)



STRATEGIC PLAN

FirstEnergy's [Strategic Plan](#) charts our company's path forward in an evolving electric utility industry and outlines our vision for the future. Powered by our core values and behaviors, we're transforming FirstEnergy into a more resilient, innovative, diverse and sustainable company that will meet our customers' needs today, and in the years ahead.

Our mission and values are foundational to who we are as a company and crucial to achieving any business objective or strategic goal that we set. As such, they guide the development and execution of our long-term strategic commitments:

- Enhancing our culture of compliance through transparency and accountability
- Enabling a smarter, more resilient electric system
- Embracing innovation across our organization
- Meeting the challenges of climate change
- Developing a diverse, equitable and inclusive workforce
- Building collaborative relationships, marked by trust and respect, with all our stakeholders
- Strengthening our safety-first culture
- Delivering strong and predictable financial results



[VIEW PLAN](#)

For additional details about our company's strategy, please see our [Strategic Plan](#).

For an explanation of our company's ESG approach and strategic priorities, please visit the [ESG Approach and Management](#) page.



BOARD GOVERNANCE

BOARD STRUCTURE AND OVERSIGHT RESPONSIBILITIES

Our Board of Directors provides oversight and guidance to help FirstEnergy execute its business strategy and fulfill the company's mission to make customers' lives brighter, the environment better and our communities stronger. As part of that effort, the Board also provides oversight and guidance on environmental, social and governance (ESG) topics significant to the company while ensuring our business strategy, goals and decision-making reflect and align with our corporate responsibility priorities. In addition, the Board also collaborates with our management team to keep integrity central to everything we do, drive accountability across the company and increase transparency with our stakeholders.

The Board also oversees our executive compensation program, including compensation based on key performance indicators tied to finances, operations, safety, and diversity, equity and inclusion. Information on that program can be found in our [Proxy Statement](#).

The Board adheres to the requirements of FirstEnergy's [Code of Conduct](#) and abides by our [Corporate Governance Policies](#), which—together with the Board committee charters—serve as a framework for meeting its duties and responsibilities with respect to the governance of the company. This framework also addresses organizational changes to the Board should they occur in the future.

The Board has five standing committees, each of which solely comprise independent Directors, as determined by the Board in accordance with our corporate governance policies, New York Stock Exchange listing standards and applicable Securities and Exchange Commission rules. Each committee has clear roles and oversight responsibilities as shown below.

BOARD AND BOARD COMMITTEES		ESG OVERSIGHT RESPONSIBILITIES
BOARD OF DIRECTORS	The Board adheres to the Code of Conduct and Corporate Governance Policies .	<ul style="list-style-type: none"> ▪ Business strategies and related risks and opportunities, which includes ESG topics
AUDIT	See full responsibilities included in the Audit Committee Charter .	<ul style="list-style-type: none"> ▪ Ethics and Compliance Program ▪ The propriety of political affairs and related activities (with the Corporate Governance and Corporate Responsibility Committee) ▪ Risk management process, design and reporting, including cybersecurity

BOARD AND BOARD COMMITTEES		ESG OVERSIGHT RESPONSIBILITIES
COMPENSATION	See full responsibilities included in the Compensation Committee Charter .	<ul style="list-style-type: none"> Executive compensation practices and policies, including integration of ESG measures Design and implementation of the company's incentive programs, which includes ESG-related performance conditions Human capital management practices and policies, including workforce diversity, equity and inclusion
CORPORATE GOVERNANCE AND CORPORATE RESPONSIBILITY	See full responsibilities included in the Corporate Governance and Corporate Responsibility Charter .	<ul style="list-style-type: none"> Corporate governance, including Board and Committee composition, Board diversity, corporate governance policies, and shareholder engagement Corporate citizenship practices, including corporate political activity ESG strategy, initiatives and policies, including in the areas of sustainability, human rights, responsible business practices, corporate social responsibility programs and corporate philanthropy
FINANCE	See full responsibilities included in the Finance Committee Charter .	<ul style="list-style-type: none"> Company's financial resources and strategies, which includes alignment and support of our ESG objectives
OPERATIONS AND SAFETY OVERSIGHT COMMITTEE	See full responsibilities included in the Operations and Safety Oversight Committee Charter .	<ul style="list-style-type: none"> Health and safety Human and labor relations Environmental strategy, initiatives and policies, including in the areas of climate change, environmental protection and sustainability

For more information about our Board of Directors, including biographical information and additional details on oversight responsibilities, please see our [Board of Directors page](#) on the company's corporate website.

BOARD DIVERSITY

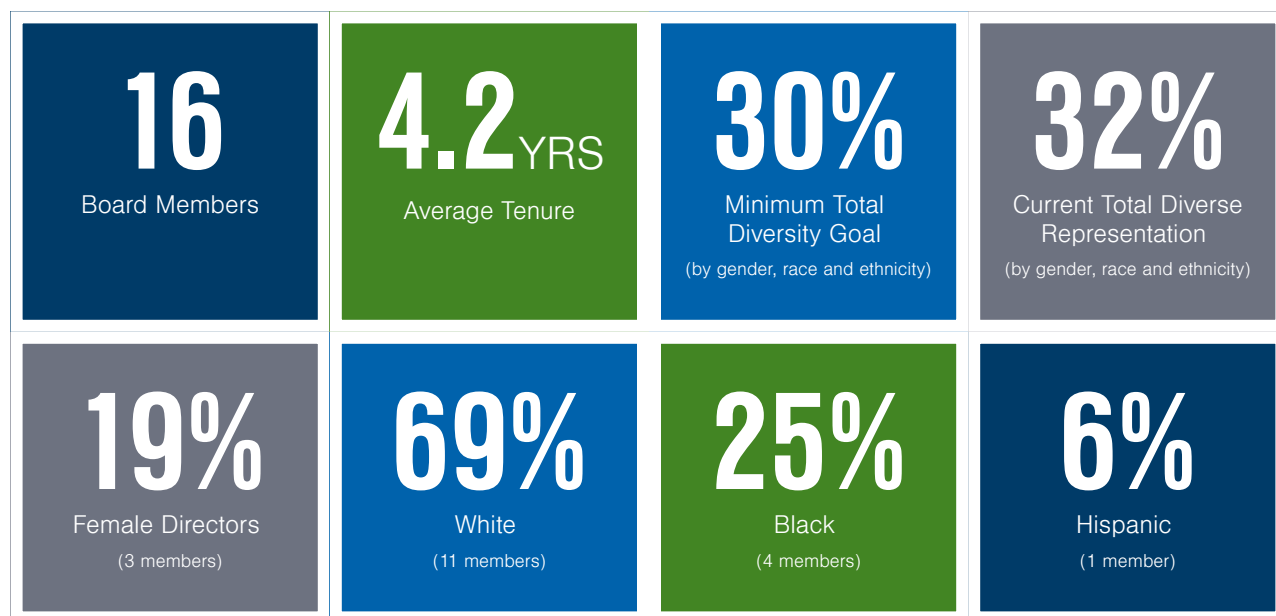
At FirstEnergy, we're focused on creating a more diverse, equitable and inclusive company—and that includes the senior leadership and Board levels. We believe that a diverse leadership team will make us a stronger company, enable us to innovate and broaden perspectives, serve our customers better and add value for all stakeholders. For those reasons, we seek to maintain a well-rounded and diverse [Board](#), representing a wide breadth of experiences and perspectives that balance the institutional knowledge of longer-tenured members with the fresh perspectives brought by newer directors. Accordingly, the Board has set a goal targeting at least 30% diverse members (by race, ethnicity and gender combined) for the foreseeable future.

Our Board of Directors has set a goal to maintain at least 30% diverse members (by race, ethnicity and gender combined) for the foreseeable future.

In addition, because director expertise and subject matter fluency is central to a high-functioning Board of Directors with strong oversight processes, the Corporate Governance and Corporate Responsibility Committee also considers differences in professional experience, education and other individual skills, qualities, and attributes in its nominee decision-making process.

For information on our 2020 directors' attributes, experience, qualifications and skills, please view the skills matrix provided in our [Proxy Statement](#).

Board Composition Metrics as of June 30, 2021



ETHICS AND INTEGRITY

FirstEnergy and its Board are committed to upholding high standards for ethics and integrity—the cornerstones of effective corporate governance. This requires every leader to set the right tone at the top and create an environment where ethics and compliance are embedded in daily work practices, where transparent communication is prioritized, and where employees feel empowered to speak up and act in accordance with our core values and behaviors. Our Board is working in lockstep with the company's management team to ensure a culture of ethics and integrity at FirstEnergy. Please visit the [Ethics and Compliance page](#) for details on our company's larger efforts in this area, and please see the [Proxy Statement](#) for previous steps the Board has taken to support a culture of ethics and integrity.

SHAREHOLDER OUTREACH

The Board maintains a robust [shareholder outreach and engagement program](#) to understand our investors' perspectives on a range of topics, including and especially ESG policies and performance. The Board and management team provide formal shareholder presentations, covering the company's approach to and progress on a range of issues: corporate compliance, Board expertise and demographics, climate strategy, greenhouse gas reduction and carbon neutral goals, environmental stewardship efforts, regulatory proceedings, safety performance, and diversity, equity and inclusion, among others.

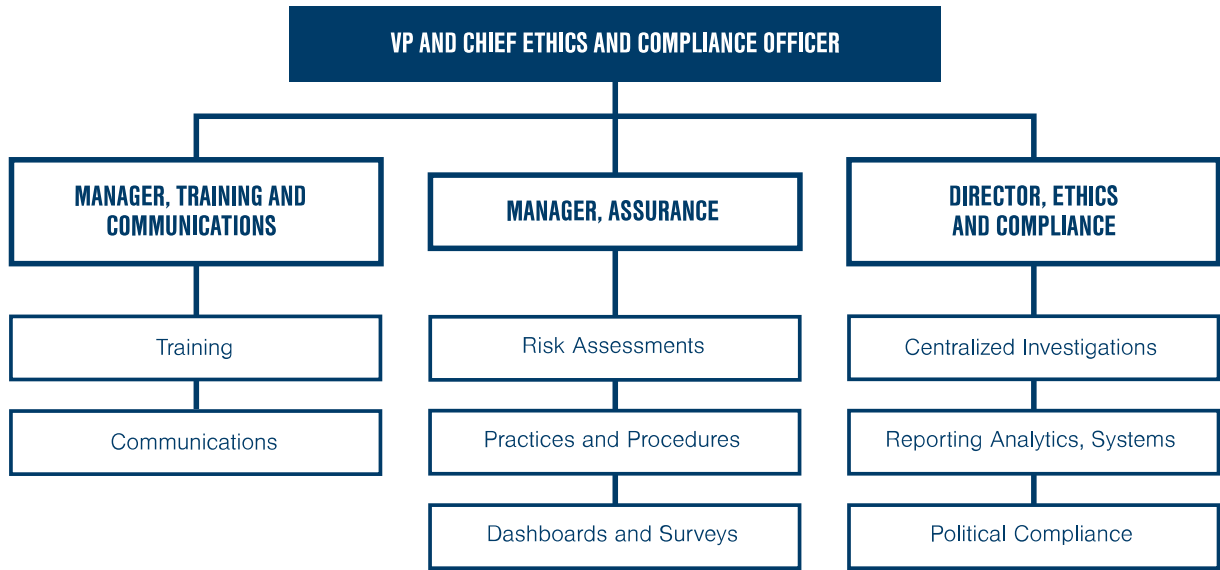
In addition, we conduct a [year-round engagement process](#) that enables the Board and management to understand and consider the topics that matter most to our shareholders and effectively address them. With support from the Board, the management team also focuses significant efforts on engaging with our shareholders and the broader investment community. Shareholder feedback and suggestions are reported to the Compensation Committee, Corporate Governance and Corporate Responsibility Committee and, as needed, the Board and various other committees for consideration.



ETHICS AND COMPLIANCE

ETHICS AND COMPLIANCE OVERSIGHT

Integrity is as foundational to our business as safety. All our leaders and employees play a critical role in ensuring we conduct business consistent with our values, help individuals do the right thing and treat our coworkers, customers and communities with respect. Consistent with our values, we always act ethically with honesty, humility and accountability. An ethics and compliance key performance indicator component for all non-bargaining, non-physical employees in our annual incentive compensation program drives employee accountability and reinforces the importance of a strong culture of ethics and integrity. The Office of Ethics and Compliance (OEC) oversees organization-wide compliance, assurance, training and communications.



COMPLIANCE PROGRAM OVERVIEW

We are focused on embedding a culture of uncompromising integrity and ethical behavior throughout the company. Key components of our efforts include:

- Centralizing compliance assurance activities within a single organization under the leadership of the Chief Ethics and Compliance Officer.
- Building strong compliance processes, policies and controls.
- Strengthening the channels for concern reporting and further maturing our processes to address concerns.
- Seeking continuous improvement by monitoring, benchmarking and incorporating an independent assessment of our program.
- Increasing transparency and accountability around FirstEnergy's political and public policy engagement.

Centralized Compliance Approach



Some of the key steps we've completed to create a leading ethics and compliance program are included in our Investor FactBook, which can be accessed [here](#).

THE POWER OF INTEGRITY

FirstEnergy's [Code of Conduct](#), *The Power of Integrity*, lays the foundation for what we expect from all employees, regardless of their role. It reflects our collective commitment to keep integrity at the forefront of everything we do—a pledge underscored by our [refreshed mission statement and core values](#).

The Power of Integrity applies to all FirstEnergy employees, officers and directors, regardless of role, seniority or tenure at the company. Anyone whose actions are found to be inconsistent with the expectations in *The Power of Integrity* will be held accountable and may be subject to disciplinary action.

Our employees are all responsible for understanding and following *The Power of Integrity*. By adhering to the expectations in this Code, always acting with integrity, and speaking up when something doesn't seem right, we are paving the way for a strong future for FirstEnergy.

EMPLOYEE TRAINING AND COMMUNICATIONS

We are implementing more robust, best-practice approaches to training and communicating with employees on ethics and compliance issues. Our renewed approaches will ensure consistent understanding and implementation of expectations.

The Office of Ethics and Compliance leads training on processes, policies and controls we have in place, such as the Code of Conduct (*The Power of Integrity*), gifts and entertainment requirements, conflicts of interest and reporting concerns.

Key Trainings:

- Code of Conduct (*The Power of Integrity*)
- Political and Public Policy Engagement
- Concern Management for Leaders
- Concern Management for Employees

Key Communication Channels:

- Newsletters
- Podcast
- Leader Discussion Guides and Responses
- Town Halls
- Meeting Messages
- Micro-learning Videos
- Employee Touchpoints
- Board Meetings and Executive Council Meetings

ETHICS AND COMPLIANCE CONCERN REPORTING

Our employees share a responsibility to foster and contribute to a culture that places compliance, ethics and integrity at the forefront of everything we do. That responsibility requires that employees act with integrity and voice opinions and concerns whenever a situation does not conform to expectations in *The Power of Integrity*, or violates laws, rules or regulations. Employees with information about an actual or suspected violation have an obligation to bring that concern to the company's attention.

We strive to make it as easy as possible for employees to ask a question or report a concern. The following channels are available and identified in *The Power of Integrity*: supervisor, another supervisor (of any level), Office of Ethics and Compliance, Human Resources, Legal, Internal Audit, Corporate Security, Executive Council and the Board of Directors.

In addition, we maintain anonymous reporting channels that are visible and widely available to employees. Employees who wish to report anonymously can do so by contacting our Employee Concerns Helpline or by going to our EthicsPoint website.

The Employee Concerns Line and EthicsPoint website are managed by an independent third-party organization that helps personnel communicate sensitive, and sometimes confidential, information to the company. The organization is staffed by professionals who are trained to protect anonymity and handle concerns discretely and confidentially.

For additional details on our confidential concern management process, as well as our investigation and resolution process, please see our [Code of Conduct](#).



POLITICAL AND PUBLIC POLICY ENGAGEMENT

OUR APPROACH

FirstEnergy maintains a responsibility to its shareholders, customers and employees to advocate for public policy issues that impact the company and its stakeholders. We strive to engage thoughtfully and responsibly, as we advocate for our interests and attempt to effect positive change for the communities we serve. We communicate our positions with policymakers regarding issues that impact the company and its stakeholders because we have a legitimate stake in policy debates and outcomes. We understand and comply with all rules that govern lobbying, including public disclosure and reporting requirements.

FirstEnergy has significantly limited our participation in the political process. Specifically, we ceased all contributions to 501(c)(4) entities and paused FirstEnergy Political Action Committee (FEPAC) disbursements and employee contributions. We also terminated several consulting relationships. However, where appropriate, we reserve the right to make contributions to non-candidate initiatives that support our business priorities and create value for our stakeholders. We understand, respect and comply with all legal limitations on corporate contributions.

These steps have allowed us to reshape our approach to political and public policy engagement, ensuring closer alignment to our strategic goals and core values, as well as more robust oversight and disclosure of the company's advocacy going forward. Additionally, we are evaluating revisions to our [Corporate Political Activity Policy](#), which describes the criteria for certain political contributions and ballot initiative expenditures made with corporate funds, as well as the process for approving such contributions and expenditures.

CORPORATE ENGAGEMENT REPORT

As we develop FirstEnergy's strategies, programs and positions regarding a variety of issues that affect the company, we seek insight from various stakeholder groups, including local, state and federal policymakers, consumer and small-business advocates, peer utilities, customers, investors, non-governmental organizations, chambers of commerce and trade associations. We are committed to considering and balancing all our company's strategies and goals, including those related to climate change, in the assessment and development of our positions on proposed legislation and regulations.

Our [Corporate Engagement Report](#) provides insight into our public policy engagement and advocacy in alignment with our commitment to the highest standards of business conduct and ethical behavior as the foundation for achieving our mission. The report also encompasses information related to direct and indirect lobbying activities, including contributions to 501(c)(4) organizations and to 501(c)(6) trade organizations, where membership dues exceed \$25,000. That includes an evaluation of any pertinent alignment between those organizations and our climate position and strategy—including our pledge to achieve carbon neutrality by 2050 and our support for the intent of the Paris Agreement.



STAKEHOLDER ENGAGEMENT

OUR APPROACH

Engaging with stakeholders is essential to meeting our customers' needs and achieving our vision for a more diverse, innovative and sustainable FirstEnergy. We engage with a wide range of stakeholders, including employees, customers, investors, non-governmental organizations and others. These engagement efforts help us to build important relationships, capture different perspectives and inform our strategies, programs, and policies on a number of issues.

STAKEHOLDER ENGAGEMENT EFFORTS

At FirstEnergy, we strive to communicate clearly and openly with our stakeholders. The engagement efforts described below ensure we operate with the needs and concerns of our employees, customers, investors, community members and others in mind. For information on our approach to political and public policy engagement, please visit the [Political and Public Policy Engagement page](#).

Employees		
Topics	How We Engage	Purpose
<ul style="list-style-type: none"> ▪ Mission and core values ▪ Compliance, ethics and integrity ▪ Diversity, equity and inclusion ▪ Business performance and KPI results ▪ Community involvement and volunteerism ▪ Safety ▪ Health and wellness ▪ COVID-19 ▪ Employee mentorship, training, development and goal setting ▪ Work-life balance ▪ Employee recognition 	<ul style="list-style-type: none"> ▪ Code of Conduct and company policies ▪ Annual DEI Employee Survey ▪ Daily internal employee portal communications ▪ Executive leadership town hall webcasts, presentations and messages to employees ▪ Formalized training and development programs ▪ Quarterly check-ins and performance reviews ▪ Speak Up DEI dialogue sessions ▪ Annual corporate objectives and cascading priorities ▪ Employee Business Resource Groups ▪ The Power of Thanks 	<p>We recognize that our employees are what ultimately drive our strategy, culture and company forward. We need robust employee engagement to effectively attract, develop, engage and retain a diverse, high-performing workforce that is motivated to contribute to FirstEnergy's success.</p>

Customers

Topics	How We Engage	Purpose
<ul style="list-style-type: none"> ▪ Billing and payment ▪ New service ▪ Move in / Move out / Transfer service ▪ Consumer products ▪ Customer assistance programs ▪ Energy conservation ▪ Customer assistance ▪ Energy efficiency and management ▪ Energy affordability ▪ Outages and storm restoration ▪ Electrical safety ▪ Electrification ▪ Distributed energy resources ▪ COVID-19 ▪ Site selection ▪ Emissions and carbon neutral goals ▪ Vegetation management notification 	<ul style="list-style-type: none"> ▪ Social media ▪ Website ▪ Contact centers ▪ Interactive voice response ▪ Email ▪ Text ▪ Voice technology (Alexa) ▪ Field visits ▪ Customer service surveys ▪ Energy efficiency program offerings ▪ Focus groups ▪ Community town halls ▪ Billing ▪ FirstEnergy Home ▪ Mailings ▪ Print and broadcast media ▪ Face-to-face interactions 	<p>Our mission is to provide safe, reliable electricity along with innovative programs, products and services that make our customers' lives brighter. We strive to provide a best-in-class customer experience by continuing to identify opportunities to enhance and improve our existing services while also anticipating future customer requests and technology needs.</p>

Investors

Topics	How We Engage	Purpose
<ul style="list-style-type: none"> ▪ Corporate compliance, ethics and integrity ▪ Board expertise and demographics ▪ Climate change, climate risks and opportunities ▪ Emissions and carbon neutral goals ▪ Financial performance ▪ Sustainability and environmental stewardship ▪ Risk management ▪ Rate and regulatory proceedings ▪ Diversity, equity and inclusion ▪ Safety 	<ul style="list-style-type: none"> ▪ Annual meeting of shareholders ▪ Quarterly earnings calls ▪ Corporate governance outreach (annual) ▪ Outreach via email, phone calls and meetings 	<p>We believe it's crucial to engage regularly with our investors to ensure we consider, and effectively address, the topics that matter most to them. Please see our Board Governance page for additional information on the Board's shareholder engagement efforts.</p>

Communities

Topics	How We Engage	Purpose
<ul style="list-style-type: none"> ▪ Public safety ▪ Diversity, equity and inclusion ▪ COVID-19 ▪ Workforce and economic development ▪ Food insecurity and other community welfare topics ▪ Environmental stewardship and pollinators ▪ Clean energy future 	<ul style="list-style-type: none"> ▪ Corporate giving ▪ Foundation giving ▪ Employee volunteerism and nonprofit board service ▪ Public safety education and outreach ▪ Economic development support ▪ Pollinator Week ▪ Arbor Day events 	<p>We believe the greater good is better business and seek to develop sustainable relationships with nonprofit partners to advance our philanthropic and stewardship goals. Financial investments are leveraged to build stronger, healthier and more vibrant communities. For information about our <i>Investing with Purpose</i> initiative, visit the Community Impact page.</p>

Suppliers

Topics	How We Engage	Purpose
<ul style="list-style-type: none"> ▪ Supply chain management systems and bidding process ▪ Ethics, integrity and compliance ▪ Safety ▪ Supplier diversity ▪ Sustainability and environmental stewardship ▪ Cost savings for customers ▪ Supplier performance improvement 	<ul style="list-style-type: none"> ▪ Supplier Code of Conduct ▪ Requests for Proposals ▪ Terms and conditions of supplier agreement ▪ Diverse Supplier Development program ▪ Electric Utility Industry Sustainable Supply Chain Alliance ▪ Safety education and training ▪ Supplier performance reviews pilot 	<p>We thoughtfully engage with our suppliers to help improve their performance and achieve our vision for a diverse, sustainable and highly ethical Supply Chain that drives business unit success and creates value for FirstEnergy. Please see our Supply Chain page for additional information on suppliers.</p>

Non Governmental Entities (NGOs)

Topics	How We Engage	Purpose
<ul style="list-style-type: none"> ▪ Clean energy future ▪ Renewables and distributed energy resources ▪ Electrification ▪ Energy efficiency ▪ Emerging technologies ▪ Sustainable operations ▪ Vegetation management best practices 	<ul style="list-style-type: none"> ▪ Organizational memberships ▪ Meetings, conferences and webcasts ▪ Consulting agreements ▪ Participation in investment group ▪ Research studies or partnerships ▪ Workshops ▪ Regulatory proceedings 	<p>We recognize the importance of engaging with various entities on a range of topics to enable FirstEnergy to be a sustainable, innovative and industry-leading organization.</p>



RISK MANAGEMENT APPROACH

Managing risks and opportunities—from those related to evolving regulatory and market conditions to those associated with climate change—is a vital component of our company’s governance and oversight functions. Our comprehensive Enterprise Risk Management (ERM) program ensures we understand and mitigate risks that could impact our business and key stakeholders, while capitalizing on opportunities that align with FirstEnergy’s mission and business strategy.

RISK MANAGEMENT OVERSIGHT

The ERM process is overseen by FirstEnergy leadership, the Board and the Board’s committees. Risk and opportunity management strategies are presented to the Board committees on a short- and long-term basis, which enables each committee to play an active role in the oversight process.

Our executive-level Enterprise Risk Management Committee, comprising the Vice President and Chief Risk Officer, Vice President of Internal Audit, and other senior executive officers, provides oversight and monitoring to ensure that appropriate risk policies and management processes are established and executed in accordance with selected limits and approval levels.

The Vice President and Chief Risk Officer has the highest executive-level oversight of day-to-day risk management efforts and prepares enterprise-wide risk management reports for presentation to the Audit Committee and the whole Board. Additional timely reports on significant risk issues are provided as appropriate to employees, management, senior executive officers, respective Board committees and the Board.

For additional information about FirstEnergy’s risk oversight structure, please view our [Proxy Statement](#).

RISK MANAGEMENT PROCESS

Our ERM program is designed to ensure we thoroughly address risks and opportunities that could impact our business. Through our ERM framework, we execute a process to identify, assess, mitigate, communicate and monitor enterprise-wide, business-unit and project-specific risks.

FirstEnergy’s ERM group works closely with the business units to identify emerging risks that could have an impact on our financial results. The group facilitates processes to understand the drivers of emerging risks; recognize the potential consequences or impacts; discuss risks with stakeholders; and identify appropriate mitigation strategies.

For additional information about FirstEnergy’s risk management process, please view our [Climate Report](#). And to understand the key risks that are managed through the ERM process, please view the risk factors in our [10-K report](#).



OUR APPROACH

At FirstEnergy, we are committed to protecting the ongoing reliability of our electric system. We recognize that threats to our critical energy infrastructure could jeopardize public safety and potentially leave millions of customers without electricity. As physical threats become increasingly common and cyberattacks escalate in number and sophistication, we are working continuously to reinforce our grid defenses and protect our systems. Although we have comprehensive cyber and physical security plans in place, we don't publicly disclose details about these measures that could aid those who want to harm our infrastructure, customers or employees.

We work closely with law enforcement and intelligence partners to identify physical and cybersecurity risks, exchange information and put safeguards in place to comply with strict reliability and security standards. We maintain compliance with NERC's Critical Infrastructure Protection (CIP) industry standard, and we meet all mandates and standards set by the states in which we operate.

We also collaborate with peer groups in the electric utility industry. For example, we participate in the Electric Information Sharing and Analysis Center, a key industry group that serves as a security information clearinghouse and notifies electric utilities of threats in the industry. In addition, as part of our participation in the North American Transmission Forum, we collaborate with our peer utilities on defenses against evolving cyberattacks and take part in peer reviews and assessments, which help us to evaluate and strengthen best practices. We also participate in the Northeast Ohio Cyber Consortium, a cross-sector information-sharing and cyber-analysis organization formed to address and mitigate escalating cyber threats across various industries.

Board-Level Oversight

The Board of Directors is responsible for overseeing cybersecurity and receives updates from CIO or VP of Cyber and Physical Security at each regularly scheduled Board meeting.

The Board's Audit Committee reviews cybersecurity performance and risk management practices, primarily through reports provided by management, and reviews the steps taken to monitor, control and mitigate cybersecurity exposure.

Executive-Level Oversight

The CIO and/or VP of Cyber and Physical Security provide regular cybersecurity reports to the Board of Directors at scheduled Board meetings and regularly update the Audit Committee on a range of cybersecurity topics.

A collaborative cross-departmental committee, comprised of leaders from various business units, including Risk, Internal Audit, Information Security and others, meets monthly to review and assess security metrics, major security projects and security-related industry trends.

Cybersecurity Team

Led by the VP of Cyber and Physical Security, this team is responsible for managing and implementing the cybersecurity strategy, as well as training and education for all employees and contractors.

The team is tasked with incident response and root cause analysis; vulnerability and risk assessments; regulatory compliance and patch management oversight; security application support; and support and configuration of cybersecurity hardware and software.

CYBERSECURITY STRATEGY AND PROCESS

FirstEnergy leverages industry best practices to protect its information assets and employs a layered defense-in-depth cybersecurity strategy. The concept behind this strategy is that if one layer of defense does not stop an attack, there are other layers of additional security measures in place.

We're proactively identifying and mitigating cybersecurity threats—not simply reacting to them. As part of our cybersecurity efforts, we are:

- Deploying devices that provide physical and electronic protections, logging and monitoring.
- Increasing the use of data analytics to help predict, prepare for and mitigate threats.
- Implementing third-party tests that use “friendly” hackers to attack our network, so we can validate our technical cybersecurity control effectiveness and address any deficiencies we identify.
- Conducting an independent assessment of every aspect of our cybersecurity program to identify improvements and define our cybersecurity roadmap.

To support the need for continuous monitoring and detection, our Transmission Security Operations Center (TSOC) uses a unique set of technologies to assess security events from a physical, cyber and operational technology perspective. The TSOC is responsible for performing threat analysis; conducting investigations; analyzing security metrics and trends; reporting to company leadership and our Board Audit Committee; and sharing security information with industry, government and regional partners.

CYBERSECURITY EDUCATION AND TRAINING

Education and training for employees is critical to our cybersecurity process. All employees are required to successfully complete annual cybersecurity awareness training and annual anti-phishing training. These trainings teach employees to recognize phishing attempts and other attack methods, protect their credentials and passwords, and abide by our internal controls, processes and procedures at all times.

In addition to these required annual trainings, we test employees quarterly with phishing scams to ensure they can identify and avoid such attacks. Additional training is assigned as needed.

Cybersecurity policy training and elevated user training is required for all employees who are approved for elevated information access resulting from a change in position or other circumstance.

Beyond official training, we strive to regularly educate our employees on cybersecurity matters. We provide ongoing educational content through our internal employee portal and periodic lunch-and-learn sessions.

MITIGATING PHYSICAL AND CYBER RISK EXPOSURE

Over the past several years, we witnessed a significant increase in the frequency, scope and sophistication of physical and cybersecurity attacks on critical infrastructure. FirstEnergy invests heavily in innovative and layered security measures that use both technological and physical barriers to protect critical transmission facilities and our digital communications networks.

Through our *FE Forward* business improvement initiative, we combined cyber and physical security, enabling us to take a comprehensive approach to protecting critical infrastructure and adapting to the evolving landscape of physical and cyberthreats. It also enables us to mitigate risks as our business, our industry, and the world around us change.

As we modernize the grid with smart technologies, for example, the operational benefits come with increased risk of potential threats. Digital systems like Supervisory Control and Data Acquisition (SCADA) devices (used to remotely monitor our systems in real time), smart meters and internet-enabled streetlights offer significant improvements in operations. But they also increase the number of points where malicious actors can try to gain access and compromise larger systems. To mitigate these potential threats, we build in additional safeguards to separate our networks.

Threats don't always come directly from the internet. Physical access to critical systems is also closely monitored. We regularly perform vulnerability assessments at sites across our footprint. Critical locations are monitored around the clock and are protected by both digital and physical barriers.

PREVENTING INCREASED PHISHING ACTIVITY

In addition, the COVID-19 pandemic created new security threats, as we transitioned more than half of our employees to remote work. The number one way that hackers try to enter a system is by tricking an employee into clicking on an email or providing their ID and password. At the onset of the COVID-19 pandemic in early 2020, the number of phishing emails increased by a reported 667%, according to [a major network security firm](#). One of the most important preventions against this kind of attack is our phishing training and testing. To bolster our success with foiling these increasingly frequent, international cyber threats, FirstEnergy blocks suspicious traffic at the email gateway and also prevents FirstEnergy emails from being sent to suspicious destinations.

INFORMATION SECURITY

FirstEnergy has several policies and programs in place for the protection of sensitive information and the retention of the company's records. Employees are trained on and required to comply with the following policies:

- **Corporate Policy 808 – Sensitive Information:** guides employees on the identification and classification of sensitive information
- **RIM STD 2.05 – Sensitive Information Management:** educates employees on how to protect information classified as sensitive
- **Identity Theft Prevention Program:** reflects the commitment of FirstEnergy to comply with the Fair and Accurate Credit Transactions Act of 2003 (also known as the “Red Flags Rule”)



OUR APPROACH

Delivering the energy to power our customers' lives is an important responsibility at any time, but it has been especially vital during the pandemic. Our employees have demonstrated flexibility and resilience in adapting to the COVID-19 pandemic, while continuing to serve our customers safely.

Our response to the pandemic has been well-informed, decisive and measured, as recommended by medical experts, to protect the health and safety of our workforce and the public.

OVERSIGHT AND MANAGEMENT OF PANDEMIC RESPONSE

We understand that energy is essential to daily life for residents and businesses in our communities. Our Corporate Business Continuity Plan prepares us for a range of disruption scenarios and ensures the resilience of our operations and service to customers.

In 2007, we positioned our company to prepare for a pandemic event by including a Pandemic Plan in our Corporate Business Continuity Plan, which ensures continued operations in the event of a health-related emergency.

In March 2020, departmental business continuity plans were activated and remain in active status in response to the global pandemic. COVID-19 response teams were formed to monitor developments and organize our company's response.

**MISSION: TO PROTECT THE HEALTH AND SAFETY OF OUR EMPLOYEES,
WHILE CONTINUING TO DELIVER THE ENERGY OUR CUSTOMERS RELY ON EVERY DAY.**

Health Emergency Task Force

- Develop and direct COVID-19 protocols
- Provide recommendations to senior leadership and develop policies and procedures in accordance with the Centers for Disease Control and Prevention (CDC), as well as state and local laws and recommendations
- Provide consistent and timely communications to senior leadership and business unit teams for execution

Business Unit Teams	Corporate Health and Safety Team	Workplace Return Team
<ul style="list-style-type: none"> ▪ Implement emerging policies and procedures ▪ Communicate policies and procedures down through business units and ensure alignment 	<ul style="list-style-type: none"> ▪ Develop COVID-19 illness reporting protocols ▪ Handle case management and contact tracing ▪ Provide medical recommendations and advise on employee health concerns 	<ul style="list-style-type: none"> ▪ Develop, implement and continue to update FirstEnergy's Workplace Return Guide, covering all policies and protocols for onsite employees to follow, and remote employees to adopt, once employees return to the workplace

SUPPORTING OUR EMPLOYEES, CUSTOMERS AND COMMUNITIES

At the onset of pandemic, we successfully transitioned approximately 7,000 of our employees—more than half our workforce—to work remotely and implemented enhanced safety protocols for our essential workers in the field or at company locations. We also supported our customers in need by suspending disconnections, as well as by providing critical financial support, through the FirstEnergy Foundation, to foodbanks and organizations leading COVID-19 relief efforts in our communities.

Employees

We recognize that the pandemic posed unprecedented challenges for our employees, both at work and at home. We facilitated a range of tools and resources to enable employees to work effectively, while also providing flexibility and expanded benefits to help them and their families cope with the pandemic.

Some of those solutions included modifying the employee benefits plan to offer in-network coverage for COVID-19 treatment and telehealth services, providing employees with up to four hours of paid time off (PTO) to receive each dose of the vaccine and implementing a new PTO carryover process that allows employees to access unused 2020 and 2021 PTO through 2024.

Transitioned
7K EMPLOYEES
successfully to remote work

Created
COVID-19 TESTING PROGRAM
for employees returning from storm restoration
or mutual assistance work

Established
CUSTOMER SERVICE TEAM
dedicated to supporting business and commercial
customers with payment arrangements and
assistance programs

Donated
\$500K
to food banks and hunger centers
in the communities we serve

In addition, we introduced a range of preventive measures and new protocols to limit the spread of COVID-19 and protect the health and safety of our employees. FirstEnergy's Corporate Health and Safety group has implemented those measures in alignment with the company's medical consultants, the CDC, the National Institutes of Health (NIH) and the World Health Organization (WHO). Actions include:

- Requiring employees who can work from home to work from home.
- Performing enhanced environmental cleaning at company facilities, with extra focus on frequently touched surfaces.
- Providing sanitizing products for cleaning equipment and vehicles.
- Prohibiting/minimizing non-employee visits to FirstEnergy work locations and barring/limiting non-essential business travel and in-person employee meetings.
- Closing/limiting food service at FirstEnergy work locations and closing employee workout facilities.
- Alternating shifts and relocating job briefs and reporting locations to sites conducive to social distancing.
- Suspending meter reading that requires access inside homes or residences.
- Splitting into and maintaining smaller work units ("pods") to allow more distance between employees and limit interaction.
- Installing vertical partitions along workstation walls at some FirstEnergy facilities, including control centers, to create barriers between employees unable to work remotely or socially distance.
- Offering medical personnel for employees who have questions or concerns about their health.
- Implementing a medical screening process for employees who may be showing signs of illness or who have recently travelled to high-risk areas.
- Creating a COVID-19 testing program for asymptomatic employees and employees returning from storm restoration or mutual assistance work.
- Providing on-site COVID-19 vaccination clinics for employees in West Virginia and Pennsylvania.
- Working closely with our contractors to institute consistent guidelines with their personnel to ensure they be held to the same standards.

Adjusting to new circumstances and working during the COVID-19 pandemic provided insight that will help us improve how we work moving forward. For example:

- **Productivity:** Successfully transitioning more than half of our workforce to work remotely showed us that our employees can work effectively from anywhere. Now, we're rethinking the future of work at FirstEnergy and moving toward a goal to enable 100% remote capability for our employees to access their work on any device at any time.
- **Efficiency:** The COVID-19 protocols we implemented changed how we worked in the field and yielded process efficiency improvements we intend to continue using.
- **Safety:** Increased focus on COVID-19 protections also helped drive stronger overall safety performance. In 2020, we achieved a companywide OSHA-recordable injury rate of 0.70, which is fewer than one injury per 200,000 hours worked—an improvement from 0.98 in 2019.

While this pandemic has been challenging, we have risen to the challenge, instituting preventive measures and protocols to enable business operations to continue in a safe, healthy and productive manner for all employees.

We established what employees are required to do to help keep themselves and their coworkers healthy and safe—with all measures, protocols and requirements meeting or exceeding federal, state and local policies, as well as guidance from the CDC. And as conditions change, we adjust our plan. Remaining flexible will enable us to respond swiftly but also prudently, putting employees' needs first. Importantly, all these steps have been documented to ensure consistent implementation now and going forward.

Customers and Communities

Keeping the lights on for our customers has never been more critical than during the pandemic, as customers spend more time at home and medical and other front-line workers work around the clock to protect the health and safety of our communities. In addition to safely maintaining reliable service, we also recognized that our customers and communities faced increased challenges and hardships because of the pandemic. Steps we took to assist our customers and communities during this time included:

- Temporarily suspending service disconnections and late payment charges for our customers.
- Offering payment plans and promoting bill assistance programs to customers facing financial hardship.
- Establishing a customer service team dedicated to supporting business and commercial customers with payment arrangements and assistance programs.
- Conducting an extensive public education campaign—including TV commercials, radio spots, billboards and digital advertising—to raise awareness of the resources available to help customers pay their bills.
- Donating \$500,000 to food banks and accelerating approximately \$1.5 million in matching contributions to United Way agencies through the FirstEnergy Foundation to support the unprecedented and urgent need at the onset of the COVID-19 pandemic.
- Developing the Foundation's *Investing with Purpose* program in response to the COVID-19 pandemic and the racial injustices that were highlighted during 2020. Please visit the [Community Impact](#) page for information on this program.

Communicating with our customers and keeping them informed throughout the evolution of the pandemic has been extremely important. Our [Coronavirus Information site](#) functions as a central hub of COVID-19 information, helping customers stay up to date on service-related developments and critical resources. This site provides details on payment plans and bill assistance programs, service disconnection updates, field personnel safety precautions, state-specific programs or protocols and other relevant topics, as necessary.



ENVIRONMENTAL

As part of our corporate responsibility approach, we strive to protect the environment by minimizing our impact, improving the sustainability of our operations, executing our Climate Strategy and finding opportunities to enhance the ecosystems we interact with.

ENVIRONMENTAL COMPLIANCE EXCELLENCE

Our Environmental Policy guides our commitment to environmental stewardship. Our environmental management system and Environmental Compliance Assessment Program help to ensure we maintain compliance with federal, state and local regulations.

[READ MORE](#)

EMISSIONS REDUCTIONS

We believe climate change is among the most important issues of our time, and we're committed to doing our part to ensure a sustainable future for the communities we serve. We're targeting carbon neutrality by 2050, with an interim 30% reduction in greenhouse gas emissions under our direct control by 2030, based on 2019 levels.

[READ MORE](#)

FOSTERING POLLINATORS

We believe the utility industry is uniquely positioned to create and support habitats where declining pollinator populations can thrive. We've set a goal to create 225 acres of biodiverse pollinator habitats by 2025 by planting seed mix in our transmission rights-of-way.

[READ MORE](#)

ELECTRIFYING THE ECONOMY

Electrification is an opportunity to significantly reduce our region's carbon footprint and enable our customers to thrive in a low-carbon future. We are installing electric vehicle charging stations as part of our participation in a Maryland pilot program and are awaiting regulatory approval for a similar program in New Jersey.

[READ MORE](#)

FLEET ELECTRIFICATION

We're targeting 30% electrification of our light-duty and aerial truck fleet by 2030, and full electrification by 2050. Moving forward, 100% of new vehicle purchases for this fleet will now be electric or hybrid.

[READ MORE](#)

CLEAN ENERGY

We've set a goal to own at least 50 MW of solar generation in West Virginia by 2025, and we continue to connect our customers' distributed energy resources with our grid. We facilitated more than 158,000 interconnection projects between 2018 and 2020.

[READ MORE](#)

WASTE REDUCTION

Our Wood Pole Diversion Program helped us divert 249 tons of wood poles from landfills in 2020. This and other company recycling programs help us minimize waste and mitigate our impact on the environment.

[READ MORE](#)

ENERGY EFFICIENCY

In 2020, our energy efficiency programs helped customers save over 1 million MWh of electricity. To continue these efforts, our goal is to help customers achieve cumulative electricity reductions in excess of 7.5 million MWh between 2021 and 2025.

[READ MORE](#)

WATER CONSERVATION

Our leachate recycling process at the Harrison Power Station reduces the amount of water we withdraw from the nearby river by about 100 gallons per minute, or approximately 52.5 million gallons annually.

[READ MORE](#)



POLICY AND COMPLIANCE EXCELLENCE

ENVIRONMENTAL POLICY

FirstEnergy believes it is our responsibility to protect and preserve the natural environment and build a sustainable energy future for the customers and communities we serve. We are committed to fulfilling this responsibility by conducting our operations in accordance with our Environmental Policy.

We expect all employees and contractors to adhere to our Environmental Policy. We have management strategies in place to ensure we continue to abide by all regulatory compliance requirements, including an environmental management system, and we provide employee education through tools such as annual training and daily environmental messages.

Our Environmental Policy:

FirstEnergy is committed to providing customers with electricity in a manner consistent with environmental policies, laws and regulations. We achieve this by effectively managing the environmental impact of our activities, using natural resources wisely, improving our performance, enhancing our stewardship and supporting research on innovative technologies. Our commitment to environmental management includes the Board of Directors and executive management committees, as well as an employee incentive compensation program linked to environmental performance.

ENVIRONMENTAL OVERSIGHT AND ACCOUNTABILITY

FirstEnergy's Environmental group oversees a range of environmental issues, from responsibly managing waste to reducing infrastructure-related risks to avian species. Our Environmental Policy and initiatives foster employee awareness, provide guidance, define responsibilities and outline our strategy for mitigating environmental impacts.

Board and executive-level oversight helps ensure the transparency and accountability of our environmental initiatives, while also ensuring those initiatives are carefully aligned with the company's core values and Strategic Plan.

Board Level

The Board of Directors oversees enterprise-wide risks, including environmental risks. Our Audit Committee, Corporate Governance and Corporate Responsibility Committee, and Operations and Safety Oversight Committee (all comprised of independent directors) provide oversight of different aspects of our environmental initiatives and performance. For example, the Audit Committee oversees remediation costs and environmental budgets, while the Operations and Safety Oversight Committee oversees the Environmental Excursions and Notices of Violation (NOV) Key Performance Indicator (KPI) and other indicators of environmental performance. The Corporate Governance and Corporate Responsibility Committee oversees FirstEnergy's corporate citizenship practices, ESG approach, initiatives and policies to the extent not otherwise overseen by the other Board committees to ensure they are consistent with our long-term strategic objectives and reflective of good corporate citizenship.

Executive Level

Led by the Vice President of Utility Operations, our executive-level management team is responsible for executing the environmental strategy and providing oversight on environmental initiatives. The Vice President of Utility Operations and executive-level team routinely provide reports on environmental progress to appropriate board committees throughout the year.

Director and Environmental Management Team

The Environmental Management team and Director of Environmental have a broad range of responsibilities that includes identifying new or changing regulations that affect our operations; overseeing all operational permits at the federal, state and local level; and overseeing initiatives that support the environmental strategy. Together with the Vice President of Utility Operations, the Director of Environmental provides regular monthly reports to the executive-level management team on environmental programs and key initiatives, as well as the status of our Environmental Excursions and NOV KPI.

COMPLIANCE EXCELLENCE

Compliance excellence is a key principle of FirstEnergy's approach to protecting the environment and mitigating the impact of our operations. We strive to comply with all federal, state and local laws and regulations applicable across our footprint including, but not limited to, those related to the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, and the Endangered Species Act.

To ensure we abide by all regulatory compliance requirements, we use an environmental management system for our generation operations that tracks those requirements and prompts responsible parties to complete each required task. We use the same environmental management system, on a more limited basis, in our distribution operations, and we also employ another similar environmental management system on the transmission side that ensures adherence to our project-based permits and compliance requirements.

Our Environmental Compliance Assessment Program (ECAP) is another vital part of our efforts to maintain compliance excellence. Through this program, we conduct rigorous internal regulatory reviews of individual sites to assess environmental compliance with federal, state and local requirements. Essentially, ECAP helps us to:

- Identify and correct any instances of noncompliance
- Assist managers in gaining a thorough understanding of the specific environmental compliance requirements of particular facilities
- Identify practices and circumstances that make facilities vulnerable to noncompliance
- Increase awareness of individual accountability for environmental compliance and environmental stewardship
- Provide independent inspections verifying environmental compliance

We strive to evaluate every FirstEnergy facility through the ECAP program once every other year.

Additionally, through our Environmental Threat Assessment Program, we strive to go above and beyond compliance requirements by performing site visits that help us to proactively identify and eliminate any potential environmental risks at our facilities.

These two key programs help us to maintain compliance in a variety of areas and put into action our commitment to be good stewards of the environment.

We also assess our environmental performance by including Environmental Excursions and NOV as a KPI metric in the Operations Index of our short-term incentive program. Our Environmental Excursions and NOV KPI metric tracks any regulatory reportable air emission, water discharge or other unauthorized release that exceeds applicable environmental limitations, conditions and deadlines set by federal, state or local regulations. Our threshold, target and stretch goals for this metric are based on our previous year's performance, with the stretch goal designed to encourage significant improvement in our commitment to making the environment better. Including these environmental metrics in our Operations KPIs enhances employees' awareness of and attention to environmental compliance and drives continuous improvement across all areas of our business. Please see our [ESG data table](#) for our Environmental Excursions and NOV metrics.



CLIMATE STORY

CLIMATE POSITION

We believe climate change is among the most important issues of our time, and we're committed to doing our part to ensure a bright and sustainable future for the communities we serve. Through the diligent execution of our [Climate Strategy](#) we're working toward achieving carbon neutrality by 2050, which we view as a key step in meeting the climate challenge and building a sustainable energy future for the next generation. In addition, we have a responsibility to our stakeholders to proactively mitigate the company's climate change risks and capitalize on emerging opportunities in a carbon-neutral economy—all while meeting the changing energy needs of our diverse customer base.

CLIMATE STRATEGY

Our Climate Strategy is a major driver of our efforts to modernize our transmission and distribution systems, support widespread electrification and incorporate emerging smart technologies. Our Strategy includes:

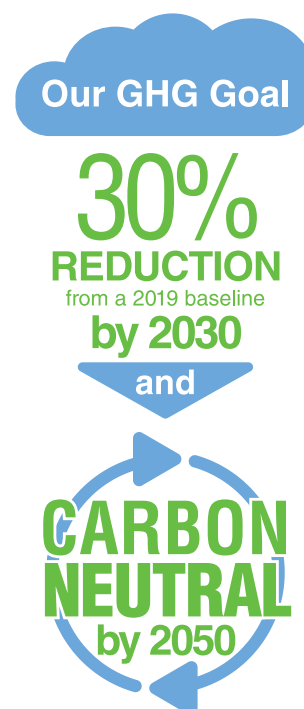
- Protecting and enhancing our transmission system to enable a clean-energy and carbon-neutral future.
- Building a technologically advanced distribution platform that improves grid reliability and resiliency, while also enabling our company and customers to support a carbon-neutral economy through efforts such as electrification.
- Committing to a thoughtful and just transition of our regulated coal generation fleet, while being innovative and forward-thinking as we explore near-term opportunities to reduce emissions, incorporate renewable resources and implement emerging technologies that support our company's mission. This includes a goal to own at least 50 MW of solar generation in West Virginia by 2025.
- Integrating carbon pricing into our financial forecasting, advocating for regulatory and legislative policies that support our efforts toward a carbon-neutral future and driving innovative cross-functional initiatives, such as our [Wood Pole Diversion Program](#), that modify our business practices and asset replacement strategies to be more environmentally responsible. These and other important corporate services objectives are integrated into the long-term planning processes for our business units to support our Climate Strategy.

REDUCING EMISSIONS

As part of our Climate Strategy, we plan to reduce our companywide greenhouse gas (GHG) emissions within our direct operational control (Scope 1) by 30% by 2030 (from our 2019 baseline), as we work toward carbon neutrality by 2050. Key steps in reducing our emissions and improving the sustainability of our operations include:

- **Replacing Aging Equipment:** We're responsibly replacing aging equipment on our transmission system, such as circuit breakers and substation buses, that contains sulfur hexafluoride (SF₆), a greenhouse gas commonly used in electric utility equipment. Please see our [ESG data table](#) for our SF₆ emissions metrics.
- **Electrifying our Vehicle Fleet:** We've committed to 100% electric or hybrid vehicle purchases for our light-duty and aerial truck fleet moving forward. We are also targeting 30% electrification of that vehicle fleet by 2030 and 100% electrification by 2050.
- **Using Generation Efficiencies and Flexibility:** We're utilizing operational flexibilities at our generation facilities that will enable us to reach our interim 2030 goal of a 30% GHG reduction from 2019 levels, while continuing to provide customers with safe and reliable electricity.
- **Transitioning Away from Coal Generation:** We expect to thoughtfully transition away from our coal generation fleet no later than 2050. We have 3,082 MW of coal generation remaining between our Harrison and Fort Martin Power Stations. These two plants are part of the vertically integrated utility in West Virginia and represent approximately 5% of our overall earnings.

For historical information on previous emissions reductions and coal unit retirements, please visit our 2019 [Climate Report](#).



In 2020, we achieved a 19% GHG reduction from our 2019 baseline.

Note that global GHG emissions amounted to an estimated 59.1 billion tons of CO₂e in 2019, according to the United Nations. FirstEnergy's 2019 Scope 1 emissions were an estimated 18.1 million metric tons—approximately 0.03% of the annual global total. While FirstEnergy's total GHG emissions are a small component of global GHG emissions, we believe that climate change is among the most important issues of our time, and we're committed to doing our part to ensure a bright and sustainable future for the communities we serve.

Please visit our [Biodiversity and Conservation](#), [Waste Management](#) and [Water Management](#) pages for more information on our efforts to develop increasingly sustainable, responsible operations.

CLIMATE RISK OVERSIGHT AND ACCOUNTABILITY

Oversight, accountability and risk mitigation of our Climate Strategy and greenhouse gas reduction goals occur at the highest levels of our company, where our Board of Directors, Corporate Governance and Corporate Responsibility Board Committee, executive-level steering committee and business unit leadership guide our efforts. Additionally, employees throughout the company participate in executing our Climate Strategy and play a key role in helping us to meet our objectives.

We encourage you to read the details of our [Climate Strategy](#), [Task Force on Climate-related Financial Disclosures](#) (TCFD) document and [Climate Report](#). Additionally, we conducted a 2-degree scenario analysis as part of our 2019 Climate Report (available [here](#)), which helped us to understand potential risks and opportunities in a reduced-carbon future.



OUR APPROACH

As part of our [Climate Strategy](#), we're focused on enabling our customers to live more sustainably and thrive in a carbon-neutral future. That includes responding to customer expectations for clean energy sources, increased control of their energy use choices, and more sustainable alternatives in transportation, manufacturing and industrial processes.

TRANSMISSION INVESTMENTS FOR A CLEAN ENERGY FUTURE

Our transmission investments are key to reliably integrating more renewables and distributed energy resources on our region's electric grid and enabling the carbon-neutral future our customers and communities want. We're preparing for that future through investments that enable grid operators to respond more swiftly to changing conditions and facilitate the reliable inclusion of smaller, distributed generating sources. We're also assessing the value of energy storage as a transmission asset to enable greater operational flexibility, increased protection against physical asset risks, and better support for increased renewables and distributed energy resources. Additionally, we're replacing aging equipment and adding system redundancy to harden our grid and protect it from physical risks of climate change, such as increasingly extreme weather. Please see our [Climate Strategy](#) for more information on our transmission investments.

INVESTING IN SOLAR GENERATION AND SUPPORTING CLEAN ENERGY OPTIONS

We support our customers' sustainable energy needs across our service territory. Accordingly, we've set a goal to own at least 50 MW of solar generation in West Virginia by 2025. This goal represents an important step in the company's efforts to fulfill our Climate Strategy and build a sustainable energy future.

CONNECTING CUSTOMERS' DISTRIBUTED ENERGY RESOURCES

We understand the pressing need for low- and zero-carbon generation due to climate change and recognize that our customers expect more sustainable energy options. Our ability to develop renewable generation depends on regulatory decisions that would allow regulated utilities to own renewable generating sources. However, we do support our customers' right to safely use distributed energy resources (DERs) and have developed processes that support the interconnection of solar, energy storage and other DERs consistent with the laws and regulations of individual states.

For instance, we work with our customers who wish to interconnect their DERs with our distribution system. When a customer submits a request, we study the interconnection scenario and determine if clarifications or adjustments are needed to enable the safe and reliable integration of the DER project on our grid. We will continue connecting these resources to the grid to support state renewable energy goals and our customers' growing preference for distributed energy resources.

Between 2018 and 2020, we facilitated more than 158,000 customer interconnection projects across our service area.

ELECTRIFYING THE ECONOMY

We view electrification as an opportunity to significantly reduce our region's carbon footprint. Transportation electrification has the potential to eliminate direct tailpipe emissions from gasoline-powered cars and improve air quality across our service area, while the increased electrification of industrial manufacturing can replace fossil-fuel use with low- or zero-carbon electricity in various energy-intensive industries.

Our long-term vision is to help lead a seamless and reliable economy-wide electrification effort and power a more sustainable future for the customers and communities we serve.

To make progress toward that vision, we have installed electric vehicle (EV) charging stations as part of our participation in a Maryland EV pilot program and are awaiting regulatory approval to participate in a light-duty EV program in our New Jersey service area. These efforts help to expand EV charging infrastructure in the states we serve and lessen drivers' range anxiety, while also giving us the opportunity to assess charging patterns and prepare our grid for the continued growth of transportation electrification.

We also participate in the Electric Highway Coalition, a group of electric companies committed to enabling long-distance EV travel through a network of fast-charging stations connecting major highway systems. By working together to ensure efficient and effective fast-charging deployment plans, we avoid duplication of efforts among coalition utilities and complement existing fast-charging sites.

Additionally, our ongoing electrification efforts include helping our industrial and commercial customers embrace electrification through electric forklifts and transportation equipment, and by providing energy usage data that monitors their new energy profiles and illustrates the value of electrification.

EV DRIVEN CHARGES AHEAD IN MARYLAND

We're supporting Maryland's goal to have 300,000 zero-emission vehicles on the road by 2025. Through our *EV Driven* program, Potomac Edison is installing utility-owned public charging stations throughout its Maryland service area. By year-end 2020, we completed the installation of 17 charging stations, including 4 direct-current fast chargers, which can provide an 80% charge for most EVs in less than an hour. We also installed Level 2 charging stations that accommodate two vehicles simultaneously and deliver 8 to 24 miles of range per hour of charging.

DRIVING ENERGY EFFICIENCY

FirstEnergy has long supported our customers' ability to use energy more efficiently and wisely. Our energy efficiency programs are one way we help customers identify areas to reduce energy use and minimize their carbon footprint, while also saving money on their electricity bills.

Energy efficiency and/or peak demand reduction policies, including annual incremental energy efficiency targets of up to 2% of total customers' usage, have been established in certain states to meet long-term customer and community sustainability needs. We offer a suite of energy efficiency programs to meet or exceed these reduction targets, while also supporting system reliability and lowering customers' demand for electricity.

Residential customers can save energy through significant incentives that offset the costs of major home efficiency upgrades, such as home insulation and weatherization, major appliance upgrades or heating and cooling system improvements. Others may benefit from smaller, incremental changes such as lighting improvements, enhanced energy usage data and education, or kits that provide useful energy-efficient products, such as LED light bulbs. To view energy efficiency programs and tools available to residential customers, visit our website [here](#).

We also offer solutions for small businesses, government entities, schools and even the largest and most energy-intensive manufacturers and industries. Our portfolio of commercial and industrial programs provides measures and financial incentives for these customers to purchase qualifying high-efficiency products; recycle inefficient appliances; complete energy audits; and adopt energy-saving behaviors or energy management practices. To view these and other programs available to our commercial and industrial customers, visit our website [here](#).

In 2020, our energy efficiency programs helped customers save over 1 million MWh of electricity—the equivalent of one year's pollution from 155,000 cars. Looking ahead, our goal is to help customers achieve cumulative reductions in electricity usage exceeding 7.5 million MWh and lower their demand on the electric grid during peak usage hours by 400 MW between 2021 and 2025. These actions, if implemented as planned, will avoid over 5.3 million metric tons of GHG—the equivalent of emissions generated by more than 1.1 million passenger vehicles driven for one year.

Our goal is to help customers achieve cumulative electricity reductions in excess of 7.5M MWh between 2021–2025.

Please also see our [ESG data table](#) for our energy efficiency metrics.



BIODIVERSITY COMMITMENT AND CONSERVATION PRACTICES

Our electric transmission system spans approximately 24,000 miles of lines connecting the Midwest and Mid-Atlantic regions and includes more than 13,000 miles of rights-of-way (ROW) transmission corridors. As we build and maintain our infrastructure to ensure reliable electric service for our customers, we are also focused on preserving and protecting the environment. Beyond improvements to our own work practices, we're also committed to collaborating with and supporting a range of organizations dedicated to habitat conservation in our service area.

Our corporate [Biodiversity Commitment](#) guides our actions to protect wildlife and support habitat conservation. Our commitment includes utilizing integrated vegetation management (IVM) best practices to establish and maintain a mixture of grasses, shrubs and other vegetation that yields thriving, biodiverse habitats in our transmission corridors. It also includes partnering with collaborative industry groups and research institutes to continuously improve utility and vegetation management best practices.

GREEN TEAMS

FirstEnergy's 10 Green Teams comprise employees from across the company who volunteer their time and talents to participate in a wide variety of environmental stewardship initiatives in support of our mission statement. Together, the Green Teams recently surpassed their companywide goal of planting 10,000 trees in 2021, planting more than 13,000 trees in public spaces across our service territory.

INTEGRATED VEGETATION MANAGEMENT

Integrated vegetation management is the process by which our Vegetation Management group evaluates our transmission corridors to assess tall-growing woody vegetation that can interfere with transmission lines and equipment. The group develops and implements corresponding control options such as herbicide application, manual pruning and mowing. Please see our [Energy Reliability page](#) for details on how our vegetation management practices contribute to service reliability for customers.

Our IVM process aligns with our Biodiversity Commitment and includes the use of ecologically focused management practices that foster compatible, low-growing and biodiverse plant communities that require less maintenance in the long run.

IVM not only helps ensure reliable electric service and reduced long-term maintenance costs, it also enables FirstEnergy to use our extensive transmission corridors to [create pollinator-friendly habitats](#) that sustain healthy populations of bees, butterflies and other pollinating insects. We believe well-managed rights-of-way that exceed minimum standards of care can provide the food and cover that wildlife needs to survive. We've set a goal to create 225 acres of biodiverse pollinator habitats by 2025 by planting seed mix in our transmission rights-of-way. In 2020, we made progress toward our goal by creating approximately 54 acres of diverse, pollinator habitats.

Creating 225 acres of biodiverse pollinator habitats by 2025.

POLLINATOR CONSERVATION

Pollinators like bees, butterflies, bats and birds play a critical role in sustaining a healthy environment. Not only do they pollinate plants [that produce one-third of the food we eat](#), but they also help maintain vegetation that cleans the air, prevents soil erosion and supports other wildlife.

We believe the utility industry is uniquely positioned to create and support habitats where declining pollinator populations can thrive. In addition to cultivating plant life that supports pollinators in our transmission corridors, FirstEnergy also partners with organizations on various pollinator initiatives and participates in collaborative research studies that help us develop increasingly sustainable vegetation management practices.

For example, we participate in the [Pennsylvania State Game Lands 33 \(SGL33\) research project](#), which began in 1953 in response to public concern about the impact of vegetation management practices on wildlife habitat along a transmission corridor. Today, we work with researchers from [Penn State](#) who continue to study the effects of vegetation management practices on the wildlife habitats at SGL33 sites. These continuous studies have demonstrated that our IVM work under transmission lines is key to the creation of diverse, early-successional plant communities, which provide the healthy, sustainable habitats that pollinators and other animal species rely on. Additionally, we participate in the Electric Power Research Institute (EPRI) Power-in-Pollinator initiative and Monarch Butterfly Candidate Conservation Assurance Agreement.

PROMOTING CONSERVATION AND POLLINATION

As part of our commitment to be good stewards of our environment and communities, we introduced a companywide initiative in 2020 to create and maintain pollinator gardens across FirstEnergy locations in Ohio, Pennsylvania, New Jersey, West Virginia and Maryland. Our employees have helped create 12 pollinator gardens at 12 FirstEnergy locations.

AVIAN PROTECTION

Birds of prey, like ospreys, often seek out our utility poles and transmission towers to build their nests. These nesting tendencies place the birds near energized electrical equipment, which jeopardizes their well-being and can potentially cause power outages. Because our utility infrastructure naturally attracts nesting birds, we have a long-standing commitment to protect nesting birds from harm that can result from contact with our equipment.

Our avian protection process is about efficiently identifying and responding to bird activity along our power lines. As part of that process, our internal Avian Incident Reporting Application enables utility personnel to report avian issues in real time, streamlining the process to protect nesting birds and proactively mitigating risks to service reliability. This mobile app enables field workers to submit photos and answer key questions to report the locations of bird nests or other bird-related issues along the company's power lines.

Also, our drone team often plays a key role in our avian protection process. Drones allow us to safely evaluate nesting situations and plan next steps without disturbing the nests, which might contain eggs and cannot be disturbed in most cases.

After the drone inspection step in our avian protection process, we employ best practices to both create a suitable alternative nesting platform and relocate the nest. Our most notable success is with our osprey protection efforts. In partnership with the New Jersey Environmental Protection Agency, the Erie Bird Observatory and other groups, we have successfully protected these birds from electrocutions and collisions with our equipment by building safe nesting platforms away from our equipment and installing deterrents against future nesting on utility structures. This proactive work ensures the safety of the osprey population and prevents electric service interruptions for our customers.

LINE CREW PROTECTS NESTING OSPREY

A Penn Power line crew in western Pennsylvania partnered with state and federal wildlife agencies to develop a plan for removing an osprey nest containing eggs that was situated on a utility pole. Disturbing or removing the nests can be a complicated task due to environmental regulations. In most cases, an active nest containing eggs cannot be disturbed. Unable to move the eggs to a nearby bird sanctuary because of permitting issues, Penn Power line workers developed an alternative solution to protect the birds. They installed insulated bird guard coverings on the power lines and equipment near the nest to keep the birds safe until the eggs hatched and utility personnel could safely remove the nest and install the nesting platform in the fall.

In addition to our avian protection efforts, we maintain membership in the Edison Electric Institute's Avian Power Interaction Committee, which brings utilities, wildlife resource agencies, conservation groups and manufacturers of avian protection products together to protect birds. We also collaborate with the Erie Bird Conservancy, Hawk Mountain Sanctuary, Birds of Flight Sanctuary and other conservation organizations, to promote avian awareness education and support protection efforts across our service area.



WASTE MANAGEMENT

WASTE MANAGEMENT AND REDUCTION

Providing our customers with reliable electricity requires that we responsibly and effectively manage the waste that can result from our operations, as we also find ways to minimize future waste and expand our reuse efforts. Waste streams at FirstEnergy include municipal waste, universal waste and hazardous waste. We work to reduce, reuse and recycle the waste we generate through several initiatives including the projects and programs described below.

As part of our commitment to compliance excellence, we track waste generated from our operations and submit periodic reports to regulatory agencies. Please see our [ESG data table](#) for waste and recycling metrics.

CORPORATE WASTE REDUCTION EFFORTS

We continuously look for opportunities to minimize or eliminate waste streams, reduce our energy use and improve employees' environmental awareness.

- **Vending Machine Removal:** We removed vending machines from our corporate headquarters to eliminate waste from expired items and avoid the energy the vending machines used each month.
- **Single-Use Elimination:** We prevented more than 3,600 pounds of landfill waste by providing employees with reusable water bottles and coffee tumblers to replace disposable plastic, paper and single-use cups.
- **Printing and Paper Changes:** We converted to 100% recycled paper companywide and implemented new printing best practices, such as default double-sided printing and secure-release prompts that question whether employees really need or intended to print. Additionally, this initiative calls for 100% of our used printer toner to be recycled.

WOOD POLE DIVERSION PROGRAM

Wood poles are one of FirstEnergy's largest waste streams, and the majority of scrap poles from our transmission and distribution operations are landfilled at the end of their useful lives, contributing thousands of tons in waste annually. In 2020, we began piloting a program at 12 Ohio Edison line shops to divert scrap poles from the landfill and instead find ways to reuse, recycle or donate them. For example, the poles can be reused in farmers' fields, in parks or in bridge supports. In 2020, we recycled 249 tons of wood poles.

Using the lessons learned from the pilot, we expanded the [Wood Pole Diversion Program](#) to all our operating companies. By 2025, we will recycle or beneficially reuse 50% of our wood poles at the end of their useful lives, when they previously would have been landfilled. This initiative is part of our larger effort to reduce waste across our operations and build a more sustainable energy future.

RECYCLING AND INVESTMENT RECOVERY PROGRAM

At our Miles Service Center in Cleveland, we manage the company's surplus assets through reuse, refurbishment, sale or disposal. Processing scrap wire and cable, and participating in like-kind exchanges, provides revenue to the company. Additionally, by repairing or processing materials and products for reuse, we create less landfill waste and mitigate our environmental impact. Each month, the Miles Service Center sorts and handles approximately 235,000 pounds of scrap material, which generated a net benefit of \$1.9 million in 2020 alone. This program is part of our ongoing efforts to develop increasingly sustainable operations.

Please see our [ESG data table](#) for our investment recovery and recycling metrics.

CONSUMER AND ELECTRONIC WASTE RECYCLING PROGRAMS

Across our companywide operations, FirstEnergy recycles company electronic waste, such as computers and phones. In addition, we have launched a pilot program to begin recycling employees' personal electronic waste. Using company resources, we can ensure those items are properly recycled instead of landfilled.

Recycling Efforts, 2018–2020

60_T

Recycled more than 60 tons of electronic or e-waste on average per year

542_T

Recycled an average of 542 tons of shredded paper (excluding single stream paper) per year

1,525_T

Recycled an average of 1,525 tons of single stream recyclables (such as papers, cardboards, plastics and aluminums) per year

BENEFICIAL REUSE

As part of our focus on environmental compliance excellence and stewardship of natural resources, FirstEnergy is committed to the responsible disposal of coal combustion residuals (CCRs). CCRs—in the form of bottom ash, fly ash, synthetic gypsum and calcium sulfite—are the byproducts that remain after coal is burned to make electricity. These materials are transported to state-of-the-art dry disposal facilities that use liners and leachate collection systems, as well as extensive groundwater monitoring, to ensure environmental protection. We maintain a CCR management program to meet all compliance requirements of the Federal Coal Combustion Residual regulations. To read about our CCR activities and compliance reports for the facilities we manage, please visit our [CCR website](#).

When possible, we also strive to beneficially use CCRs, which are common ingredients in concrete roads, drywall and a wide variety of other construction materials. By diverting CCRs from landfill to more beneficial uses, we reduce the need for waste disposal sites. In 2020, for instance, our continued beneficial use efforts helped us to divert about 21% of our CCR waste from landfills.

RESTORING AND REPURPOSING LAND FOR BENEFICIAL USE

Our Coal Combustion Residuals team is responsible for an innovative beneficial use project that harvested more than 3 million tons of landfilled fly ash. The project eliminated potential legacy environmental liabilities, while restoring a valuable 400-plus acre property for future redevelopment opportunities. The team also planted 14 acres with a biodiverse seed mix, intended to help feed our stressed pollinator populations. Additionally, the team created a strategic “un-disposal” engineering process for reclaiming a permitted landfill, which was approved by the West Virginia Department of Environmental Protection and provided a reliable feedstock to two major cement manufacturers that supported both companies' sustainability goals.



OUR APPROACH

Though we do not operate in a critical water area, water is essential to our operations at FirstEnergy and a prime example of our focus on environmental stewardship. Our water management approach focuses on both water quantity and quality.

We maintain a rigorous compliance process to meet all permitting rules and regulations. In accordance with our power generation-related permits, we closely monitor a wide range of quantity and quality metrics and report findings monthly to the West Virginia Department of Environmental Protection (DEP). Our permits are open for public comment and can be reviewed [here](#). We also strive to comply with all federal, state and local permits required for our transmission and distribution projects.

We respond annually to CDP Water and CDP Climate questionnaires. To find our most recent CDP Water and CDP Climate reports and learn more about our water management practices, please visit our ESG Reports and Resources page [here](#).

POWER GENERATION WATER QUANTITY MANAGEMENT

Water quantity management involves ensuring we have enough water to run our two regulated coal-fired power plants, reducing water withdrawal and use where possible, and monitoring water releases to ensure we're doing our part to prevent erosion and flooding in our communities.

Both coal-fired plants—Harrison and Fort Martin—function with 100% closed-cycle cooling systems (with cooling towers), which use approximately 90% less water compared to once-through, open-cycle cooling systems. This has helped our regulated generation fleet avoid about 90 billion gallons in water withdrawals every year, reducing our use of this important natural resource.

We also run additional reuse processes at Harrison and Fort Martin to further minimize water use at the plants. At Harrison, we collect landfill water runoff—called leachate—and recycle 50% for use in the scrubber, while carefully treating the rest before release to the West Fork River. This process reduces the amount of water we withdraw from the river for use in the scrubber by about 100 gallons per minute, or approximately 52.5 million gallons annually. At Fort Martin, we run a similar recycling project to return leachate for use in the cooling tower, which reduces the amount of water we withdraw from the local river by about 88,200 gallons per day, or approximately 32 million gallons annually.

As we continue our focus on these environmental stewardship efforts, we have set a goal to further reduce water consumption at our two coal plants by 20% by 2030, based on a 2019 baseline. Please see our [ESG data table](#) for additional water reporting.

We're targeting a 20% reduction in water consumption at our two coal plants by 2030 from our 2019 baseline.

POWER GENERATION WATER QUALITY MANAGEMENT

Water quality management involves closely monitoring the contents of water used at our two plants, carefully managing wastewater, and appropriately cleaning and treating water to remove metals and other compounds before release. We monitor water releases to ensure we're protecting surface water and groundwater in the areas where our plants operate, while meeting compliance standards set by the West Virginia Department of Environmental Protection and U.S. Environmental Protection Agency.

Our Harrison scrubber process is a zero-discharge system, which means we release no water as part of those operations. Instead, we carefully collect water from the landfill at Harrison and either recycle it for use in the scrubber or treat the landfill water to clean it before release. At Fort Martin, we use sophisticated water treatment methods to remove metals and other compounds before release.

TRANSMISSION AND DISTRIBUTION WATER MANAGEMENT AND PROTECTION

On the transmission and distribution sides of our business, we are also focused on both water quantity and quality-related issues.

During the planning and siting of projects, we employ a permitting review process to minimize environmental impacts of construction activities and daily operations. Through conducting that process and pursuing the permits required by federal, state and local regulations, we survey sensitive environmental resources and species located in and around existing and proposed rights-of-way. Then, we develop permit plans that avoid or minimize the impacts to these resources and species.

Our first goal is always to avoid any impact on wetland and stream habitats. That requires evaluating project plans from an ecological perspective and choosing options and construction practices that have the least impact, whenever possible. However, when it is impossible to avoid a habitat, our goal shifts to minimizing and mitigating potential impacts, as warranted. Some examples of minimization and mitigation strategies include:

- Traversing non-forested wetlands via construction matting, which enables the area to restore to pre-construction conditions after the work is completed.
- Using a temporary bridge or timber matting that spans bank-to-bank when stream crossing is unavoidable, which avoids direct impacts to the stream and enables the banks to restore to pre-construction conditions after work is completed.
- Clearing forested wetlands by hand instead of with machinery to minimize ground disturbance from access, when clearing is unavoidable.
- Limiting stump removal from forested wetlands to the location of the new facility (e.g., structure foundation, substation expansion, etc.), when removal is unavoidable.
- Purchasing credits at a mitigation bank, paying into an in-lieu fee program or establishing a project-specific mitigation program to offset any permanent wetland impacts.

Additionally, we develop storm water pollution prevention plans (SWPPPs) as part of our transmission and distribution project planning process. These SWPPPs are project specific and rely on best practices for both preventing erosion from stormwater runoff and protecting the quality of local waterways and tributaries from construction-related silt and sediment. Plans are developed by our Environmental group and provided to the Construction & Design Services group to make sure we comply with all applicable rules and regulations.

We also focus on preventing erosion and protecting waterways outside the scope of project planning. For example, we built retention basins around our LEED-certified Center for Advanced Energy Technology (CAET) to prevent flooding and erosion by restricting the flow of rainwater back to streets and storm drains. As part of our *Energizing the Future* transmission program, we also install similar retention basins around newly constructed substations to protect communities and local waterways from flooding and erosion. In addition, our CAET facility features a bioretention system that uses soil, sand and vegetation to help remove pollutants from rainwater before releasing the water back to the community's storm drain system.



NON-GHG AIR EMISSIONS

MITIGATING OUR IMPACT

As part of our approach to corporate responsibility, we strive to mitigate our environmental impact and increase the sustainability of our operations. Through our [Climate Strategy](#), we're taking steps to reduce greenhouse gas (GHG) emissions within our direct control (Scope 1) 30% by 2030 from our 2019 baseline. Additionally, we have invested in environmental controls to reduce the impact of non-GHG emissions resulting from electricity generation at our two regulated coal plants.

FORT MARTIN POWER STATION ENVIRONMENTAL MEASURES

At Fort Martin, we have invested in environmental control systems. Each unit has a scrubber system that removes more than 98% of the sulfur dioxide (SO₂) emissions. As part of the scrubber system, a Physical-Chemical Wastewater Treatment System removes solids and metals from the scrubber wastewater. The scrubbed flue gas produces a steam plume that is carried from the units through a chimney.

The station is also equipped with electrostatic precipitators, which in conjunction with the scrubber remove 99% of the fly ash from flue gases, and low nitrogen oxides (NO_x) burners, which reduce NO_x emissions by 50%. We've also installed GORE technology on both units to aid in mercury reduction.

In addition, each unit is equipped with a hyperbolic cooling tower that reduces the temperature of approximately 250,000 gallons of water per minute. A plume of water vapor leaves the top of the tower while cooled water collects at the base where it is mixed with fresh water and recycled leachate to make up for evaporation.

HARRISON POWER STATION

ENVIRONMENTAL MEASURES

We have also invested in Harrison's environmental control systems. All three units are equipped with a scrubber system, located between the boilers and the chimney, that remove more than 98% of the SO₂ emissions.

All three units are also equipped with low NO_x burners and selective catalytic reduction (SCR) systems for removal of nitrogen oxides from the flue gases. The SCR systems transform nitrogen oxides into nitrogen, which becomes part of the ambient air and water. These systems remove at least 90% of nitrogen oxide emissions from the flue gas.

Harrison is also equipped with electrostatic precipitators, which in conjunction with the scrubber remove 99% of the fly ash from flue gases. In addition, each of the two hyperbolic cooling towers reduce the temperature of approximately 270,000 gallons of water per minute. A plume of water vapor leaves the top of the tower while cooled water collects at the base where it is mixed with fresh water to make up for evaporation.



At FirstEnergy, we are building an inclusive, equitable, rewarding and safe work environment, while empowering our diverse and innovative team to make our customers' lives brighter and our communities stronger.

ENERGY RELIABILITY

We're investing in transmission and distribution system upgrades that enhance reliability and resiliency for our customers, who depend on us for reliable energy every day of the year. Our investments are driving performance improvements that benefit customers.

[READ MORE](#)

SAFETY

In 2020, we experienced no life-changing events and reduced our Days Away, Restricted or Transferred rate, while also implementing new safety practices and protocols during the COVID-19 pandemic.

[READ MORE](#)

INNOVATION

Our Emerging Technology programs are helping us to research and plan investments in key technology areas, such as electrification and smart cities, to bring our vision for the grid of the future to life.

[READ MORE](#)

DIVERSE WORKFORCE

We're building a diverse workforce that better reflects the communities we serve. We're especially focused on increasing the racial and ethnic diversity of our workforce and leadership by 30% by 2025, based on 2020 levels.

[READ MORE](#)

INVESTING WITH PURPOSE

In the wake of the COVID-19 pandemic and the events of 2020 that highlighted racial injustices, the FirstEnergy Foundation donated \$3.4 million in 2020 to organizations that advance social justice, health and safety, education, and workforce development initiatives.

[READ MORE](#)

SUPPLY CHAIN

We strive to increase our dollars spent on diverse suppliers, and over the past three years (2018-2020), we have exceeded our targets for diverse supplier spend. Our goal is to achieve 20% of our Supply Chain spend with diverse suppliers by 2025.

[READ MORE](#)

DEI ACCOUNTABILITY

To drive accountability, we tie compensation for leadership to diversity, equity and inclusion through our key performance indicators and Short-Term Incentive Program. In 2021, we broadened the KPI to include supervisors.

[READ MORE](#)

PUBLIC SAFETY

Our commitment to safety extends to our communities. In addition to launching our *Stop.Look.Live.* electrical safety campaign, we have donated more than \$2 million worth of personal protective equipment to United Way agencies in our service area.

[READ MORE](#)

EMPLOYEE DEVELOPMENT

Our transparent talent management process and employee development programs are designed to prepare our high-performing workforce for the future and help each employee reach their full potential in our organization.

[READ MORE](#)



EFFORTLESS CUSTOMER EXPERIENCE

We define the “Customer Experience” as the sum of all interactions that a customer has during their relationship with FirstEnergy. We are committed to meeting our customers’ expectations for premier service and are focused on providing them with an effortless, transparent and consistent customer experience. As part of that effort, we are continuously working to modernize our customer service capabilities, create more self-service options and enable multiple communications channels to serve and engage with our customers.

We’re also committed to providing the support and resources our customers need. Our customer assistance and support programs provide personalized solutions to help customers keep the lights on and access energy-saving opportunities.

To monitor our customers’ experience and drive continuous improvement in our service to them, we track key metrics such as First Contact Resolution (FCR), Customer Satisfaction (CSAT), Customer Effort Score (CES) and Engaged Customer Relationship (ECR) through customer surveys. Between 2018 and 2020, scores for Customer Satisfaction, First Contact Resolution and Customer Effort have increased by approximately 2% to 3% due to our continuous efforts to improve and provide a best-in-class customer experience.

Our Customer Satisfaction, First Contact Resolution and Customer Effort scores increased approximately 2% to 3% between 2018 and 2020.

Please see our [ESG data table](#) for our customer service metrics.

CUSTOMER 360 INITIATIVE

Our customers' interactions with us should be effortless. As we become more customer-centric, we're taking concrete steps to deliver what customers want.

Our ongoing Customer 360 view initiative gives us a complete and accurate picture of our customers' experiences by aggregating data from their numerous touchpoints with us. This creates a better, more comprehensive understanding of our customers' perspectives, which helps us drive continuous improvement in various areas of their journey. Key resulting initiatives will enable frontline agents to know customers' preferences and history to better address current needs—and proactively offer services or notifications to address potential future needs. Importantly, this dynamic also helps us ensure low customer effort and avoid lengthy service calls by carrying over key details and requests from past customer interactions—regardless of the channel or mode of those interactions.



MODERN, CENTRALIZED CUSTOMER SERVICE SYSTEM

In addition to understanding our customers' perspective, we are also focused on equipping our employees with the tools they need to effectively serve our customers. We're creating a centralized customer service management system that will aggregate information from a customer's interactions across the company. This would create seamless access to all customer information and provide employees with real-time, actionable insights to help them meet our customers' expectations and resolve issues quickly.

CONSISTENT AND TRANSPARENT COMMUNICATIONS

To meet our customers' expectations and accommodate their diverse needs, we employ multiple communication channels. Customers may use our Natural Language Interactive Voice Response System (IVR) to complete a specific transaction or obtain information. Or they may prefer to use one of our other communication channels, including our website, social media pages, voice channel or proactive text/email alerts.

We offer a suite of convenient tools, including alert notifications, text messaging service and our responsive website, to help customers stay connected and up to date with important account and outage information. Because we understand the inconvenience of a power outage, we also offer a streamlined outage reporting process on the website and comprehensive [24/7 Power Center outage maps](#), which show current outage locations, estimated restoration times, the cause of outages and the status of the repair crews.

Our goal is to enhance our customers' experience by providing full visibility and consistency across all channels, by engaging more innovative and accessible ways for customers to obtain information and by anticipating their needs to proactively provide them information.

SOCIAL MEDIA COMMUNICATIONS

Social media has become a key platform for sharing information with stakeholders and assisting customers with service requests and other account-related concerns. FirstEnergy manages [accounts](#) on Twitter, Facebook, LinkedIn, YouTube and Flickr.

Posts shared across FirstEnergy social media channels provide customers with:

- Seasonal energy efficiency tips
- Indoor and outdoor electrical safety information, such as downed power line education
- Tips on how to manage a FirstEnergy electric account, as well as scam awareness information
- Power outage education, such as how to report outages and prepare in advance of an outage
- Company updates, such as scheduled service reliability enhancements
- Community engagement updates through stories about FirstEnergy Foundation donations and employee volunteerism
- Information about important customer programs, such as Smart Meter and Energy Efficiency

Social media is especially useful when a major weather event is forecast. We share information from our in-house meteorologists and operations teams to help customers prepare for a potential outage, as well as remind customers how to report outages and get status updates. Once a storm has passed, we use social media to keep customers informed with restoration updates and photos of damage from the field. We also regularly share safety reminders, such as what to do about downed power lines and how to use generators safely.

To provide a helpful, personalized and efficient experience for customers and other stakeholders who reach out to us on Facebook and Twitter, representatives from Communications and Customer Self-Service collaborate each day to answer questions and address concerns on social media. The team is available Monday through Friday, 8:00 a.m. to 5:00 p.m., with expanded hours during major weather events.

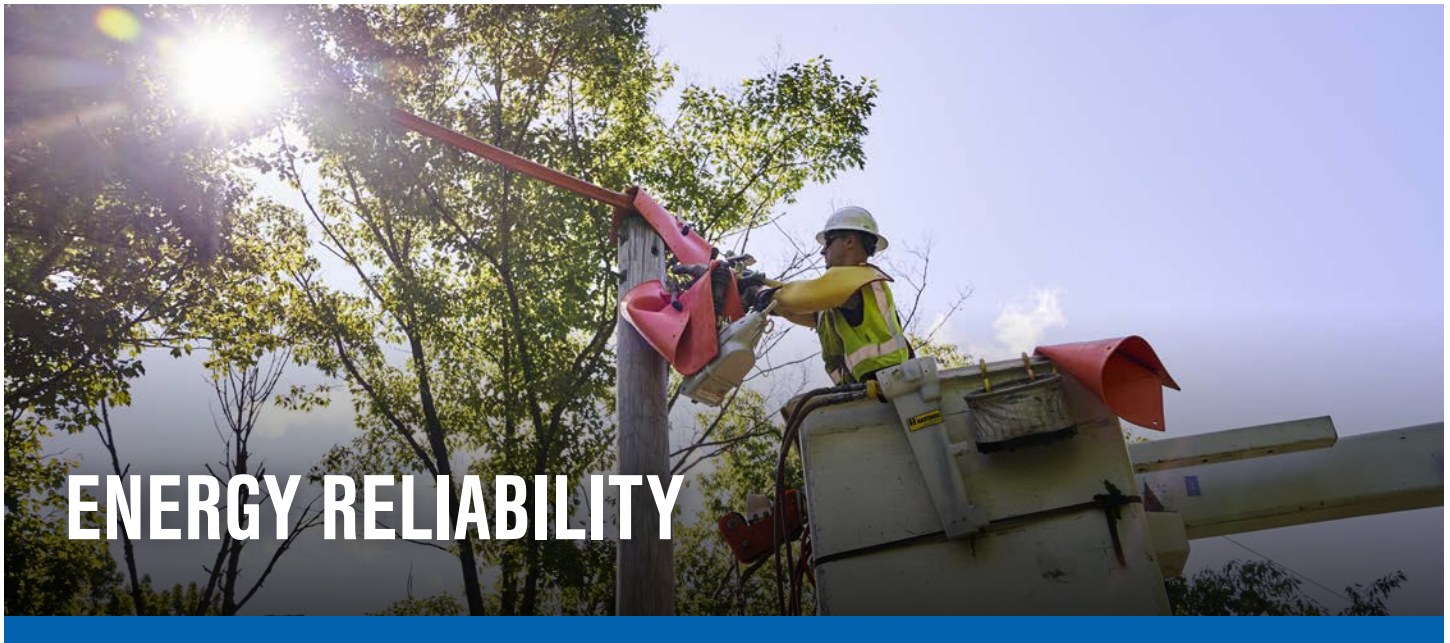
ASSISTANCE PROGRAMS

We strive to meet the needs of our diverse customer base and provide equitable solutions for everyone we serve.

As part of that effort, we offer payment assistance and emergency support programs to help customers facing financial hardships. Programs can help customers budget monthly payments, pay winter heating bills, catch up on past-due payments and avoid service disconnections. To view the different assistance programs available to customers in each part of our service territory, please visit our website [here](#).

FirstEnergy also offers programs for income-qualified residential customers to reduce energy usage or offset the costs of energy improvements. These programs often work in conjunction with other utilities or local, state or federal funds and programs to maximize customer benefits. The slate of programs can be accessed [here](#).

Many of our customers experienced unprecedented financial challenges during the COVID-19 pandemic. For information on our customer assistance and support efforts during the COVID-19 pandemic, visit [Our COVID-19 Response page](#).



ENSURING RELIABILITY AND RESILIENCE

We recognize that our electric service is wide-reaching, impacting our more than six million utility customers who depend on us to provide the reliable energy they need every day of the year. Safety and performance excellence are core values for our company, and keeping everyone safe is our full-time focus. To drive improvement, our *Energizing the Future* transmission program and *Distribution Grid of the Future* program target investments that enhance the reliability and resilience of our system for customers. Routine infrastructure maintenance and storm preparedness plans also play key roles in our efforts to ensure service reliability.

One of the ways we hold ourselves accountable for service reliability is by including metrics—our distribution System Average Interruption Duration Index (SAIDI) and Transmission Outage Frequency (TOF)—in our key performance indicators (KPIs). SAIDI represents the average total duration of outage minutes in a year for each customer served, adjusted for major storms. Our KPI goals for SAIDI are in line with annual standards established by the state utility commissions and are set to challenge our operating companies to improve performance. TOF measures the frequency of transmission line outages, excluding those that are scheduled, forced by emergency or operational. The KPI goals for TOF are determined through industry peer benchmarking. We measure our performance on these metrics and report out to employees both quarterly and annually. Please see our [ESG data table](#) for our trended reliability performance metrics.

ENERGIZING THE FUTURE

TRANSMISSION INVESTMENTS

Through our *Energizing the Future* initiative, we're upgrading and modernizing our transmission system to ensure customers benefit from a stronger, smarter and more secure power grid for years to come.

Investing in innovation and ENHANCING THE GRID with new technologies	Continuing strategic investments and preparing for a FUTURE OF RENEWABLE ENERGY	Continued focus on making the right INVESTMENTS FOR OUR CUSTOMERS
<p>Center for Advanced Energy Technology (CAET): Innovative testing and training facility</p> <p>Transmission Asset Health Center: Real-time monitoring to reduce outages and lower expenses</p> <p>Integrating digital technology to enhance equipment monitoring and lower costs</p> <p>Exploring real-time technologies: Emerging technologies to enhance data collection</p>	<p>Making smart investments to modernize the grid to integrate future renewables</p> <p>Ensuring reliability through sequence of capital projects with maintenance requirements</p> <p>Leading in industry dialogue surrounding the integration of renewables into the grid</p> <p>Exploring opportunities with stakeholders to achieve their renewable goals</p>	<p>Improving reliability and resiliency with fewer and shorter outages</p> <p>Lowering total energy costs by reducing initial capital and future maintenance expenses</p> <p>Supporting the global energy transition to renewable resources</p> <p>Assisting in advancements of economic development</p>

These infrastructure investments are driving significant performance improvements on our ATSI system, serving our three utility companies in Ohio and our Penn Power utility in western Pennsylvania. We anticipate continued customer benefits as we expand the program eastward.

We are targeting up to \$1.1 billion in transmission investments in 2021 to improve the reliability of our transmission system. Looking ahead, we have identified significant investment opportunities in customer-focused projects across our transmission system to further increase network automation, add operational flexibility and strengthen our infrastructure and assets against physical and cyber threats.

As we make these reliability investments, we're targeting a 20% reduction in TOF on 100 kV-and-above lines by 2025, compared to our 2019 baseline. Notably, these upgrades are essential, not only to continued reliability, but to enabling a sustainable energy future marked by increased renewables and distributed energy resources. Visit our [Sustainable Energy Future](#) page and our [Climate Strategy](#) for additional details on our clean-energy focused transmission investments.

Targeting a 20% reduction in Transmission Outage Frequency (TOF) on 100 kV-and-above lines by 2025, compared to our 2019 baseline.

CUSTOMER-FOCUSED DISTRIBUTION INVESTMENTS

Through our *Distribution Grid of the Future* program, we're building a more dynamic, smart and secure distribution system.

Across our service territory, we are working to strengthen our grid's foundation by building a smarter communications network and replacing or upgrading aging equipment. That includes implementing advanced distribution management systems, more advanced automation, smart meters and other technologies to prepare the distribution grid of the future.

OHIO GRID MODERNIZATION

As part of our Grid Modernization program, we are installing smart meters across our Ohio service area to enable automated readings and help customers make more informed decisions about their energy usage. We are also implementing automated reclosers and voltage-regulating devices to reduce the scope of outages and optimize voltage levels on the system. These improvements are producing reliability benefits for customers. By using automated reclosers over a 7 month period ending December 2020, we reduced these customers' average outage duration by approximately 19 minutes and eliminated about 619,000 customer minutes of interrupted service.

Through various *Distribution Grid of the Future* programs in the states we serve, we are targeting up to \$1.7 billion in distribution investments in 2021 to modernize the grid. For example, our Ohio Grid Modernization program, Pennsylvania Long-Term Infrastructure Improvement Plans and JCP&L Reliability Plus Infrastructure Investment Program are all designed to ensure enhanced reliability for our customers.

It is our goal that by 2025, the average FirstEnergy customer will see a 5%, or nine-minute, reduction in the duration of service interruptions, compared to our 2019 baseline.

For information on our Emerging Technology programs and our long-term vision for the distribution grid of the future, visit our [Innovation](#) page and [Investor Factbook](#).

VEGETATION MANAGEMENT AND PROACTIVE MAINTENANCE

To ensure reliability for customers, we conduct preventative maintenance on our infrastructure as part of our transmission and distribution programs in each of the states we operate. Vegetation management is one of the key proactive steps we take because we operate in heavily dense vegetative areas, where trees are a leading cause of outages. For that reason, keeping our transmission lines, especially along rights-of-way, and our distribution lines clear from vegetation is a priority for us.

Our integrated vegetation management (IVM) process involves conducting inspections to determine which vegetation will interfere with our lines and equipment and employing contractors to reduce incompatible vegetation, either through manual mowing, pruning or herbicide application, as needed. For details on how our IVM process helps cultivate biodiverse, pollinator habitats in our transmission rights-of-way, please visit our [Biodiversity and Conservation](#) page.

Our Vegetation Management group manages more than 2.5 million trees every year. We follow four-year and five-year maintenance cycles for transmission and distribution lines, depending on the state or utility service area. Our vegetation management staff performs inspections and approves all work conducted by vegetation management contractors. Annual inspections of transmission rights-of-way corridors are performed to assess treatment effectiveness and identify necessary work to ensure reliability.

We have contracts with more than 30 companies that perform vegetation management activities on our transmission and distribution systems, totaling an estimated 1,500 crews and 3,500 trained, qualified line clearance workers. We ensure our work complies with all federal, state and local regulations and in accordance with the American National Standards Institute's ANSI-Z133.1 and ANSI-A300 Standards—vegetation management and safety standards set by the Tree Care Industry Association. Forestry personnel also seek relevant certifications, such as Registered Professional Forester, Tree Risk Assessment Qualification, Certified Tree Expert and Pesticide Licenses.

On the transmission side, our Vegetation Management group uses Light Detection and Ranging (LiDAR) to more accurately and efficiently identify incompatible vegetation for removal. Consisting of a laser and GPS receiver, LiDAR technology bounces light beams off objects around it and captures all the reflected points in a selected range. The LiDAR data can then be used to create an accurate three-dimensional image that shows the height of vegetation on the transmission corridor. As the technology improves, the Transmission Vegetation Management group is using LiDAR data for tree health identification, artificial intelligence and other initiatives aimed at enhancing employee safety and service reliability.

We take other preventative distribution system maintenance steps to identify and correct deficiencies before an outage occurs, including cyclical wood pole inspections, overhead circuit and equipment inspections and underground safety and security inspections. Included in our overhead equipment inspections is an annual capacitor bank inspection, which helps us ensure our system is ready for summer peak loads. Additionally, we implemented next generation penetrometers in 2021 to more accurately monitor the health of our wood poles.

Our Unmanned Aerial System (UAS) program's team of pilots uses UAS, or drones, to perform aerial inspections and surveys of our infrastructure. [These inspections](#) help us identify and assess environmental-related risks—including those posed by nesting birds—as well as maintenance needed to ensure reliability or repair storm damage. Using drones is often safer, faster, more thorough and less expensive than other options. Drones mitigate our impact on vegetation and wildlife, while also decreasing employee exposure to potential hazards.

Our drone pilots must complete a rigorous training program that includes ground school and airspace navigation. All pilots are licensed through the Federal Aviation Administration (FAA). FirstEnergy's Flight Operations team oversees the UAS program's operational procedures and adherence.

Please visit the [Biodiversity and Conservation](#) page for details on the important role drones play in our avian protection process.

SERVICE RESTORATION

Our customers rely on us to deliver the safe and reliable electric service needed for their daily lives. While we continue to work to increase the resilience of our system, weather—especially large storms—can have a significant impact on our ability to serve our customers.

Our emergency response processes enable us to respond quickly and safely to a storm or other emergency. Our processes incorporate key principles and concepts found in the National Incident Management System (NIMS) to ensure a standardized, consistent and scalable approach to all incidents regardless of size, scope or complexity.

To maintain a state of operational preparedness, we conduct exercises annually to test our training, as well as key systems and tools. These exercises are designed to prepare employees assigned to service restoration duties and review the restoration processes and storm-management tools critical to getting the lights back on quickly and safely. Additionally, we conduct After Action Reviews with affected stakeholders following all major storm events and emergencies to assess our performance and continuously improve our readiness. Corrective Actions are improvement items that result from After Action Reviews. These actions are assigned to specific individuals or groups to ensure accountability and are tracked to completion.

Our FirstEnergy storm preparedness process comprises:

Readiness Plans	When severe weather is forecast, we activate formal readiness plans to ensure our customer contact centers can handle a larger volume of calls and our crews are prepared to safely clear damage and restore service.
Mutual Assistance Relationships	While employees of our operating companies are more than capable of handling most outages, we have mutual assistance relationships with neighboring electric utilities to help us safely and quickly restore power, as the need arises.
Emergency Operations Center	System operators at our regional distribution and transmission operations centers monitor weather forecasts around the clock and coordinate our service restoration resources and support as needed.
Power Restoration	After a storm passes and it is safe to assess damage, we identify, assess and mitigate hazards in the interest of safety for our customers and employees. Our dedicated employees and external crews work in shifts around the clock until power is safely restored.
Emergency Communication Plan	We ensure appropriate staffing for media coverage during outage events, hold daily conference calls about restoration progress with local officials and emergency management personnel, and use social media to share safety reminders and updates.
Estimated Time of Restoration (ETR)	We issue ETRs to provide customers with an expectation of when service will be restored. Customers are notified of changes to ETRs as they are updated.



EMERGING TECHNOLOGIES FOR THE GRID OF THE FUTURE

In addition to ensuring reliability for our customers, our *Distribution Grid of the Future* program is also designed to prepare our electric system for our customers' future needs. From electric vehicle (EV) charging stations to smart city capabilities, we want to enable our customers' evolving preferences and provide the infrastructure, tools and support they need to reach their sustainability goals and thrive in a carbon-neutral future.

Our vision for the grid of the future is an enhanced distribution platform that delivers customer value through a stronger, more empowering energy experience. The following Emerging Technology (EmT) programs help us research and plan investments in key technology areas to bring our vision for the distribution grid to life.

EMT PROGRAM	CUSTOMER IMPACT/BENEFITS	PROGRESS
GRID MODERNIZATION	As our customers and industry shift toward a more sustainable energy future, we need an increasingly smart, resilient and flexible distribution system that can reliably handle increased, intermittent renewable generation sources, as well as widespread electrification of transportation and commercial and industrial processes.	Through <i>Distribution Grid of the Future</i> programs in each of the states we serve, we are implementing advanced distribution management systems, distribution automation, volt/var optimization and other smart technologies that support service reliability and enable the technologically advanced grid of the future. Visit the Energy Reliability page for additional information on our distribution grid modernization efforts and other reliability investments.
SMART METERS	Our customers want more control over the choices that affect their energy use and electricity bill. Smart meters provide customers with information they need to manage their usage and reach their efficiency and sustainability goals. They can also offer our utilities improved visibility into the health of the energy grid, helping us to serve customers more efficiently.	FirstEnergy is in the process of installing smart meters in three states within our service territory, with a goal to complete installation for two-thirds of our 6 million customers by 2025.

EMT PROGRAM	CUSTOMER IMPACT/BENEFITS	PROGRESS
ELECTRIFICATION	Customers want options that help them improve the energy sustainability of their homes or businesses. Electric utility support for electric vehicle adoption, charging infrastructure and the efficient use of electricity in buildings and various energy-intensive industry processes can yield benefits for customers and the environment, including progress in achieving sustainability targets, significant emissions reductions and improved air quality. Visit the Sustainable Energy Future page for more information on our vision for economywide electrification across our service area.	FirstEnergy joined the Electric Highway Coalition, a group of electric companies committed to enabling long-distance electric vehicle (EV) travel through a network of EV fast-charging stations connecting major highway systems. Through Potomac Edison's <i>EV Driven</i> program, we're installing 59 EV charging stations, including 20 fast chargers in Maryland. And, our JCP&L utility filed a petition with the New Jersey Board of Public Utilities seeking approval for its own proposed <i>EV Driven</i> program, which would support the development of EV charging infrastructure to accelerate the adoption of electric vehicles.
SMART CITIES	Our widespread utility infrastructure and energy expertise positions us well to enable our customers' increased adoption of sustainable smart city initiatives, which help municipalities operate more efficiently, reduce their carbon footprint, enhance community safety and improve their citizens' quality of life.	We are committed to converting 100% of the streetlights owned by our operating companies to smart LEDs by 2030. We're also installing middle-mile broadband fiber in West Virginia to ensure our customers have access to the internet and help advance the state's economic development goals.
ALTERNATIVE GENERATION	Our customers are increasingly interested in sustainable electricity generation, which is beneficial for the environment and central to a clean energy future. Visit our Sustainable Energy Future page for additional information on our efforts to support customers' preferences for renewable energy and DERs.	We continue to connect customers' DERs to our grid, and we've committed to owning at least 50 MW of solar generation in West Virginia by 2025.
ENERGY MANAGEMENT	As the energy industry continues to evolve, FirstEnergy is well-positioned to help customers understand and take advantage of the ever-increasing number of energy-related options available to them. Our vision is to become our customers' expert advisor, ally and single point of contact for personalized energy management services.	We have implemented initial smart speaker functionality that enables a customer to access their current and past bill amounts. We also plan to enable bill payment, outage information, energy savings information and safety tips.

Technology Research and Development

The transition to a sustainable energy future is rapidly evolving and we stay abreast of new developments through a variety of initiatives.

We participate in venture capital investments through Energy Impact Partners (EIP), a global investment group leading the transition to a sustainable energy future. These investments are focused on transforming the utility industry through the development of emerging industry solutions and close-to-market utility technologies. Our participation provides insight into future industry trends and opportunities, as well as exposure to innovative technologies that can benefit our customers, our company and the environment. For example, FirstEnergy participates in EIP's Elevate Fund, which is focused on investing in companies founded or run by diverse talent that are driving innovation within EIP's core mission of advancing the low-carbon economy, including through supply decarbonization, electrification, tech-enabled infrastructure, reliability and resilience, and intelligent demand.

We also stay informed of the latest energy research through active memberships in research institutes. The Electric Power Research Institute (EPRI) is among our most important partnerships. FirstEnergy participates in numerous EPRI research programs focusing on transmission, distribution, generation, the environment and sustainability.

Additionally, we work with universities through consortiums and direct research projects. For example, we have partnered with Case Western Reserve University's Great Lakes Energy Institute (GLEI) on multiple energy storage and grid integration projects. GLEI is focused on the transition to advanced, sustainable energy generation, storage, distribution and utilization through coordinated research, development and education.

INNOVATION CENTER

Our Innovation Center's purpose is to find new solutions to core business challenges in a faster, less expensive and more scalable way—ultimately improving our service to customers, enhancing the employee experience and driving long-term growth for FirstEnergy.

By harnessing the best thinking from across our company and working collaboratively with business unit leadership, the Innovation Center uses analytics to identify data-driven business solutions, apply leading-edge process automation for efficiency and leverage user-centered technology. Whether it's developing an app, mining data or automating a process that typically took employees several days to complete, the Innovation Center works through challenges and opportunities on a case-by-case basis, incorporating input from business units and subject matter experts to deliver streamlined solutions that benefit employees and customers.

To help embed the spirit of innovation in the fabric of our company's culture, we deploy Innovation Ambassadors from across the company who are passionate about innovation. These individuals facilitate collaboration between the Innovation Center and our business units and help us apply more inventive ways of thinking in our operations.

INNOVATION CENTER IN ACTION

In spring of 2021, the Innovation Center's Automation team collaborated with our Customer Service team to create and deploy a Robotic Process Automation, or bot, to help us handle certain types of customer service web inquiries more effectively. The new bot quickly processes customer inquiries and frees up time for our customer service representatives, saving them a projected 2,800 hours annually—time which can be spent responding to more complex web requests. As of October 2021, the bot has successfully processed more than 20,000 customer inquiries since deployment.

Our Innovation Center goal is to deliver more bots and analytical models that deliver similar streamlined business solutions by year-end 2022.

WORKPLACE OF THE FUTURE

Living during the [COVID-19 pandemic](#) taught us many lessons about how we work and accelerated a change in our workplace paradigm. We laid the IT infrastructure needed to successfully transition 7,000 of our employees—or more than half our workforce—to work from home without interruptions to any business functions. And, we've learned that our employees can accomplish the same great results when working remotely.

As we look ahead, we're re-evaluating what we thought we knew about how and where work gets done, and we're re-imagining the future of work at FirstEnergy. For now, our goal is to create 100% remote capability, which will enable employees to securely access their work from anywhere on any device at any time.

Our goal is to create 100% remote capability for employees to access their work on any device at any time.

To achieve our goal, we're taking the following steps:

- Transitioning to a cloud-based model that enables more advanced technology solutions and integrated business systems
- Striving to be a device-agnostic company that provides employees with the tools or platforms they need to accomplish their goals, regardless of the technology or system
- Developing artificial intelligence and machine learning capabilities to train employees on cloud management and IT solutions

We're also developing a workplace of the future that provides flexibility and versatility for employees. Our efforts are guided by these principles:



**PROVIDE CHOICE TO
SUPPORT TASK AND
PERFORMANCE**

Provide a variety of work settings, offering a balance between collaboration and individual work that enables employees to choose spaces based on their needs



**PROMOTE EMPLOYEE
HEALTH AND
WELL-BEING**

Support a healthy work environment through air filtration and sanitation, ergonomic solutions, and healthful food and beverage options



**ELEVATE TECHNOLOGY
AND CONNECT
EMPLOYEES**

Leverage the digital work environment to further support flexible work and align with our goal to be 100% remote capable



**MAKE THE MISSION,
VISION AND CULTURE
TANGIBLE**

Design office spaces that reflect and encourage FirstEnergy's mission and core values



SUPPLY CHAIN STRATEGY

Our supply chain strategy is focused on increasing the sustainability of our supply chain, promoting supplier diversity, championing a culture of ESG and improving our suppliers' performance. We work to implement our strategy, while demonstrating high standards for ethics and integrity—all with the goal of driving business unit success and creating value for FirstEnergy.

Sustainable Supply Chain	Partner with suppliers to achieve our goals and demonstrate the value of a sustainable supply chain
Supplier Diversity	Expand our roster of diverse suppliers through a targeted diversity program
Culture of ESG	Empower employees to champion our sustainability initiatives and create a culture that values ESG
Supplier Performance	Develop a program focused on improving supplier performance, achieving goals and managing supplier risks

For our supply chain-related metrics, please visit our [ESG data table](#).

BUILDING A MORE DIVERSE SUPPLY CHAIN

Diversity is a core value inherent to our company's business operations, and increasing supplier diversity is a major component of our Supply Chain group's business objectives and long-range strategies. It helps us to provide business opportunities to traditionally underrepresented suppliers and advance inclusive economic growth in the communities we serve.

Our Supplier Diversity Program ensures the development of mutually advantageous relationships with businesses owned and operated by minorities, women, veterans, members of the LGBTQ community, individuals with disabilities and individuals in HUBZones. Through the program, we strive to make our supplier base as diverse as our customer base, and we work with governmental agencies, diverse business advocacy groups and peer companies to identify diverse suppliers for potential opportunities. We also strive to continually increase our dollars spent on diverse suppliers, and over the past three years (2018-2020), we have exceeded our targets for diverse supplier spend. In continuation of these efforts, we have established a goal to achieve 20% of our Supply Chain spend with diverse suppliers by 2025.

Achieve 20% of Supply Chain spend with diverse suppliers by 2025.

In 2021, we launched our Diverse Supplier Development program, which is a two-year program designed to provide minority-owned businesses in our service area with support and coaching from FirstEnergy supply chain experts and business unit leaders. Candidates are vetted to ensure there is an opportunity for them to work with FirstEnergy as a direct Tier I or Tier II supplier. The program includes training modules on topics such as working safely with FirstEnergy, understanding the terms and conditions of their contract, mastering our supplier bid technology and more.

Additionally, the program links the suppliers with relevant business unit leadership to facilitate relationship building. By the end of the program, participants will have worked with FirstEnergy's business units and supply chain experts to develop an understanding of our supplier standards, management system and bid process. Our goal is to position these suppliers for success and improve their probability of winning supply contracts.

We successfully brought five minority-owned businesses into the inaugural 2021 Diverse Supplier Development program and look forward to identifying candidates for the 2022 program.

For additional metrics on our Supply Chain spend, please visit our [ESG data table](#).

ECONOMIC IMPACT OF SUPPLY CHAIN

Our Supplier Diversity Program contributes directly to the communities where our employees and customers live and work. Our 2020 Economic Impact Study (based on 2019 data) highlights the benefits derived from our supplier diversity initiatives. It's estimated that FirstEnergy's engagement with small, minority-owned, woman-owned and veteran-owned businesses led to over \$1.8 billion in contributions to the U.S. economy and sustained more than 10,700 jobs.

This notable impact is the sum of three effects: direct purchases by FirstEnergy from its small, minority, women and veteran suppliers; indirect activities within these companies' supply chains; and the downstream effects that result from employees of these companies, and those of companies within their supply chains, spending their wages in the wider consumer economy.

We continue to develop inclusive procurement practices that provide opportunities to diverse businesses and, in turn, enable greater representation, employment and economic advancement for minorities, women, veterans, members of the LGBTQ community, individuals with disabilities and individuals in HUBZones.

In addition, we have a responsibility to ensure the security of our supply chain and serve our customers. To that end, we implemented an ad hoc cross-functional team in February 2020, including Risk and Supply Chain members, to conduct bi-weekly surveys of our key suppliers. These regular surveys, which occurred through June 2021, enabled us to proactively mitigate supply chain disruptions related to COVID-19 and stay ahead of potential delays or other adverse impacts to FirstEnergy.

Our Supply Chain group also continues to focus on sourcing materials made in the United States. This effort mitigates supply chain risks, such as transportation and shipping, long lead times and the cost of potential or emerging tariffs. We'll continue to focus on domestic sourcing and developing the localized aspect of our supply chain. We value the positive economic impact these choices can make on our region and communities in the form of jobs and business opportunities.

ETHICS, COMPLIANCE AND OVERSIGHT OF SUPPLY CHAIN

Ethics and integrity are central to our Supply Chain group. Our [Supplier Code of Conduct](#) establishes business standards our suppliers must meet in their day-to-day activities and reinforces our expectation that suppliers use good judgment and act with integrity in their business dealings with FirstEnergy. The Supplier Code of Conduct and our FirstEnergy Code of Conduct are embedded in the purchase orders we establish with each of our suppliers.

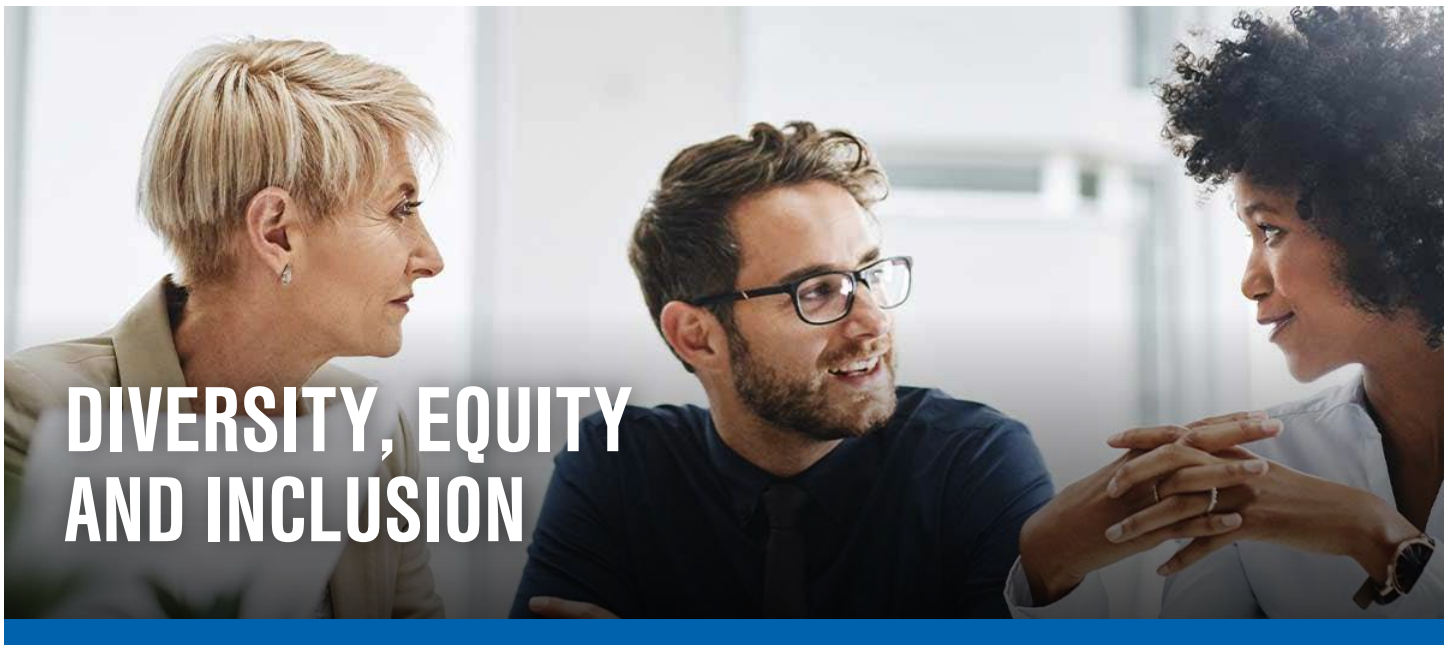
Our Supply Chain group has improved supply chain management and oversight functions. This includes a re-organization effort that established a Vice President position, as well as three director-level Supply Chain positions. These changes enable the integration and centralization of our procurement, analytics and standards, and material operations functions, creating better coordination of material fulfillment and more strategic alignment to drive cost savings.

In addition, we've developed stronger oversight of consulting agreements. We're implementing a Spend Control Tower (SCT) for select supplier categories, including consulting, professional services and legal services, that will determine how and when our employees enter into consulting agreements. As part of the process, employee spend requests in these supplier categories will require detailed information for review, including safety, compliance and risk considerations, as well as a detailed cost analysis. After holding a meeting to evaluate new spend requests, the SCT committee approves, denies, delays or requests further information for the spend request, as appropriate.

INCREASING THE SUSTAINABILITY OF SUPPLY CHAIN

FirstEnergy is an active member of the Electric Utility Industry Sustainable Supply Chain Alliance, a group of utility companies and industry suppliers that work together to improve environmental performance and advance sustainable best practices.

As part of participation in the Alliance, we piloted the addition of a sustainability section in our supply chain Request for Proposals (RFP). This section comprises questions that help us to assess suppliers' sustainability focus.



DIVERSITY, EQUITY AND INCLUSION

OUR DEI ASPIRATIONS

Diversity, equity and inclusion (DEI) is a core value at FirstEnergy that we believe will help us better serve our customers, improve operational performance, spark innovation, and provide a rewarding, equitable and inclusive work experience for all employees. A diverse workforce ensures we bring a wealth of knowledge and experience to our doors, while inclusion creates the atmosphere and tools needed to unlock that knowledge and experience. Recognizing and leveraging the unique strengths that each of us brings to the workplace makes us a more innovative and resilient company.

Since beginning our DEI journey in 2015, and forming a Diversity, Equity & Inclusion Council, we have taken numerous steps toward achieving our vision for a more diverse, equitable and inclusive FirstEnergy. We're proud of the actions we've taken, but we strongly believe we have much more work ahead of us.

Our vision for DEI at FirstEnergy includes the following objectives:

- Building a diverse, high-performing workforce that better reflects the demographics of our customer base in the geographic regions we serve
- Creating and sustaining an equitable and inclusive culture where we respect differences; encourage teamwork; attract, retain and develop top talent; and value, motivate and empower employees to do their best every day
- Advancing economic inclusion and supporting initiatives that target racial equity and social justice in the communities we serve

OVERSIGHT AND ACCOUNTABILITY

High-level oversight of diversity, equity and inclusion belongs to our Corporate Governance and Corporate Responsibility Committee. To align with our companywide focus, our Board is committed to a policy of inclusiveness and actively seeks a diverse slate of candidates for director positions. The Board also has a goal to maintain a Board composition of at least 30% diverse members (by gender, race and ethnicity) for the foreseeable future. To read more about our Board's focus on diversity, please see the [Proxy Statement](#).

Our DEI Council (which provides regular reports to the Corporate Governance and Corporate Responsibility Committee) aims to enhance workforce diversity, create an inclusive work environment, and provide oversight and guidance for FirstEnergy's integrated diversity, equity and inclusion strategy. Our DEI team, with director-level management, is responsible for developing and executing our companywide initiatives.

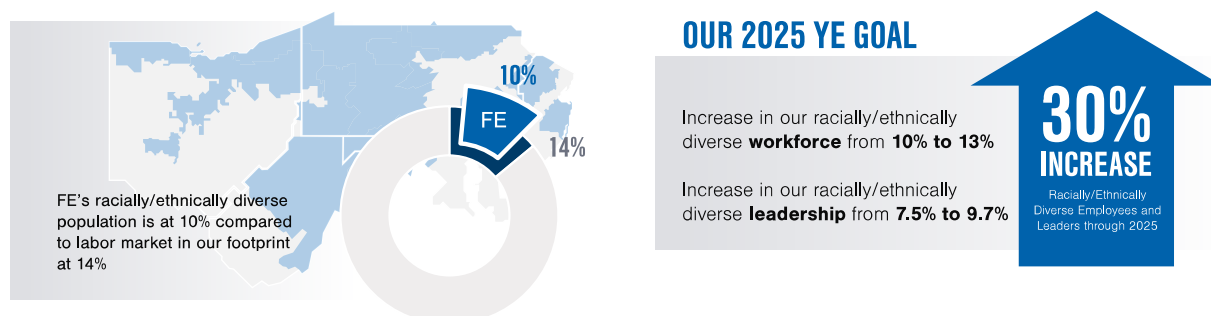
DEI ACCOUNTABILITY

We tie compensation for leadership to DEI through our key performance indicators (KPIs) and Short-Term Incentive Program (STIP). Our DEI KPI, introduced in 2018, supports our commitment by increasing leadership accountability for DEI efforts. Managers and above have 15% of their STIP weighted on the DEI KPI, which considers 3 factors: the percentage of diverse professional hires, the number of diverse succession plan candidates and improvements in key measures of inclusion in our annual DEI Employee Survey. In 2021, we broadened the KPI to include supervisors, whose DEI KPI is tied to the survey at 5%.

BUILDING A DIVERSE TEAM

When our team reflects the diversity of the communities we serve, we can better understand and meet our customers' needs. With this in mind, we're taking decisive steps to accelerate the diversity of our workforce. In January 2021, we announced an aspirational goal to achieve a 30% increase from our 2020 baseline in the number of racially and ethnically diverse employees by 2025—both companywide and at the supervisor-and-above leadership level. Visit our [Talent Management and Employee Development](#) page for details on the recruiting and hiring practices critical to achieving our goal.

Our goal is to achieve a 30% increase from our 2020 baseline in the number of racially and ethnically diverse employees and leaders by 2025.



Leadership is defined as supervisor and above positions. Racially/ethnically diverse refers to American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander. Demographic information is based on employee voluntary self-identification.

FOSTERING AN INCLUSIVE ENVIRONMENT

We want to create a rewarding work environment where innovative ideas are welcomed, and all employees are treated with respect and motivated to contribute to FirstEnergy's progress. In turn, this inclusive environment will help us achieve excellence in our operations and provide superior value to our customers, investors and other stakeholders.

Our annual Diversity, Equity & Inclusion Employee Survey captures our employees' perspectives on our company's efforts in this critical area. Their responses measure our progress in advancing a culture of inclusion and belonging and help drive our initiatives for improvement.

Key inclusion efforts include:

- **Speak Up Series:** Ongoing moderated forums that provide a safe space for employees to engage in open and honest dialogue about a range of DEI topics. It's also a place where we can discuss the best ways to move forward in fostering equitable and inclusive environments at FirstEnergy and in our communities. Speak Up topics have included racial equity, allyship and microaggressions—and have continued while employees work remotely.
- **Bold, Inclusive Conversations:** Leaders set the tone for creating a workplace where every team member feels they belong and that their ideas are welcomed and valued. From 2020 to 2021, FirstEnergy invested in DEI training for more than 1,800 leaders. The training was designed to provide education about the history of racism and help our leaders build the knowledge and skills required to discuss current events, hold courageous conversations with employees and become allies.
- **Employee Business Resource Groups (EBRGs):** Our [employee-driven EBRGs](#) build inclusivity and connect employees by providing education, professional development, volunteering and networking opportunities to their members and allies. With 17 different chapters of our seven EBRGs, so far, 1,700 employees, or 14% of our workforce, have taken advantage of this opportunity to connect and grow.



Serves as a resource to FirstEnergy's people of color and their allies and seeks to further strengthen recruitment, development and advocacy of people of color.



Strives to positively influence the organizational culture by ensuring the hiring and development of veterans.



Develops current and future women leaders for senior management positions and addresses the challenges of work-life balance.



Strives to enhance the health and well-being of the LGBTQ+ community within FirstEnergy by providing a safe and supportive environment through a partnership between corporate leadership, community members and participating employees.



Serves as a resource for mental wellness and advocates for employees with physical and mental disabilities and major illnesses, as well as family members and friends who support and assist them. The group is committed to fostering an inclusive work environment where employees of all abilities are empowered to be authentic, valued and respected.



Ensures the professional and personal development of women in our customer contact centers and develops women leaders across the company through mentorship opportunities.



Provides workplace support to foster balance between career and family, while raising awareness of issues facing caregivers and taking steps to positively change our culture around caregiving.

In 2020, more than 2,000 employees participated in Speak Up Sessions on racial equity and social justice, following the murder of George Floyd. And in the first quarter of 2021, more than 800 employees participated in the second iteration of our Speak Up Sessions, which was focused on advancing allyship in the workplace.

SUPPORTING SOCIAL JUSTICE IN OUR COMMUNITIES

Our employees are passionate about a range of diversity, equity and inclusion issues, and we believe that it's imperative for us to engage with those issues. Without social justice, especially in the form of racial equity, many of our employees, customers and neighbors may not experience the same level of trust, psychological safety and comfort in their personal and professional lives. With this in mind, we have taken the following steps to support social justice in our communities:

- Launched *Investing with Purpose*, a FirstEnergy Foundation initiative focused on supporting nonprofit organizations that advance health and safety, workforce development, educational, and social justice initiatives in our communities.
- Established the External Affairs Justice, Equity, Diversity & Inclusion team to engage elected officials and community leaders, with the goal of improving economic inclusion and eliminating injustices and inequalities that exist in our communities.
- Created the EBRG Community Involvement Council to leverage organizational resources and engage employees in projects that target solutions to social and racial injustices.
- Created a cross functional Event Response Team to respond to social justice and diversity issues that impact our employees and communities.

These efforts will evolve and be enhanced as the world around us continues to change.

DEI RECOGNITION

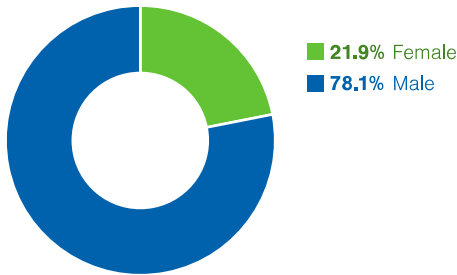
Bloomberg Gender-Equality Index	Diversity Inc. Top Utilities List, Top Philanthropy List and ESG List	GI Jobs Military Friendly Employer Silver recognition	National Organization on Disability Leading Disability Employer	Forbes Best Employers for Diversity
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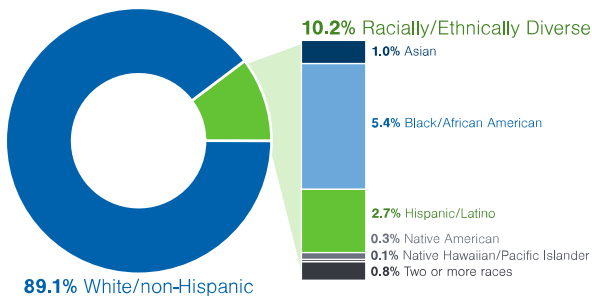
WHO WE ARE

Setting aspirations for the diversity of our workforce and the development of our employees begins with understanding who we are today. While diversity is much broader than the following categories, these metrics are important for continuing to measure and compare to benchmarks.

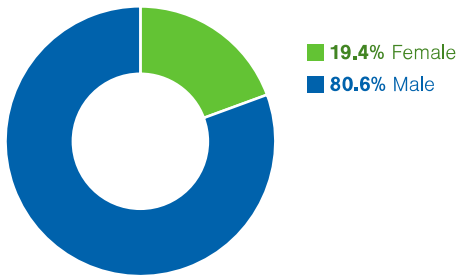
Gender



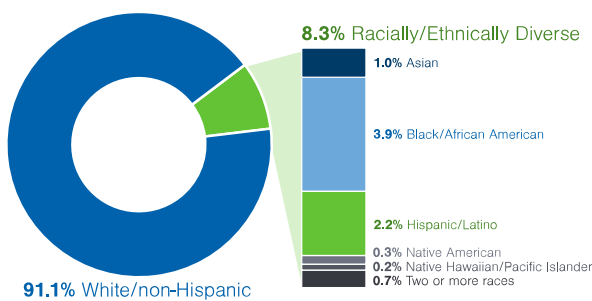
Race/Ethnicity



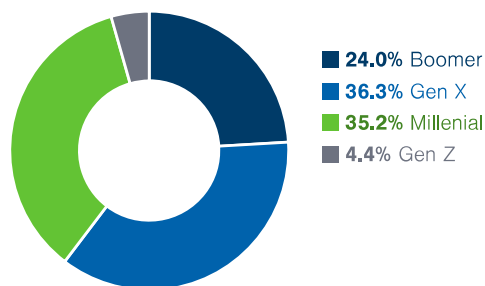
Gender – Leadership



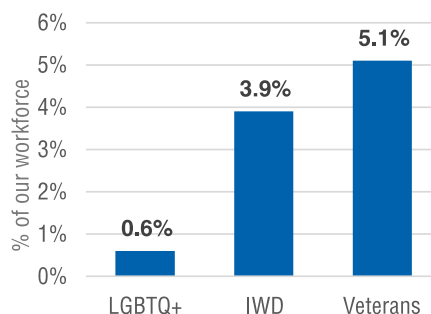
Race/Ethnicity – Leadership



Generations



Additional Measured Categories



Data is through June 30, 2021, unless otherwise noted. Leadership is defined as supervisor-and-above positions. Racially/ethnically diverse refers to American Indian or Alaska Native, Asian, Black/African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander. Racially/ethnically diverse employees may be recorded in more than one category. Generations' year of birth: Boomer is <1943-1964, Gen X is 1965-1980, Millennial is 1981-1996, Gen Z is 1997 >. Demographic information is based on employee voluntary self-identification. LGBTQ+ is an acronym for lesbian, gay, bisexual, transgender and queer or questioning. IWD is an acronym for individuals with disabilities. Veteran includes employees who self-identify with the performance of duty on a voluntary or involuntary basis in the Armed Forces and can include active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, part-time duty service in the Reserve and/or National Guard, active Reserve, inactive Reserve, retired military and veteran status.

For more workforce demographics, please visit our [ESG data table](#).

TALENT MANAGEMENT PROCESSES

We prioritize the transparency of our talent management processes and are committed to ensuring employees receive ongoing feedback. With greater visibility into our processes, employees can have more meaningful career conversations with their leaders and develop a clearer understanding of opportunities available to them and how they can advance their careers and grow at FirstEnergy.

RECRUITING AND HIRING A DIVERSE, HIGH-PERFORMING WORKFORCE

Our recruiting and hiring efforts are designed to attract an innovative, diverse team of employees committed to making our customers' lives brighter, the environment better and our communities stronger. FirstEnergy's recruiting, interviewing and hiring processes leverage many recognized best practices in support of ensuring that the best candidate is selected for every open position.

To that end, our key recruiting and hiring practices include:

- Investing in our Ambassador Network's efforts to engage with a broad network of colleges and universities, professional societies and community organizations to increase awareness of careers in the energy sector and build a diverse talent pipeline for our company
- Providing a scholarship program that offers financial assistance to traditionally underrepresented students in our Power Systems Institute, an award-winning program designed to train the next generation of line and substation workers
- Maintaining our Co-Op/Intern Program, which provides students enrolled in bachelor's and master's degree programs at accredited colleges and universities with meaningful and challenging work assignments, as well as professional development, mentorship and networking opportunities
- Requiring diverse candidate and interview slates for positions where racially and ethnically diverse or female employees are underrepresented as compared to external labor market availability
- Requiring racially and ethnically diverse interview panels for director-and-above positions
- Training hiring champions to support all interview panels and ensure an objective, consistent approach to the interview and selection processes
- Requiring hiring managers and interview team members to undergo training designed to mitigate unconscious bias in the selection process

These best practices ensure we can consistently hire and promote the best talent.

MANAGING AND ASSESSING OUR TALENT

Career Management: Employees actively plan and manage their careers in partnership with leadership. Our career management process includes:

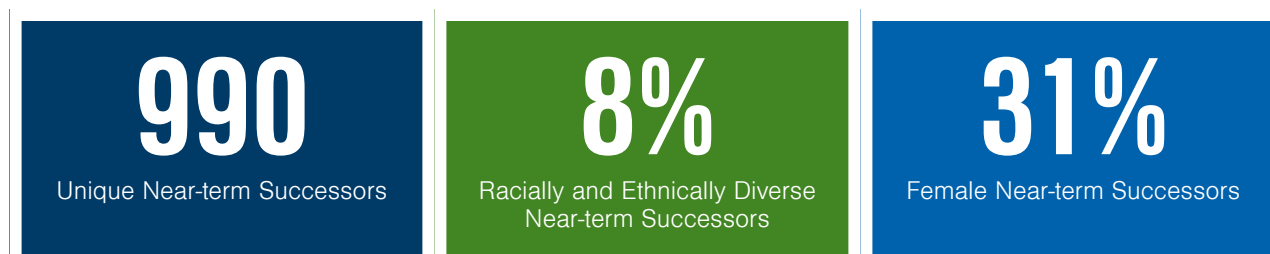
- Setting priorities that identify the most important work employees do to support their team's objectives and goals.
- Creating development goals that focus on a knowledge, skill or behavior needed for career growth. At least one development goal must be tied to a FirstEnergy value or behavior.
- Holding quarterly check-in conversations with a supervisor to discuss priorities, career aspirations, development goals and more.

Talent Talks: Business-unit leaders assess employees' leadership potential, performance and development needs.

- Leaders from each business unit meet at least annually to discuss and calibrate employees' year-over-year performance, potential for leadership positions and actions that can accelerate future opportunities.
- These discussions focus on better understanding employees' capabilities, development areas and aspirations, while also ensuring a meaningful development plan is in place that will help accelerate their readiness for leadership opportunities.
- Open and honest discussion prepares leaders to provide ongoing development coaching to employees.

Succession Planning and Leadership Selection: FirstEnergy strives to maintain a robust and diverse leadership pipeline for manager-and-above positions, while ensuring that meaningful development plans are in place for emerging leaders. We often look to succession plans when there is a need to fill a leadership role. However, we also engage in external searches to ensure a broad, diverse pool of candidates is considered. Our robust selection process ultimately ensures we identify the best person for the job:

- Near-term and long-term successors are identified during Talent Talk discussions.
- Leaders provide aggregate feedback to ensure that successors for leadership positions have development plans that address their strengths and development needs and prepare them to take on additional responsibilities and/or new roles.
- Talent talks, succession plans and job postings are used to identify candidates for open manager-and-above positions.
- An objective, behavior-based interview process is used to interview candidates for open leadership positions and to select the best candidate for the position based on all the factors considered.



Data is representative of YTD June 30, 2021. Succession plan metrics are based on manager-and-above succession plans. Near-term successor includes employees who are considered Ready Now or Less than 2 years. Racially/ethnically diverse refers to American Indian or Alaska Native, Asian, Black/African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander. Racially/ethnically diverse employees may be recorded in more than one category. Demographic information is based on employee voluntary self-identification.

EMPLOYEE DEVELOPMENT

Employee development is another key talent management process. We are committed to preparing our high-performing workforce for the future and helping each employee develop their skills and competencies to reach their full potential. Our learning and development strategy encompasses a range of employee development and training programs designed to help our employees achieve professional goals and drive FirstEnergy's success.

Power Systems Institute: An award-winning program for recruiting and developing the next generation of highly trained, dedicated and motivated line and substation workers. The 21-week program combines technical coursework at local community colleges with hands-on skills instruction at company facilities.

Employee Education and Certification: We help our employees pursue degrees and certifications to advance their careers and enhance their contributions to FirstEnergy. Through our comprehensive tuition reimbursement program (capped at \$5,250 per year per person), we assist all regular, full-time employees, including union members, with the costs of satisfactorily completed courses of study directly related to our business. In addition, our new *Educate to Elevate* program assists employees in pursuing associate and bachelor's degrees at partner colleges and universities in Toledo (Owens College), Akron (Stark State and The University of Akron), Reading (Alvernia University) and Fairmont (Pierpont College). The benefits of this program include tuition deferment and a cohort-style approach with other FirstEnergy employees.

Discover FE: Our Discover FE program is designed to broaden and deepen employees' knowledge of the electric utility industry and our company. The program provides a complete picture of our complex industry, strategy and operations, showing employees how the different areas of our company fit together and helping them better understand where we are headed. Through the "day in the life" aspect of the program, employees also see various company roles in action.

Mentoring Program: Our formal mentoring program matches mentees with mentors who can support their long-term career growth. It is designed to create collaborative, two-way partnerships that encourage individual development through sharing expertise, values, perspectives and attitudes.



Data is representative of YTD June 30, 2021. Bargaining Unit employees are not eligible to participate in the mentoring program currently, except for the Reading Contact Center. Racially/ethnically diverse refers to American Indian or Alaska Native, Asian, Black/African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander. Racially/ethnically diverse employees may be recorded in more than one category. Demographic information is based on employee voluntary self-identification.

DEVELOPING INCLUSIVE LEADERS

We're also committed to preparing our emerging leaders for new roles and management responsibilities. We invest in developing our leaders, so they can continually build on their strengths and grow their capabilities to create a safe and inclusive workplace, where all employees feel they belong and that their thoughts and ideas are heard.

New Supervisor and Manager Program (NSM): Our NSM Program prepares newly hired or promoted supervisors and managers for their supervisory responsibilities and trains them in leadership practices that align with our mission and core values.

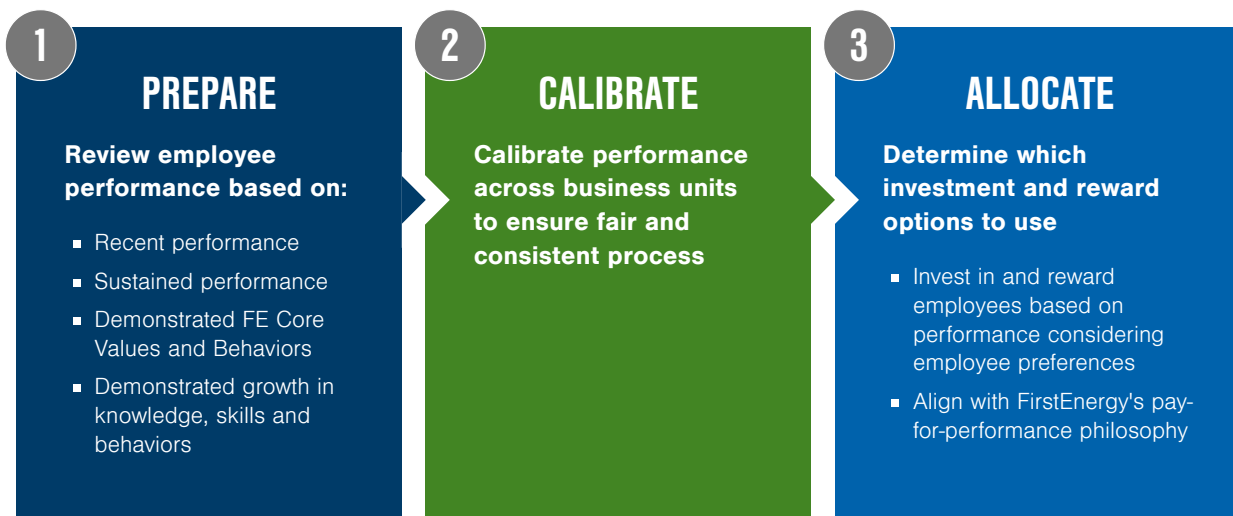
Experienced Leader Program: This program educates and trains experienced managers and directors in effectively leading their teams and the organization. Delivered through a series of virtual, instructor-led and small-group coaching sessions spread over six months, it equips our leadership with the tools to support their teams and ultimately drives FirstEnergy's success.

Senior Leadership Development: Executives are selected to participate in intensive leadership development experiences in partnership with the Center for Creative Leadership, a premier external vendor for leadership development. These experiences enable executives to reflect on their leadership style and examine and maximize their effectiveness to accelerate organizational commitment, alignment and results.

PERFORMANCE MANAGEMENT PROCESS

During check-in conversations throughout the year, employees and their leaders discuss their performance, progress towards priorities and development goals. During our annual Performance Investment and Rewards Calibration Process (PIRC), leaders within a business unit or department come together for performance calibration sessions. Discussing and calibrating employee performance provides multiple perspectives and ensures that leaders differentiate performance in a fair and consistent manner.

Performance calibration is a fundamental part of our pay-for-performance philosophy, which directly ties an employee's pay to their job performance. Our annual pay-for-performance process ensures the PIRC results play a key role in helping leaders allocate compensation increases among employees.



RETAINING TALENT

One hallmark of an inclusive workplace is that employees choose to stay and build their careers with us. Overall, we enjoy low turnover at FirstEnergy at rates below external benchmarks. We monitor attrition rates across all employee demographics as an indicator of job satisfaction and engagement. We are committed to advancing an inclusive workplace with a goal of retaining women and racially and ethnically diverse employees at the same rate as men and White/non-Hispanic employees. For details on our inclusion initiatives, which are essential to our success in talent retention, please visit our [Diversity, Equity and Inclusion](#) page.

TURNOVER	VOLUNTARY				RETIREMENT			
	2018	2019	2020	2021 YTD	2018	2019	2020	2021 YTD
FEMALE	2.3%	2.2%	1.6%	1.3%	6.9%	5.7%	2.6%	2.6%
MALE	1.5%	1.4%	0.9%	0.7%	5.0%	4.4%	3.1%	3.1%
RACIALLY/ETHNICALLY DIVERSE EMPLOYEES	2.8%	3.4%	2.2%	2.4%	5.4%	3.4%	2.4%	2.4%
WHITE/NON-HISPANIC	1.6%	1.3%	0.9%	0.7%	5.5%	4.8%	3.1%	3.1%

Data is representative of YTD June 30, 2021, unless otherwise noted. Percentages are a comparison of attrition to overall in-group population. Includes employees who separated from FE voluntarily (e.g., resigned due to an outside opportunity). Demographic information is based on employee voluntary self-identification. Racially/ethnically diverse refers to American Indian or Alaska Native, Asian, Black/African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander. Racially/ethnically diverse employees may be recorded in more than one category.



SAFETY, HEALTH AND WELLNESS

SAFETY GOVERNANCE AND ACCOUNTABILITY

Safety is an unwavering core value at FirstEnergy. We believe that, together, we have the power and responsibility to keep each other safe and eliminate life-changing events (LCE).

Our safety teams work together to drive continuous improvement in our company's safety processes and programs, and to provide guidance for compliance with applicable laws, regulations and standards. Our Executive Safety Council, comprised of company leaders who meet monthly, develops the strategic direction of our safety vision and provides oversight and guidance on our safety plans and initiatives. In addition, each operating company has a Safety Governance Team, comprising operating company management and union leadership responsible for proper implementation of our safety initiatives and assessments of safety performance.

We continue to include safety metrics as KPIs in our annual incentive compensation program to reinforce that a safe work environment is crucial to our success. Our Days Away, Restricted or Transferred (DART) rate and LCEs metric monitor the impact of our exposure reduction efforts. DART measures the number of incidents that result in days away from work, days of restricted work activity or job transfers. Our DART stretch goal is set at the industry benchmark top-decile rates, and the DART target goal is set at the industry benchmark top-quartile rates. LCEs track injuries that are life-threatening, life-altering or fatal. Please see our [ESG data table](#) for specific safety metrics.

For information on our efforts to protect the health and safety of our employees during the COVID-19 pandemic, visit [Our COVID-19 Response](#) page.

EMPLOYEE ENGAGEMENT AND LEADERSHIP COMMITMENT

Our strategic safety focus aims to reduce employees' exposure to potentially life-changing events in the workplace by working together to proactively identify exposures and hazards and develop effective mitigation and control strategies. Effective safety leadership, management systems, and programs and procedures, along with employee engagement and training, are key to achieving this goal.

We recognize leadership's key role in controlling and eliminating exposure. To solidify critical leadership behaviors and accountability at all levels, we have conducted a 360-degree assessment and formed personal safety action plans for all Utility and Fleet Operations leadership. We've also provided LCE critical control workshops and field coaching for managers and supervisors, as well as awareness training for our field leaders.

Our field verification process is also an important part of achieving our safety vision and managing our safety performance. Field verifications are designed to increase focus on scenarios that have the potential to create life-changing events. This process helps us to identify critical controls in the field that affect exposure and provide coaching opportunities to help employees recognize exposure risk and eliminate or mitigate it. This process also helps to ensure we're effectively following existing safety procedures and programs in the field.

Our increased focus on COVID-19 protections facilitated process improvements in our utility operations and helped drive stronger overall safety performance. In 2020, we achieved a companywide OSHA-recordable injury rate of 0.70, which is fewer than one injury per 200,000 hours worked—an improvement from 0.98 in 2019.

Our success in achieving our safety vision depends on partnering with our employees and our unions to reduce exposure and improve our safety practices and processes. Toward that end, we build feedback and coaching opportunities into our safety processes, including our field verifications. We also work to build trusting relationships across organizational levels and encourage employees to speak up and pause or stop work if they feel something is not right.

Employee training and education is also vital to our success. We conduct both annual and ongoing training for employees on a range of health and safety topics:

Progression training: These trainings occur regularly over the employees' first several years in their role and provide workers with the skills and knowledge needed to safely perform increasingly advanced tasks.

Refresher training: Refresher sessions are offered on a regular basis to ensure the employees are current with our safe work practices and with regulatory-required training.

Service restoration training: This specialized training is provided on a regular basis for employees who support service restoration efforts to ensure that our team members can safely identify and assess damage following a storm, protect the public from hazards such as downed wires and safely repair or replace damaged facilities in order to restore service for customers.

FirstEnergy's training courses are offered in a variety of formats (i.e., in-person, web-based, instructor-led remote) to optimize timeliness of delivery, student comprehension and sustainability.

CONTRACTOR SAFETY

Contractor safety includes strengthening our partnerships with our contractors and aligning our efforts to reduce exposures, eliminate events and pursue excellence in safety and human performance, while sharing information and best practices.

Our comprehensive contractor safety program is a key part of this effort and consists of the following elements:

1. **Contractor Pre-Qualification:** This is a formalized annual review of our contractors' safety readiness and performance.
2. **Contractor Safety Requirements:** These safety requirements are embedded within each contractual document to ensure that general safety expectations are clear to contractors, prior to initiating work with FirstEnergy. If safety requirements are modified, they are communicated to each contractor company.
3. **Contractor Oversight:** We provide oversight of contractors through tools such as orientation, partnership meetings, incident reporting, and corrective actions.
4. **Evaluation of Onsite Safety Performance:** We conduct contractor safety performance assessments through field observations.

Additionally, we are developing a contractor field verification process to help identify, control and eliminate potential or actual exposures that have the potential to result in an LCE.

PUBLIC SAFETY

Our commitment to safety extends beyond our employees and into the communities we serve. Our Public Safety group develops and manages programs that promote safety for those who may come near FirstEnergy's power lines or equipment.

For example, our *Stop.Look.Live.* public safety outreach campaign teaches people to stay safe around electricity by following three simple steps to avoid dangerous accidental contact with electrical equipment:

1. **STOP** what you're doing to consider your personal safety before working or playing around power lines or electrical equipment.
2. **LOOK** around for potential hazards and ways you might come into contact with electrical equipment and identify a way to avoid the hazard.
3. **LIVE** and prevent serious injury or death by taking precautions to avoid accidental contact with electrical equipment.



The multi-faceted outreach campaign combines conventional advertising, including creative radio spots and billboard messages, with digital advertising on streaming services and social media platforms. *Stop.Look.Live.* reflects our proactive companywide approach to safety and helps customers and community members identify and avoid potentially dangerous situations.

In addition to the advertising campaign, we have robust direct mail, email and web-based educational resource programs that target school-age kids, first responders and our most at-risk contractors, including heavy equipment operators, excavators, tree trimmers and other contractors who often work near or around energized electrical equipment. We also send bill inserts to customers containing tips on how to stay safe around downed power lines and high-voltage transmission lines, and in other potentially dangerous scenarios.

As part of our outreach efforts, we also have a fleet of Live Wire Electrical Safety trailers, which we use to hold in-person demonstrations that show community members the potential dangers that exist around energized electrical equipment. In addition, FirstEnergy employee volunteers will bring electrical safety education into grade school classrooms through our Live Wire Safety School program.

We continue to develop and improve our public safety outreach efforts to protect human life, reduce exposure and eliminate events for anyone who may come near FirstEnergy lines or equipment. For more information, please see our external public safety website at www.firstenergycorp.com/publicsafety.

As the battle against COVID-19 continues, FirstEnergy is providing reinforcements to those on the frontlines. Our company donated tens of thousands of face masks, gloves, respirators, cleaning supplies and other forms of personal protective equipment, valued at \$2.2 million, to 15 United Way agencies in the communities we serve.

EMPLOYEE HEALTH AND WELLNESS

Our approach extends beyond physical safety to employees' whole health, including their mental and emotional wellness and personal and family well-being. We help employees make their overall health a priority through our robust HealthyLiving wellness program, and we offer a comprehensive [Total Rewards compensation and benefits package](#) to help keep employees healthy, motivated and rewarded for their role in achieving FirstEnergy's success.

We also strive to create flexibility and balance for our employees. Our [time-off policies](#) are designed to promote a healthy work-life balance and ensure employees have time away to spend with friends and family and pursue interests outside of work. Our diverse slate of time-off programs allows for flexibility in how employees take paid leave. Some of our programs include:

- **Volunteer Time Off:** Eligible employees have access to 16 hours of paid Volunteer Time Off (VTO), which can be used instead of Paid Time Off (PTO) when an employee volunteers at a 501(c)(3) charitable organization. This VTO policy enables our employees to volunteer with organizations that matter to them and support our company's mission to make our communities stronger.
- **COVID-19 Time Off:** Eligible employees were provided a full-pay time-off code to be used for COVID-19-related absences, such as personal illness with COVID-19 symptoms, quarantine situations and family care needs. Employees were also provided up to four hours of paid time off to receive each dose of the COVID-19 vaccine, including any booster vaccine.
- **COVID-19 Time Off Carryover:** Eligible employees were allowed to roll over their remaining unused 2020 and 2021 PTO (beyond the standard 80-hour rollover) into a deferred COVID-19 PTO allotment, which they can then use through December 31, 2024. This policy recognizes the difficulty employees experienced in using their PTO in 2020 and 2021 and reflects our commitment to prioritize our employees' work-life balance needs. For additional details on the company's COVID-19 related actions to support employees, please visit [Our COVID-19 Response](#) page.



FE FOUNDATION

For more than a century, FirstEnergy has committed to improving the quality of life where our customers and employees live and work. In support of this effort, the FirstEnergy Foundation invests in nonprofit organizations to enable positive, sustainable changes that strengthen the communities we serve.

The Foundation's priorities range from supporting key safety initiatives and promoting workforce and economic development to improving social and cultural aspects of our region. As an overarching giving priority in line with our companywide focus on diversity, equity and inclusion (DEI), the Foundation also supports organizations and initiatives that serve diverse populations and enhance inclusion.

Foundation Vision

To invest in transformative organizations that enhance the vitality, sustainability and diversity of the communities we serve.

Giving Priorities

Improving the quality of life in our communities and supporting key safety initiatives	Empowering our communities' workforce development and educational initiatives	Promoting local and regional economic development	Supporting employee leadership and volunteer interests that align with our business interests
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INVESTING WITH PURPOSE

In 2020, the FirstEnergy Foundation established *Investing with Purpose*, a program developed in response to ongoing racial and social injustices impacting our nation, as well as the COVID-19 pandemic, which created health, financial and educational hardships for some customers across FirstEnergy's service territory. This philanthropic program focuses on supporting organizations that advance health and safety, workforce development, education, and social justice initiatives across FirstEnergy's service territory.

Once all grants are awarded, the \$7 million investment represents an additional commitment on top of the company's annual Foundation and Corporate giving, which averages approximately \$10 million per year. For a full list of *Investing With Purpose* grant recipients, visit the [FirstEnergy Foundation](#) on the company's website.

CORPORATE GIVING

Our corporate giving strategy focuses on initiatives that parallel our business interests, while helping our communities and the people who live in them achieve greater success.

We are committed to building productive relationships to address areas of need in our communities. Whether directed to the United Way or local foodbanks, [our corporate contributions](#) and philanthropic outreach support organizations and projects dedicated to improving the environmental, economic, social, educational and cultural aspects of our communities.

COMMUNITY SUPPORT EFFORTS

Matching Gifts

The FirstEnergy Foundation's Employee Matching Gifts program supports employee contributions to qualifying educational, cultural, youth, civic, and health and human services organizations. In 2020, the Foundation donated more than \$292,000 to match employee contributions. In 2021, the program expanded to include charitable contributions raised by FirstEnergy Employee Business Resource Groups (EBRGs) for qualifying charitable organizations.



Our company and employees care deeply about food insecurity in our communities. Every March, our employees organize friendly fundraising competitions and events that support local food banks and community pantries. In 2020, our employees raised over \$250,000, or the equivalent of more than 1.7 million meals, for food pantries within our service area.

Storm Response

In-kind donations are also top of mind, especially following an extreme weather event. Staging sites for FirstEnergy operations during storm response often become distribution sites for excess food and supplies at the conclusion of a storm. Food, beverages, paper products and other supplies are donated to area foodbanks, community pantries and other social service agencies to aid customers as they recover following a storm.



The FirstEnergy community has long supported United Way in its efforts to improve the health and socio-economic well-being of our communities. In 2020, employee contributions and Foundation matching gifts to United Way agencies totaled more than \$1.9 million.

EMPLOYEE VOLUNTEERISM

Our employees donate their time and talents in our communities—from volunteering at local food pantries and building affordable, energy-efficient homes to raising funds for quality health and social services organizations.

We are committed to supporting our employees' efforts through a robust Employee Volunteer Program, which includes:

- **Volunteer Time Off (VTO):** Our VTO policy provides employees with 16 hours of additional paid time off per calendar year to volunteer within their communities.
- **Community Impact Portal:** This user-friendly platform automatically sends volunteer opportunities and reminders to employees based on their geographic area; provides dashboards that track employees' volunteer hours and giving pledges; and makes it easier to find volunteer opportunities and donate to nonprofit organizations of their choice.

Our company leadership is also invested in donating their time to advance the well-being of our communities. In the fall of 2020, we launched *Powering our Communities with Purpose* with Business Volunteers Unlimited, a nonprofit that helps connect business professionals with nonprofit organizations in northeast Ohio. We've set a goal for 75% senior leadership participation on nonprofit boards and 25% executive team involvement on diverse or multicultural nonprofit boards by 2025.

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ECONOMIC DEVELOPMENT

We support the long-term economic health of the communities we serve through development initiatives that create jobs, support local suppliers and attract new businesses throughout our service area.

Our strategy is built on developing and maintaining relationships with economic development partners at state, regional, national and international levels. Coupled with our economic development expertise, these relationships help us to retain and attract businesses to our service territory, encourage investment in the areas we serve and provide value-added services and support to help our communities thrive.

Our Economic Development team's services include providing key economic indicator data to our regional partners and conducting local demographic research and economic impact studies. We also offer relocation services to companies considering moving to our region, promote urban revitalization and workforce development, and sponsor community readiness programs.

In 2020, FirstEnergy launched a [new economic development website](#) and sponsored webinars on the economic impact of the pandemic, focusing on how businesses in our service area can encourage and facilitate foreign direct investment as part of their overall economic development efforts. We are building on our strong economic development track record, as we strive to create \$25 billion in cumulative economic impact across our service area from 2020 to 2025.

Create \$25B in cumulative economic impact from 2020 to 2025.

ESG REPORTS AND RESOURCES

ABOUT OUR CORPORATE RESPONSIBILITY REPORTING

We are committed to providing stakeholders with information about FirstEnergy's corporate responsibility approach and environmental, social and governance (ESG) initiatives and performance. As part of that commitment to transparency and accountability, this dedicated Corporate Responsibility website presents the company's progress on ESG-related topics.

Our website includes this ESG Reports and Resources section, which serves as a central location for our ESG performance data. Our ESG data table provides information on our ESG performance in key areas of our business. We also are working toward disclosing ESG information here in alignment with leading sustainability reporting frameworks, including the Sustainability Accounting Standards Board, Taskforce on Climate-Related Financial Disclosures, Global Reporting Initiative and Edison Electric Institute ESG/Sustainability Template.

In addition to providing transparency for stakeholders, our ESG performance data also helps us to measure and evaluate our progress and set goals for continuous improvement.

Last Website Update: November 2021

For additional information, please contact:

Kristin Susick, Supervisor, Corporate Responsibility, [email Kristin](#)

Forward-Looking Statements

Forward-Looking Statements: This website includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "forecast," "target," "will," "intend," "believe," "project," "estimate," "plan" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, which may include the following: the potential liabilities, increased costs and unanticipated developments resulting from governmental investigations and agreements, including those associated with compliance with or failure to comply with the Deferred Prosecution Agreement entered into on July 21, 2021 with the U.S. Attorney's Office for the Southern District of Ohio; the risks and uncertainties associated with government investigations regarding House Bill 6, as passed by Ohio's 133rd General Assembly, and related matters including potential adverse impacts on federal or state regulatory matters including, but not limited to, matters relating to rates; the potential of non-compliance with debt covenants in our credit facilities; the risks and uncertainties associated with litigation, arbitration, mediation and similar proceedings; legislative and regulatory developments, including, but not limited to, matters related to rates, compliance and enforcement activity, including the final PUCO approval of the Stipulation; the ability to accomplish or realize anticipated benefits from our FE Forward initiative and our other strategic and financial goals, including, but not limited to, maintaining financial flexibility, overcoming current uncertainties and challenges associated with the ongoing government investigations, executing our transmission and distribution investment plans, greenhouse gas reduction goals, controlling costs, improving our credit metrics, growing earnings, and strengthening our balance sheet through a sale of a minority interest in certain of our transmission assets and/or issuance of additional equity; economic and weather conditions affecting future operating results, such as a recession, significant weather events and other natural disasters, and associated regulatory events or actions in response to such conditions; mitigating exposure for remedial activities associated with retired and formerly owned electric generation assets; the ability to access the public securities and other capital and credit markets in accordance with our financial plans, the cost of such capital and overall condition of the capital and credit markets affecting us, including the increasing number of financial institutions evaluating the impact of climate change on their investment decisions; the extent and duration of COVID-19 and the impacts to our business, operations and financial condition resulting from the outbreak of COVID-19 including, but not limited to, disruption of businesses in our territories and governmental and regulatory responses to the pandemic; the effectiveness of our pandemic and business continuity plans, the precautionary measures we are taking on behalf of our customers, contractors and employees, our customers' ability to make their utility payment and the potential for supply-chain disruptions; actions that may be taken by credit rating agencies that could negatively affect either our access to or terms of financing or our financial condition and liquidity; changes in assumptions regarding economic conditions within our territories, the reliability of our transmission and distribution system, or the availability of capital or other resources supporting identified transmission and distribution investment opportunities; changes in customers' demand for power, including, but not limited to, the impact of climate change or energy efficiency and peak demand reduction mandates; changes in national and regional economic conditions, including inflationary pressure, affecting us and/or our customers and those vendors with which we do business; the risks associated with cyber-attacks and other disruptions to our, or our vendors', information technology system, which may compromise our operations, and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information; the ability to comply with applicable reliability standards and energy efficiency and peak demand reduction mandates; changes to environmental laws and regulations, including, but not limited to, those related to climate change; changing market conditions affecting the measurement of certain liabilities and the value of assets held in our pension trusts, or causing us to make contributions sooner, or in amounts that are larger, than currently anticipated; labor disruptions by our unionized workforce; changes to significant accounting policies; any changes in tax laws or regulations, or adverse tax audit results or rulings; and the risks and other factors discussed from time to time in our Securities and Exchange Commission ("SEC") filings. Dividends declared from time to time on FirstEnergy Corp.'s common stock during any period may in the aggregate vary from prior periods due to circumstances considered by FirstEnergy Corp.'s board of directors at the time of the actual declarations. A security rating is not a recommendation to buy or hold securities and is subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating. These forward-looking statements are also qualified by, and should be read together with, the risk factors included in FirstEnergy Corp.'s filings with the SEC, including, but not limited to, the most recent Annual Report on Form 10-K, and any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The foregoing review of factors also should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on FirstEnergy Corp.'s business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. FirstEnergy Corp. expressly disclaims any obligation to update or revise, except as required by law, any forward-looking statements contained herein or in the information incorporated by reference as a result of new information, future events or otherwise.