

Environmental | Social | Governance



2020-2021 Highlights

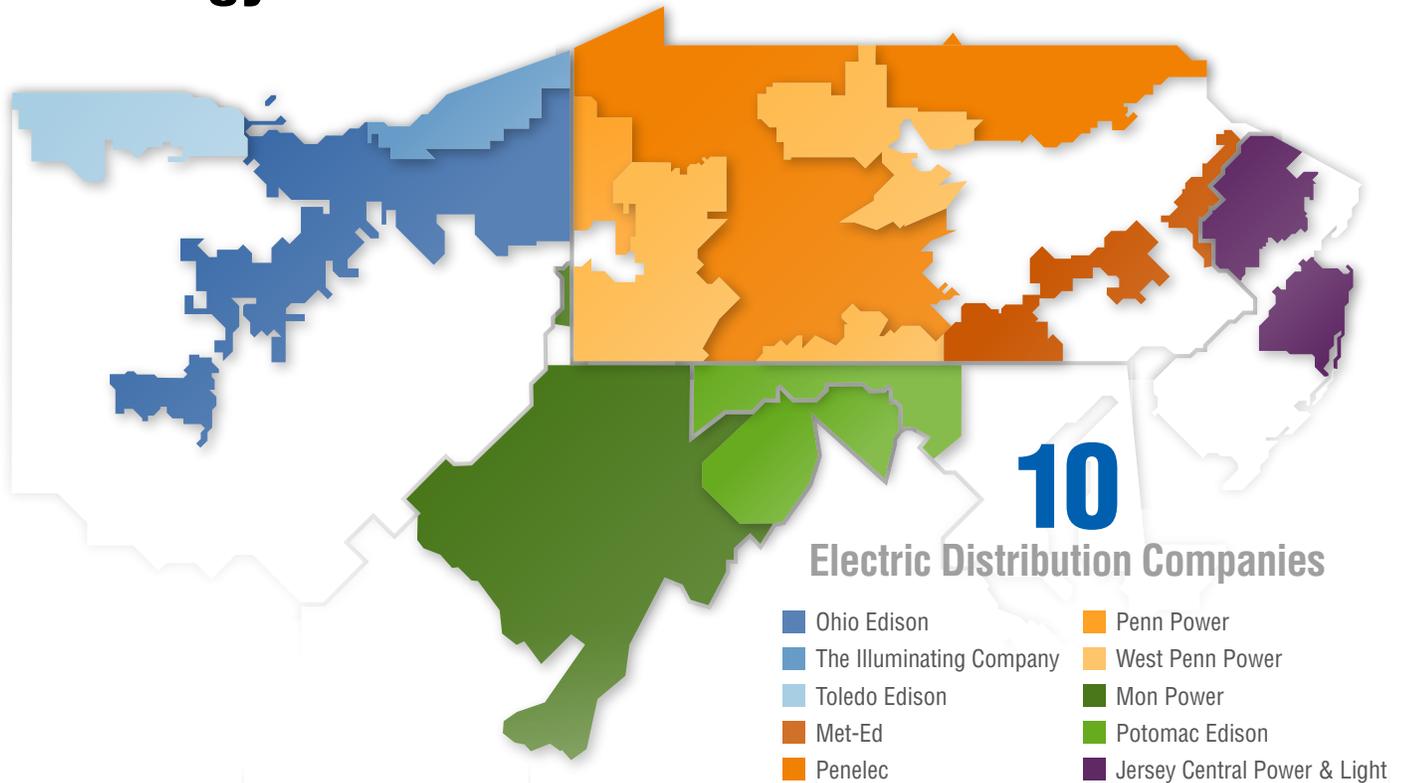


At FirstEnergy, we believe our success as a company requires strong management and oversight of **environmental, social and governance (ESG)** matters, as well as transparency and accountability regarding where we need to improve and how we're going to succeed. We also believe staying true to our mission, core values and behaviors means pursuing ESG objectives and initiatives that positively impact our employees, customers, communities and the environment. This report highlights the achievements, initiatives and goals that represent our commitment to strong ESG performance, now and in the years ahead.

Mission Statement

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

FirstEnergy at a Glance



6M+

Customers

24K

Transmission
Miles

65K

Square Miles
of Service
Territory

12K

Employees

\$44B

Total Assets



Environmental

Our renewed commitment to environmental stewardship includes executing our climate strategy, mitigating our impact on the environment and improving the sustainability of our operations

Climate Story

SUSTAINABLE FUTURE

Climate change is among the most important issues of our time, and we are committed to doing our part to ensure a bright and sustainable future for the communities we serve

30% 
GHG REDUCTION BY 2030

AND CARBON NEUTRAL BY 2050

Our goal is to achieve carbon neutrality by 2050, with an interim 30% reduction in greenhouse gas emissions under our direct control by 2030, based on 2019 levels

19% GHG REDUCTION

Through proactive efforts, we have achieved a 19% GHG reduction from our 2019 baseline

ELECTRIC & HYBRID VEHICLE FLEET

100% of new vehicle purchases for our light-duty and aerial truck fleet are now electric or hybrid moving forward



SOLAR GENERATION 50 MW

Committed to a thoughtful and timely transition away from our two coal plants no later than 2050 and the more near-term construction of at least 50 MW of solar generation in WV by 2025

Waste Reduction

Recycled 31,000 appliances through our energy efficiency programs that otherwise might have been landfilled



Beneficially reused 249 tons of utility poles as part of our wood pole diversion pilot program



Recycled 4.4 million pounds of scrap metal through our Miles Service Center's investment recovery efforts



Habitat Conservation

Seven Pollinator GARDENS

Educated employees on pollinator habitat conservation and installed seven pollinator gardens at company locations across our territory

Grass & Wildflower GROWTH

Utilized integrated vegetation management (IVM) techniques to foster the growth of native grasses and wildflowers within our transmission corridors

Monarch Butterfly FRIENDLY

Committed to implementing pollinator-friendly management practices as part of our participation in the Monarch Butterfly Candidate Conservation Agreement with Assurances (CCA)





Social

We're building a safe, diverse and innovative team committed to making our customers' lives brighter and our communities stronger

Employees

Racial and ethnic diversity

Set an aspirational goal to increase the racial and ethnic diversity of our workforce and leadership by 30% by 2025

Gender equality

Included in the Bloomberg Gender-Equality Index for the third consecutive year for our investment in gender equality in the workplace and communities we serve

Mentorship program

Launched a mentorship program as part of our commitment to developing our employees



COVID-19

Experienced no life-changing events and reduced our Days Away, Restricted or Transferred (DART) safety metric while also implementing new safety practices and protocols during the pandemic



7K remote workforce

Successfully transitioned more than half of our workforce – about 7,000 employees – to work remotely

Innovation Center

Launched our Innovation Center to enable employees to find new solutions to core business challenges in a faster, less expensive and more scalable way

Customers

HARDSHIP OPTIONS

Supported our customers by temporarily suspending shutoffs for non-payments due to the pandemic and offering various payment options for those facing hardships

EV CHARGING STATIONS

Installed 17 electric vehicle charging stations in MD as part of our EV Driven program and continued our larger efforts to support transportation electrification and advocate for the buildout of EV charging infrastructure in our service area

SMART METERS

Installed smart meters for nearly 40% of our customers, enabling them to make more informed decisions about their energy use



STOP.LOOK.LIVE.

Launched our STOP.LOOK.LIVE. safety outreach campaign to educate the public on how to stay safe around electricity



Communities

\$3.4M DONATED

As part of our new Investing with Purpose initiative, the FirstEnergy Foundation donated \$3.4 million to organizations that advance social justice, health and safety, educational, and workforce development initiatives

Our economic development efforts helped facilitate

\$11.5B in new capital

investment within our footprint in 2020

Employees gave

20K hours of volunteer

time to support our communities during the pandemic



Governance

We are committed to building a centralized compliance program, fostering a strong culture of ethics and integrity, and demonstrating transparency and accountability on ESG goals and initiatives

Culture of Compliance, Ethics and Integrity

ASSESS AND IMPROVE **Corporate Compliance** CULTURE, POLICIES & PROCEDURES

Created a sub-committee of the Board of Directors' Audit Committee to assess and improve our corporate compliance culture, policies and procedures



Suspended political contributions while we develop a more limited approach to governmental affairs engagement, marked by closer alignment to our strategic goals and more robust oversight and disclosure of advocacy efforts

Oversight AND DISCLOSURE OF **ADVOCACY EFFORTS**

Ethics and Compliance KPI

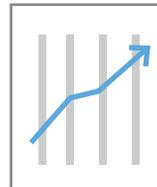
Implemented a new ethics and compliance KPI component in our annual incentive compensation program to drive employee accountability and reinforce the importance of our success in this area

ESG Transparency and Accountability

Materiality Assessment



Completed our first materiality assessment of potential environmental and social-related topics as part of our ongoing commitment to corporate responsibility



PUBLISHED COMPANYWIDE GOALS

Published companywide goals in alignment with ESG priorities and committed to providing annual updates on our progress

COMMITTED TO PROVIDING **ANNUAL UPDATES**



for our Sustainability Accounting Standards Board, Global Reporting Initiative, Task Force on Climate-related Financial Disclosures and Edison Electric Institute reporting frameworks



Bold New Goals

We believe setting goals and publicly tracking our progress is a critical part of demonstrating transparency and accountability on ESG matters. The following companywide goals are designed to prepare us to meet our customers' future needs and move us closer to our vision for a more resilient, innovative, diverse and sustainable FirstEnergy. The pillars of our mission are foundational to our company and essential to executing our forward-looking strategy. As such, they will guide our efforts to achieve these goals and enhance key areas of our business.

BECOMING A FORWARD-THINKING ELECTRIC UTILITY



FLEET ELECTRIFICATION

Goal: 30% electrification of our light-duty and aerial truck fleet by 2030

2021: 100% of new vehicle purchases for our light-duty and aerial truck fleet are now electric or hybrid moving forward



INNOVATION

Goal: Deploy at least six bots and four analytical models that deliver streamlined business solutions by 2022

In progress



RENEWABLE ENERGY

Goal: Own at least 50 MW of solar generation in West Virginia by 2025

In progress



EMERGING TECHNOLOGIES

Goal: Convert 100% of streetlights owned by our operating companies to smart LEDs by 2030

In progress

BUILDING A SAFE, DIVERSE AND INNOVATIVE TEAM



DIVERSE WORKFORCE

Goal: 30% increase in racially and ethnically diverse employees and leaders by 2025

In progress



EMPLOYEE SAFETY

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

In progress



WORKPLACE OF THE FUTURE

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

In progress



D&I PERCEPTION

Goal: Year-over-year improvement in our annual D&I Employee Survey's inclusion index

2020: Six-point improvement in the annual D&I Employee Survey's inclusion index

MAKING OUR CUSTOMERS' LIVES BRIGHTER



SERVICE RELIABILITY

Goal: 5% reduction in the duration of service interruptions for customers by 2025

In progress



ENERGY EFFICIENCY

Goal: Help customers achieve electricity savings in excess of 7.5M MWh, 2021-2025

In progress



GRID MODERNIZATION

Goal: Install smart meters for two-thirds of our total customers by 2025

2020: 2.4M smart meters have been installed, the equivalent of 40% of our total customers



TRANSMISSION RELIABILITY

Goal: 20% reduction in Transmission Outage Frequency on 100 kV-and-above lines by 2025

In progress



SUPPLY CHAIN

Goal: Achieve 20% of supply chain spend with diverse suppliers by 2025

2020: Achieved 16% diverse supplier spend

MAKING THE ENVIRONMENT BETTER



GREENHOUSE GASES

Goal: Carbon neutrality by 2050 and 30% Scope 1 GHG reduction from our 2019 baseline by 2030

2020: Achieved a 19% reduction in Scope 1 GHG emissions from 2019 baseline



VEGETATION

Goal: Create 225 acres of biodiverse pollinator habitats by 2025

2020: Created approximately 54 acres of biodiverse pollinator habitats



WASTE

Goal: Recycle or beneficially reuse 50% of our wood poles at the end of their useful lives by 2025

In progress



WATER

Goal: 20% reduction in water consumption at our two coal plants by 2030

In progress

MAKING OUR COMMUNITIES STRONGER



VOLUNTEERISM

Goal: 75% senior leadership participation on nonprofit boards and 25% executive team involvement on diverse or multicultural nonprofit boards by 2025

In progress



ECONOMIC DEVELOPMENT

Goal: Create \$25B in cumulative economic impact by 2025

2020: Helped attract 25,000 new jobs and create \$11.5B in economic impact

For additional information on our ESG goals, please visit our Corporate Responsibility website: <https://fecorporateresponsibility.com/>

Forward-Looking Statements: This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 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 effectiveness of our ongoing discussions with the U.S. Attorney's Office of the S.D. Ohio to resolve its investigation with respect to us; the results of the internal investigation and evaluation of our controls framework and remediation of our material weakness in internal control over financial reporting; the risks and uncertainties associated with government investigations regarding Ohio House Bill 6 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 due to matters associated with the government investigations regarding Ohio House Bill 6 and related matters; 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; the ability to accomplish or realize anticipated benefits from 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, strengthening our balance sheet and growing earnings; 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, volatile capital and credit markets, legislative and regulatory actions, including the vaccine's efficacy and the effectiveness of its distribution; 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 affecting us and/or our major industrial and commercial customers or others with which we do business; the risks associated with cyber-attacks and other disruptions to our 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 and other trust funds, 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 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.

