



# Corporate Engagement Report

August 2021

**FirstEnergy**<sup>®</sup>

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### Our Core Values

#### **INTEGRITY**

We always act ethically with honesty, humility and accountability.

#### **SAFETY**

We keep ourselves and others safe.

#### **STEWARDSHIP**

We positively impact our customers, communities and other stakeholders, and strive to protect the environment.

#### **PERFORMANCE EXCELLENCE**

We pursue excellence and seek opportunities for growth, innovation and continuous improvement.

#### **DIVERSITY, EQUITY AND INCLUSION**

We embrace differences, ensure every employee is treated fairly and create a culture where everyone feels they belong.

## ABOUT THIS REPORT

In this Corporate Engagement Report, we're providing 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. This report 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.

It also provides an evaluation of any pertinent alignment between these 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.

For the period of January 1, 2021, through June 30, 2021, FirstEnergy did not make any monetary or non-monetary contributions in support or opposition to any candidate's election or re-election campaign for public office. Likewise, the company

did not make any contributions to influence the general public, or any segment thereof, with respect to an election of a candidate or a ballot referendum directly with corporate funds, and we are not aware of any such financial support provided by any third party, including 501(c)(4) or 501(c)(6) organizations.



## EXTERNAL AFFAIRS AND STAKEHOLDER ENGAGEMENT

We seek insight from various stakeholder groups as we develop FirstEnergy's strategies, programs and policies on a variety of issues. This includes discussing energy-related matters with local, state and federal policymakers, as well as consumer and small-business advocates, peer utilities, customers, investors, non-governmental organizations, chambers and trade organizations. We are committed to considering and balancing all of 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.

### DIRECT LOBBYING

FirstEnergy's External Affairs department works with legislators and regulators to responsibly advocate for positions that align with our company's strategies. A core focus of this effort is to facilitate the company's obligation to deliver safe, reliable and affordable electric service to our customers. It also includes lobbying activities that support our climate strategy, greenhouse gas reduction goal, and the intent of the Paris Agreement to limit global warming through the reduction of greenhouse gas emissions. We believe it is important to engage in the

legislative and regulatory debate of specific climate-related proposals and advocate for a transition to carbon neutrality that is mindful of social and economic impacts to our customers, communities, employees and shareholders. For the period of January 1, 2021 – June 30, 2021, all of our direct lobbying activities were in alignment with our company strategies, including our goals related to climate.

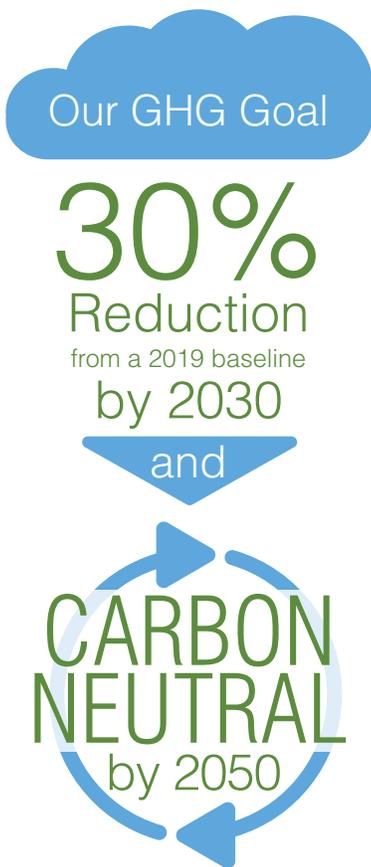
### INDUSTRY ASSOCIATIONS

We participate in industry associations that advance the exchange of knowledge and expertise with our industry peers and customers; assist in identifying industry standards and best practices; help make our collective voices heard in discussions with policymakers and regulators at the national

and state levels on crucial topics, such as climate change; and work on behalf of their members on other important issues such as tax policy and other issues that affect customers, operations, and the company's financial health.

Official policy positions taken by an industry association on any topic are often a compromise or majority view. Members may have widely differing views. Consequently, our company position and that of a specific industry association of which we are a member may not completely align on every issue. Furthermore, associations might not establish a definitive position on a topic when there is lack of agreement among its members.





## ASSESSING ALIGNMENT WITH FIRSTENERGY'S CLIMATE GOALS & STRATEGY

In the context of climate change, industry associations can facilitate the policy debate and accelerate the technological and social changes that we believe are necessary to reduce carbon emissions and achieve the goal of the Paris Agreement. Our priority with respect to industry associations is to collaborate with and learn from peer companies, educate stakeholders on a range of topics important to our company, and reach consensus to further any agreed upon policies.

For the purposes of this assessment, we are including all 501(c)(4) organizations for which a payment was made through June 30, 2021, and any payments greater than \$25,000 to any 501(c)(6) organization. To assess alignment with FirstEnergy's climate goals and strategy we note the following:

- For those organizations where our engagement is not associated with lobbying and/or political activity, we have designated the climate assessment as “not applicable.”
- In certain cases, no position on climate is available. In those situations, we aim to make reasonable judgements on alignment using stated positions on climate, or comments on regulations and legislation related to climate. Often a lack of position reflects a diversity of opinion within an association's membership, rather than disagreement or conflict with FirstEnergy's climate strategy.

We believe the applicable associations discussed in the sections below are all either aligned or partially aligned with our climate strategy. None are considered to be significantly misaligned. If significant misalignment with an organization on high-priority issues ever occurs, we will evaluate and determine whether to dissent or resign our membership and cease contributions. For those

organizations with which we are partially aligned, we will continue our engagement and advocate for policy positions and support that align with our company's climate strategy and efforts to limit global temperature rise. We will also continue our participation in those organizations that align with our climate strategy and the Paris Agreement and work collaboratively to foster industry solutions and policies that meet the climate change challenge and enable a sustainable energy future.

Additionally, we intend to communicate with our major industry organizations as necessary to clearly state our position on climate change, as well as our intent to continue seeking alignment with our views on climate change in our public policy advocacy and participation in organizations.



## 501(c)(4) CONTRIBUTIONS

Organization (Jan 1-June 30, 2021)  
Contribution

**Association of Certified Fraud Examiners Northeast Ohio Chapter** \$165  
**Description:** The world's largest anti-fraud organization and premier provider of anti-fraud training and education.  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

**Londonderry Fire Company** \$1,265  
**Description:** Fire department located in Middletown, Pennsylvania  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

**Lower Swatara Volunteer Fire Department** \$23,052.50  
**Description:** Fire department located in Middletown, Pennsylvania  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

**Lumberport Volunteer Fire Department** \$1,000  
**Description:** Fire department located in Lumberport, Harrison County, West Virginia.  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

**I-79 Technology Park Association** \$2379.50  
**Description:** The I-79 Technology Park is the premier location for high priority federal operations that require advanced electrical and telecommunications infrastructure.  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

**Midcontinent Independent System Operator, Inc. (MISO)** \$2,097,947.11  
**Description:** MISO is an independent system operator and regional transmission organization.  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

Organization (Jan 1-June 30, 2021)  
Contribution

**Midwest Renewable Energy Tracking System Inc** \$2,200  
**Description:** Midwest Renewable Energy Tracking System Inc is the leading renewable energy tracking and trading system in North America.  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

**National Association of Regulatory Utility Commissioners (NARUC)** \$3,950  
**Description:** NARUC is a non-profit organization dedicated to representing the state public service commissions that regulate the utilities that provide essential services such as energy, telecommunications, power, water and transportation. NARUC declares its policies and positions through the resolutions it adopts.  
**Position on Climate:** NARUC has adopted various positions related to climate, including encouraging state regulators, state and local government entities, power generators, and others to consider, where appropriate and/or cost-effective, the benefits provided by low- or no-carbon technologies, including mitigation measures and energy efficiency.  
**Alignment with FirstEnergy's Climate Goal & Strategy:** Partially aligned

**Potomac Edison Forerunners** \$1,100  
**Description:** Potomac Edison Forerunners is a group of Potomac Edison/Allegheny Power/FirstEnergy retirees who meet socially six times per year.  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

**Rotary Club of Youngstown** \$475  
**Description:** Rotary is a global organization that collaborates with community leaders to improve people's lives. Youngstown Rotary raises funds and provides volunteers to support worthwhile projects.  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

**Three Rivers Pollution Response** \$500  
**Description:** Mutual aid organization to prevent, prepare for, and respond to oil and chemical spills.  
**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:** *Not applicable*

# 501(c)(6) CONTRIBUTIONS

Organization (Jan 1-June 30, 2021)  
Contribution

**Chamber of Commerce – Pennsylvania Business & Industry** **\$41,795**

**Decription:** The Pennsylvania Chamber of Commerce takes action to influence public policy and works to ensure that the concerns of its members are heard by the state's lawmakers. The Chamber promotes pro-business legislation and combats anti-business legislation with one goal in mind: improving the business climate for Pennsylvania's job creators.

**Position on Climate:** The Chamber supports efforts in Pennsylvania which balance societal, environmental, energy and economic objectives; fit rationally within national or international strategies; and capitalize on the availability of Pennsylvania's diverse natural resources to facilitate economic development in the Commonwealth. The Chamber believes human activity is a major contributing factor to our changing climate and recognizes that climate change presents significant challenges to Pennsylvania and the United States. It also believes addressing this challenge will necessarily involve private sector development of innovative solutions, practices and technologies.

**Alignment with FirstEnergy's Climate Goal & Strategy:**  
Partially aligned

**Chamber of Commerce – West Virginia** **\$26,000**

**Decription:** The mission of the West Virginia Chamber of Commerce is to make West Virginia a better place to do business by giving private sector employers a voice in state politics and protecting business interests before regulatory bodies, the Legislature and the courts.

**Position on Climate:** West Virginia economic development groups and officials – from the local level to the federal level – must send clear and unambiguous signals to potential investors that West Virginia is welcoming of all types of energy investment. Affordable, abundant, and reliable energy resources are critical to the state's future economy. These resources can be the catalyst that unlocks the full potential of that economy.

**Alignment with FirstEnergy's Climate Goal & Strategy:**  
Partially aligned

**Edison Electric Institute (EEI)** **\$1,982,750**

**Decription:** EEI is the industry association that represents all U.S. investor-owned electric companies. Organized in 1933, EEI provides

Organization (Jan 1-June 30, 2021)  
Contribution

public policy leadership, strategic business intelligence, and essential conferences and forums.

**Position on Climate:** EEI recognizes that global climate change presents one of the biggest energy and environmental policy challenges the United States has ever faced. EEI believes that policies to address climate change should seek to minimize impacts on consumers and avoid harm to U.S. industry and the economy. In addition, EEI has stated its support of the Biden Administration's executive order on climate.

**Alignment with FirstEnergy's Climate Goal & Strategy:**  
Aligned

**Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA)** **\$25,000**

**Decription:** The EUISSCA addresses common questions and challenges regarding sustainability and becoming "more green." The Alliance leads the industry in enhancing and promoting supply chain sustainable practices across utilities and suppliers. Its activities aim to improve the sustainability of the products and services utilities buy and use, as well as the performance of suppliers and supply chain operations.

**Position on Climate:** *Not applicable*  
**Alignment with FirstEnergy's Climate Goals & Strategy:**  
*Not applicable*

**Energy Association of Pennsylvania (EAP)** **\$284,214**

**Decription:** EAP is a trade association that represents and promotes the interests of regulated electric and natural gas distribution companies operating in Pennsylvania. EAP is an advocate for its members on policy issues before the Pennsylvania General Assembly, the Public Utility Commission and various other state governmental agencies.

**Position on Climate:** The EAP has not issued formal policy positions on topics like climate change. As a trade association representing both electric and natural gas distribution utilities, not electric generators, the EAP is focused on routine topics affecting the distribution companies, such as workforce safety, cost recovery, electric affordability, ratemaking, service reliability and infrastructure investments.

**Alignment with FirstEnergy's Climate Goal & Strategy:**  
Partially aligned

Organization	(Jan 1-June 30, 2021) Contribution
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<b>Miss Utility of WV Inc. (MUWV)</b>	<b>\$59,086.05</b>
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**Description:** MUWV is the utility locator service in West Virginia.

**Position on Climate:** *Not applicable*

**Alignment with FirstEnergy's Climate Goals & Strategy:**  
*Not applicable*

<b>New Jersey Broadcasters Association (NJBA)</b>	<b>\$50,000</b>
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**Description:** NJBA is the trade association for radio and TV stations in New Jersey.

**Position on Climate:** *Not applicable*

**Alignment with FirstEnergy's Climate Goals & Strategy:**  
*Not applicable*

<b>New Jersey Utilities Association, Inc. (NJUA)</b>	<b>\$81,181</b>
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**Description:** NJUA is the statewide trade association for investor-owned utilities. NJUA has provided a forum for the exchange of ideas and unified voice in the public policy arena for its members since 1915.

**Position on Climate:** NJUA does not have a stated climate policy, but it has been supportive of the deployment of renewable energy, energy efficiency programs, and electric vehicles and associated charging infrastructure. NJUA has also expressed public support for Governor Murphy's Energy Master Plan, which establishes a broad spectrum of aggressive goals to facilitate reduction of greenhouse gas emissions. The plan has a primary goal of 100% clean energy by 2050.

**Alignment with FirstEnergy's Climate Goal & Strategy:**  
Partially aligned

<b>Ohio Utilities Protection Service (OUPS)</b>	<b>\$282,387.92</b>
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**Description:** OUPS is the utility locator service in Ohio

**Position on Climate:** *Not applicable*

**Alignment with FirstEnergy's Climate Goals & Strategy:**  
*Not applicable*

Organization	(Jan 1-June 30, 2021) Contribution
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<b>Pennsylvania One Call System Inc.</b>	<b>\$168,009.44</b>
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**Description:** Pennsylvania One Call System is the utility locator service in Pennsylvania.

**Position on Climate:** *Not applicable*

**Alignment with FirstEnergy's Climate Goals & Strategy:**  
*Not applicable*

<b>PGA Tour Inc.</b>	<b>\$168,501.30</b>
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**Description:** The PGA Tour is a premier membership organization for touring professional golfers.

**Position on Climate:** *Not applicable*

**Alignment with FirstEnergy's Climate Goals & Strategy:**  
*Not applicable*



## EXECUTIVE AND BOARD OVERSIGHT

Lobbying activity and contributions to 501(c)(4) and 501(c)(6) organizations are approved by members of management at levels correlating to the amount of the payment or contribution. To ensure transparency and accountability into the alignment of our climate goals, our direct lobbying activity and 501(c)(4) and 501(c)(6)

contributions, as well as an update on these activities, will be provided quarterly to the Corporate Governance and Corporate Responsibility Committee of the Board of Directors and the full Board of Directors. The Corporate Governance and Corporate Responsibility Committee oversees FirstEnergy's corporate responsibility initiatives, including those related to climate. This committee is comprised solely of

independent directors and typically meets five times per year to discuss updates on a broad range of issues related to corporate governance and corporate responsibility. In addition, an update on these activities will be provided at least annually to our executive-led Corporate Responsibility Steering Committee.

## CLOSING COMMENTS

Our executive management team, with the full support of the Board of Directors, is engaged in establishing a more focused and transparent approach toward public policy participation, including the voluntary disclosure of those activities to our stakeholders. This transparency is critical to ensure that we hold ourselves accountable internally, and to demonstrate to our stakeholders that any public policy engagement aligns with our values and goals, including our climate strategy. We will continue to work within our own company, as well as with our stakeholders, to ensure consistent messaging and actions that align with our strategy and the intent of the Paris Agreement. We will also continue to advocate with our trade associations for policies that align with our company's climate strategy. Going forward, we will actively monitor our memberships, participation and alignment with trade associations and other organizations to monitor and assess the risk of misalignment on these issues. This assessment will be published quarterly on our Corporate Responsibility website ([www.FECorporateResponsibility.com](http://www.FECorporateResponsibility.com)).

FirstEnergy is currently assessing and developing policies related to third-parties engaged in public policy development, including an updated Corporate Political Activity Policy. As those are developed, we will provide updates on our Corporate Responsibility website.

## LIMITATIONS OF THIS REVIEW

Our assessment of climate positions is based on publicly available information, and information available through our engagements with various organizations. The views and conclusions expressed in this review are those of FirstEnergy. We have endeavored to provide a consistent and fair summary of the positions of each association included in the scope of this review but recognize that the nature of a review of policy positions and activity necessarily involves interpretation, judgement and opinion.



## 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 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 with the U.S. Attorney's Office for the S.D. Ohio; 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 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, 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 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 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, 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.

