Innovation for a Cleaner Energy Future
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NEW JERSEY RESOURCES | FISCAL 2023 CORPORATE SUSTAINABILITY REPORT

INNOVATION FOR A CLEANER ENERGY FUTURE
A Message from President and CEO Steve Westhoven

Innovation has always influenced the energy landscape.

Today, however, we are witnessing an urgent, unprecedented level of transformation in our industry. Technological advancements are driving innovation. Our energy is becoming cleaner, propelling society’s climate goals forward in a fast-paced and dynamic way.

As the energy outlook continues to evolve, New Jersey Resources (NJR) has a clear vision of our role in a cleaner energy future. It is rooted in our proven experience that a strong commitment to sustainability goes hand-in-hand with growth and financial success.

We believe in an energy future that is safe, reliable, resilient and environmentally friendly. We believe the energy future must be affordable. And we believe that it must empower – rather than constrain – customers with energy choices and solutions that work for how they live their lives and run their businesses.

NJR is a unique company with strategic advantages to drive this change. Our five diversified businesses touch on multiple aspects of both the natural gas and solar energy value chains – natural gas utility distribution, midstream storage and transportation, solar and renewable energy development, customer-facing HVAC services, and wholesale energy markets.

We believe in an energy future that is safe, reliable, resilient and environmentally friendly.
Our company is bound together by this broad and shared expertise, and an agile culture that prioritizes innovation, a diverse, high-performing team, and a proven record of delivering results.

Across our businesses, our team is putting this innovation-forward approach to work – and making a real impact executing new strategies, engaging in dynamic partnerships, and deploying cutting-edge technology in new ways. This includes the use of renewable fuels, distributed carbon capture technology and high efficiency gas heat pumps at NJR’s own facilities.

**Investing in Environmental Stewardship and Community Impact**

Strong communities are central to a more sustainable future. For decades, NJR has acted on this fundamental belief, forging partnerships and providing financial and volunteer resources to nonprofit groups that support the most vulnerable, expand economic opportunity and advance local environmental stewardship.

Last year, we announced nearly $20 million in funding to endow our charitable foundations and sustain our work in the community long into the future. We also committed up to $2 million in funding over a five-year period, specifically aimed toward environmental stewardship opportunities in the areas we serve, with an emphasis on climate resilience, carbon sequestration, ecological enhancement, and educational opportunities.

In line with this commitment, we are pleased to announce a five-year funding commitment of over $500,000 to support the work of New Jersey Audubon, one of the state’s leading environmental advocacy organizations, in the preservation and restoration of the Hovnanian Sanctuary in Berkeley Township, Ocean County, New Jersey. This critical project will include:

- Restoration and enhancement of over 100 acres of upland forest to reduce the risk of wildfire to local communities and residents, improve water quality, and enhance the carbon sequestration potential of the forest.
- Enhancement and restoration of an additional 15+ acres of Atlantic white cedar forest, helping reverse the decline of this critical natural resource in the Barnegat Bay watershed that provides important ecological and weather resilience benefits to coastal areas.
- Development of new and improved recreational opportunities for the area’s residents and visitors, including five miles of walking trails, public access points, mapping and signage, and public facilities.

In both its size and scope, this funding commitment is a milestone charitable contribution for our company and will prove to be transformative for this fragile ecosystem within our service territory.

Finally, fiscal 2023 marks NJR’s 15th consecutive year of issuing a Corporate Sustainability Report. NJR has set forth a bold vision and strategy for the role we will play in this transformational energy journey. And we continue to lead with action, advancing our sustainability goals.

As we move ahead, our belief in broad, open stakeholder communication and transparency around our sustainability journey will remain a priority, as reflected in this report and its related disclosure appendices.

On behalf of NJR’s over 1,300 employees, thank you for taking the time to learn more about our sustainability record, our strategy and goals, and our accomplishments on this journey.

Sincerely,

Steve Westhoven
President and Chief Executive Officer
Partnerships to Drive Innovation and Collaboration

NJR has been working with leading, nonpartisan energy experts, as well as institutes of higher education over the last several years to better refine our decarbonization goals, understand challenges and opportunities, and lead with facts. This work is helping shape our decarbonization strategy, broadening our reach with key innovators, and inspiring new ways to work together to improve technologies and reduce emissions across energy delivery systems in the energy transition.

Our current partnership with GTI Energy, a leading energy industry research and training organization, includes participation in the Emerging Technology Program (ETP), and the Net Zero Infrastructure Program (NZIP).

The ETP is a collaboration with North American utilities that is driving innovative ways to support emerging technologies in the natural gas industry.

The NZIP is a collaborative of utilities, midstream companies, investors, environmental non-government organizations, and academic institutions that will take a comprehensive view of the value of utilizing the existing natural gas infrastructure to reduce greenhouse gas emissions. This program looks at technologies like hydrogen, renewable natural gas, and carbon transport and storage, focusing on economy-wide decarbonization. The program also takes a holistic view of the energy transition, looking beyond technical considerations to incorporate research on social impacts, including workforce implications and affordability.

NJR is also a long-time collaborator with the Consortium for Energy Efficiency, a member-based organization of energy-efficiency program implementers that works to advance industry research and knowledge sharing aimed at improving member program effectiveness, as well as furthering and classifying the latest in industry equipment offerings. An NJR representative currently serves as Co-Chair of the Consortium’s Gas Committee and on the Policy Advisory Committee.

NJR is actively engaging in partnerships with institutes of higher education. Our organization is part of Stanford University’s Natural Gas Initiative at the Stanford Doerr School of Sustainability and Precourt Institute for Energy. The Natural Gas Initiative is a collaboration of over 40 research groups at Stanford University that partner with industry and external stakeholders to collaborate on research and generate a better understanding of the social, economic and environmental benefits of natural gas and pipeline infrastructure use.

For several years, we have also participated in the Green Teams Program hosted by the PSEG Institute of Sustainable Studies at Montclair State University. The Institute pairs teams of college students with hosting organizations to research sustainability-related topics and provide data, analysis and recommendations.
We established a research partnership with Princeton University’s Andlinger Center for Energy and the Environment. This agreement provides a framework for joint research and innovation in renewable energy production and improving the efficiency of wastewater treatment operations. NJR and Princeton University are investigating the production of clean hydrogen using treated wastewater effluent, which is a new approach for generating zero-carbon energy while saving clean water.

The potential benefits of this project partnership are many:

• lessening pressure of water supply sources for clean hydrogen production;
• providing additional treatment and mitigating volumes of discharge water from the facility;
• reducing local greenhouse gas emissions;
• offering new net zero hydrogen and oxygen sources for operation and local economy;
• and enhancing facility operations with new revenue opportunities, as well as improved energy efficiency and captured waste heat resources.

NJNG continues to work with more than 55 natural gas companies across the natural gas value chain to voluntarily reduce methane emissions, through the Our Nation’s Energy Future (ONE Future) initiative. ONE Future members represent all five segments of the natural gas value chain, from production through distribution, and collectively accounted for 42% of gas delivered to end users in the U.S. in 2022. ONE Future enables the sharing of best practices and innovative technologies that are driving down emissions in the industry.

• For the sixth straight year, the coalition has surpassed its 2025 target of 1% for methane intensity performance. Methane intensity is the ratio of methane emissions to natural gas produced. Surpassing a given target indicates the industry has been able to minimize emissions while meeting the current demands for reliable and affordable energy.
• As a member of the distribution segment, NJNG also surpassed its segment-specific methane intensity target.
New Jersey Resources (NYSE: NJR) is a Fortune 1000 company focused on meeting the energy needs of our stakeholders, serving the community and taking action today to responsibly meet our shared future.

As a premier energy infrastructure and service company, through our diversified portfolio of businesses, NJR delivers safe and reliable natural gas services — including transportation, distribution, storage and asset management — HVAC and plumbing services and is a leading investor in renewable energy projects.

New Jersey Natural Gas (NJNG), NJR’s principal subsidiary, invests in, operates and maintains natural gas transportation and distribution infrastructure to serve 576,000 customers in New Jersey’s Monmouth, Ocean, Morris, Middlesex, Burlington and Sussex counties.

NJR Clean Energy Ventures (CEV) invests in, owns and operates solar projects with a total in-service capacity of approximately 469 megawatts, providing residential and commercial customers with clean electricity. CEV is one of the largest owner-operators of commercial solar assets in New Jersey.

NJR Energy Services (NJRES) manages a portfolio of strategically located natural gas storage and transportation assets and provides physical natural gas services and customized energy solutions to its customers across North America.

Storage and Transportation (S&T) owns and operates natural gas storage and transportation assets, serving customers from local distributors and producers to electric generators and wholesale marketers through its ownership of the Adelphia Gateway pipeline, Leaf River Energy Center and a 50% equity ownership in the Steckman Ridge natural gas storage facility.

NJR Home Services (NJRHS) provides service contracts, as well as heating, central air conditioning, water heaters, standby generators, solar and other indoor and outdoor comfort products to residential homes and businesses throughout New Jersey.

With its over 1,300 employees, including members of IBEW Local 1820, NJR is committed to helping customers save energy and money by promoting conservation and encouraging efficiency through Conserve to Preserve® and initiatives such as SAVEGREEN™ and The Sunlight Advantage®.
Commitment to Stakeholders

NJR’s ability to execute our strategy and deliver long-term, sustainable growth is driven by our people and culture, and is guided by our Commitment to Stakeholders (CTS). The CTS helps us measure performance across our businesses and is one of the most important tools we have to drive results.

In fiscal 2023, NJR’s leadership team undertook a review and updated our CTS to ensure our measurable goals align with our core values, business strategy and the changing energy landscape. New in 2023, we have rolled out key leadership behaviors, known as NJR Cultural Behaviors, which will drive our strategy and business growth. These behaviors will help the organization continue to focus on our overall sustainability objectives.

Each day, our team applies their talent, leverages their expertise and embraces our core environmental, social and good governance principles to deliver performance and hold ourselves accountable to our stakeholders through metrics based on the following key objectives:

**Safe, Reliable Service**
Provide safe and reliable service to customers every day

**Customer Satisfaction**
Exceed customer expectations, for all aspects of the customer experience

**Sustainable Growth and Innovation**
Lead the industry through the innovation of cleaner energy products and services that drive long-term growth

**Engaged and High-Performance Workforce**
Build a culture of trust and transparency that enables strong teamwork to achieve business goals, while preserving work/life balance

**Social Responsibility**
Foster diversity, equity, inclusion and belonging and support our communities.

**Superior Financial Performance**
Deliver superior, long-term shareholder returns
Sustainability

NJR has long maintained a commitment to innovation to make progress toward a cleaner energy future. Our goal is to advance practical and sustainable solutions to reduce greenhouse gas emissions, while maintaining affordability and reliability for families and businesses.

We strive for best practices in corporate governance that provide appropriate, independent and effective oversight.

We also seek to have a positive and lasting impact on the communities we serve, valuing and emphasizing diversity, equity, inclusion and belonging, and effective talent management and professional development of our workforce. NJR prioritizes employee and customer safety programs, as well as community engagement opportunities that improve environmental, educational and socioeconomic outcomes.

Our values are reflected in our Sustainability Guiding Principles. These principles guide our actions and underpin our commitment to continuously improve our priorities and goals – a process that helps ensure we are not only moving towards those objectives, but that they are fit for purpose.
Support sound public policies that address climate impacts and ensure reliable, affordable and cleaner energy for our customers.

Embrace innovation across technologies and fuel types to deliver energy with improved environmental outcomes.

Reduce greenhouse gas (GHG) emissions from operated assets and suppliers by prioritizing mitigation strategies and reduction targets.

Increase transparency about sustainability progress through public reporting and stakeholder outreach.

Expand customer energy-efficiency, conservation and environmental stewardship opportunities.

Promote corporate governance practices that create long-term value for stakeholders and require accountability from our leadership.

Continually adopt and promote best practices in human capital management that complement a diverse and inclusive workforce.

Maintain industry-best safety standards to protect the well-being of our employees, customers and the communities we serve.

Utilize responsible sourcing strategies and monitor supplier sustainability efforts within NJR’s supply chain.

Engage with our local communities and nonprofits in the spirit of support and cooperation.

Sustainability Guiding Principles
Sustainability Assessment

Continuous evaluation and improvement are key aspects of setting our sustainability priorities and initiatives. In line with this commitment, NJR periodically conducts sustainability assessments to receive feedback from stakeholders, identify current ESG issues, and set and align goals in these areas. This evidence-based approach includes broad stakeholder engagement and benchmarking on a wide-ranging list of ESG-related topics to determine those that present the greatest impact – both positive and negative – to the company.

Identifying these topics allows NJR to set priorities and allocate resources to ensure their inclusion in our sustainability strategy and business planning. Discussion of NJR’s management of these issues and key metrics used to monitor progress in related areas can be found throughout this report.

In 2023, NJR’s Sustainability Council reviewed the findings from its fiscal 2021 sustainability assessment. The goal was to ensure the topics previously identified maintained their significance and priority two years later. After survey and discussion on the topics, the Council determined that the topics identified in 2021 remain as key areas of focus and priority for purposes of NJR’s sustainability strategy.
Stakeholder Engagement

At NJR, we strive to cultivate strong, transparent relationships with our stakeholders that enable us to advance sustainable environmental, social and economic outcomes. Stakeholders are identified across our value chain and we consider their levels of responsibility, dependency, regulation and proximity to understand needs and identify appropriate engagement.

As illustrated on the next page, our engagement approach is broad and varies from informal conversations to meetings and events based on stakeholder group.

Environmental Management System

NJR’s Environmental Management System is designed to further goals, policies and principles that promote environmental protection throughout the organization in a measured, data-driven and accountable way. Alongside our Commitment to Stakeholders and Sustainability Guiding Principles, this system offers a clear articulation of our values and our strong commitment to environmental responsibility and stewardship.

Accountability: A Meaningful Link Between Sustainability Efforts and Compensation

NJR believes that when we make progress toward our sustainability goals, we add to the long-term value of our businesses and are a stronger, more successful company. As such, we maintain a meaningful link between executive compensation and our sustainability efforts, which is fundamental for driving a performance-based culture. These performance metrics are embedded within our Commitment to Stakeholders. Actual results of these goals and metrics directly impact the compensation of executive officers year-to-year and ensure accountability for sustainability performance. Please see NJR’s 2023 Proxy Statement for additional information regarding our compensation practices.
Our Stakeholders

As a diversified energy company, our stakeholders are vast in scope, including individuals with a touch point to our operations or services, as well as those who have an interest in or are connected with how we conduct business.

Engagement Channels

- **Customers**
  - Customer Call Center
  - Outreach Events
  - Satisfaction Surveys
  - Focus Groups
  - Direct Mail, Advertising, Newsletters, Bill Inserts
  - Digital Channels (Websites, Social Media, Digital Communications)
  - Press Releases
  - My Account: Self-service Capabilities
  - My Communication: Account Alerts Via Email

- **Employees**
  - Employee Engagement Survey
  - Lamplighters and Gaslight Club – Retiree and Long-serving Employee Engagement
  - Employee Newsletter
  - NJR University – Training and Development
  - Face-to-face Team and Leadership Meetings
  - Employee Events
  - Recognition Awards

- **Shareholders and Financial Community**
  - Investor Relations Meetings
  - Annual Meeting
  - Press Releases
  - Required Disclosures
  - Industry Conferences
  - Digital Channels

- **Elected and Appointed Government Officials**
  - Industry and Educational Event Participation
  - Face-to-face, Telephone, Email Communications
  - N.J. State Legislative Sessions
  - Presentations and Speaking Engagements

- **Nongovernment Organizations and Community Leaders**
  - Community and Charitable Activities
  - Employee Volunteer Activities
  - Board Memberships
  - Education Programs
  - Donation Drives
  - Local and Regional Chambers of Commerce

- **Suppliers, Vendors and Contractors**
  - Advocacy Groups
  - Industry Events
  - Supplier Diversity Day
  - Trade Shows
  - Meetings with Vendors and Subcontractors
  - Supplier Diversity Development Council

**Our Stakeholders**

- Advocacy Groups
- Industry Events
- Supplier Diversity Day
- Trade Shows
- Meetings with Vendors and Subcontractors
- Supplier Diversity Development Council
A Cleaner Energy Future: Leveraging Existing Assets, Innovation and Technology

NJR is committed to playing a central role in building a cleaner, more sustainable future. We support public policy goals for greenhouse gas emissions reduction that address the urgency of climate change. We’ve set ambitious emissions reduction goals for our own company in line with this commitment, and our broader sustainability strategy charts our company’s path to make broad-based decarbonization a reality across our businesses, and to contribute to these efforts across the economy.

The aspiration for our company in the energy transition is this: to enable a renewable energy transformation that is affordable and reliable by leveraging our existing pipeline and renewable energy infrastructure to store, transport and deliver diverse renewable energy sources to reduce emissions.

For NJR, it is not simply a question of when we reach our shared climate goals that matters, but also how. How quickly we reduce carbon emissions, how affordable it is for customers, and how reliable energy delivery is during this journey and afterwards. Fundamentally, we understand the critical role of a dual energy system in achieving emission reduction goals with these imperatives in mind.

By deploying today’s modern technologies on existing pipeline systems and embracing the opportunity to benefit from massive innovation and new technology development in clean energy moving forward, companies like NJR can play a key role in mitigating climate change, while meeting the demand for affordable, low-carbon, reliable energy choices today.

Our approach is rooted in facts and fundamental realities of energy in New Jersey.

Environmental

>1,500
Critical infrastructure facilities connected to natural gas network in NJNG’s service territory alone

nearly 73%
State residents who rely on pipeline infrastructure for home heating – the highest penetration in the Northeast

$17.6 Billion
Ratepayer dollars already invested in N.J.’s pipeline system

This system cannot be easily or affordably replicated or replaced. Instead, it should be viewed and leveraged as an asset with the potential to: deliver and store low- and zero-carbon fuels for a variety of end uses including heating and transportation; continue to complement and balance costly demand on the state’s electric system; and maintain energy reliability and resiliency for New Jerseyans.

In doing so, New Jersey’s existing gas network can be a powerful tool to help ensure New Jersey’s 2050 goals become a reality as affordably and reliably as possible.
We can accomplish this across our businesses by leveraging innovative technology on our highly upgraded energy delivery infrastructure, our vast and trusted customer relationships, our record of reducing greenhouse gas emissions, and our long-standing leadership in solar development.

At Clean Energy Ventures (CEV), we have been investing in clean energy solutions that align with public policy goals for nearly 15 years. Over that time, CEV has grown to be one of New Jersey’s largest owner-operators of commercial solar. CEV has invested over $1.2 billion in a project portfolio capable of generating enough energy to power over 70,000 homes annually. With a robust pipeline of capital projects under construction, under exclusivity or under contract, CEV is well positioned to help drive NJR’s growth while also supporting the region’s clean energy goals.

At New Jersey Natural Gas (NJNG), we are actively pursuing a range of new and innovative decarbonization solutions that can be deployed today on existing pipeline infrastructure – bringing practical, cost-effective emissions reduction that support an integrated, pipes-and-wires approach to reaching our shared climate goals. This approach includes:

- Continuing to invest in the integrity and safe operation of our world-class distribution system while reducing carbon emissions from our New Jersey operations to net-zero by 2050;
- Substantially reducing the energy our customers use through broad-based energy-efficiency programs;
- Helping to decarbonize the remaining energy customers need by developing and integrating low- and zero-carbon fuels as part of the energy we deliver; and
- Investing in innovation and new technologies that provide practical, cost-effective ways to reduce emissions from NJNG’s operations and customers’ energy use, and that provide low-carbon solutions for diverse end-uses that may be served by New Jersey’s well-established pipeline fuels network in the future.

Our progress and strategies to execute on this approach are detailed in the sections that follow.
Reporting Progress Towards NJR’s Emissions Reduction Goals

NJR has robust, meaningful goals for reducing carbon emissions from our New Jersey operations. As we work to achieve these short- and long-term goals, we are committed to transparency with our stakeholders. We report our progress on an annual basis, as found below and in the appendices to this report.

Dating back to 2007, NJR has consistently established and achieved our company targets for emissions reduction. Our current goals include a 60% reduction in our New Jersey operational emissions by 2030 from 2006 levels and, ultimately, reaching net zero by 2050. These targets include Scope 1 and 2 emissions from NJNG, CEV, NJRHS and NJRES.

- Our Scope 1 emissions consist of those related to our natural gas distribution system (as measured by the U.S. Environmental Protection Agency’s Subpart W reporting), the stationary combustion of natural gas in our facilities, and the combustion of the various transportation fuels in our vehicle fleet, which include gasoline, diesel, compressed natural gas, and – recently piloted this year – 100% renewable diesel.

- Scope 2 emissions consist almost entirely of our emissions from purchased electricity, and reflects that NJR purchases 98% of this energy from renewable sources. We assess and report these emission sources in line with the guidelines set forth in the GHG Protocol.

As we actively work to directly invest in RNG projects within the NJNG service territory, we continue to purchase Renewable Natural Gas attributes to offset the emissions from stationary combustion in NJNG and NJRHS facilities, as well as the use of compressed natural gas in NJNG’s fleet vehicles.

As a leader in proactive pipeline modernization, NJR has long maintained the most environmentally sound natural gas distribution system in New Jersey, as measured by leaks per mile. The progress made to date has been the main driver of our operational emissions reduction in New Jersey.

As the last of those leak-prone materials, including cast iron and bare steel, have been removed, we are focused on several operational strategies to support emissions reductions that will enable progress to our 2030 goal and beyond. These include:

- A strategic review of NJR’s vehicle fleet to effectively enable a transition of both vehicles and fuels to low- and zero-carbon alternatives. Due to the mix of vehicle types, sizes, and the critical nature of the work performed by NJNG, we will continue to assess the benefits of a variety of solutions including electric vehicles, hydrogen vehicles, expanded use of compressed natural gas and renewable diesel.

- Continued upgrades to NJR buildings with a focus on energy-efficiency to reduce energy consumption, and therefore emissions. In the recent renovation of our Wall Headquarters, several energy-efficiency features were prioritized in the design, including an update to the building’s comprehensive energy management system, which serves as a hub for usage insights and controls. Building features also include the use of daylight harvesting, LED lighting upgrades and vacancy sensors in rooms and offices.
Additionally, our Wall, N.J. corporate headquarters now features our first installation of distributed carbon capture (read more about our plans for this innovative technology on page 22). As we look to decrease energy usage at additional company-owned facilities, upgrades may include the direct installation of solar, the use of high-efficiency end-use equipment such as gas heat pumps, or additional localized carbon capture installations. In conjunction with these renovations, NJR will also evaluate the use of recycled and sustainable products including carpeting, furniture or building materials where applicable.

In fiscal 2023, NJR’s greenhouse gas emissions from New Jersey operations decreased slightly compared to the prior year, showing a 59.7% reduction in emissions from our 2006 baseline. This number includes the purchase of RNG attributes, which account for about 1.5% of our net reduction. The modest reductions in Scope 1 emissions were likely due to the warmer-than-normal winter that reduced stationary combustion of natural gas within our buildings as well as along the NJNG distribution system.

<table>
<thead>
<tr>
<th>Environmental</th>
<th>New Jersey Operational Emissions</th>
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</thead>
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<tr>
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<td>2006</td>
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<td>Scope 1</td>
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<tr>
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<td>Total Biogenic Emissions</td>
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</tr>
<tr>
<td>Reduction from Baseline</td>
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</tr>
</tbody>
</table>

* Scope 1 emissions from natural gas distribution are reported to the U.S. Environmental Protection Agency on a calendar year basis in late March. Therefore, a portion of current fiscal year emissions will reflect the prior calendar years’ emissions until this report has been filed. Additionally, 2022 emissions have been updated from the FY22 report to reflect this.
Industry Leading Practices Reduce Emissions from Our Distribution System

As a leader in proactive pipeline modernization, NJNG has consistently made prudent investments to upgrade our infrastructure and achieve significant emissions reduction from the utility distribution system, even as the utility added customers. System modernization efforts include pipe replacement programs and leak repair prioritization.

Over the past 10 years, NJNG has reduced emissions from our distribution system by 57%, while increasing our customer base by 16% over the same period.

Our investments have resulted in the complete removal of leak-prone materials – both cast iron and bare steel – from NJNG’s system and supported a continuous reduction in leaks per mile over the past five years. At the end of fiscal 2023, NJNG had .07 leaks per mile – the fewest of any natural gas utility in New Jersey – and is moving forward with a “find it, fix it” approach to leak management – an industry-best practice.

NJNG’s low leak rate and proactive management are the result of our commitment to exceed regulatory standards and deploy new technologies. NJNG currently meets or exceeds the three-year leak survey requirement for distribution systems outside of business districts (which require surveys annually) and makes use of advanced mobile leak detection and optical imaging.

Our investments and industry-leading performance in distribution system management uniquely positioned NJNG to deliver lower-carbon fuels including renewable natural gas and hydrogen.
Using Innovative ZEVAC Technology to Reduce Emissions in the Field

Achieving net-zero operational emissions by 2050 means investing in innovation at every level. NJNG is acting on this commitment by adopting new technology and practices to reduce operational emissions from our field operations.

Any time we replace pipe, make integrity repairs, or need to service a portion of our system, a small part of our pipeline system must be closed off and cleared of excess gas – what is referred to as a “blowdown.” Typically, this means venting or flaring gas from the isolated portion of pipe.

Using ZEVAC’s proven blowdown mitigation technology, NJNG can now recapture this gas and return it to a working part of the pipeline system. This gives NJNG an important tool to contain natural gas within our system and prevent it from being released into the atmosphere – negating potential environmental impact.

Energy Efficiency is Key to Decarbonization

Energy efficiency is one of the most important decarbonization tools we have to engage customers with solutions that save energy, lower their energy bills and reduce emissions.

Created in 2009, NJNG’s energy-efficiency programs, known as SAVEGREEN, have provided some of the most effective and successful energy-saving programs in the state, including rebates, financing options and grants for high-efficiency equipment upgrades.

In fiscal 2023, NJNG invested $60 million – the largest annual investment in energy efficiency in the company’s history – in a variety of programs, including to support the installation of new and efficient equipment, resulting in annual energy savings of 4.7 million therms or over 25,000 metric tons of CO2.
NJNG also completed a major commercial energy-efficiency project at Jersey Shore University Medical Center, a leading non-profit healthcare center in Monmouth County N.J. and part of Hackensack Meridian Health’s network. NJNG provided over $6 million in energy-saving enhancements, including insulation, lighting and HVAC upgrades at the medical center. This investment will help save over 297,000 therms, 3.3 million kilowatt hours and reduce carbon emissions by nearly 4,000 metric tons every year.

With benefits and incentives provided through SAVEGREEN’s programs, including 0% financing over a five-year period, this commercial project will pay for itself in four years. After the payback period, the hospital will realize energy savings of over half a million dollars annually. Examples like this underscore the critical role energy efficiency can play in meeting climate goals in a cost-effective way.

On December 1, 2023, NJNG filed with the BPU for the largest SAVEGREEN program proposal in company history. These energy-efficiency offerings will build on the success of NJNG’s existing programs and include the addition of new demand response, district geothermal, and hybrid heat solutions.

The $482.4 million proposal will strengthen NJNG’s existing energy-efficiency offerings and provide comprehensive solutions to help participating customers save energy and reduce carbon emissions, while supporting New Jersey’s emission reduction goals. If approved by the BPU, the new cycle of SAVEGREEN is expected to begin January 1, 2025, and run through June 30, 2027.

Over the lifetime of SAVEGREEN, 93,000 customers have taken advantage of rebates and incentives for energy-efficiency improvements. SAVEGREEN also routinely sends Home Energy Reports with insights and recommendations to reduce natural gas consumption to over 238,000 residential customers. In total, participating customers have reduced carbon emissions by over 272 million pounds.

These customer energy-efficiency programs are a core aspect of our broader decarbonization strategy. NJNG will continue to make investments to support energy conservation and reduce emissions, while always looking ahead to new technologies and strategies to accelerate cost-effective emissions reduction and provide our customers with flexibility.
End-Use Innovation: Strategy & Technology Drive Cost-Effective Emissions Reduction

Innovation is not limited to next-generation renewable energy and lower-carbon fuels. It’s happening at a rapid pace in the energy-efficiency and end-use appliance space as well, with important implications for how we think about the efficacy and affordability of energy-efficiency solutions and customer choice in climate policy.

According to results from E Source’s 2021 Residential Electrification Study¹, nearly 80% of customers who own a natural gas furnace prefer to keep natural gas as their fuel source. This independent analysis supports the view that customers value energy choice, and for the customer market to realistically transform to high-efficiency, lower-carbon appliances, a menu of natural gas and electricity options will be needed.

NJR and NJNG are helping lead the charge to make these choices a reality for customers of all types – residential, commercial and industrial.

Natural Gas Heat Pumps: an important breakthrough area is in the development and commercial introduction of natural gas heat pumps (“GHPs”). GHPs are appliances that provide building heat and water heating at extremely high efficiencies when compared with traditional natural gas furnaces.

Operationally similar to electric-powered, air-source heat pumps, GHPs are extremely efficient, but are driven by natural gas rather than electricity. As such, they are more efficient and effective at delivering heat in cold climates, and less costly to operate.

According to the British Columbia Institute of Technology’s Zero Energy Buildings Learning Centre, GHPs have the following critical benefits:

- Have efficiencies of 140% (compared to high efficiency furnaces, which are currently capped around 99% efficiency, and standard efficiency furnaces that generally fall in the 80% efficiency range);
- Can use refrigerant with no global warming potential; and,
- Are compatible with a wide range of fuel sources such as natural gas and low- and zero-carbon fuels such as RNG and hydrogen.

GHPs are a potential game-changer; a typical home with an 800-per-therm year heating load could reduce emissions and operating costs by over 40%. Leveraging existing, reliable and operational infrastructure, this technology can be non-disruptive for customers and seamlessly deployed in millions of buildings that use natural gas furnaces today without adverse impacts on the electric system.

NJNG is already helping to drive this change. We currently have six commercial-use GHPs in operation at an existing facility, which are serving the dual purpose of providing HVAC needs while providing an opportunity for real-world demonstration and education. NJNG is also a founding member of, and has a representative serving as Vice Chair on, the North American Heat Pump Collaborative, a group of industry stakeholders helping to bring these products forward to the residential market in 2024.

Hybrid Homes: another critical development in end-use efficiency is an innovation in how we use existing technologies. Hybrid heat is the building equivalent of a plug-in hybrid electric vehicle, where the primary fuel consumed for operation is electricity (via a battery), with an integrated secondary power source that uses conventional fuel (gas). In the case of hybrid heating in a building, the primary electric source is an electric heat pump, with the secondary source being a high-efficiency gas furnace.

- In a typical hybrid approach, electric heat pumps meet the heating needs of a home or building during milder temperatures, when they can maximize their performance and efficiency benefits. High-efficiency natural gas equipment steps in during colder temperatures when electric heat pump efficiency tends to meaningfully degrade².
- At the same time, by stepping in to meet the energy need as heating energy demand increases, a hybrid heat system helps to intelligently manage demand between the gas and electric systems to avoid electric grid stress.

At a systemwide level, hybrid heat helps improve everyone’s energy reliability while lowering costs by avoiding the massive build out of a winter-peaking electric system to do the same job.

¹Results from the 2021 Residential Electrification Survey, ESource, September 27, 2021.
The benefits of this approach can include lower costs, reduced emissions, increased comfort and a more seamless appliance transition for customers, as well as avoidance of significant and challenging upgrades of electric system capacity to meet winter peak heating needs, and improved reliability of the electric system.

NJNG has proposed opportunities to demonstrate hybrid homes as part of its next suite of energy-efficiency program offerings.

Next Generation of Lower-Carbon Renewable Energy in a Cleaner-Fuels System

The Value of a Cleaner-Fuels System

“A clean-fuels system has the potential to support and help facilitate a decarbonized U.S. energy system. [Clean hydrogen] and biogas are low-carbon energy sources that can complement renewable sources on an electric grid ...”

“Our modeling shows that a decarbonization pathway for the energy system based solely on electrification, renewables, and storage, without clean fuels or carbon sequestration, results in a net higher societal cost. An energy system with a clean-fuels network would lower overall cost to society and create potential opportunities for gas utilities to invest in the energy transition. Investments in a clean-fuels infrastructure could be suited for a regulated utility since first, they will require a long horizon — potentially several decades — and second, they must be made early enough to accelerate the market transition.”

McKinsey and Company
“Decarbonizing U.S. gas utilities: The potential role of a clean-fuels system in the energy transition”
March 2022

Lower- and zero-carbon fuels are renewable energy sources that could be integrated, transported and delivered within existing pipeline infrastructure. They include renewable natural gas, clean hydrogen and reformed/synthetic gas. They can be produced in many ways using innovative new technology or processes that include: capturing biogas naturally produced at existing facilities such as landfills or wastewater treatment plants; powering electrolysis with carbon-free power sources; applying carbon capture to existing production methods; or high-heat processes that produce low-carbon fuels and carbon byproduct in a form that can be easily managed.

No matter how they are produced, the end result is cleaner fuel alternatives to traditional fossil natural gas that could be used in the same pipeline infrastructure and appliances we use today.
New Jersey Natural Gas in a Cleaner Fuels Future

NJNG is focused on accelerating the energy transition through the delivery of cleaner pipeline fuels serving diverse end uses:

- **Exploring Cost-Effective RNG Projects**
  - NJNG is actively exploring key RNG projects within our service territory that would significantly lower local emissions, displace and lessen New Jersey’s reliance on out-of-state fossil gas sources, and are cost-effective for our customers.

- **Expanding Clean Hydrogen Opportunities Across Diverse End Uses**
  - Building on our experience operating the East Coast’s first green hydrogen blending project, NJNG is exploring new opportunities to increase the use of clean hydrogen on our system – serving existing customers and new end uses, such as fuel cell vehicles to decarbonize the transportation sector.

- **Mission-Critical Partnerships**
  - For years, NJR and NJNG have engaged with respected, independent partners to pursue innovative approaches to cleaner fuel production, delivery and end uses.
  - This work continues today with key partners such as the Andlinger Center for Energy and the Environment at Princeton University, the Stanford Natural Gas Institute, and the Gas Technology Institute.

Multiple studies charting pathways to 2050 net-zero and 100% clean energy goals identify clean hydrogen and lower-carbon fuels as key strategies to meet 2050 carbon reduction goals in a least-cost manner, utilizing existing pipeline infrastructure.3,4,5

NJNG embraces this role for our infrastructure as a ready-made storage and delivery system for renewable fuels, including clean hydrogen and renewable natural gas, serving a variety of end uses with renewable energy needed to drive economy-wide decarbonization, potentially including: medium- and heavy-duty vehicle transport, passenger vehicles, maritime and rail, industrial applications, fuel cells, building heat and more.

Renewable Natural Gas (“RNG”) is a readily available decarbonization solution that is being used today to reduce emissions by displacing geologic natural gas used in homes and businesses, manufacturing facilities and the transportation sector. RNG is sourced from existing byproducts of everyday life that create unavoidable emissions, including landfills, food waste and wastewater treatment plants that emit biogas as organic material decomposes. In 2020, 7.4% of New Jersey’s total greenhouse gas emissions came from landfill and wastewater operational emissions.6

- RNG is a fossil-free renewable energy source and a “drop-in” fuel in our underground pipeline infrastructure.
- It is 100% interchangeable with conventional natural gas and can be used safely and reliably in existing residential, commercial, industrial and transportation applications.
- It can be produced from a number of waste resources, such as landfills and food waste, wastewater treatment facilities, agriculture and animal waste streams, and forestry and crop residue – sources of waste and emissions for which there is no other sustainable solution for carbon emissions control.

This diversity in feedstocks means that RNG can be produced in every state in the U.S., including New Jersey.

Clean Hydrogen is an emerging, extremely-flexible, energy source that does not emit any carbon when used as a fuel.

As such, it is being contemplated in end-uses as diverse as transportation, heavy industry, manufacturing, power generation and energy storage, the building sector, in vast fuel cell applications, and beyond.

- NJNG was the first utility on the East Coast to place into service a clean hydrogen production facility and blend zero-carbon hydrogen into our gas distribution system. The Howell Green Hydrogen project uses renewable on-site solar energy to produce hydrogen by splitting water molecules using an electrolyzer. The process does not generate any greenhouse gas emissions and is proof of clean hydrogen’s potential to help reduce emissions in NJNG’s service territory and more broadly.
- NJNG’s upgraded and modernized pipeline infrastructure was designed and built to safely transport and store alternative fuels such as hydrogen; and we have blended 1-2% hydrogen in our system with no meaningful changes to our system operations, or any changes to how our customers use energy in their homes or businesses.

NJNG has identified several viable opportunities to make investments in our service territory over the coming years to expand hydrogen production for scaled emissions reduction potential across multiple sectors.

**Takeaways**

The development of cleaner fuels is proceeding at a fast pace in the U.S. and across the world. Cleaner fuels – as they exist today and those that result in the future from significant ongoing innovation, R&D and investment – are widely viewed as viable, key components of achieving deep decarbonization goals in the most affordable, reliable way possible.

To achieve those goals, we must leverage the massive cost-reduction power of using the existing, already built and paid-for pipeline system, while meeting the need for energy security and availability by using a reliable, resilient dual-fuel energy system of both electric and gas infrastructure.

**Distributed Carbon Capture**

Carbon capture is a promising area of research, development and investment with significant potential to reduce atmospheric volumes of carbon and slow down the associated negative impacts of climate change. Though commonly associated with large-scale emitters like heavy industry, power plants or manufacturing, recent technological breakthroughs now provide a range of solutions that include smaller-scale technologies that can be installed at the individual building level.

This is an area New Jersey Natural Gas is leading in today. NJNG installed innovative, distributed carbon capture technology manufactured by CarbinX at its Wall Township corporate headquarters in New Jersey:

- Installed on commonly used gas boiler equipment, the CarbinX product is only about twice the size of a residential refrigerator and attaches to the existing HVAC system.
- This technology will capture emissions associated with the combustion of natural gas and drops it out as more easily managed solid pearl ash.
- This unit will also increase the performance and efficiency of the HVAC system by as much as 20% by capturing and recycling waste heat within the system.

Individual units of this technology can help reduce emissions by approximately 30% (with future models providing increased reduction potential) and offers a practical technology that works with existing equipment to effectively reduce emissions with minimal disruption to the customer.

Distributed carbon capture technologies, like the CarbinX units installed at NJR’s Wall, New Jersey Headquarters, are innovations that empower customers with choice. This is especially true for small- and medium-sized businesses and entities such as hospitals, schools, multi-family dwellings and government buildings, which may not have affordable or practical decarbonization solutions for their commercial boilers.
As one of the earliest investors in New Jersey’s solar market, CEV has successfully invested in and operated solar energy infrastructure for nearly 15 years. Over that time, we have deployed over $1.2 billion, establishing a position as a market innovator and leader. CEV is one of the largest owner-operators of commercial solar in New Jersey, and more recently has expanded our footprint to other states.

Our commitment to renewable energy investment, green jobs and the green economy, advances and aligns with public policy, as well as NJR’s sustainability and growth objectives.

A key priority underlying this commitment is the development of beneficial use sites for renewable energy. These sites, such as former landfills, remediated contaminated properties, and other “brownfield” locations are typically unsuitable for traditional redevelopment. Solar development at these sites transforms them from dormancy into a new, revitalized clean energy source.

In fiscal 2023, CEV added 10 commercial solar projects representing 82 MW of new capacity to our portfolio. Our total installed capacity is now approximately 469 MW, or enough to power more than 70,000 homes annually. Among the projects completed in fiscal 2023 are:

- **Mount Olive (NJ):** North America’s largest capped landfill solar array. A 25.6 MW project located on the site of a former landfill and superfund site in Mount Olive, New Jersey, this ground-mounted solar array consists of approximately 56,900 solar panels covering 102 acres of underutilized brownfield land. It provides enough clean energy to power over 4,000 homes annually and reduce emissions by 23,940 tons every year.

- **Canoe Brook (NJ):** North America’s largest floating solar array. This project consists of 16,510 solar panels floating atop 17 acres of the Canoe Brook reservoir in Short Hills, New Jersey. An 8.9 MW installation, the project generates enough renewable energy to power 1,400 homes annually, and provides approximately 95% of the power needs for New Jersey American Water’s Canoe Brook Water Treatment plant.

CEV will continue deploying capital and driving our company’s clean energy leadership in the solar market. Underpinning this strategy is our belief that the market opportunity in solar continues to expand, fueled by supportive state and federal policies and Renewable Portfolio Standards, lower costs, greater efficiencies and the need to reduce carbon emissions.

CEV has developed a robust pipeline of potential capital investment opportunities and, by the end of fiscal 2023, the size of CEV’s project pipeline reached approximately 750 MW, the highest level ever in the history of our company.
Storage and Transportation

At NJR Storage and Transportation (S&T), our subsidiary focused on owning and operating natural gas storage and transportation assets, we are committed to lowering the carbon footprint of our own operations, while meeting our commitment to safely transporting lower-cost natural gas. S&T has consistently delivered on this obligation with the reliability our customers count on, especially during severe weather events and periods of volatility.

Operating in the midstream sector, S&T provides critical supply services to customers serving a variety of natural gas end uses, including utility customer distribution, power generation, and commercial and industrial. Many of the customers we serve through S&T are actively working to lower carbon emissions and achieve sustainability goals of their own.

Through S&T’s assets and services, we are empowering customers on their clean energy journeys by providing highly reliable, lower-carbon natural gas supply and enabling a move away from higher-emitting forms of energy, like coal and oil.

- In fiscal 2023, our Adelphia Gateway pipeline, a converted oil pipeline that is now delivering energy to customers in the greater Philadelphia region, completed its first full year of operation. One of Adelphia’s first customers, Kimberly-Clark, is being served with reliable natural gas service that has enabled it to retire a coal-fired plant on site. This conversion to natural gas-fired power generation is reducing the mill’s GHG emissions by up to 50%, and supports Kimberly-Clark’s goal of cutting its carbon footprint in half by 2030.

During the year, Adelphia Gateway earned the Pennsylvania Governor’s Award for Safety Excellence. This prestigious and highly competitive award recognizes outstanding workplace safety programs and superior management-employee relationships that embed high safety standards in workplace operations.

- Leaf River Energy Center is our salt cavern storage facility located in Taylorsville, Mississippi, which provides natural gas storage and balancing services to a diverse mix of customers. Leaf River’s record of safe, reliable and dependable service continues to deliver for customers, while also helping support emissions reductions. Under a new contract beginning in fiscal 2023 with a Southeast power generator, Leaf River began providing firm storage services that support a newly constructed, lower-emitting combined cycle natural gas-fired power plant in conjunction with the power provider’s project to retire and replace a coal-fired facility.

In fiscal 2023, Leaf River also announced plans to construct and operate a new electric-powered booster compressor on its pipeline system. This project will improve operational efficiency and performance, increase reliability, and allow for additional flexibility to better serve customers. This investment will achieve these significant customer and operational benefits, without an increase in certified capacity, mitigating any downstream greenhouse gas impacts.
Looking ahead, natural gas demand is expected to grow in the U.S. and globally over the next 30 years due to its affordability and reliability. Our storage and transportation assets are well positioned both geographically and operationally to help reduce coal-fired generation and oil consumption still prevalent in many parts of the U.S., and support sustainability goals in many parts of the country.

Our S&T business will look to pursue projects and partnerships that enable the increased usage or delivery of sustainable, lower- and zero-carbon energy sources, including RNG, hydrogen and on-site solar generation. This business segment has also established its own Sustainability Committee that is responsible for identifying opportunities to reduce emissions from S&T’s operations and upgrades, including the Leaf River booster compression project.

At the same time, S&T’s assets will continue to provide important contributions to energy reliability. Across the country, renewable energy development continues to benefit from supportive policies and will increasingly contribute to the nation’s energy mix. Renewables are necessary to achieve long-term emission reduction goals; but they also bring a grid-scale intermittency and reliability challenge for electric grid operators. Reliable, resilient, and fast-dispatch thermal energy sources, primarily natural gas, fill that critical void today, and will do so over the coming decades.

We expect our high-quality S&T assets to continue to serve the high-value, critical need for firm, resilient energy supply for our customers, especially those whose businesses support grid dependability.

Coastal Climate Initiative (CCI)

A year ago, NJR debuted a comprehensive, long-term strategy for its Coastal Climate Initiative, pledging up to $2 million over five years to support its commitment to environmental and natural resource stewardship. Over the course of the year, we’ve established and enhanced partnerships and worked together to support projects that have a positive long-term impact on our ecosystems, including the coastal environments that are vital to our community.

An outcome of this work is an unprecedented, five-year funding commitment of $560,000 to support the work of New Jersey Audubon in the preservation and restoration of the Hovnanian Sanctuary in Berkeley Township, Ocean County, New Jersey – part of NJNG’s service territory. As a member of the N.J. Audubon Corporate Stewardship Council, NJR has contributed to New Jersey Audubon’s long-standing commitment to conservation, biodiversity and the protection of habitats and wildlife, and we are excited to expand our partnership through this stewardship project.

NJR’s support for the Hovnanian Sanctuary aligns with the mission of the Coastal Climate Initiative – to improve coastal habitats, community resiliency and nature-based solutions that protect against effects of climate change.

“New Jersey Resources shares our commitment to the responsible and proactive stewardship of our environment, understanding these efforts result in stronger, more resilient communities. Working together under this partnership agreement, NJR and New Jersey Audubon are building a more sustainable future for New Jersey wildlife. The critical funding provided by NJR will help restore and preserve environmentally sensitive areas in the Pinelands National Reserve, with a focus on climate resiliency, water improvements, and wildlife habitat restoration. We appreciate NJR’s continued commitment to these efforts through its Coastal Climate Initiative, enabling environmental stewardship in fragile ecosystems where attention is most needed.”

- Alex Ireland, President and CEO of NJ Audubon
The enhancement and preservation of the Hovnanian Sanctuary, in New Jersey’s well-established and ecologically diverse Pinelands National Reserve, has multiple long-term benefits that flow downstream to coastal waters while providing local ecosystems services, including:

- The restoration and enhancement of 100 acres of upland forest that will reduce the risk of wildfire, increase the population and health of indigenous trees and minimize invasive species. Forest health supports the safety, resilience and recreational opportunities for adjacent neighborhoods, improves surface and ground water quality and enhances carbon sequestration of the forest, a critical strategy in climate change mitigation.

- Enhancement and restoration of over 15 acres of Atlantic white cedar forest. White cedar forests historically dominated the wetlands of Central and South Jersey, providing invaluable ecological benefits such as improving water quality including water that flows to our coastal areas and supports our coastal wetlands, maintaining groundwater, reducing flood risk caused by increasing frequency of severe storms and creating a habitat for a multitude of species of animals, birds and beneficial insects.

- The creation or improvement of over 5 miles of walking trails, mapping and signage, providing access to recreation, respite and educational opportunities.

Saltwater intrusion caused by rising sea levels is having severe negative impacts to this critical resource, and the available land area to preserve and enhance this resource is limited. This property and project provides a terrific opportunity to support the ecosystems within the central Barnegat Bay watershed.

NJR was able to assess the opportunity to support this project and others due to a well-defined scope and strategy for CCI that was developed over the year. CCI’s work is structured around these pillars:

- **Customer-based Donation Program** – providing a dollar-for-dollar match to one-time or on-bill donations from NJNG customers to the CCI. This funding program supports The Nature Conservancy of New Jersey and its leading efforts in coastal wetland restoration and ecosystem enhancement within New Jersey’s coastal communities.

- **Direct Project Investment** – financial support for projects that enhance coastal resiliency and ecosystem services including, but not limited to, wave attenuation, shoreline stabilization, water quality improvement, habitat improvement, and carbon sequestration.

- **Volunteerism** – providing NJR employees, retirees and their families opportunities to participate in meaningful environment improvement projects that align with CCI’s mission of improving coastal habitats, community resiliency and nature-based solutions that protect against effects of climate change.
CCI supported the important work of additional environmental partners in fiscal 2023, including:

- The Nature Conservancy of New Jersey, which benefits from the generosity of NJNG customers coupled with a dollar-for-dollar match from NJNG charitable foundations. Since the inception of CCI in 2021, these combined donations have provided nearly $100,000 of direct support for The Nature Conservancy in New Jersey, which is a leader in coastal wetland restoration efforts in New Jersey, along with many partners from the environmental community, government and local municipalities. NJNG customers can donate to the Coastal Climate Initiative at njng.com/climate.

- The Natural Resources Education Foundation (NREF), steward of The Lighthouse Center property, is home to 200 acres of diverse coastal habitat in Waretown, Ocean County, New Jersey. The property includes classrooms, dormitories and research facilities that are used to host educational camps and conferences, as well as natural laboratories for research at the property’s coastal mud flats, saltmarshes and living shoreline that hug the Barnegat Bay. In conjunction with its annual NJR You Days, NJR provided $50,000 through its charity to support NREF’s expansion of direct restoration, preservation, education and research work that includes shoreline stabilization and enhancement and monitoring novel restoration methods.

- The New Jersey Corporate Wetlands Restoration Partnership (NJCWRP), a collaborative group that includes businesses, federal and state agencies, non-governmental organizations and academia. Combining corporate philanthropy, government grant funding, research and volunteerism, the NJCWRP is an innovative approach to leverage support for protection and restoration of the state’s wetlands.

NJR aims to continue making a meaningful difference within the communities we serve through our commitment to improving climate change resiliency and ecosystem services, including a focus on both community engagement and education.

In an effort to take a holistic approach to these efforts, NJR recently consolidated both its environmental stewardship and community relations programs within the same internal department. By doing so, NJR can align both internal and external efforts to achieve the greatest benefits for our community partners, residents and employees alike.

"New Jersey Resources’ ongoing support of The Nature Conservancy enabled our staff to successfully pursue a $1 million grant from the National Coastal Resilience Fund. That grant allows us to evaluate 10 degraded salt marshes and advance five of them through preliminary restoration designs with a goal of improving at least 250 acres of salt marsh. We are grateful to New Jersey Resources' employees and customers for empowering coastal conservation that benefits people and wildlife."

- Barbara Brummer, New Jersey State Director, The Nature Conservancy in New Jersey
Employees Provide 2,000 Hours to Restore and Rehabilitate Environmental Education Center

Over the course of two days in June, 200 employees from across NJR provided a combined 1,000 hours of hands-on work to help restore, refurbish and enhance the resiliency of the buildings, trails, grounds, and other outdoor nature habitats at The Lighthouse Center in Waretown, NJ. Much of the property’s structures date back to the 1950s when the center was originally established as a camp for the blind. The Lighthouse Center site was rescued from development in 2000 and donated to the New Jersey Department of Environmental Protection, which in turn leases the property to the Natural Resources Education Foundation that provides educational programs for children and adults, as well as volunteer opportunities. NJR employees worked to complete a variety of tasks and had the opportunity to engage and foster relationships with colleagues in other business areas, while enhancing the facilities that enable NREF to carry out its mission as an environmental education and research facility.

Water and Waste Management

NJR believes access to clean water is a universal human right. It’s an essential building block to promote global human development, including public health, education and economic growth. Around the world, including in the U.S., businesses also rely on access to clean, quality water for their operations. NJR recognizes and supports the principles in the United Nations “Human Right to Water and Sanitation (HRWS)” that entitles everyone to have access to sufficient, safe, acceptable, physically accessible and affordable water.

While our current operations do not have a material impact on water resources, NJR is committed to following all applicable laws, including regulatory processes designed to identify, evaluate and, when necessary, mitigate any water impacts resulting from its operations, and to minimize those impacts outside of those processes whenever feasible.

Using the HRWS as a guide, sanitation and responsible management of waste resulting from our operations is a long-standing component of NJR’s environmental commitment. Through active participation in the EPA's voluntary WasteWise program for nearly 20 years, NJR has implemented business waste practices that encourage recycling and the purchase of remanufactured products as well as waste prevention. In 2022, the most recent year of data available, NJR’s waste management efforts resulted in an estimated average recycling rate of over 70% in our New Jersey facilities. Over the past year, there has been a strong emphasis on the recycling of furniture resulting from the renovation of NJR’s Wall Headquarters. More information on sustainability considerations during this renovation are in the Employee Engagement section on page 36 of this report.
At NJR, we understand that our long-term success is deeply connected to the health and well-being of people. This includes our dedicated and diverse employees, the families, businesses and communities we serve, and the strength of our company culture and organization.

- We are committed to creating and maintaining a culture that protects our employees’ well-being, engagement and sense of belonging, and allows them to perform their best.
- We believe in purposeful action to promote diversity, equity and inclusion in every part of our organization and among our strategic partners.
- Understanding that access to affordable energy is key to economic development and opportunity, we are focused on providing our customers with safe, reliable and reasonably priced energy service, and with flexible options and assistance for customers to control their energy use and manage their bills.
- We aim to give back to the communities we call home, making impactful change through charitable giving, volunteerism and community partnerships to support vibrant economies, expand opportunity, and strengthen climate resilience.

These are core values held throughout our company that guide both our volunteerism and philanthropic giving through our charities and our employees’ own time.
Focused Strategy to Maximize Impact

We are proud of our record and remain committed to ongoing refinement and refocusing of our approach as needed to meet needs, multiply our impact, and ensure outcomes are meeting our objectives. In 2022, we refreshed our vision for community impact and philanthropy, focusing on maximizing our impact in the following areas:

Health and Human Services

- Help improve access to healthcare in underrepresented communities.
- Ensure the identified resources are provided to the community members who are most in need.

Education

- Continue NJR’s strong community presence in educating the public on personal, professional and societal development.
- Provide structured mentoring, speaking engagements and classroom programs that target youth development in underserved New Jersey communities, including Asbury Park, Lakewood, Neptune, Long Branch, among others.

Environment

- Empower community members to be proactive about sustainability, conservation and lower carbon energy efforts.
- Offer a variety of environmental educational material via live events, radio, social media and virtual platforms.
- Bring awareness to our Coastal Climate Initiative to reduce the impact of climate change on our shore communities.

Housing

- Work with organizations in all the counties we serve to provide affordable homeownership opportunities to members of the community through financial and volunteer support.

Goodwill

- Collaborate with local and national organizations to support advocacy for underrepresented groups (i.e., people of color, veterans, LGBTQ+, seniors, persons with disabilities and more).

Alongside the $20 million endowment of our charities announced in fiscal 2022, this strategic refresh is providing NJR with both the vision and resources to make a real, positive impact in our communities, and will be felt for years to come.
NJR is proud to be part of the communities we serve and recognizes that our long-term success is intertwined with the health and well-being of our communities. As a result, we maintain a longstanding tradition of service, support and volunteerism. This commitment goes beyond just meeting our customers’ energy needs to include a focus on education, wellness and the environment.

In fiscal 2023, NJR employees, retirees and their families provided approximately 4,000 hours of volunteer service, nearly double the amount in the prior year. The donation of employee time to organizations in need is coordinated through our VISION program – Volunteers Inspiring Service in Our Neighborhoods. Over 80 events were available for employees to participate in this year including community and non-profit landscaping or restoration projects, packing food boxes for local families in need and beach clean ups. With the expansion of the Coastal Climate Initiative to incorporate volunteerism, there is a dedicated focus to offer more VISION events that enable our employees to connect with our coastal habitats and the organizations that protect them.

A major pillar of our community engagement is focused on education – and is inclusive of all ages. This year, our Speakers Bureau reached over 3,400 community members with information on customer-centric topics including safety and energy conservation.

In partnership with Sustainable Jersey for Schools and the Alliance to Save Energy, NJNG is also supporting the integration of environmental sustainability and conservation in local school curriculum at 35 schools. Topics vary by grade and begin with fundamentals of energy and energy usage and savings, and advance to topics such as climate, and energy audits and green career planning.

We also provide opportunities for qualified working families in our local communities to become first-time homeowners. Through partnerships with local nonprofits, including Habitat for Humanity and Interfaith Neighbors, NJNG supported the construction of 24 affordable housing units in fiscal 2023.

Employees across NJR also invest time in support of nearly 90 community organizations through nonprofit board and committee service. These opportunities also provide NJR employees with valuable leadership experience and networking opportunities.
Ocean Fun Days is a family friendly event focused on coastal habitat stewardship, environmental awareness and energy conservation. This year marked the 20th annual event, which includes sponsors New Jersey Sea Grant Consortium, Gateway National Park/National Park Service, New Jersey Division of Parks and Forestry/Island Beach State Park, the New Jersey Department of Environmental Protection, the Asbury Park Press and NOAA’s James J. Howard Marine Sciences Lab. An estimated 12,000 people attended the two-day program, which included hands-on environmental activities and demonstrations and reinforced the mission of our Coastal Climate Initiative in a fun, engaging environment.

Diversity, Equity and Inclusion (DEI)

NJR prides itself on promoting a culture that respects all of its employees and fosters concern for and empowerment of others. We understand that DEI fuels strong people teams with diverse perspectives and unique ideas who collaborate and share a passion for the future of their company.

We aim to create an organization and work environment that puts these values into practice, and that cultivates innovation and creativity, attracts the best talent, and allows our employees to be their highest performing, best and authentic selves.

Our integrated DEI strategy is focused on building a workplace culture that enhances the creative intelligence of our people to achieve long-term success for NJR.

This strategy is built on four areas of focus: Business Resource Groups (BRGs), NJR Executive Sponsorship, Professional and Personal Development and Community Engagement.
Social Responsibility

Workforce Diversity

NJR continues to prioritize and promote diversity among our workforce in a way that represents the uniqueness of the communities we work in and serve, and that allows our entire organization to benefit from different perspectives. Ninety four percent of NJR’s workforce reports to locations within New Jersey’s Monmouth, Ocean, or Morris counties. The chart to the right compares the demographics of our workforce to the combined population demographics within these counties. We have made progress in increasing gender diversity within NJR leadership positions. NJR remains steadfast in continuing this work and building on our progress.

NJR and its subsidiaries are Equal Opportunity, Affirmative Action Employers. More information about these efforts are available on NJR’s website.

1,350
Total Headcount

5%
Turnover

11.3 Years
Average Employee Tenure

47%
Union-Represented Employees

30%
Women comprising the NJR workforce

35%
Women holding management positions at NJR (defined as supervisor, manager, director or executive)

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County demographic data sourced from the U.S. Census Bureau. Totals may exceed 100% due to rounding. For more information, please see NJR’s EEO-1 report.
Social Responsibility

Talent Acquisition and Management

Our people are at the center of everything we do; so, we place the highest focus on attracting, retaining and developing top talent. Our focus will continue to be on employee safety; leadership and professional development; diversity, equity and inclusion; and employee engagement.

• Our efforts to empower underrepresented employee groups are crucial to strengthening our workplace. Our Talent team charged these efforts in 2023 by co-hosting along side our DEI team a community fair and vocational school outreach.

• Our newly enhanced career and succession planning tools are designed to help advance and retain top talent at our company.

• We elevated our summer internship program in 2023 to include mentoring circles, career development and community service. As a result, we’ve been able to recruit and hire promising young talent to return for post-graduate employment.

• Professional development resources and opportunities are offered on a continual basis to provide employees the skills and knowledge needed to excel in their roles. Our state-of-the-art employee training facility “Safety Town” hosts numerous internal and external training opportunities. We’ve been able to upskill our talent, educate and foster leadership skills across our team by partnering with the following organizations:
  - American Gas Association Next Level Leadership Women’s Program
  - Diversity Crew
  - Professional development through Rutgers University
  - Office of Continuing Professional Education at Brookdale Community College
  - Tri-State Diversity Council
  - Garden State Equality
  - Lead New Jersey
  - New Jersey Business and Industry Association Women Business Leaders

NJR seeks to attract and retain its employees by offering competitive compensation packages, including base and incentive compensation and attractive benefits. We also offer a tuition assistance program for applicable employees who wish to obtain a bachelor’s or master’s degree.

In 2023, we introduced NJR’s Cultural Behaviors to drive innovation and sustainable growth, helping to define not only what we do, but how we do it.

These are leadership behaviors we have identified as being critical to build and reinforce NJR’s culture of innovation, advance our strategy and chart a clear path forward for our company. These behaviors are illustrated here and measured in annual employee performance reviews.
Employee Engagement

NJR’s employees are the driving force behind all that we do. Employee engagement and wellness are critical to ensuring a skilled, committed and successful workforce. Helping our employees thrive and succeed in a dynamic and evolving industry is an essential component of maintaining our leadership in the energy transition.

Employee engagement is a key part of retaining our current employees and ensuring an environment for growth, high performance and customer satisfaction. In the past year, our efforts to engage employees included:

• Quarterly onboarding sessions for new employees led by members of NJR’s senior leadership team.
• A combination of virtual and in-person programs focused on topics such as mental health and personal wellness.
• Robust participation in community service and NJR You Days, where employees worked together on projects to clean, restore and enhance The Lighthouse Center in Waretown, N.J.
• Impactful events that benefited organizations like the Brain Injury Alliance, Court Appointed Special Advocates, 180 Turning Lives Around, Garden State Equality, Hope Sheds Light and the National Alliance on Mental Health, among others.

Engaging on Innovation: Sustainability Innovation Speaker Series

Over the last year, the Office of Sustainability has expanded its efforts to bring innovative thought leadership directly to our workforce. With the launch of the Sustainability Innovation Speaker Series in fiscal 2023, NJR has hosted expert speakers in energy decarbonization cybersecurity, as well as a panel discussion that included members of NJR’s Board of Directors, focused on their perspectives on sustainability innovation. These events provided unique insights that inspired dialogue on how our organization can innovate and utilize best practices in our approach to all facets of sustainability.

NJR 2023 Voice of the Employee Engagement Survey

| Overall Employee Engagement | 89.4% |
| Employees aware of the company’s sustainability initiatives and how it aligns to our company strategy | 86.8% |

Employee voice is a key aspect of engagement. This year, NJR conducted an employee engagement survey. The feedback provided important insights on our company, culture and outlook for the future. The survey achieved an impressive 89% engagement score, which significantly exceeded the U.S. benchmark. In addition, 89% of respondents stated their intention to stay with NJR for the next 12 months and nearly 90% of respondents indicated they would recommend the company as a great place to work.

The engagement scores show our employees are proud to work at NJR and are confident about the future of our company. They support our commitment to innovation and sustainability and view our company as well positioned for success.

The survey data will be used to create action plans to support engagement and improve the employee experience at NJR.
Business Resource Groups (BRGs)

NJR’s BRGs are composed of employees linked by common backgrounds, culture and interests, and are open to all employees, regardless of the demographic focus of each group. Our BRGs provide a platform for employees to connect, collaborate and share their experiences.

In 2023, 24% of our workforce were members of a BRG. Our BRGs foster a sense of belonging and inspire conversation among their members – bringing new ways to drive innovation while contributing to our success. Just as importantly, the BRGs help foster and retain emerging talent through professional development and mentorship to help our employees reach their fullest potential.

Our BRGs include:

- Asian Pacific Enrichment Community
- Generations (Multigenerational)
- Heroes Serving Together (Veterans)
- Let’s Inspire Visions of Equality (LGBTQ+)
- Onyx (African Heritage)
- Supporting Women’s Advancement and Growth
- Todos Unidos (Latinx/ Hispanic)

Supplier Diversity

NJR’s supply chain encompasses a wide variety of vendors that provide products and services to support the construction and operation of segments focused on energy infrastructure as well as the day-to-day operation of the functions that support this work.

In fiscal 2023, NJR engaged over 1,500 suppliers, primarily in the continental U.S., with total spend of approximately $688 million. Of these, 4.3% was directed to certified diverse businesses.

As part of our commitment to integrate the principles of diversity, equity, inclusion and belonging (DEIB) across the organization, NJR seeks to achieve an increasingly diverse supplier base, emphasizing the inclusion of vendors such as minority and women-owned business enterprises (MBWE), small businesses, LGBTQ+-owned businesses and businesses owned by veterans and individuals with disabilities and, therefore, increase its diverse supplier spending.

To support this effort, NJNG is a member of several diverse chambers of commerce from which we can attract and recruit new suppliers. These include:

- N.J. State Veterans Chamber of Commerce
- Statewide Hispanic Chamber of Commerce of New Jersey
- Asian Indian Chamber of Commerce
- New Jersey Pride Chamber of Commerce

NJNG also holds a board seat on the New Jersey Board of Public Utilities Supplier Diversity Development Council, which works to establish effective working relationships amongst minority, women and service-disabled veteran owned businesses and New Jersey public utilities. NJNG reports our progress on supplier diversity each year to the BPU president.

In addition, we seek to identify diverse businesses within the communities we serve and support their diversity certification through sponsorship and assistance with the process.
Employee Safety

Across all aspects of our business, safety is an uncompromising pillar of our culture, which is reflected in NJR’s Commitment to Stakeholders and our safety initiative – Think Safe 24/7. Across all our business segments and office locations, our employees are empowered to make decisions that prioritize their health and safety, along with that of their colleagues and our customers.

An important component of this safety culture is a strong emphasis on training. While there are many employees within the company who require training to perform their jobs, both our regulated and unregulated businesses go beyond requirements to reinforce the importance of safety whether they are working along the natural gas infrastructure or reporting to a solar construction site.

Some of the classes offered over the course of the year include:

- Defensive Driving
- CPR and First Aid
- Burn Prevention
- Leak Scene Safety
- Ladder and Fall Prevention
- Electrical Safety

For our New Jersey-based operations, much of this training is done at our state-of-the-art facility appropriately called “Safety Town.” At this facility, employees learn in small classroom environments, or within a lecture hall. Technology at the facility has enabled the use of virtual reality to simulate real-life experiences during training. Additionally, the facility is home to a “neighborhood” of small homes and streets that are used to train both employees and other local first responders, including fire departments, on natural gas pipeline and appliance safety.

NJR exceeded our performance goal for the Days Away/Restricted or Transferred (DART) rate in fiscal 2023. The DART rate is a reflection of recordable injuries (as defined by the Occupational Safety and Health Administration) that resulted in days off from work.

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<th>NJR Annual DART Rate</th>
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Adelphia Gateway, a NJR subsidiary within our Storage & Transportation business, recently received the 2023 Pennsylvania Governor’s Award for Safety Excellence in recognition of its ongoing commitment to safety along with best-in-class performance. For over 20 years, Adelphia has participated in the Occupational Safety and Health Administration’s (OSHA) Voluntary Protection Programs. And since 2013, employees have accumulated over 438,000 hours without a lost time OSHA-recordable incident rate or illness. This recognition is a direct reflection of the commitment and dedication to safety by all employees at Adelphia.

At the utility level, NJNG was recognized by the American Gas Association in fiscal 2023 for our commitment to employee safety and exceptional DART rate, receiving the 2022 Industry Leader Accident Prevention Award. The award, based on data from the prior calendar year, is given to companies who achieve a DART-incident rate below the industry average for their company type. This is NJNG’s third time receiving the award in the past five years, following awards for 2019 and 2021.
Our Commitment to Safety and Emergency Response

NJR invests significant resources, both financial and human capital, to ensure the safety and integrity of NJR’s infrastructure in all the areas in which we operate. Natural gas infrastructure has a strong record of safety that is essential to our daily lives and the economic well-being of the customers and communities we serve. According to National Transportation Safety Board statistics, pipelines are the safest and most efficient means to move energy. They will also play an integral role in a cleaner energy future.

Education and awareness about natural gas and the infrastructure that transports it are critical to ensuring safe operation of the delivery system, as well as the customers and communities it serves. NJR collaborates with industry organizations, peer companies and regulators to continually improve reliability and system integrity through design, construction, inspection and training at the utility and storage and transportation businesses.

At NJNG, the Partners in Safety program works directly with municipalities to provide the training and resources needed to fulfill our commitment to live and work safely with natural gas. And, as a member of New Jersey One Call, NJNG participates in widespread public awareness campaigns to promote safe digging practices among homeowners and excavators.

Emergency response times are a crucial measure of NJNG’s ability to deliver on our commitment to safety. Our performance in this area ranks us in the first quartile of our industry according to 2021 benchmarking data from the American Gas Association.

Both Adelphia Pipeline and Leaf River Energy Center share the same commitment to pipeline safety and awareness and are active in the communities in which they operate, sharing related messages with local residents and municipal officials.

Service Reliability and Resiliency

At our core, NJR is an energy infrastructure company. Operating safely and reliably is essential because customers depend on natural gas for home heating, power generation and other critical needs. Ensuring reliability of the systems and services maintained by NJNG, CEV and our S&T businesses requires detailed planning and consistent work to meet the needs of our customers, particularly during periods of weather volatility and peak demand.

Ensuring reliability requires having access to an adequate supply of natural gas and solar energy to serve customers and a properly maintained infrastructure to deliver and store that energy – both of which require investment in our systems and our employees.

Through oversight from the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration, we provide integrity management plans for our energy infrastructure operated by NJNG, Adelphia Gateway and Leaf River Energy Center, detailing how NJR must identify, prioritize, assess, evaluate, repair and validate the integrity of our infrastructure. These plans are regularly reviewed for updates to ensure compliance with applicable regulatory requirements.

The characteristics of natural gas infrastructure, including its underground location, help support minimal service disruptions. Research from the Gas Technology Institute shows customers are, on average, nearly 70 times less likely to experience a natural gas outage event compared to electricity outages, and are without service for just three minutes a year on average (including planned outages for equipment maintenance or replacement). NJNG has had no weather-related outages on its system for over 10 years.

NJR’s team of highly skilled employees maintains adequate supply and operational flexibility to ensure reliability under all market conditions. Weather conditions, system requirements, market prices, storage supplies, pipeline constraints, market opportunities and other supply demand issues are analyzed daily to ensure adequate supply of natural gas.
Energy Affordability and Assistance

Energy affordability is one of the most important issues for our customers. While, NJR is tightly focused on the long-term affordability and equity of the energy transition, we’re also committed to supporting our customers in the near term through energy-efficiency programs, energy assistance, bill-management options, and a proactive approach to managing natural gas supply costs.

Today, natural gas is the preferred choice for home heating in New Jersey and continues to compare favorably to other fuel sources when it comes to price and affordability. The cost of NJNG’s natural gas supply is passed through to our customers, without any impact on the company’s profits. However, to mitigate against potential impacts of sometimes volatile energy markets, NJNG works to effectively manage its natural gas supply costs.

To help lessen the risk of price changes, NJNG has a robust hedging program. It is NJNG’s policy and practice that at least 75% of our estimated winter send-out must be hedged prior to the winter heating season. Our hedging program provides price stability and continues to benefit our customers.

Additionally, incentive programs established in collaboration with the New Jersey Board of Public Utilities and the Division of Rate Counsel help mitigate the impacts of both commodity prices and the volatility in the natural gas market for customers. In 2023, NJNG leveraged our Basic Gas Supply Service incentives to create $97 million in savings for customers, which exceeded the prior year’s results.

NJNG’s proactive efforts to manage costs to customers, coupled with a reduction in wholesale natural gas prices throughout the year, enabled NJNG to implement both a bill credit and two rate reductions to customers in fiscal 2023.

NJNG’s service territory includes Monmouth, Ocean, Morris, Middlesex, Burlington and Sussex counties. The majority of NJNG’s customers reside in Monmouth and Ocean counties, which are situated along the Jersey Shore. Our northern territory serves portions of Morris County. We also added our first customers in Sussex County this year. NJNG’s customer base is composed of 93% residential customers and the associated commercial establishments that serve their daily needs.

The median household income in the counties we serve ranges from approximately $81,100 to $131,800 compared to a statewide average of $96,350. In its biennial report, the United Way highlights the percentage of families at the county level who live above the Federal Poverty Level, but struggle to afford basic expenses, including utility bills. In the counties that NJNG serves, the percentage of households classified as ALICE – Asset Limited, Income Constrained, Employed – ranges from 26 to 46 percent.

NJNG offers payment assistance programs to help customers struggling to pay their natural gas bills. Over the past year:

- **23**
  NJNG hosted 23 energy assistance outreach events (“EA Days”) throughout our service territory.

- **>1,000**
  EA Days successfully connected more than 1,000 customers with assistance to help reduce their energy burden.

- **>$17 Million**
  In energy assistance aid distributed to customers through this outreach effort.

Under our Conserve to Preserve initiative and SAVEGREEN energy-efficiency offerings, NJNG actively promotes conservation and energy-efficiency practices to help all our customers reduce their energy costs. Since the inception of the Conservation Incentive Program (CIP) in 2006, customers have saved over $470 million through reduced energy usage and conservation. The CIP eliminates the link between company margin and customer usage, which enables NJNG to offer a variety of solutions including no- and low-cost actions that may reduce energy consumption and customer bills.
Customer Service and Satisfaction

Across all our businesses, we continue to deliver exceptional quality of service to our customers, consistent with our Commitment to Stakeholders.

In an effort to meet customers’ evolving needs for convenience and access to timely information from service providers, NJNG launched a new customer service experience platform and customer service portal – My Account – and a companion mobile app. These new technology platforms enable more convenient, personalized self-service options for our customers, and better enable NJNG to provide timely, relevant account and company information across the channels our customers prefer.

Maintaining open lines of communication with our customers remains a priority for NJR. In addition to the new mobile app and an upgraded digital newsletter product, we utilized a variety of channels – website, newsletters, emails, social media and news media – to share relevant updates so customers may easily interact with us and get the information they need. Strong representation by bilingual members of our team positions us to support the diverse customers served throughout our territory.

Our field service and call center employees maintained high levels of service while learning and adapting to a new customer service technology platform.

• In fiscal 2023, NJNG logged the fewest BPU complaints per 1,000 customers, among major utilities in New Jersey.

• NJR Home Services maintained a near 5-star online customer rating for HVAC services while completing nearly 76,000 service requests and more than 3,700 HVAC, plumbing and generator installations in fiscal 2023.
Social Responsibility

NJR and its subsidiaries have consistently been recognized for our excellence in customer satisfaction and commitment to sustainability.

NJR

For the 5th consecutive year, NJR was named one of America’s Most Responsible Companies by Newsweek – one of only 156 public companies to be recognized every year since 2020

NJNG

Highest in Customer Satisfaction with Residential Natural Gas Service in the East among Large Utilities*

NJNG Recognitions by Cogent Syndicated 2023 Utility Trusted Brand and Customer Engagement Residential Study:

- For the 9th time in 10 years, NJNG was named a “Most Trusted Utility”
- For the 7th time in 10 years, NJNG was named an “Environmental Champion”
- For the 10th consecutive year, NJNG was named a “Customer Champion”
- For the 5th consecutive year, NJNG was recognized with the “Easiest to do Business With” utility award

NJR Home Services

For the 5th consecutive year, NJR Home Services was named a Ruud Top 20 Pro Partner

NJR Home Services

NJR Home Services was named a Ruud Top 20 Pro Partner

*For J.D. Power 2023 award information, visit jdpower.com/awards
NJR is committed to strong corporate governance aligned with shareowner interests. We believe effective oversight comes from a Board of Directors ("Board") that possesses a range of skills and qualifications that provide the foundation for sound governance and effective oversight that aligns with our long-term strategy and values.

Our Board currently includes our president and CEO and nine independent directors with deep experience and diverse skills and backgrounds. The Board is responsible for oversight of NJR’s overall strategy, including all ESG issues.

The Board’s composition as of the 2024 Annual Meeting features:

- An independent, highly experienced chair with well-defined responsibilities that support the Board’s oversight responsibilities.
- Nine of our 10 Board members are independent according to the principles and standards established by the New York Stock Exchange (NYSE).
- A robust committee structure with active committees consisting entirely of independent directors with oversight of the company’s most significant risks.
- 30% of our Board members are female; 30% are ethnically/racially diverse.
- Average tenure of our directors is 6.9 years.

**Board Expertise/Experience**

The Nominating/Corporate Governance Committee (NCGC) of the Board establishes and regularly reviews with directors the qualifications, attributes, skills and experience it believes are desirable for directors to ensure they align with the company’s long-term strategy. The most important of these are noted below, along with the number of non-retiring directors possessing those attributes.
The Board has four standing Committees: the Audit Committee, the Leadership Development and Compensation Committee, the NCGC and the Executive Committee. With the exception of the Executive Committee, each committee is composed solely of independent directors. Each of the committee’s charters, other than the Executive Committee, can be found in the governance section of NJR’s website at investor.njresources.com/governance.

Our business and affairs are managed under the direction of the Board. Directors are kept informed of our business through discussions with the Chief Executive Officer and other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees.

The Intersection of Climate Change and Our Business

The Board recognizes that, as a company with physical assets located across the United States, a regulated, lifeline utility service relied on by 576,000 homes and businesses and the critical responsibility to reliably transport and deliver energy to customers, climate change and public policy aimed at addressing it have an impact on all our stakeholders and business strategy. The Board takes an active role in providing oversight on sustainability matters through the NCGC. The NCGC is specifically tasked with overseeing ESG initiatives, sustainability initiatives and climate change strategies, and ensuring NJR’s ESG strategy is integrated into company-wide strategic planning.

The Board meets at least five times a year to review and discuss items related to NJR’s strategy and execution, covering, at various times, topics that span business-related matters such as performance, disclosure and risks, including sustainability considerations. In fiscal 2023, the Board continued to dedicate significant time discussing the company’s strategy and disclosures on ESG-related topics, including climate change and its impacts on the organization, and to develop and implement strategies to address these impacts. The Sustainability Council is also supported by NJR’s Office of Sustainability, a dedicated staff who inform and support the Council through extensive research, benchmarking and assistance in the implementation of our sustainability strategy across the organization.

Opportunity, Challenge and Risk Management in a Low-Carbon Future

As a diversified energy infrastructure company with a large coastal footprint in New Jersey, an economy-wide transition to lower-carbon energy sources along with physical asset risks associated with climate change present both uncertainty and opportunities for our business. We have embraced the opportunity, which can be seen in our long-term business planning. Our strategy is focused on consistent and disciplined growth through development, storage and delivery of decarbonized fuels, continued investment in energy efficiency and greater deployment of solar and other distributed energy resources, all of which have been cited by various academic and research institutions as having a significant role in the transition to a low-carbon economy.
NJR has undertaken both physical- and transition-risk scenario analyses that address potential business risks and opportunities associated with operating in both a carbon-constrained world, as well as one with continued warming.

NJR’s disclosed climate-related risks include:

- Physical climate-related risks that may result from changing weather and weather patterns, including extreme weather events that, individually or in aggregate, may be associated with climate change, could adversely affect our ability to manage our operational requirements to serve our customers and, ultimately, adversely affect our results of operations and liquidity.

- Transition risks associated with climate change and the costs that may be associated with its impacts have the potential to affect our business in many ways, including increasing the cost incurred for providing natural gas, impacting the demand for and consumption of natural gas (due to change in both costs and weather patterns) and affecting the economic health of the regions where we operate.

- Actions or limitations to address concerns over long-term climate change, both globally and within our utility service areas, may affect our operations and financial performance. Legislative, regulatory and advocacy efforts at the local, state and national levels concerning climate change and other environmental issues could have significant impacts on our operations.

- Our costs of compliance with present and future environmental laws are significant and transition risks associated with climate change regulation could adversely affect our cash flows and profitability. The U.S. Congress has, for some time, been considering various forms of climate change legislation. New Jersey Governor Murphy issued two executive orders that established, or accelerated, previously established 2050 targets for clean-sourced electricity and electric heat pump adoption, with target dates of 2030 or 2035, as applicable. An additional executive order opened a proceeding to plan for the future of natural gas utilities in New Jersey. We are unable to predict the outcomes of these proceedings; but they could have material impacts on our business, results of operations and cash flows.

- Our goals, to reduce our New Jersey operational emissions by 60% from 2006 levels by 2030 and to achieve net-zero carbon emissions from our New Jersey operations by 2050, may require additional technological, legislative and regulatory developments, the impacts and costs of which may not be fully known at this time.

For further discussion of these and NJR’s other risk factors, please see NJR’s 2023 10-K.

Risk Management

Under the leadership of NJR’s corporate risk officer, NJR’s Risk Management team annually engages management, the Board and other stakeholders to identify, score and prioritize key business risks and opportunities.

The NJR leadership team is responsible for management of risks identified across the organization, including providing oversight and monitoring to ensure our risk mitigation efforts are carried out.

Our management team holds regular meetings that identify, discuss and assess financial risk from current macro-economic, industry and company perspectives. Additionally, NJR’s Sustainability Council meets at least every two months to discuss a variety of ESG-related issues, including climate change, and develops strategies and initiatives to manage the impacts to the organization.

The company operates in a complex market and regulatory environment. The Board has broad responsibility to provide oversight of significant risks primarily through direct engagement with management and through delegation of ongoing risk oversight responsibilities to the Committees. The Board’s three active standing committees are responsible for risk oversight within their respective areas of responsibility. Each committee regularly reports to the Board on these matters.

For further detail of the Board’s role in risk oversight, please see NJR’s latest proxy statement.
Ethical Business Practices

Code of Conduct

NJR’s Code of Conduct represents our company’s commitment to conduct our business in a professional manner that meets all ethical and legal business obligations. It serves as a guide and resource for all employees at the company to meet that standard in all they do. Annually, all employees, regardless of title, complete mandatory training that reviews the standards and practices of this document and how to apply it to their day-to-day work relationships and interactions. All contractors and vendors the company works with are required to abide by the Code of Conduct, as well.

NJR’s Code of Conduct is made publicly available here.

Political Contributions Policy

As the parent company of a regulated, lifeline service utility serving 576,000 customers – five of every six of whom depend on us for their home heat – we have a responsibility to engage with regulators on matters affecting our business and the customers we serve.

NJR is committed to being a responsible corporate citizen wherever we do business and to comply with all applicable laws, rules and regulations regarding the use of the company’s funds, assets and resources in connection with political activity.

Accordingly, NJR maintains a policy to educate, inform and, wherever appropriate, ensure compliance from all employees concerning permitted political activity. We encourage our employees to take an active interest in fostering the principles of good government and participate in permitted political activity in the communities in which we live and work, provided that such activity only occurs in an employee’s individual capacity and not on the company’s behalf or time, or with the use of any of the company’s funds, assets or other company resources.

Within our guidelines governing political activities in the workplace is NJR’s policy to make no political contributions or use any of the company’s funds, assets or other company resources to benefit any political candidates, parties or committees.

These guidelines and requirements are communicated in a company policy, shared with all employees and meant to ensure our conduct – and that of our employees – is in line with all applicable laws and regulations.

Cybersecurity and Information Security

NJR recognizes the essential importance of cybersecurity to the health of our business and the families and businesses we serve. As an owner and operator of critical infrastructure, the energy that NJR delivers is essential to our customers’ lives and livelihoods. Information technology is central to our natural gas distribution and storage operations, our solar facilities, the protection of our customer data and critical day-to-day business processes.

Protection of critical information, our physical assets and our operational integrity is a top priority. More and more, aspects of our business increasingly rely on digitalization, systems integration and technology.

Enterprise-wide, proactive cybersecurity risk mitigation is a business imperative for NJR; and our personnel structures, policies and procedures reflect this reality for our company. NJR’s cybersecurity efforts and program align with the National Institute of Standards and Technology’s Cybersecurity Framework and meet or exceed the requirements set forth by the BPU for regulated utilities. We also utilize the Cybersecurity Capability Maturity Model (or C2M2) from the U.S. Department of Energy to evaluate and continuously improve our cybersecurity processes and programs for our critical infrastructure.

NJR’s managing director of Cybersecurity maintains a company-wide cybersecurity program, including the establishment of NJR’s standing Cyber Resiliency Committee (CRC), which provides governance, strategic planning and sponsorship for the organization’s umbrella efforts. This structure provides for technical detection, prevention and response, incident management and decision-making, threat intelligence, policy planning and ongoing risk assessments.
Our employees are on the frontline of these threats. NJR prioritizes ongoing cybersecurity training to improve employee cybersecurity fluency and awareness and prevention of emerging threats. Our employees are active participants in protecting NJR. Annual cybersecurity training is mandatory at all levels from senior officer leadership to new hires; and regular knowledge-based communications are provided on relevant information security practices and threats.

Prioritization of these issues extends to NJR’s Board, who are actively engaged in oversight on major cybersecurity risk exposures and the steps management has taken to monitor and control such exposures, including our risk assessment and risk management policies. The Board, via standing updates to the Audit Committee, receives regular reports on technology upgrades and enhancements that impact the assessment of risk.

Transparency and Reporting

NJR is committed to a high level of transparency in our disclosure of risks and opportunities presented by climate change and other matters of concern. We continue to enhance our reporting platforms and data collection protocols throughout our business to ensure our sustainability reporting provides timely, relevant and reliable information for use by our stakeholders.

In keeping with this commitment, NJR maintains high-quality reporting in its sustainability-related disclosures, some of which include:

- Global Reporting Index
- Sustainability Accounting Standards Board
- Task Force on Climate-related Financial Disclosure
- American Gas Association

NJR’s Human Rights Policy

We believe human rights are the fundamental rights, freedoms and standards of treatment to which all people are entitled. NJR abides by all laws and regulations and upholds and respects human rights in support of the principles contained in the United Nations Universal Declaration of Human Rights and the UN Global Compact.

NJR values and promotes a diverse, equitable and inclusive work environment, which we believe to be foundational to upholding human rights. This belief is deeply rooted in the core values of our Commitment to Stakeholders. Our Code of Conduct, workplace policies and procedures and our longstanding commitment to diversity, equity, inclusion and belonging also support the purpose and goals of our human rights policy.

To read the full policy, please visit njrsustainability.com.
Forward-Looking Statements

Certain statements within this report are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. New Jersey Resources Corporation (NJR) cautions readers that the assumptions forming the basis for forward-looking statements include many factors that are beyond NJR’s ability to control or estimate precisely, such as estimates of future market conditions and the behavior of other market participants. Words such as “anticipates,” “estimates,” “expects,” “projects,” “may,” “will,” “intends,” “plans,” “believes,” “should” and similar expressions may identify forward-looking statements and such forward-looking statements are made based upon management’s current expectations, assumptions and beliefs as of this date concerning future developments and their potential effect upon NJR. There can be no assurance that future developments will be in accordance with management’s expectations, assumptions and beliefs or that the effect of future developments on NJR will be those anticipated by management.

Forward-looking statements in this report include, but are not limited to, certain statements regarding NJR’s environmental, sustainability, social, governance, decarbonization, technological, cybersecurity and information security, water and waste management and cleaner energy goals, future charitable spending and endowments, our partnerships and collaborations, sustainability guiding principles and assessments, emission reduction strategies and goals as well as our approach, our use of renewable fuels, distributed carbon capture technology and high-efficiency natural gas heat pumps, employee retention goals, initiatives and targets, allocation of future capital expenditures towards sustainability investments, CEV’s pipeline of projects under construction, under exclusivity or under contract, NJNG’s three year energy efficient program, the strategic review of NJR’s vehicle fleet and upgrades to NJR buildings, NJR’s infrastructure and energy efficiency programs and investments, NJR’s investments and success in renewables and emerging technologies such as solar, renewable natural gas, natural gas heat pumps, clean hydrogen, and green hydrogen gas, hybrid technologies and carbon capture, the success of the Coastal Climate Initiative, demand for residential and commercial solar energy and Adelphia Gateway Pipelines and Leaf River Energy Center’s sustainability goals.

Additional information and factors that could cause actual results to differ materially from NJR’s expectations are contained in NJR’s filings with the U.S. Securities and Exchange Commission (“SEC”), including NJR’s Annual Reports on Form 10-K and subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings, which are available at the SEC’s web site, http://www.sec.gov. Information included in this report is representative as of today only and while NJR periodically reassesses material trends and uncertainties affecting NJR’s results of operations and financial condition in connection with its preparation of management’s discussion and analysis of results of operations and financial condition contained in its Quarterly and Annual Reports filed with the SEC, NJR does not, by including this statement, assume any obligation to review or revise any particular forward-looking statement referenced herein in light of future events.
**GLOBAL REPORTING INDEX**

GRI is an international independent organization that establishes standards designed for organizations to report about ESG impacts from their operations.

*GRI: General Disclosures 2021

**General Disclosures**

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<td>Organizational details</td>
<td>NJR’s 2023 Form 10-K, Cover Page</td>
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</table>
| 2-2          | Entities included in the organization’s sustainability reporting           | 2023 Corporate Sustainability Report: Our Companies  
To the best extent possible, all metrics are noted with the entities including in the information provided or an explanation is provided. |
| 2-3          | Reporting period, frequency and contact point                               | Information reported in NJR’s Corporate Sustainability Report is based on fiscal year performance from October 1 through September 30, unless otherwise noted. This is consistent with NJR’s financial reporting.  
This report was published on January 24, 2024. Questions can be directed to Adam Prior, Director of Investor Relations, at a.prior@njresources.com. |
| 2-4          | Restatements of information                                                | None                                                                                                                                                                                                  |
| 2-5          | External assurance                                                          | Please see Page 47, for more information on NJR’s commitment to transparency in reporting.                                                                                                           |
| 2-6          | Activities, value chain and other business relationships                   | NJR’s 2023 Form 10-K, Page 4.  
Corporate Sustainability Report: Supplier Diversity                                                                                                                                            |
### 2.7 Employees

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Employees</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Temporary Employees</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>Full-time Employees</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Part-time Employees</td>
<td>78%</td>
<td>22%</td>
</tr>
</tbody>
</table>

The information provided in this disclosure is from the end of the reporting period.

### 2.8 Workers who are not employees

NJR may hire consultants to support special projects in the company. These projects vary in nature and duration and are managed in a decentralized manor by the company’s business units; therefore, there is not a single repository to draw this information from.

### 2.9 Governance structure and composition

Please see NJR’s Governance Documents on our Investor Relations web site. Corporate Governance Guidelines detail the Board’s structure and committee charters, including the NCGC, which is responsible for oversight of NJR’s sustainability efforts. Additional details on the Board and its membership can be found in NJR’s 2023 Proxy Statement.

### 2.10 Nomination and selection of the highest governance body

NJR’s 2023 Proxy Statement, Page 18

### 2.11 Chair of the highest governance body

NJR’s 2023 Proxy Statement, Page 20

### 2.12 Role of the highest governance body in overseeing the management of impacts

NJR’s 2023 Proxy Statement, Page 24
<table>
<thead>
<tr>
<th>GRI STANDARD</th>
<th>DESCRIPTION</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-13</td>
<td>Delegation of responsibility for managing impacts</td>
<td>NJR's 2023 Proxy Statement, Page 22</td>
</tr>
<tr>
<td>2-14</td>
<td>Role of the highest governance body in sustainability reporting</td>
<td>NJR's 2023 Proxy Statement, Page 24</td>
</tr>
<tr>
<td>2-15</td>
<td>Conflicts of interest</td>
<td>NJR's 2023 Proxy Statement, Page 19 and 27</td>
</tr>
<tr>
<td>2-16</td>
<td>Communication of critical concerns</td>
<td>NJR's 2023 Proxy Statement, Page 27</td>
</tr>
<tr>
<td>2-17</td>
<td>Collective knowledge of the highest governance body</td>
<td>2023 Corporate Sustainability Report: The Intersection of Climate Change and Our Business</td>
</tr>
<tr>
<td>2-18</td>
<td>Evaluation of the performance of the highest governance body</td>
<td>NJR's 2023 Proxy Statement, Page 17</td>
</tr>
<tr>
<td>2-19</td>
<td>Remuneration policies</td>
<td>NJR's 2023 Proxy Statement, Page 28 and 40</td>
</tr>
<tr>
<td>2-20</td>
<td>Process to determine remuneration</td>
<td>NJR's 2023 Proxy Statement, Page 40</td>
</tr>
<tr>
<td>2-21</td>
<td>Annual total compensation ratio</td>
<td>NJR's 2023 Proxy Statement, Page 79</td>
</tr>
<tr>
<td>2-22</td>
<td>Statement on sustainable development strategy</td>
<td>2023 Corporate Sustainability Report: Letter from the CEO</td>
</tr>
<tr>
<td>2-23</td>
<td>Precautionary Principle or approach</td>
<td>Although NJR has not adopted the precautionary principle (as described in the U.N. Rio Declaration of 1992), our implementation of sustainability practices demonstrates a commitment to proactively identify, and prevent or mitigate negative impacts. Corporate Sustainability Report: Commitment to Stakeholders</td>
</tr>
<tr>
<td>2-24</td>
<td>Embedding policy commitments</td>
<td>NJR Human Rights Policy</td>
</tr>
<tr>
<td>GRI STANDARD</td>
<td>DESCRIPTION</td>
<td>SOURCE</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>2-25</td>
<td>Processes to remediate negative impacts</td>
<td>Code of Conduct, Page 2</td>
</tr>
<tr>
<td>2-26</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td>Code of Conduct</td>
</tr>
<tr>
<td>2-27</td>
<td>Compliance with laws and regulations</td>
<td>There were no significant instances of non-compliance with laws and regulations that resulted in fines considered material for the reporting period.</td>
</tr>
<tr>
<td>2-28</td>
<td>Membership associations</td>
<td>American Gas Association</td>
</tr>
<tr>
<td>2-29</td>
<td>Approach to stakeholder engagement</td>
<td>2023 Corporate Sustainability Report: Stakeholder Engagement</td>
</tr>
<tr>
<td>2-30</td>
<td>Collective bargaining agreements</td>
<td>NJR's 2023 Form 10-K</td>
</tr>
</tbody>
</table>
NJR has disclosed information recommended by the Task Force for Climate-Related Financial Disclosures. The relevant disclosure topics can be found within the 2023 Corporate Sustainability Report on the pages noted below.

<table>
<thead>
<tr>
<th>Topic Area</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Describe the board’s oversight of risks and opportunities.</td>
<td>Page 43</td>
</tr>
<tr>
<td></td>
<td>Describe management’s role in assessing and managing risks and opportunities.</td>
<td>Page 44</td>
</tr>
<tr>
<td>Strategy</td>
<td>Describe risks and opportunities the company has identified over the short, medium, and long-term.</td>
<td>Page 44</td>
</tr>
<tr>
<td></td>
<td>Describe the impact of risks and opportunities on the businesses, strategy, and financial planning.</td>
<td>Page 43</td>
</tr>
<tr>
<td></td>
<td>Describe the resilience of the strategy, taking into consideration different climate related scenarios, including 2C or lower.</td>
<td>Page 44</td>
</tr>
<tr>
<td>Risk Management</td>
<td>Describe the processes for identifying and assessing risks.</td>
<td>Page 44</td>
</tr>
<tr>
<td></td>
<td>Describe the processes for managing risks.</td>
<td>Page 44</td>
</tr>
<tr>
<td></td>
<td>Describe how processes for identifying, assessing, and managing risks are integrated into the overall risk management.</td>
<td>Page 43</td>
</tr>
<tr>
<td>Metrics and Targets</td>
<td>Disclose the metrics used to assess risks and opportunities in line with its strategy and risk management processes.</td>
<td>Page 13</td>
</tr>
<tr>
<td></td>
<td>Disclose Scope 1, 2, (and potentially 3) GHG emissions and related risks.</td>
<td>Page 14</td>
</tr>
<tr>
<td></td>
<td>Describe targets used to manage risks and opportunities and performance against targets.</td>
<td>Page 13</td>
</tr>
</tbody>
</table>
### Baseline Past Year Last Year Current Year Definitions

<table>
<thead>
<tr>
<th>Ref. No.</th>
<th>Natural Gas Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>All methane leak sources per 98.232 (i) (1-6) are included for Distribution. Combustion sources are excluded. CO2 is excluded.</td>
</tr>
<tr>
<td>1</td>
<td>METHANE EMISSIONS AND MITIGATION FROM DISTRIBUTION MAINS</td>
</tr>
<tr>
<td>1.1</td>
<td>Number of Gas Distribution Customers</td>
</tr>
<tr>
<td>1.2</td>
<td>Distribution Mains in Service</td>
</tr>
<tr>
<td>1.2.1</td>
<td>Plastic (miles)</td>
</tr>
<tr>
<td>1.2.2</td>
<td>Cathodically Protected Steel - Bare &amp; Coated (miles)</td>
</tr>
<tr>
<td>1.2.3</td>
<td>Unprotected Steel - Bare &amp; Coated (miles)</td>
</tr>
<tr>
<td>1.2.4</td>
<td>Cast Iron / Wrought Iron - without upgrades (miles)</td>
</tr>
</tbody>
</table>

The information presented below is reported on a calendar year basis in line with NJNG’s annual required reporting under the Environmental Protection Agency’s 40 CFR Part 98, Subpart W.
<table>
<thead>
<tr>
<th>Ref. No.</th>
<th>Natural Gas Distribution</th>
<th>Baseline</th>
<th>Past Year</th>
<th>Last Year</th>
<th>Current Year</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plan/Commitment to Replace / Upgrade Remaining Miles of Distribution Mains (# years to complete)</td>
<td>2011</td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
<td>These metrics should provide the number of years remaining to take out of service, replace or upgrade cathodically unprotected steel mains, and cast iron/wrought iron mains, consistent with applicable state utility commission authorizations.</td>
</tr>
<tr>
<td>1.3.1</td>
<td>Unprotected Steel (Bare &amp; Coated) (# years to complete)</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>Optional: # yrs by pipe type.</td>
</tr>
<tr>
<td>1.3.2</td>
<td>Cast Iron / Wrought Iron (# years to complete)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Optional: # yrs by pipe type</td>
</tr>
<tr>
<td>2</td>
<td>Distribution CO2e Fugitive Emissions</td>
<td>95,473</td>
<td>38,432</td>
<td>33,525</td>
<td>33,857</td>
<td>Fugitive methane emissions (not CO2 combustion emissions) stated as CO2e, as reported to EPA under 40 CFR 98, Subpart W, sections 98.236(q)(3)(ix)(D), 98.236(r)(1)(v), and 98.236(r)(2)(v)(B) - i.e., this is Subpart W methane emissions as input in row 2.2 below and converted to CO2e here. This metric should include fugitive methane emissions above the reporting threshold for all natural gas local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA’s 40 C.F.R. 98, Subpart W reporting rule. Calculated value based on mt CH4 input in the 2.2 (below).</td>
</tr>
<tr>
<td>Natural Gas Distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons)</td>
<td>2011</td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,819</td>
<td>1,537</td>
<td>1,341</td>
<td>1,354</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definitions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INPUT VALUE (total mt CH4) as explained in definition above. Subpart W input is CH4 (mt).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.1 CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)</td>
<td>199</td>
<td>80</td>
<td>70</td>
<td>71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year)</td>
<td>63,724,725</td>
<td>84,977,860</td>
<td>85,302,967</td>
<td>94,000,488</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This metric provides gas throughput from distribution (quantity of natural gas delivered to end users) reported under Subpart W, 40 C.F.R. 98.236(aa)(9)(iv), as reported on the Subpart W e-GRRT integrated reporting form in the “Facility Overview” worksheet Excel form, Quantity of natural gas delivered to end users (column 4).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3.1 Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet</td>
<td>60,538</td>
<td>80,729</td>
<td>81,038</td>
<td>89,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 Fugitive Methane Emissions Rate (Percent MMscf of Methane Emissions per MMscf of Methane Throughput)</td>
<td>0.33%</td>
<td>0.10%</td>
<td>0.09%</td>
<td>0.08%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculated annual metric: (MMSCF methane emissions/MMSCF methane throughput)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SASB provides globally applicable industry-specific standards that enables businesses to report on financially material sustainability topics and their associated metrics. NJR has included relevant disclosures in the three industries it operates: Gas Utilities and Distributors, Solar Technology and Project Developers and Oil, Gas and Midstream.

### Gas Utilities and Distributors

<table>
<thead>
<tr>
<th>Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IF-GU-240a.1</td>
<td>Average retail gas rate for residential customers</td>
<td>US Dollars</td>
<td>$11.17</td>
<td>$13.99</td>
<td>$15.79</td>
</tr>
<tr>
<td></td>
<td>IF-GU-240a.1</td>
<td>Average retail gas rate for commercial customers</td>
<td>US Dollars</td>
<td>$12.43</td>
<td>$17.24</td>
<td>$16.57</td>
</tr>
<tr>
<td></td>
<td>IF-GU-240a.1</td>
<td>Average retail gas rate for industrial customers</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>IF-GU-240a.1</td>
<td>Average retail gas rate for transportation services only</td>
<td>US Dollars</td>
<td>$5.06</td>
<td>$6.18</td>
<td>$6.89</td>
</tr>
<tr>
<td></td>
<td>IF-GU-240a.2</td>
<td>Typical monthly gas bill for residential customers for 50 MMBtu of gas delivered per year</td>
<td>US Dollars</td>
<td>$51.33</td>
<td>$62.03</td>
<td>$67.92</td>
</tr>
<tr>
<td></td>
<td>IF-GU-240a.2</td>
<td>Typical monthly gas bill for residential customers for 100 MMBtu of gas delivered per year</td>
<td>US Dollars</td>
<td>$92.52</td>
<td>$113.21</td>
<td>$124.83</td>
</tr>
<tr>
<td></td>
<td>IF-GU-240a.3</td>
<td>Number of residential customer gas disconnections for non-payment</td>
<td>Number</td>
<td>–</td>
<td>4,794</td>
<td>7,899</td>
</tr>
<tr>
<td></td>
<td>IF-GU-240a.3</td>
<td>Percentage reconnected within 30 days</td>
<td>Percentage (%)</td>
<td>–%</td>
<td>53.5%</td>
<td>57.8%</td>
</tr>
<tr>
<td></td>
<td>IF-GU-240a.4</td>
<td>Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory</td>
<td>n/a</td>
<td>Please see this item on Page 40 of NJR’s Corporate Sustainability Report.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. All industrial customers are transportation customers; therefore, their rates are captured in the transportation segment. The NJNG tariff allows for limited exceptions to this. Please see NJR’s response to Standard IF-GU-000.B for more information.

2. NJNG measures reconnections over a 3-day period as opposed to the recommended 30-day. Disconnections for non-payment were suspended beginning March 16, 2020 due to the impacts of the COVID-19 pandemic. Disconnections resumed March 15, 2022.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-Use Efficiency</td>
<td>IF-GU-420a.2</td>
<td>Residential Customer gas savings from efficiency measures by market(^3)</td>
<td>Million British Thermal Units (MMBtu)</td>
<td>427,169</td>
<td>312,738</td>
<td>417,147</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commercial Customer gas savings from efficiency measures by market(^3)</td>
<td></td>
<td>6,296</td>
<td>2,098</td>
<td>42,584</td>
</tr>
<tr>
<td></td>
<td>IF-GU-540a.1</td>
<td>Number of reportable pipeline incidents(^4)</td>
<td>Number</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Integrity of Gas Delivery Infrastructure</td>
<td></td>
<td>Number of reportable corrective action orders (CAO)(^4)</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of reportable notices of probable violation (NOPV)(^4)</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>IF-GU-540a.2</td>
<td>Percentage of distribution pipeline that is cast and/or wrought iron</td>
<td>Percentage (%) by length</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of distribution pipeline that is unprotected steel</td>
<td></td>
<td>1.3%</td>
<td>&lt;1%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>IF-GU-540a.3</td>
<td>Percentage of gas transmission pipelines inspected(^4)</td>
<td>Percentage (%) by length</td>
<td>20%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of gas distribution pipelines inspected(^4)</td>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>IF-GU-540a.4</td>
<td>Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions</td>
<td>n/a</td>
<td>Please see this item on Page 15 and 38 of NJR's Corporate Sustainability Report.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^3\) Some of the programs are initiatives that complement New Jersey's Clean Energy Program and NJNG may not record the energy savings for regulatory reporting purposes to avoid double counting.

\(^4\) This data is reported to the Pipeline and Hazardous Materials Safety Administration on a calendar year basis, therefore, data is reflective of the months of January through December. (FY23=CY22, FY22=CY21, FY21=CY20)
<table>
<thead>
<tr>
<th>Activity Metrics</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-GU-000.A</td>
<td>Number</td>
<td>Number of residential customers served</td>
<td>Number</td>
<td>524,428</td>
<td>529,595</td>
<td>536,219</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Number of commercial customers served</td>
<td>Number</td>
<td>39,430</td>
<td>39,622</td>
<td>39,756</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Number of industrial customers served</td>
<td>Number</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>IF-GU-000.B</td>
<td>Amount</td>
<td>Amount of natural gas delivered to residential customers</td>
<td>Million British Thermal Units (MMBtu)</td>
<td>46,209,754</td>
<td>45,543,254</td>
<td>43,366,747</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>Amount of natural gas delivered to commercial customers</td>
<td>Million British Thermal Units (MMBtu)</td>
<td>8,618,272</td>
<td>8,669,379</td>
<td>8,423,645</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>Amount of natural gas delivered to industrial customers</td>
<td>Million British Thermal Units (MMBtu)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>Amount of natural gas delivered transferred to a third party</td>
<td>Million British Thermal Units (MMBtu)</td>
<td>15,170,406</td>
<td>14,485,240</td>
<td>13,576,476</td>
</tr>
<tr>
<td>IF-GU-000.C</td>
<td>Length</td>
<td>Length of gas transmission pipelines</td>
<td>Kilometers (km)</td>
<td>404</td>
<td>404</td>
<td>404</td>
</tr>
<tr>
<td></td>
<td>Length</td>
<td>Length of gas distribution pipelines</td>
<td>Kilometers (km)</td>
<td>11,969</td>
<td>11,980</td>
<td>12,138</td>
</tr>
</tbody>
</table>

5 The small industrial sales volumes are for service provided to interruptible customers during an interruption under certain circumstances. Please refer to Service Classification IS in the NJNG Tariff for further information.
### Solar Technology and Project Developers

<table>
<thead>
<tr>
<th>Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity Metrics</td>
<td>RR-ST-000.B</td>
<td>Total capacity of completed solar energy systems</td>
<td>Megawatts (MW)</td>
<td>367.8</td>
<td>386.6</td>
<td>468.8</td>
</tr>
<tr>
<td>RR-ST-000.C</td>
<td>Total project development assets(^7)</td>
<td>US Dollars ($million)</td>
<td>$993.40</td>
<td>$1,037.70</td>
<td>$1,207.50</td>
<td></td>
</tr>
</tbody>
</table>

\(^6\) NJRCEV is not a manufacturer of solar technology, therefore, we have included the metrics applicable to solar owner operators.

\(^7\) NJRCEV does not currently have any assets in development stages; this amount is reflective of total assets in service.
## Oil, Gas and Midstream – Adelphia Gateway

<table>
<thead>
<tr>
<th>Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GHG Emissions</strong></td>
<td>EM-MD-110a.1</td>
<td>Gross global Scope 1 emissions(^8)</td>
<td>Metric tons (t)</td>
<td>1,633</td>
<td>9,861</td>
<td>16,435</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage methane</td>
<td>Percentage (%)</td>
<td>31.8%</td>
<td>69.4%</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage covered under emissions-limiting regulations</td>
<td>Percentage (%)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>EM-MD-110a.2</td>
<td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Please see this item on Page 64 of NJR’s Corporate Sustainability Report.</td>
</tr>
<tr>
<td><strong>Air Quality</strong></td>
<td>EM-MD-120a.1</td>
<td>Air emissions of NOx (excluding N2O)</td>
<td>Metric tons (t)</td>
<td>&lt;10</td>
<td>&lt;10</td>
<td>&lt;10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Air emissions of SOx</td>
<td>&lt;8</td>
<td>&lt;8</td>
<td>&lt;8</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Air emissions of volatile organic compounds (VOCs)</td>
<td>&lt;8</td>
<td>&lt;8</td>
<td>8.77</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Air emissions of particulate matter (PM10)</td>
<td>&lt;3</td>
<td>&lt;3</td>
<td>&lt;3</td>
<td></td>
</tr>
<tr>
<td><strong>Ecological Impacts</strong></td>
<td>EM-MD-160a.1</td>
<td>Description of environmental management policies and practices for active operations</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Please see this item on Page 64 of NJR’s Corporate Sustainability Report.</td>
</tr>
<tr>
<td></td>
<td>EM-MD-160a.2</td>
<td>Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Please see this item on Page 64 of NJR’s Corporate Sustainability Report.</td>
</tr>
<tr>
<td></td>
<td>EM-MD-160a.3</td>
<td>Terrestrial acreage disturbed, percentage of impacted area restored</td>
<td>Acres (ac), Percentage (%)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>EM-MD-160a.4</td>
<td>Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered</td>
<td>Number, Barrels (bbls)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

\(^8\) The year over year change in Adelphia emissions is due to the commissioning and operation of new assets along Adelphia Gateway Pipeline, completed in FY22.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Behavior</td>
<td>EM-MD-520a.1</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations</td>
<td>Reporting currency</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Operational Safety, Emergency Preparedness &amp; Response</td>
<td>EM-MD-540a.1</td>
<td>Number of reportable pipeline incidents</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>EM-MD-540a.1</td>
<td>Percentage of significant reportable pipeline incidents</td>
<td>Percentage (%)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>EM-MD-540a.2</td>
<td>Percentage of natural gas pipelines inspected</td>
<td>Percentage (%)</td>
<td>0%</td>
<td>55%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>EM-MD-540a.2</td>
<td>Percentage of hazardous liquid pipelines inspected</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>EM-MD-540a.3</td>
<td>Number of accident releases from rail transportation</td>
<td>Number</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>EM-MD-540a.3</td>
<td>Number of non-accident releases (NARs) from rail transportation</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>EM-MD-540a.4</td>
<td>Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles</td>
<td>n/a</td>
<td>Please see this item on Pages 37 and 38 of NJR’s Corporate Sustainability Report.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Metrics</td>
<td>EM-MD-000.A</td>
<td>Total metric ton-kilometers of natural gas products transported, by mode of transport</td>
<td>Metric ton (t) kilometers</td>
<td>9,589</td>
<td>6,982</td>
<td>11,897</td>
</tr>
<tr>
<td></td>
<td>EM-MD-000.A</td>
<td>Total metric ton-kilometers of crude oil products transported, by mode of transport</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>EM-MD-000.A</td>
<td>Total metric ton-kilometers of refined petroleum products transported, by mode of transport</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
### GHG Emissions

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Unit of Measure</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-MD-110a.1</td>
<td>Gross global Scope 1 emissions</td>
<td>Metric tons (t)</td>
<td>28,004</td>
<td>33,938</td>
<td>32,448</td>
</tr>
<tr>
<td></td>
<td>Percentage methane</td>
<td>Percentage (%)</td>
<td>32.3%</td>
<td>29.2%</td>
<td>30.9%</td>
</tr>
<tr>
<td></td>
<td>Percentage covered under emissions-limiting regulations</td>
<td>Percentage (%)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>EM-MD-110a.2</td>
<td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
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### Air Quality

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<tr>
<th>Code</th>
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<th>FY2021</th>
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<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM-MD-120a.1</td>
<td>Air emissions of NOx (excluding N2O)</td>
<td>Metric tons (t)</td>
<td>37.6</td>
<td>56.3</td>
<td>50.6</td>
</tr>
<tr>
<td></td>
<td>Air emissions of SOx</td>
<td></td>
<td>0.1</td>
<td>0.127</td>
<td>0.109</td>
</tr>
<tr>
<td></td>
<td>Air emissions of volatile organic compounds (VOCs)</td>
<td></td>
<td>39.1</td>
<td>45.8</td>
<td>43.9</td>
</tr>
<tr>
<td></td>
<td>Air emissions of particulate matter (PM10)</td>
<td></td>
<td>1.5</td>
<td>2.1</td>
<td>1.9</td>
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</table>

### Ecological Impacts

<table>
<thead>
<tr>
<th>Code</th>
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<th>FY2022</th>
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</thead>
<tbody>
<tr>
<td>EM-MD-160a.1</td>
<td>Description of environmental management policies and practices for active operations</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat</td>
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<td>n/a</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of significant reportable pipeline incidents</td>
<td>Percentage (%)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>EM-MD-540a.2</td>
<td>Percentage of natural gas pipelines inspected</td>
<td>Percentage (%)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of hazardous liquid pipelines inspected</td>
<td>Percentage (%)</td>
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<td>n/a</td>
<td>n/a</td>
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<td>n/a</td>
<td>n/a</td>
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<tr>
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<td></td>
<td>Number of nonaccident releases (NARs) from rail transportation</td>
<td>Number</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
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<td></td>
<td>EM-MD-540a.4</td>
<td>Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles</td>
<td>n/a</td>
<td>Please see this item on Pages 37 and 38 of NJR’s Corporate Sustainability Report.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Metrics</td>
<td>EM-MD-000.A</td>
<td>Total metric ton-kilometers of natural gas products transported, by mode of transport</td>
<td>Metric ton (t) kilometers</td>
<td>10,027</td>
<td>9,725</td>
<td>7,858</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total metric ton-kilometers of crude oil products transported, by mode of transport</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total metric ton-kilometers of refined petroleum products transported, by mode of transport</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
SASB Qualitative Answers

EM-MD-110a.2 - Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets

Adelphia and Leaf River do not currently have Scope 1 emissions reduction targets. The company continues to assess the current emissions from these businesses and plans to identify reduction and mitigation strategies for the future.

Operational practices currently in place to mitigate emissions include:

- At Adelphia, replacing continuous bleed pneumatic devices with zero or near-zero bleed alternatives. When possible, 100 percent of the control gas vented from devices with intermittent bleed is captured and placed back into the gas stream.

- Leaf River operates six Caterpillar Lean Burn Engines equipped with oxidation catalysts on all units, which reduces the emissions more than 90 percent on an already efficiently tuned engine.

Our Storage and Transportation business also supports emissions reductions by providing natural gas to customers who are replacing less clean forms of energy, including coal. More information is provided on page 24 of the Fiscal 2023 Corporate Sustainability Report.

EM-MD-160a.1 - Description of environmental management policies and practices for active operations

Adelphia and Leaf River have complied with all laws, rules and regulations concerning our company and business unit’s operations regarding environmental management policies.

Adelphia and Leaf River have worked expeditiously and transparently with all stakeholders, including, but not limited to, regulatory agencies, emergency responders, public officials, landowners, schools and farmers to ensure that all regulatory requirements and concerns are addressed in a timely manner and full compliance with all environmental regulatory requirements and policies.

EM-MD-160a.2 - Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat

An environmental report prepared for the South Zone of Adelphia Gateway, which runs from the area of Marcus Hook to Western Bucks County in Pennsylvania, listed the potential impacts to endangered species. Below is a determination of endangered species potentially occurring in the project area.

<table>
<thead>
<tr>
<th>Species</th>
<th>Effect Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reptiles</strong></td>
<td></td>
</tr>
<tr>
<td>Bog turtle</td>
<td>Not likely to adversely affect. Adelphia will employ a US Fish and Wildlife Service Recognized Qualified Bog Turtle Surveyor during excavation activities to monitor for the bog turtle and implement protective measures as needed.</td>
</tr>
<tr>
<td><strong>Mammals</strong></td>
<td></td>
</tr>
<tr>
<td>Indiana bat</td>
<td>Not likely to adversely affect. The Indiana bat is not anticipated to occur within forested areas that would be crossed by the project.</td>
</tr>
<tr>
<td><strong>Birds</strong></td>
<td></td>
</tr>
<tr>
<td>Peregrine falcon</td>
<td>No significant impact.</td>
</tr>
<tr>
<td><strong>Plants</strong></td>
<td></td>
</tr>
<tr>
<td>Small whorled pogonia</td>
<td>No effect.</td>
</tr>
</tbody>
</table>