



EESG

employee environmental
social
governance

FirstEnergy
2022 Highlights

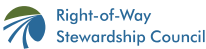
Integrated EESG throughout FirstEnergy's strategy

We believe our success requires strong management and oversight of employee, environmental, social and governance (EESG) matters, as well as transparency and accountability regarding where we need to improve and how we're going to succeed.



Expanded EESG framework to emphasize the role of our employees

Industry Awards & Recognition



Recognized in 2022 by the ROW Stewardship Council as a fully accredited ROW Utility Steward



Earned 2022 Bloomberg Gender-Equality Index Designation for the 4th consecutive year



Received Industry Recognition from Edison Electric Institute for Outstanding Service to Major Customers



Received Industry Recognition for Outage Restoration Efforts for the 15th consecutive year



Awarded US Veterans Mag / Military Friendly Employer Bronze



Awarded the National Organization on Disability (NOD) Leading Disability Employer Seal™



Named to Diversity Inc 2021 Top Utilities, ESG, and Philanthropy Lists



Named to Forbes' Best Employers for Diversity 2021 List



Rated a Trendsetter in 2022 CPA-Zicklin Index with a score of 92.9%

★ Employee ★ Environmental ★ Social ★ Governance

EESG: Employee Highlights


**Diverse, Inclusive, Rewarding Culture**

- Culture champions embed core values and support culture transformation across the company
- 8 EBRGs, with 20 chapters and ~2,700 members
- 19% increase⁽¹⁾ in the racially and ethnically diversity of our leadership. The racial and ethnic diversity of our overall workforce is currently at 10.4%
- Hosted a series of DEI sessions to increase awareness of policies, practices, and programs that advance diversity, equity and inclusion

⁽¹⁾ 2020 baseline

**Talent Management and Employee Development**

- Enhancing our diversity recruiting strategy to expand our reach, improve sourcing and engage over 400 employees through our FirstEnergy Ambassador Network
- Increasing education and transparency about talent management processes and career development opportunities
- Holding two-way quarterly check-in conversations with a supervisor to discuss priorities, career aspirations, development goals and more
- Formal mentoring program with 723 participants (18% racially and ethnically diverse and 43% female)

**Employee Safety, Health and Wellness**

- Fostering a culture of psychological safety where employees feel safe and are encouraged to speak up
- Helping employees work in a mobile and flexible fashion while increasing employee satisfaction and work-life balance
- Living our core value of safety by creating a work environment that helps ensure every employee returns home safely every day

We strive to develop a safe, inclusive, equitable and rewarding work culture for all employees



EESG: Climate Strategy

Reducing emissions to achieve carbon neutrality by 2050

- Transitioning away from our two coal plants by 2050
- Reducing sulfur hexafluoride (SF₆) emissions from transmission equipment
- Electrifying our vehicle fleet



Enabling the energy transition to a low-carbon future

- **Protecting and enhancing** the **transmission** system to support grid reliability and enable increased renewables and other clean energy trends
- Building the technologically **advanced distribution grid** of the future by implementing grid management solutions, smart meters, automation, EV charging infrastructure and other emerging technologies
- Being **innovative and forward-thinking** with our coal generation fleet as we **explore opportunities** to incorporate renewable resources and implement emerging technologies

Our Climate Strategy in Action

Greenhouse Gas (GHG) Reduction Goal

Fleet Electrification

Transmission Investments

Grid of the Future Distribution Investments

Solar Generation

DER Interconnections

NJ Offshore Wind

Economywide Electrification



EESG: Greenhouse Gas Reduction Goal

Our Scope 1 Decarbonization Approach



**30%
REDUCTION**
from a 2019 baseline
by 2030

- 1 Implement efficiencies at our two WV regulated coal plants
- 2 Convert one-third of aerial and light-duty vehicle fleet to electric and hybrid alternatives
- 3 Repair and replace transmission breakers that leak SF₆



As of year-end 2021, the actions above have resulted in 12% reduction of Scope 1 GHG emissions from our 2019 baseline

- 1 Transition away from our two WV regulated coal plants
- 2 Electrify 100% of aerial and light-duty vehicle fleet
- 3 Continue reducing SF₆ emissions from transmission breakers

WV Coal Strategy

Intend to engage in broad stakeholder dialogue regarding future transition plan for our two coal plants

2022A Coal Generation as % of Total FE:

Rate Base ~5%	Net Income ~5%
Revenue ~10%	Capital ~5%



Please visit our [Climate Report](#) for additional decarbonization details



EESG: Environmental Highlights

CREATING POLLINATOR-FRIENDLY HABITATS

Achieved 172 acres of biodiverse habitats since 2020

Goal to create a total of 225 acres in our service territory by 2025

BIODIVERSITY COMMITMENT & CONSERVATION

Planted 23,056 trees in our service territory in 2022

Green Teams targeting to plant additional 20,000 trees in 2023, focusing on economically depressed neighborhoods

ENVIRONMENTAL JUSTICE

New policy and program established in 2022

Incorporates environmental justice into our daily practices as we move forward in equitable support of our stakeholders

RIGHT-OF-WAY STEWARDSHIP

Improving habitat and providing ecological benefits for wildlife

Fully reaccruited ROW Steward for Integrated Vegetation Management

Acting as good stewards of our environment and our communities

See more Environmental Highlights at [Environmental \(fecorporateresponsibility.com\)](#)



EESG: Social Highlights



Public Safety Campaign

TV and Radio Ad Campaigns
Live Wire
Electrical Safety Trailers
Programs focusing on students, first responders and high-risk contractors



\$4.7M
Corporate Giving



~25,600
Employee
Volunteer Hours



Developing an effortless, transparent and consistent customer experience

Launched **"We're Customers Just Like You" campaign** to raise customer awareness of **payment assistance programs**



\$11.5B
Economic Impact

25,000
New Jobs Attracted
(direct, indirect and induced)

Advancing equitable and inclusive business practices to enable positive change for our communities, while delivering superior customer service

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2022 Highlights

[See more Social Highlights at Social \(fecorporateresponsibility.com\)](https://www.firstenergy.com/social)



EESG: Governance Highlights



Centralized Compliance

Utilizing the Employee Concerns Line and EthicsPoint to anonymously report violations or other business conduct inquiries
Providing training to all employees and leaders on the Code of Conduct, Speak-up Resources, Concerns Management, Gifts & Business Courtesies, and Political and Public Engagement



Integrity Driven Culture

Acting with integrity in our daily work is important and powerful
Spotlighting each of our 5 core values to help employees better understand how living our values drives our success at FirstEnergy



Corporate Responsibility

Corporate Responsibility website and ESG data center refreshed in November 2022
Created management-level Climate Subcommittee

Maintaining oversight and accountability of significant company issues and strengthening risk management

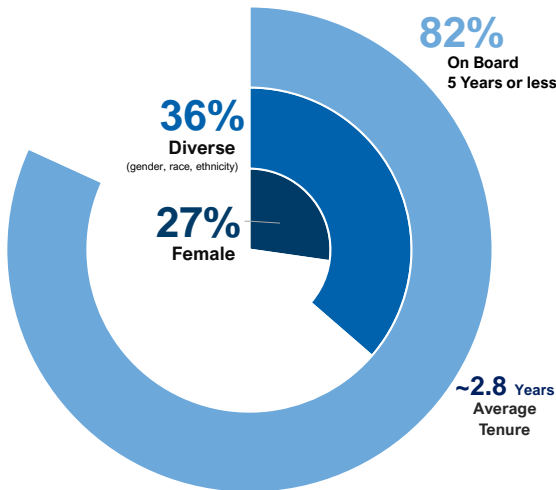
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2022 Highlights

[See more Governance Highlights at Governance \(fecorporateresponsibility.com\)](https://www.firstenergy.com/governance)



EESG: Commitment to Governance and Board Diversity

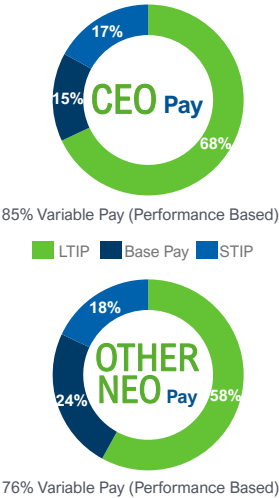


BOARD COMMITTEES

- Audit
- Finance
- Compensation
- Corporate Governance, Corporate Responsibility, and Political Oversight
- Operations and Safety Oversight
- Special Litigation

EESG: Executive Compensation Tied to FirstEnergy’s Strategy & EESG

Pay Mix at Target



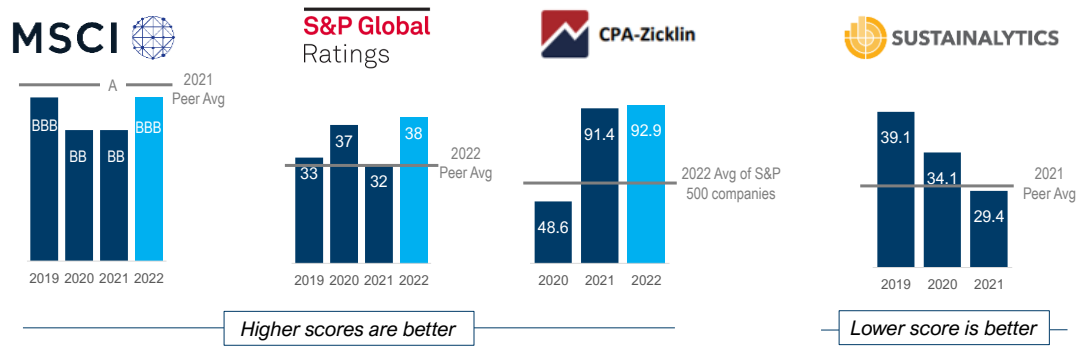
	Annual KPI	Long-term KPI
Employee	<ul style="list-style-type: none">Systemwide Days Away/Restricted or Job Transfer RateSystemwide Life Changing EventsDiversity, Equity and Inclusion (DEI) Index (diverse succession planning, diverse hiring, and responses on the DEI Inclusion Index in the Employee Engagement Survey)	
Environmental	<ul style="list-style-type: none">Operations Index (Environmental Excursions and Notice of Violations)	
Social	<ul style="list-style-type: none">Operations Index (System Average Interruption Duration Index, Transmission Outage Frequency, First Call Resolution, Engaged Customer Relationship Score)	
Governance	<ul style="list-style-type: none">Operating EarningsCash from Operations less Capital ExpendituresEthics and Compliance Modifier (Individual)	<ul style="list-style-type: none">Cumulative Operating EPSRelative Total Shareholder Return

Information based on 2021 compensation plan year and forward-looking information as disclosed in the 2022 Proxy Statement

EESG: Continuing Improvement of ESG Rating Scores

Our continued focus on transparency and disclosures is helping to improve our ESG rating scores, despite negative impacts from HB6-related issues

Actively engaging with rating organizations and internal business units to continue to improve transparency and disclosures



Higher scores are better

Lower score is better



EESG: Improvement through Transparency Efforts

Key Disclosures

Climate

Governance

EESG Data

Climate Report

Climate Strategy

TCFD Disclosure

Environmental Justice Policy

Corporate Engagement Report
(Trade associations)

Code of Conduct

2022 Proxy

Corporate Governance Policies

Strategic Goals for the Future

EESG Data Tables

EI Template

SASB

GRI

