2019 Strategic Plan
ENERGIZED BY POSSIBILITY
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.
The past two years have brought significant change to FirstEnergy as we exited our competitive generation business and transitioned to a regulated electric utility. As we executed the many, sometimes difficult, steps of this process, we never lost sight of our mission to make our customers’ lives brighter, the environment better and our communities stronger.

Our employees are committed to making the FirstEnergy mission a reality by charting a new path forward in an industry undergoing rapid change, fueled by evolving customer expectations, emerging technologies and a lower-carbon economy. Powered by our core values, we’re transforming FirstEnergy into a more innovative company that anticipates our customers’ needs for years to come.

Our five-year strategic plan outlines key initiatives centered on our seven core values. We’ll work to create an effortless customer experience; embrace innovation that enables a strong, secure grid; build on our commitment to our communities and the environment; develop a diverse and inclusive workforce; foster a culture of collaboration with our employees, customers, regulators and other key stakeholders; strengthen our safety-first culture; and deliver strong and predictable financial results.

We are energized by the possibilities ahead, and confident our company and its dedicated employees are prepared to meet any challenge as we work together to deliver energy for a brighter future.

Sincerely,

Charles E. Jones
President and Chief Executive Officer
POWERED BY CORE VALUES

CUSTOMERS

INNOVATION

SAFETY

SOCIAL RESPONSIBILITY

TEAMWORK

DIVERSITY & INCLUSION

PERFORMANCE
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We provide safe, reliable electricity and innovative programs, products and services that make our customers’ lives brighter.

Our 6 million customers are at the heart of everything we do. We recognize that our electric service is wide-reaching, impacting our customers, their families and communities. We strive to meet the energy needs of our socially, economically and culturally diverse customer base—from farmers in rural areas to suburban businesses and urban households.

As our industry evolves, so do our customers’ needs and preferences. From electric vehicle (EV) charging stations to network infrastructure investments that support advanced functionality, our goal is to move forward with our customers at a pace and price that works for them.

We want to make life easier for our customers by providing an effortless, intuitive and consistent customer experience; improving grid reliability through our multibillion dollar transmission and distribution programs; and offering customers new choices with our value-added products and services. To accomplish this comprehensive plan, we will work to achieve key goals over the next five years by:

- Continuously improving our customer service experience
- Communicating with our customers when and how they want
- Evolving with our customers by implementing emerging technologies
- Providing our customers with more than
electricity, including new products and services that make their lives easier, brighter and more secure.

- Working with regulators and policymakers to enhance the customer experience through innovative rate design and incentives for continuing economic development in our service area.

**Effortless Customer Experience**

Our customers’ interactions with us should be effortless. We provide our contact center representatives with training that results in greater autonomy in delivering solutions to customers, and we offer self-service options across multiple channels and devices. This helps us meet our goal of resolving issues quickly—ideally on the customer’s first call to us. To underscore the importance of the customer experience, we include first call resolution, customer satisfaction and customer effort metrics in our assessment of customer interactions. Our first call resolution metric is also part of our annual employee incentive compensation program.

We process millions of customer transactions per year through our billing operations, customer contact centers and other touchpoints. As we become more customer-centric, we’re taking steps to deliver what customers want, helping drive value through better experiences.

Customer expectations are often set by service standards in other industries, including online retail and package delivery. We’re moving toward more proactive and transparent communications that alert people to known or upcoming outages and provide updates on our service restoration efforts. Our goal is to improve the customer experience by enabling them to monitor progress as we restore power, fulfill a request to start or stop service, and complete other service-related work. Just like tracking a package, customers want to engage FirstEnergy on their terms to gauge our progress and access key information, including the cause of an outage, status of our utility crews and the estimated time service will be restored.

**Customer-Focused Investments in Our Electric Infrastructure**

We continue to strengthen our infrastructure through significant investments designed to enhance reliability and improve operational efficiency. These investments build on the scale and scope of our regulated operations to achieve sustainable, customer-focused growth into the future.

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. These investments are driving significant performance improvements. Since launching Energizing the Future in 2014, we have achieved a 52% reduction in the number of customers affected by transmission-caused distribution outages and a 49% reduction in the duration of these outages in our ATSI region, serving our three utility companies in Ohio and our Penn Power utility in western Pennsylvania. We anticipate similar customer benefits as we expand this program eastward across our service area.
We plan to invest $1.2 billion per year from 2019 through 2021 to improve the reliability of our transmission system. Looking beyond 2021, we have identified significant investment opportunities in customer-focused projects across our transmission system to further increase network automation, add operational flexibility and harden our infrastructure and assets against physical and cyber threats. Many of these projects are multiyear endeavors, and we expect to continue bringing 600 to 700 of them into service each year.

Our vision for the distribution grid of the future is an enhanced distribution platform that delivers customer value through a stronger, more empowering energy experience. We’re envisioning a future where every vital link to homes and businesses—electricity, gas, water, and ultra-fast broadband access—will merge into one integrated system. This bundled, intelligent network will deliver an array of new products and enhance our relationship with customers.

To prepare for this more dynamic, intelligent and secure distribution system, we are strengthening our grid’s foundation by building a more robust and reliable communications network and replacing or upgrading aging equipment. As part of our Distribution Platform Enhancement initiative, we are also evaluating a wide range of new technologies and ways to modernize our distribution system, including energy storage and microgrids. To make progress toward our vision, our 10 regulated distribution companies are planning infrastructure investments of $1.7 billion per year through 2021. For example, our Ohio Grid Modernization Program, Pennsylvania Long-Term Infrastructure Improvement Plans and JCP&L Reliability Plus Infrastructure Investment Program are designed to ensure continued reliability and prepare the distribution grid of the future.

**New Products and Services**

We’re engaged in new business efforts and are well-positioned to offer valuable products and services that help customers save energy and money. Our utility companies enjoy strong name recognition and a long-standing presence in the communities they serve. As a result, customers view us as a trusted source for energy-saving products and services. Industry studies show customers are receptive to buying value-added products and services from their electric utility. These offerings bring comfort, convenience, security and productivity to their lives and businesses. Our offerings include surge suppression plans, electrician services, and protection and repair plans that are uniquely...
positioned in the marketplace and aligned with our customers’ needs. Our customers’ evolving preferences will continue to drive the development of additional product and service offerings.

6M
CUSTOMERS ACROSS THE FIRSTENERGY TERRITORY

52%
REDUCTION IN EQUIPMENT-RELATED TRANSMISSION OUTAGES SINCE 2014

$1.2B
PER YEAR THROUGH 2021 IN TRANSMISSION SYSTEM IMPROVEMENTS

$1.7B
PER YEAR THROUGH 2021 IN DISTRIBUTION INFRASTRUCTURE IMPROVEMENTS
In the not-too-distant future, a smart, dynamic and secure energy grid will empower and connect our customers in ways we’ve never seen before. Autonomous electric vehicles will recharge in the garage and upload GPS coordinates for a busy family’s upcoming travel. Smartphone applications and in-home displays will digitally manage everything in the home. Consumer electronics and smart appliances will connect to next-generation smart meters, the energy nerve center of the home. Solar-conductive home building materials will replace solar panels, and new technology will seamlessly integrate millions of these private energy sources with our power grid.

We look to this future with the agility to anticipate and adjust to the evolving needs of our customers. We are evaluating and deploying innovative technologies and embracing forward-thinking perspectives to meet the challenges and opportunities ahead. Our understanding of our customers will help us innovate the products they need, and our power grid will evolve based on a new philosophy: embracing disruptive technologies that deliver new growth opportunities to help expand our customer relationships.

In addition, we’ll use technological advancements to optimize business processes and enhance operational efficiencies, allowing more time for our employees to address industry challenges and develop innovative energy solutions. Increased collaboration with our peers will help us develop best practices in an evolving
industry and create new value-added products and services that deliver greater comfort, convenience, security and productivity for our customers. Good businesses are built on integrity and teamwork. Great businesses build on that strong foundation and continue to innovate and push forward. Over the next five years, we plan to make progress in these key areas:

• Create an innovative environment by collaborating with peers and streamlining business processes
• Leverage data analytics to drive business decisions
• Partner with stakeholders to enable emerging technologies

Fostering a Culture of Innovation

We’re accelerating the deployment of innovative, secure technologies on the electric grid through our Center for Advanced Energy Technology—one of the first and most comprehensive testing and training centers of its kind in the country. This facility offers our technical professionals a hands-on environment for upgrading the transmission grid by simulating real-world conditions. We’re exploring opportunities to use this state-of-the-art facility for industry collaboration with peer utilities, research institutes and key stakeholders.

We’re also leveraging technological advancements to streamline our operations. We’re deploying Robotic Process Automation, or “bots,” for repetitive, rule-based business processes, letting us shift employees from manual-intensive tasks to more strategic and analytical work. Additionally, our Information Technology (IT) group is collaborating with suppliers and vendors to offer more off-the-shelf solutions, rather than developing them in-house. This helps us more quickly and effectively meet the needs of our business while enabling our IT group to focus on innovative, forward-looking work.

We’re helping our customers enhance their daily routines by supporting energy efficiency and enabling home automation. From home energy management and security to intelligent lighting and outdoor living, our innovative solutions make customers’ lives easier. We’re working with an innovation consultant to foster rapid ideation, increase our speed to market, and develop innovation skills and processes to help us keep pace with evolving lifestyles. By offering the right products and services at the right time, we can strengthen our connection with each customer while growing new revenue streams.
Data-Driven Business Planning

Data analytics make planning and implementing utility infrastructure projects more efficient. Smart meters—our digital connection with customers—all but eliminate the need for estimated readings and help customers make more informed, real-time decisions about their energy use. In the future, these devices will help us better detect power outages and restore service more quickly.

We’re delivering on our customer-centric vision by building a modern, robust electric grid and using innovative solutions to ensure greater system reliability and resiliency. We’re exploring using data analytics to predict and plan maintenance work on wires, poles and other equipment, and we’re deploying advanced digital technologies and improving cyber and physical security.

Adopting Emerging Technologies and Electrification

We anticipate participating in venture capital investments focused on transforming the utility industry through the development of emerging industry solutions and close-to-market utility technologies. Our participation may provide exposure to new revenue opportunities and innovative technologies that benefit our customers and the environment, as well as offer insight into future industry trends, threats and opportunities.

We’re also continuing to invest in our distribution system to enable emerging technologies, including electric transportation, solar energy, microgrids, utility-owned storage and smart LED streetlighting.

Electric transportation reduces direct carbon emissions, improves air quality and distributes the benefits of clean energy throughout the economy—and the industry is growing rapidly. According to the Edison Electric Institute, there are now more than 1 million electric vehicles on U.S. roads, and that number is projected to double by 2021. That’s why we’re advocating for charging station availability across our service area. Greenhouse gas emissions from the transportation sector now surpass those from power generating plants, so it’s essential for us to be an engaged, active partner with the electric transportation industry.

We’ll partner with municipalities and community leaders to develop smart cities powered by innovative technologies that improve our customers’ quality of life while enhancing energy efficiency and environmental sustainability. We’re focused on providing high-efficiency LED streetlighting, electric public transit, charging infrastructure and other sustainable solutions that reduce carbon emissions and bolster economic development across our service area.

As we develop new grid capabilities to enable these emerging technologies, we’ll work closely with regulators and other key stakeholders to balance interests and ensure we’re delivering value to customers.
We look to the future with the agility to anticipate and adjust to the evolving needs of our customers.
Social responsibility is a cornerstone of our mission. We work to strengthen our communities by supporting charitable organizations, providing economic development leadership, and encouraging employee volunteer efforts. We also strive for a sustainable energy future by operating our facilities in an environmentally responsible manner and continuing to reduce our impact on the environment.

Published in November 2019, our Corporate Responsibility Report informs stakeholders of our comprehensive environmental, societal and governance-related efforts to achieve sustainable performance. Setting goals and tracking our progress helps our company be accountable to ourselves and others, be conscious of the impact we have on our stakeholders and operate in ways that enhance the environment and the communities where we live and work.

We strive to fully embed environmental, social and governance (ESG) awareness and action into our company culture and develop initiatives that help us improve the social and economic well-being of our communities, reduce our impact on the environment, and empower our customers and employees to do the same.

We will work to achieve these key goals over the next five years:

- Transform communities by attending to the distinct needs and demographics of our diverse service areas
- Reduce the environmental impact of our
operations and build increasingly sustainable work practices
• Enable employees to support ESG priorities and empower our communities to reduce their carbon footprint and improve energy efficiency

Helping Customers and Communities Thrive

Our mission is to make communities stronger. We’re doing this by fostering neighborhood development and strengthening local organizations dedicated to serving those in need. As we look to the future, our goal is to transform our communities by addressing their distinct environmental, economic, social, educational and cultural needs. That means improving our understanding of the different challenges our communities face and the goals they’re working toward. It also means ensuring our charitable contributions and community-focused efforts reflect those needs and goals. This increased focus on intentionality and targeted philanthropy will enhance our community involvement efforts and improve our ability to measure our impact.

Our employees share a strong commitment to supporting our communities. To bolster their philanthropic interests and efforts, we’re creating a comprehensive volunteer program that empowers employees to live our mission. We’ve established a volunteer time-off (VTO) policy that offers employees 16 hours of paid time off annually to represent FirstEnergy and volunteer in their communities. In 2020, we’re implementing a “power hours” program that provides financial contributions to charitable organizations based on employee volunteer hours. This encourages employee volunteerism and ensures our giving reflects the community needs and organizations that matter to our employees. Over the next five years, we’ll be focused on increasing employee participation and developing additional volunteer policies and programs.

We’re also dedicated to meeting the needs of our diverse customer base. As many as one-third of residents in some of our communities live at or below the poverty line, and one of our key initiatives is to enhance our service to them. We’ll work to streamline the process for applying for and receiving energy assistance, where

Employee-Driven Sustainability Efforts

In 2019, we launched an employee initiative that included removing polystyrene and single-use plastics from select breakrooms and food services. We also implemented a centralized disposal program at several of our corporate locations to demonstrate how employee actions—even on a small scale—can make a big difference in our environmental impact. Moving forward, we plan to expand these programs across the company and launch a new initiative to reduce our paper use.
possible. We also want to increase awareness of low-income programs for energy efficiency and help customers better understand the resources and funds available to them. These efforts will build a mutually beneficial low-income assistance program that helps inform and serve our customers.

Reducing Our Environmental Impact

We are committed to reducing our environmental impact as we build the energy grid of the future. Over the next five years, our reduction efforts will focus on two main areas: carbon and waste.

**Carbon Reduction:** Our goal is to reduce carbon dioxide (CO₂) emissions companywide by at least 90% below 2005 levels by 2045. By the end of 2018, we reduced our CO₂ emissions by 62%—putting us on track to reach our goal. Upon FirstEnergy Solutions’ (FES) emergence from bankruptcy, we anticipate reaching the 80% mark. We are evaluating goals that will demonstrate our commitment to minimizing the environmental impact of our operations and our efforts to enhance the ecosystem.

**Waste Reduction:** We’re reducing our landfill waste through the reuse, refurbishment, resale and recycling of our operations equipment. At our Miles Service Center in Cleveland, our efforts to repair and refurbish materials such as scrap metals, wire, cable and transformers reduces landfill waste and mitigates our environmental impact. We are also developing a responsible replacement program to replace retired assets with equipment that has a reduced environmental impact.

We’re striving to minimize our impact on vegetation and wildlife. We’re working toward companywide adoption of unmanned aerial systems (UAS) to enable non-invasive inspections of our transmission infrastructure in rights-of-way and wetlands. We are already implementing UAS in our Penn Power and West Penn Power service areas, where it helps to protect endangered bird species that nest near our equipment.

As we maintain and modernize our infrastructure to prepare the grid of the future, we are committed to protecting the environment and implementing increasingly sustainable transmission and distribution work practices. We remain dedicated to soliciting and carefully considering public input as we site new transmission lines, and we work closely with local officials and property owners to address concerns. We’ll continue our participation in collaborative research studies with universities and industry organizations focused on sustainable integrated vegetation management practices that protect plant life, pollinators and wildlife, and foster thriving, bio-diverse habitats.

Water Reduction Efforts

As part of our conservation efforts, we introduced a pilot project in 2019 at our Harrison Power Station in Haywood, West Virginia, to reduce the amount of water we draw from the West Fork River. Water piped from the landfill’s sedimentation treatment ponds will be recycled for use in the power station’s scrubber system. The project is expected to reduce the volume of water we take from the river by up to 288,000 gallons per day.

Empowering Our Communities to Make the Environment Better

We want to empower our customers and communities to reduce their carbon footprints, better manage their electricity use, and improve their energy efficiency. Over the next five years, we will focus our efforts on the following initiatives:
Enabling a Lower-Carbon Future

FirstEnergy’s 2019 Climate Report assessed the impacts of reducing CO₂ emissions to levels consistent with limiting global temperature rise to less than 2 degrees Celsius. The scenario results indicate that widespread electrification, including of transportation and heat pumps, would be necessary to achieve the required carbon reduction. Electric utility companies will play a central role in modernizing and hardening distribution systems to enable electrification. We are working with developers, researchers and policymakers to advance new technologies and infrastructure upgrades that are critical to enabling this lower-carbon future.

Electrification: We’re helping our industrial and commercial customers embrace electrification through upgrades, such as electric forklifts and transportation equipment, and by providing energy usage data that monitors their new energy profiles and illustrates the value of electrification. For example, we’re piloting a program that will enable the electrification of diesel-idled refrigerated trucks. In addition, we’re supporting Maryland’s goal to have 300,000 zero-emission vehicles on the road by 2025 by participating in a pilot program to expand the availability of EV charging stations. As part of this effort, Potomac Edison is installing up to 59 utility-owned public charging stations throughout its Maryland service area and offering rebates for the purchase and installation of an eligible smart EV charger. These pilot programs will help us gain knowledge about EV charging patterns and corresponding distribution system impacts in preparation for continued growth of vehicle electrification.

Energy Efficiency: We are focused on helping our customers reduce their overall energy consumption, including gasoline, natural gas and electricity. We continue to exceed energy efficiency mandates in the states we serve, and we’re focused on expanding our program offerings. In partnership with the Electric Power Research Institute, FirstEnergy also supports research to better understand efficiency opportunities in emerging technologies such as next-generation heat pumps, advanced data center infrastructure, smart thermostat developments and advanced building design. Emerging options can help us inform electricity consumption behaviors, improve energy efficiency, reduce carbon footprints and lower energy bills.

Smart Cities: We plan to continue supporting our communities’ interest in Smart Cities initiatives, which help municipalities operate more efficiently, reduce their carbon footprint, enhance community safety, and improve citizens’ quality of life. For example, we’re partnering with Erie, Pennsylvania, to help it achieve its vision of converting to smart LED streetlighting. This will enable the city to control and monitor lighting remotely.

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We are focused on expanding the diversity of our team and creating an inclusive workplace where employees feel valued, motivated and empowered to drive FirstEnergy’s success.

We strive to be the employer of choice in our region, known for our diverse team, our culture of inclusion and our dedication to helping every employee reach their full potential.

We recognize that our employees move our strategy, culture and company forward. That’s why we’re implementing robust initiatives to attract, develop, engage and retain a diverse, high-performing workforce and to continue building an inclusive work environment.

Our comprehensive vision includes achieving goals in these core areas over the next five years:

- Building diverse and high-performing teams that seek innovative ideas and input
- Creating an inclusive environment of respect, appreciation and acceptance for everyone
- Helping employees grow, develop and understand their role in our company’s strategy
Assembling a Diverse and Inclusive Team

We’re building a diverse team that more closely reflects the communities we serve. That means we’re enhancing our recruiting strategy as well as our hiring and interviewing process. Key changes include implementing a formal role within Human Resources dedicated to new, diverse recruitment strategies; launching a FirstEnergy Ambassador network to build relationships with colleges, universities and educational organizations; using external partners to source talent for higher level and niche positions; and providing leadership and management training around our hiring philosophy.

To track our progress, we introduced a Diversity & Inclusion (D&I) Index in our 2018 annual incentive compensation program for managers and above. This increases leadership accountability for efforts to enhance our culture and expand the diversity of our leadership pipeline. We met our 2018 target for diverse succession plan candidates but fell short of our target for diverse professional hires as well as improvement on our workplace inclusion survey scoring. As a result, we increased the weight of our D&I Index for managers and above in 2019 to emphasize the importance of this culture change at our company. We plan to evaluate new threshold, target and stretch goals for our D&I Key Performance Indicators (KPIs) on an annual basis and increase the weight of our D&I Index as needed to reinforce the role of leadership in advancing this business imperative.

Our D&I initiatives extend to our Board of Directors. As members’ terms expire over the next five years, our Board has a policy to consider diversity, including gender, race and ethnicity, for director candidates. To support this, our Board has set a policy to require diverse slates of qualified Board candidates. It’s in our stakeholders’ best interest to have a diverse Board of Directors representing a wide breadth of experiences and perspectives.

We also are focused on building our diverse supplier pipeline, which is essential to providing value to our customers and strengthening the economic health of communities across our service area. Maintaining a proactive Supplier Diversity Program is an extension of our commitment to promote diversity at every level of our company.

Diverse Community Support

Over the next five years, our goal is to increase the FirstEnergy Foundation’s support of organizations in our service area that have a D&I focus. We’ll keep working to improve the vitality of our neighborhoods and support programs dedicated to enhancing environmental, economic, social, educational and cultural efforts in our communities.
Building a Culture of Inclusion

Inclusion is central to our vision to become an employer of choice. We are using the results of our annual employee D&I surveys to develop strategic initiatives aimed at creating the inclusive work environment our employees want. Over the next several years, we are focused on building inclusion through the following initiatives:

- **Employee Business Resource Groups (EBRGs)** – Our EBRGs focus on many different dimensions of diversity, including veterans, people of color, women, disability and LGBTQIA. They provide support, networking opportunities, and career and personal development resources to more than 1,500 members.

- **Workplace Flexibility** – To facilitate better work-life balance for employees, this program allows for compressed schedules, work-from-home arrangements and flexible start times.

- **Dress for Your Day** – This program gives employees the flexibility to dress more casually as their schedule and the nature of their work permits.

Our employee surveys will help drive these D&I initiatives and measure their impact on our company and employees.

Developing Engaged, High-Performing Employees

We are committed to preparing our high-performing workforce for the future and helping employees reach their full potential. We’re working to develop their skills and competencies and preparing our emerging leaders for future management responsibilities. We believe understanding our rapidly changing industry and our company strategy is key to employees’ ability to support our mission and meet our customers’ evolving needs. Toward that end, we are implementing the following initiatives:

- **Talent Management** – We are launching an effort to provide greater transparency in the talent management process. This will foster a more robust exchange of information and promote a clearer understanding of employee development opportunities. Employees will learn about available tools throughout the talent management process and feel empowered to take ownership of their careers. Leaders will have meaningful conversations with their employees, building trust and a more inclusive workplace.

- **Mentoring Program** – Implemented as a pilot in 2019, our mentoring program enhances learning, teamwork and collaboration throughout FirstEnergy. It cultivates an environment for professional
growth and encourages leaders to guide and prepare colleagues. It will help us develop and retain top talent, increase job satisfaction for mentees and mentors, and facilitate skills- and knowledge-sharing across the company. We’re expanding the program to reach broader audiences in 2020.

- **Experienced Leader Program** – To be piloted in 2020, this new program will bridge the development gap between new supervisors and managers and senior executives. By providing a development path for experienced directors and managers, we will equip our leadership with the right tools to coach and support their teams and ultimately drive FirstEnergy’s success.

- **Power Systems Institute** – We’re focused on increasing the diversity of candidates in our Power Systems Institute (PSI), an award-winning program for recruiting and developing the next generation of highly trained, dedicated and motivated line and substation workers. Since the PSI program’s inception, we have hired more than 2,000 graduates across our service territory. Over the next five years, we plan to enhance our PSI recruitment efforts by building and expanding partnerships with community organizations in each of our service areas.
We are one team, supporting each other to achieve the best results. We build collaborative and respectful relationships across FirstEnergy and with our stakeholders. We value two-way communication and engage with others by actively listening, withholding judgment and making a conscious effort to understand.

We perform best as a team when we have a specific, clear challenge in front of us—whether it is service restoration following severe weather, or our transformation to a regulated utility. From our internal organizations to our partnerships with stakeholders, we recognize that we can achieve positive outcomes when we trust and value each other’s perspectives and work collaboratively toward a common goal.

Teamwork is an essential part of our industry’s service restoration process following severe storms or natural disasters. When these extreme weather events occur, crews from across our six-state service area and the industry’s mutual assistance network—a voluntary partnership of electric companies from across the country—help restore power to our customers quickly and safely. Our neighboring utilities help us, and we help them, as the need arises.

We are building a culture that leverages teamwork to create thoughtful, innovative solutions that bring greater value to our customers. As we complete our evolution to a regulated utility and meet industry challenges, we need to understand the impact of our business decisions and trust that our teams are focused on achieving the same vision. This means ensuring everyone understands FirstEnergy’s strategy and works to build a more
inclusive and collaborative culture. With this foundation, employees and teams across the company can work together more seamlessly to develop a project or achieve a goal.

We will maintain an open dialogue with customers, shareholders, regulators, policymakers and community members to ensure we understand and address their concerns and interests. Our vision for teamwork includes goals in critical areas over the next five years. Internally, our focus includes:

- **Launching FE University** – We’re implementing our FE University pilot program to provide opportunities for employees to broaden and deepen their knowledge of the electric utility industry, our company strategy and supporting initiatives. FE University will help employees better understand where we are headed and why. Understanding the big picture means employees will remain aligned on the same goals and see how the work they do contributes to the success of the company—key components of teamwork and workplace inclusion.

- **Developing Cross-Functional Teams** – With the knowledge gained through FE University, we will remove departmental silos and work as cross-functional teams with other business units and employees to find the best way to meet industry challenges, develop innovative solutions and add value for our customers.

- **Appreciating the Individual** – We’re evolving as a more team-focused organization through constant, constructive communication, caring about each other, and valuing input from all employees, all the time. We appreciate the diversity and unique talents that each person brings to the team to produce positive results.

Externally, we are:

- **Building Relationships** – We work with federal, state and local governments to ensure regulatory decisions support high-value service for our customers and reasonable returns for our company. We are a valued resource and trusted voice on issues critical to the electric utility industry, and we will work with our peers to create value for our customers and other stakeholders.

- **Advocating for Customers** – We’re advocating for laws and regulations that support customer-centric investments in infrastructure, reliable and resilient service, and utility investment and ownership in emerging technologies.

- **Expanding Partnerships** – We are building on our successful economic development efforts by expanding and strengthening our partnerships with economic development organizations, working closely with our communities to understand development needs and opportunities, and more effectively engaging our customers as they make important business expansion decisions.

- **Supporting Research** – As our industry and customers evolve, we’re funding and participating in research conducted by forward-thinking industry and research organizations to strengthen our understanding of the latest emerging technologies, raise our awareness of promising industry innovations and guide our modernization efforts.
Safety is an unwavering core value at the foundation of our company and a critical component of our strategic plan. We’re committed to working safely, following all safe work practices, keeping each other safe and eliminating life-changing events.

We keep safety first every day by committing to provide a safe work environment, proactively identifying and controlling the hazards around us, and looking out for the safety of others. We strive to provide a safe and healthy workplace that’s incident-free, and to promote, support and maintain contractor and public safety. We’re dedicated to ensuring our employees return home from work every day without injury. We have long included safety metrics in our annual incentive compensation program, and every employee understands that our commitment to a safe work environment is crucial to our success.

As we look to the future, we will expand our safety and security practices across the company to ensure a safe environment for employees, contractors and the general public. We’re working with industry peers and security professionals to develop new approaches to safety and security, and to proactively identify and mitigate risks. We will work to achieve critical safety and security goals over the next five years.

Protecting People

We strive for a world-class, safety-first culture throughout FirstEnergy. This begins with a willingness to do things differently, look at safety through a new lens and work together to strengthen our safety culture. We will work to achieve critical safety and security goals over the next five years.
experts to deploy advanced technologies and align best practices, helping to foster a culture of safety and security awareness.

We recognize leadership’s role in helping keep employees safe. To solidify critical leadership behaviors and accountability at all levels, we’re introducing comprehensive safety roles and responsibilities. Through training and coaching, we’re aligning leadership practices to advance the most effective safety culture. We’re also initiating a “safety by design” team to review our engineering design standards and identify safety improvement opportunities. By leveraging monitoring systems, cameras and other equipment, we can enhance the safety of our people and operations.

We will continue to improve safety communication, build trusting relationships, increase safety awareness and hazard recognition, and focus on fundamental personal safety training, tools and education. We’re also introducing safety assessments to help better identify and understand employee safety profiles and enhance work behaviors. This initiative proactively improves the safety of employees in specific work environments.

We intend to establish a third-party contractor safety program that holds contractors to our safety standards—including ongoing updates as our safety program evolves—and verifies and assesses their safety performance. Through this program, we will build on our strong partnerships with contractors, implement a safety pre-qualification process and safety scoring system for contractors, become more involved with their safety outcomes, and share information and best practices.

We will implement a fully developed public safety education program focused on prevention, preparedness and response, and identify metrics to measure the program’s effectiveness. We’ll collaborate with local schools, first responders and public officials to integrate educational programs on electrical safety. These programs could help those working or living near our equipment or facilities be more aware of potential dangers.

Our path forward depends on transforming our approach to safety, enhancing our safety communications and partnerships, increasing our focus on situations that could become life-changing events and ultimately eliminating them by controlling our exposure to safety hazards. We’ll know we’re on the way to achieving our safety vision when we reach the milestones for safety leadership, personal safety, and contractor and public safety outlined above.

**Protecting Our Assets**

As physical threats such as extreme weather become increasingly common, we are working to harden our grid defenses and protect our infrastructure. Through our transmission and distribution modernization efforts, we’re enhancing the resiliency of our utility infrastructure. In addition, we continue to evaluate physical security measures at company locations to ensure the safety of our employees.

We recognize that threats to critical energy infrastructure could jeopardize public safety and potentially leave millions of customers without
Safety is an unwavering core value. Together we have the power to keep each other safe and eliminate life-changing events.

electricity. As cyberattacks increase in number and sophistication, 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 to validate our technical cybersecurity control effectiveness and any deficiencies we identify
• Enhancing the security and reliability of our transmission-related cyber assets by deploying Critical Infrastructure Protection (CIP) standards and planning an on-site CIP audit of our utility operations to demonstrate our compliance
• Conducting an independent assessment of every aspect of our cybersecurity program to identify improvements and update our cybersecurity roadmap through 2022

We will continue the success of our physical and cybersecurity efforts by staying engaged, conducting predictive analyses to proactively mitigate threats, and continually testing and hardening our security defenses.
Protecting People. Protecting Assets.
PERFORMANCE

We strive to achieve operational excellence, deliver strong financial results and meet our commitments to our stakeholders—in a way that stays true to our core values.

Our performance drives our ability to support all facets of our strategic plan and defines how we are perceived by our customers, shareholders, employees, regulators and communities.

We are building on our momentum and transitioning FirstEnergy into a premier, customer-focused utility that provides attractive, long-term value to investors. We are driving sustainable, regulated earnings growth by investing in energy infrastructure and other projects that bring value to our customers. By executing these growth plans, we can further strengthen our balance sheet and investment-grade credit ratings.

Our vision builds on our successful efforts to transform FirstEnergy into a regulated utility with a solid plan for sustained, customer service-oriented growth. We implemented that ambitious strategy, met our financial commitments and reduced our risk profile. Our performance earned the confidence of the financial community as we:

- Extended our record of consistently meeting or exceeding the guidance we provided to our investors
- Improved our credit metrics with the infusion of a significant equity investment and eliminated the need to issue additional equity outside of our employee benefit and stock
purchase plans through 2021
• Accelerated our regulated growth and infrastructure improvement plans to invest in initiatives that strengthen the electric system, boost reliability for customers and prepare the grid for emerging technologies
• Introduced our first long-term growth rate projection for our utilities

OUR FIVE-YEAR PERFORMANCE VISION

- Increased our quarterly dividend for the first time since 2012 and adopted a dividend policy that enables enhanced shareholder returns along with continued substantial regulated investments

Our regulated growth strategies are already producing strong results. Based on our performance to date and outlook for the future, we are on track to meet our original target of 6% to 8% compound annual operating earnings per share growth (CAGR) from our regulated businesses from 2018 through 2021, and we are broadening our outlook for two years, with a CAGR of 5% to 7% through 2023. The projection includes plans to issue a modest amount of equity, up to a total of $600 million annually, to fund our growth initiatives starting in 2022.

We will remain uniquely positioned to present a compelling value story to investors. We have abundant opportunities for ongoing investments in our 10 utility operating companies and vast regulated transmission network, and we anticipate annual capital investments in our infrastructure will remain at approximately $3 billion for the foreseeable future. These projects, as detailed in the Customers and Innovation sections of this plan, align with the evolving needs of our customers and communities and provide the foundation for emerging technologies and growth in the future. In addition to capital investments, our future growth projections will continue to reflect shifting customer trends and other variables in our rapidly evolving business. We will also continue to identify opportunities for the full and timely recovery of investments that benefit our customers.

While we execute our long-term business strategy, we look forward to key developments in the near term that will further support our vision of being a premier regulated utility. These include continuing to enhance our balance sheet and credit metrics, and the conclusion of the FES bankruptcy and its emergence as a stand-alone company, fully separate from FirstEnergy. We believe these actions will drive continued appreciation in our stock price so that our shares begin to trade at a price-to-earnings ratio that is on par with our peer group of regulated utilities.

FINANCIAL TARGETS

~$3.0B

ANNUAL CAPITAL INVESTMENTS IN INFRASTRUCTURE FOR THE FORESEEABLE FUTURE

6-8% → 5-7%

COMPOUND ANNUAL OPERATING EARNINGS PER SHARE GROWTH 2018-2021
COMPOUND ANNUAL OPERATING EARNINGS PER SHARE GROWTH EXTENDED THROUGH 2023
With this strategic plan, we envision our path forward in an evolving electric utility industry. As we look to the future and strive to be more innovative, diverse and sustainable, we are guided by our mission statement, core values and commitment to always put customers at the center of everything we do.

Our strategic initiatives will position us to meet the challenges ahead and capitalize on opportunities resulting from shifting customer expectations, emerging technologies and a changing energy mix. We are already making significant strides in areas such as carbon emissions reduction, service reliability, electrification and workplace inclusion.

Energized by possibility, we will continue to support and invest in our diverse, high-performing workforce as we build on our progress in the years to come. We’ll also continue to engage with customers, investors, regulators and other stakeholders as we consider future risks and opportunities.

We look forward to continuing this engagement and presenting updates on this strategic plan as part of our commitment to meeting the future energy needs of our customers and building shareholder value.
ENERGIZED BY POSSIBILITY
POWERED BY CORE VALUES
Forward-Looking Statements: This Strategic Plan includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Unless the context requires otherwise, as used herein, references to “we,” “us,” “our,” and “FirstEnergy” refer to FirstEnergy Corp. Forward-looking 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 expressed or implied by such forward-looking statements, which may include the following (see Glossary of Terms for definitions of capitalized terms): the ability to successfully execute an exit from commodity-based generation, including, without limitation, mitigating exposure for remedial activities associated with formerly owned generation assets; the risks associated with the Chapter 11 bankruptcy proceedings involving FirstEnergy Solutions Corp. (FES), its subsidiaries, and FirstEnergy Nuclear Operating company (FENOC) (FES Bankruptcy) that could adversely affect us, our liquidity or results of operations, including, without limitation, that conditions to the FES Bankruptcy settlement agreement may not be met or that the FES Bankruptcy settlement agreement may not be otherwise consummated, and if so, the potential for litigation and payment demands against us by FES or FENOC or their creditors; the ability to accomplish or realize anticipated benefits from strategic and financial goals, including, but not limited to, our strategy to operate and grow as a fully regulated business, to execute our transmission and distribution investment plans, to continue to reduce costs through FE Tomorrow, which is the FirstEnergy initiative launched in late 2016 to identify our optimal capital, the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings; 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; the risks associated with the decommissioning of our retired and former nuclear facilities; the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings; labor disruptions by our unionized workforce; changes to significant accounting policies; any changes in tax laws or regulations, including the Tax Act, or adverse tax audit results or rulings; 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; 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; and the risks and other factors discussed from time to time in FirstEnergy’s Securities and Exchange Commission (SEC) filings. Dividends declared from time to time on FirstEnergy’s common stock during any period may in the aggregate vary from prior periods due to circumstances considered by FirstEnergy’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’s filings with the SEC, including but not limited to the most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q 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’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 expressly disclaims any obligation to update or revise, except as required by law, any forward-looking statements contained herein as a result of new information, future events or otherwise.