

# 2024 SUSTAINABILITY REPORT



## Forward-Looking Statements

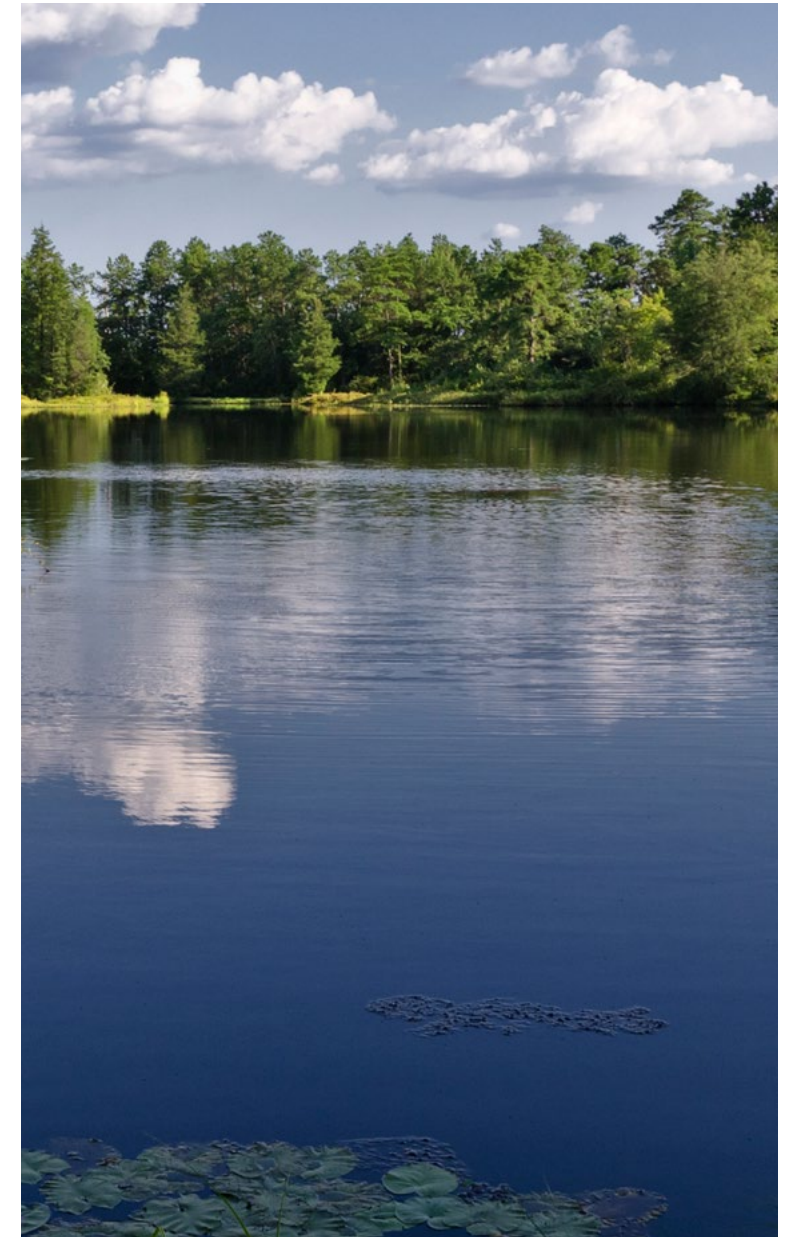
Certain statements within this report are forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. New Jersey Resources Corporation (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, artificial intelligence, and use of our NJR AI Pilot program, our innovation and cultural journey, recent upgrades to four of our major operating facilities in New Jersey, 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, NJNG's three-year energy efficiency program, the strategic review of NJR's vehicle fleet and our transportation emissions, NJR's infrastructure and energy efficiency programs and investments, including SAVEGREEN, 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 (including hybrid homes solutions) and carbon capture, RNG projects, pipeline modernization, including our use of AMLD (as defined below), cross-compression technology and other emerging cleaner-fuel technologies, the success of the Coastal Climate Initiative, CEVs utilization if beneficial-use sites, our disclosed climate risks and risk management, 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.



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## A Message from President and CEO Steve Westhoven

Energy is an essential part of our lives. Whether it's heating our homes, fueling the economy and job creation or powering innovation, energy is behind the things that matter most. As the world places an increasing emphasis on reducing greenhouse gas emissions to combat climate change, energy demand — particularly for low-carbon and renewable sources — is on the rise.

Rapid growth in energy-intensive industries, data centers, artificial intelligence and advanced manufacturing is amplifying the supply disparity and having an impact on the path to achieve climate goals and emissions-reduction targets. Over the past year especially, this evolution of energy markets has brought a heightened focus on energy reliability and affordability as we navigate toward long-term climate goals. These same factors are informing unprecedented innovation and rapid change taking place in the energy sector. Emerging technologies are meeting market realities to reshape the dialogue around decarbonization solutions.

At New Jersey Resources (NJR), we view this energy evolution as an opportunity to continue leading with solutions toward a more sustainable energy future. Our strategy and our assets position us to shape this future in line with our core beliefs:

- We believe in an energy future that is affordable, safe, reliable and resilient while achieving effective economy-wide emissions reduction.
- We believe our company has a significant role to play in achieving shared climate goals.
- And we believe that the future must have outcomes that are practical for customers — anchored in customer choice and providing real, cost-effective options that empower people to make cleaner energy choices.

**Our position is clear: we believe that leveraging existing pipeline infrastructure avoids a trade-off of reliability and affordability for emissions reductions. We can and must have all of these things.**

Through our diversified businesses, NJR is in a strong position to take on this challenge and lead. Our pipeline distribution network is modern and upgraded. We have a robust and growing portfolio of renewable assets, strategically located storage and transportation facilities, customer-facing, end-use energy-efficient installations and deep experience in wholesale energy markets. Along with our focus on decarbonization innovation, NJR is well-suited to meet our commitments to serve our customers' energy needs, advance our sustainability goals and grow our business.

## NJR Leading on Sustainability and Innovation

- We continued advancing innovative, lower-carbon energy solutions, with New Jersey Natural Gas becoming the first natural gas utility in New Jersey to install and operate distributed carbon capture technology and fuel a portion of its fleet operations with renewable diesel.
- NJR Clean Energy Ventures continued its leadership in the renewable energy market, completing its first capped landfill community solar facility in New Jersey and growing its project pipeline to approximately 1.1 gigawatts – the largest and most geographically diverse in company history.
- We achieved the highest, single-year investment in our SAVEGREEN® energy-efficiency program, deploying \$71.3 million in fiscal 2024 to help customers save energy and money and reduce their carbon emissions.
- NJR was named one of America’s Most Responsible Companies by Newsweek for 2024 – earning the recognition for the fifth consecutive year.
- We announced over \$1.1 million in commitments through our charitable foundations to New Jersey Audubon and Monmouth Conservation Foundation to enhance coastal resiliency within our service territory.
- We continued dedicating considerable time and resources to give back to our communities, with our employees, retirees and their families providing over 4,200 hours of volunteer service. NJR’s charitable foundations provided over \$2.1 million in direct funding to local nonprofits.

Across our operations, we’ve made tremendous progress reducing our emissions and building the cleaner energy economy of tomorrow.

At NJNG, where we serve nearly 583,000 customers in Monmouth, Ocean, Morris, Middlesex, Burlington and Sussex Counties, safety and environmental protection guide our actions. And we’ve backed it up. Over the past decade alone, we’ve invested \$3.1 billion to upgrade our infrastructure. Prioritizing these investments has made our natural gas distribution system the most environmentally sound in the entire state – among the best in the entire country – as measured by leaks per mile. The strong environmental profile of NJNG’s distribution system, along with other sustainability efforts at NJR, translates directly to lower emissions for our state and the communities we serve.

Moreover, in 2022, we reached our voluntary goal of cutting emissions from our New Jersey operations by over 50% from 2006 levels. Not stopping there, we have set a new, higher goal of a 60% reduction by 2030.

At NJRCEV, we are already the largest-owner operator of commercial scale solar-assets in the state and broadening our reach across six states, with over \$1.2 billion<sup>1</sup> invested over the past decade.

<sup>1</sup> As of September 30, 2024, and includes NJRCEV’s residential solar portfolio, which was sold to a third-party in November 2024.

Our commitment to sustainability – sound governance, investing in our people and communities, and emissions reductions and environmental stewardship – continues to shape our actions and strategy as a company. We’ll continue to be open and transparent with our stakeholders about NJR’s sustainability journey, as demonstrated in this report and its accompanying disclosure appendices.

On behalf of NJR’s over 1,300 employees, we are pleased to share our sustainability record and priorities with you. Thank you for taking the time to learn about our efforts in this report – our 16th year of issuing a Corporate Sustainability Report.

Sincerely,

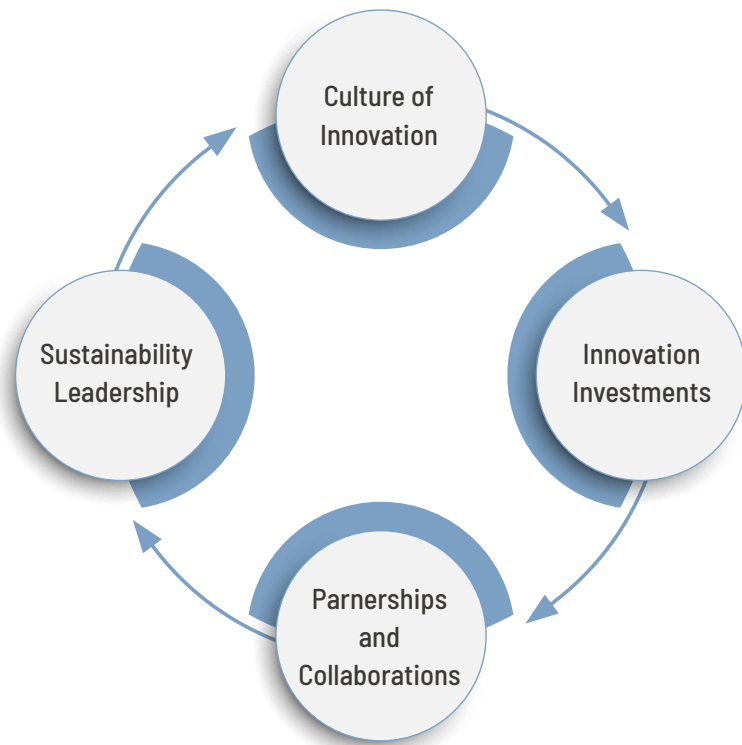


Steve Westhoven  
President and Chief Executive Officer

# Sustainability Leadership Driven Through Innovation, Investment and Partnerships

Evolving market trends and technology development are reshaping the energy landscape at every level. At NJR, sustainability and innovation go hand in hand to meet the needs of our customers in an affordable, reliable and environmentally responsible manner during this dynamic period.

Our approach to innovation is driven by prioritizing a culture of innovation within our company, investments in new technology, engaging partnerships and collaborations, and an ambition to be a sustainability leader in our community and industry.



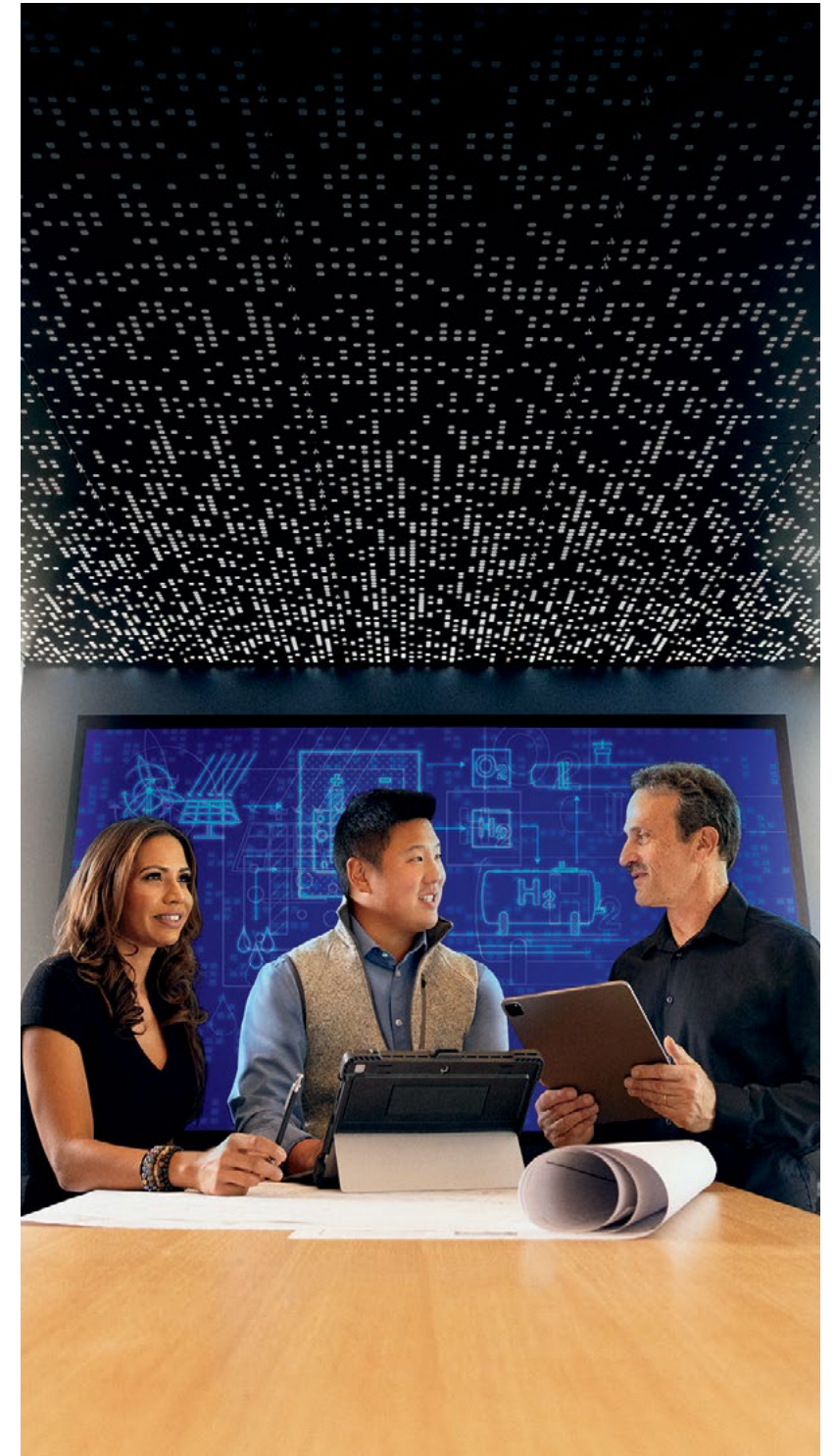
Today, these values continue to advance our company’s innovation journey as we focus on our decarbonization strategy and emissions reduction goals, including:

- Investments in our operations and operated assets to reduce operational emissions in line with our goals.
- Identifying new ways to leverage our infrastructure in an integrated energy system to support reliability and affordability.
- The cost-effective development of lower-carbon fuels like clean hydrogen and renewable natural gas, along with renewable energy generation and storage.
- Demonstrating and scaling innovative carbon-reduction technologies such as carbon capture and high-efficiency, end-use appliances.

## Culture of Innovation

We recognize that innovation is central to our ability to navigate a changing environment and continuously advancing our sustainability priorities.

At NJR, we embrace a commitment to explore, test and learn from new technologies and perspectives, and champion a culture of innovation that empowers our people to thoughtfully explore new ideas and identify opportunities for investment.



## Innovation Investments

Our innovation culture is key to identifying and evaluating opportunities for our company to invest in impactful technologies and move decarbonization forward. NJR has been a leader in advancing pipeline system and operational investments, implementing lower-carbon fuels, and expanding access to energy efficiency and clean energy, including, new end-use technology and large-scale beneficial use solar projects.



- 1<sup>st</sup> natural gas utility on the East Coast to build a clean hydrogen blending facility.
- 1<sup>st</sup> natural gas utility in New Jersey to install distributed carbon capture technology.
- 1<sup>st</sup> natural gas utility in New Jersey to eliminate cast iron and unprotected steel pipes from our system.
- 1<sup>st</sup> natural gas utility in New Jersey to reduce fleet emissions with Neste MY Renewable Diesel™
- 1<sup>st</sup> natural gas utility in New Jersey to install next generation commercial and residential natural gas heat pumps with an efficiency rating of approximately 140%.
- Advancing hybrid heat and commercial gas heat pumps for customers, backed by rebates and incentives.
- Advancing renewable natural gas (RNG) from landfill and wastewater treatment facilities.
- Integrating advanced leak detection and blowdown methane recovery into our operations.

## Advancing through Collaboration

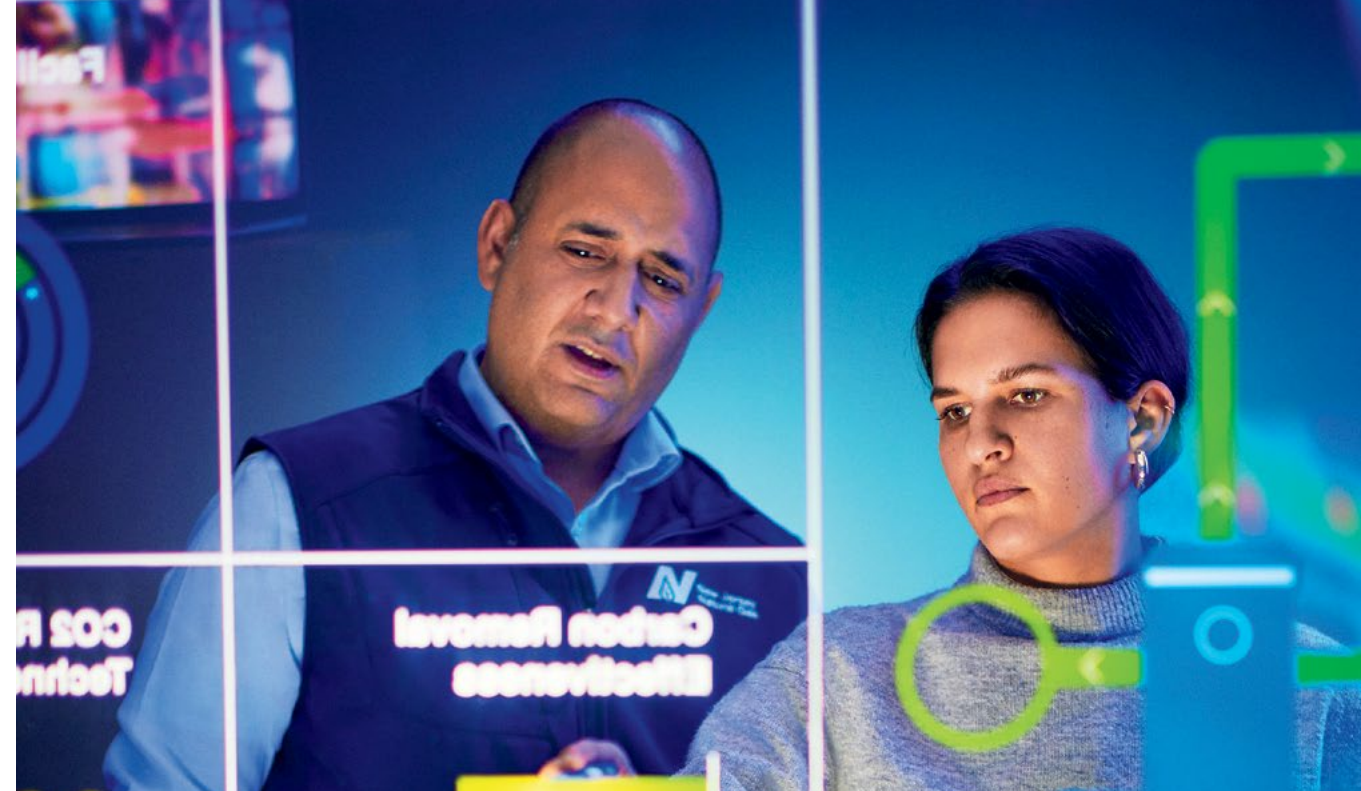
These efforts are reinforced by our work with leading, nonpartisan energy experts and institutes of higher education. While we strive to make progress on our own, we are committed to fostering relationships that can extend our impact and reach.

Through these relationships, NJR is constantly refining our decarbonization goals and initiatives, and staying on the forefront of technology innovation and trends.

### NJR/NJNG Collaborations

- The Andlinger Center for Energy and the Environment at Princeton University (research partnership)
- Stanford Natural Gas Initiative at Stanford University (member)
- U.S. Department of Energy HyBlend initiative (member)
- GTI Energy's Emerging Technology and Net Zero Infrastructure Programs (member)
- North American Gas Heat Pump Collaborative (founding member and co-chair)
- Consortium for Energy Efficiency (member and committee co-chair)
- ONE Future Coalition methane reduction initiative (member)

NJR is committed to building on our record of sustainability leadership and innovation – applying technology in new and pioneering ways to deliver better outcomes in emissions reduction, natural and renewable resource management, stewardship, and energy efficiency.



### NJR AI Pilot

In 2024, NJR launched an artificial intelligence (AI) pilot program aimed at enhancing employee efficiencies and supporting the company's culture of innovation. By integrating advanced AI technologies, participating employees were able to streamline operations, reduce manual effort, and improve task completion. Key metrics will measure user engagement and feature utilization. The pilot program also reinforced NJR's commitment to innovation by highlighting the potential AI can have on transforming business processes and driving sustainable growth.





## Corporate Profile

**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 reach our shared future.

As a premier energy infrastructure and service company with a diversified portfolio of businesses, NJR delivers affordable and reliable natural gas services — including transportation, distribution, storage and asset management — and HVAC and plumbing services; and we are a leading investor in renewable energy projects.

- **New Jersey Natural Gas**, NJR's principal subsidiary, operates and maintains natural gas transportation and distribution infrastructure to serve customers in New Jersey's Monmouth, Ocean, Morris, Middlesex, Sussex and Burlington counties.
- **Clean Energy Ventures** invests in, owns and operates solar projects, providing customers with low-carbon solutions.
- **Energy Services** manages a diversified portfolio of natural gas transportation and storage assets and provides physical natural gas services and customized energy solutions to its customers across North America.
- **Storage and Transportation** serves customers from local distributors and producers to electric generators and wholesale marketers through its ownership of Leaf River and the Adelpia Gateway Pipeline, as well as our 50% equity ownership in the Steckman Ridge natural gas storage facility.
- **Home Services** 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 throughout New Jersey.



With its over 1,300 employees, including members of IBEW Local 1820, NJR is committed to meeting our customers' energy needs, enhancing reliability, driving innovation and leading the energy evolution.

## Commitment to Stakeholders

NJR's ability to execute our strategy and deliver long-term, sustainable growth is driven by our people and culture, and 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 use to drive results.

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

## NJR's Approach to Sustainability

NJR is dedicated to innovating for a cleaner energy future. Our goal is to reduce greenhouse gas (GHG) emissions with practical, sustainable solutions, ensuring affordability and reliability. We uphold best practices in corporate governance, emphasizing independent oversight.

We strive to maintain a highly engaged workforce, valuing a diverse and inclusive workplace. NJR prioritizes safety programs and community engagement to improve environmental and educational outcomes.

### Sustainability Embedded in NJR Management and Governance

At NJR, sustainability drives progress and informs every aspect of our operations. We've integrated sustainability into our governance structure and established cross-functional initiatives to support our mission.

### NJR's Board of Directors

NJR's Board of Directors (Board), specifically supported by the Nominating/ Corporate Governance Committee (NCGC), has oversight of the company's sustainability practices and reporting with respect to environmental stewardship and corporate social responsibilities.

The Board's NCGC is specifically tasked with overseeing NJR's Environmental, Social and Governance (ESG) initiatives, sustainability initiatives and climate change strategies while ensuring our ESG strategy is integrated into company-wide strategic planning. While the NCGC has primary oversight over ESG initiatives, the interdisciplinary nature of these issues leads every standing committee of the Board to consider the company's efforts in managing these topics.

### NJR's Sustainability Council

The Sustainability Council, which is composed of members of NJR's senior leadership and reports to the CEO, ensures the company's sustainability strategy is effectively executed across all business segments. Meeting bi-monthly, the Council serves as a platform for education, dialogue, priority-setting, and strategic decision-making among NJR's senior leaders. This structure supports the development and implementation of NJR's sustainability strategy.

### Office of Sustainability

Our Office of Sustainability acts on the recommendations and priorities of the Sustainability Council and holds day-to-day responsibility for implementing the Sustainability Guiding Principles through cross-functional collaboration. Much of this effort has been supporting the integration of sustainability into processes, driving employee engagement, and tracking and reporting data and disclosures.

### Sustainability Committee

To involve employees throughout the organization in the company's sustainability strategy, the NJR Sustainability Committee was established this year. The committee provides its cross-functional team of employees the opportunity to enhance their understanding on topics such as decarbonization and environmental stewardship.

Additionally, its members serve as liaisons between the committee and their respective departments, promoting learning, collaboration, and engagement in sustainability initiatives.

## Sustainability Guiding Principles

Our Sustainability Guiding Principles drive our actions and commitment to continuous improvement, ensuring our efforts are aligned with our goals.



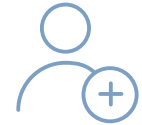
Support sound public policies that address climate impacts and ensure reliable, affordable and cleaner energy for our customers.



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 Assessment

Continuous evaluation and improvement are vital for our sustainability efforts. NJR periodically conducts assessments to gather feedback, identify ESG issues, and set relevant goals. This approach involves engaging stakeholders, benchmarking, and reviewing ESG topics to identify those with the greatest impact on the company.

Identifying these topics helps NJR prioritize and allocate resources to our sustainability strategy and business planning. Details of NJR management's approach and key metrics for monitoring our progress are included in this report.

In 2023, the NJR Sustainability Council confirmed the ESG topics identified in the 2021 full assessment are still significant and prioritized in NJR's sustainability strategy.

## 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 (CTS) and Sustainability Guiding Principles, this system clearly articulates our values and strong commitment to environmental responsibility and stewardship.

## Accountability: A Meaningful Link Between Sustainability Efforts and Compensation

NJR's executive compensation is linked to the company's sustainability goals, enhancing long-term business value and fostering a performance-based culture. The sustainability metrics are part of our CTS and impact executive pay annually, ensuring accountability. For more details, refer to [NJR's 2024 Proxy Statement](#).

## NJR Sustainability Assessment: Topics



Clean Energy Technology



Climate Change Risks and Opportunities



Cybersecurity and Information Security



Diversity, Equity and Inclusion



GHG Emissions



Investment in Infrastructure



Public Policy Engagement



Public Safety and Emergency Response



Service Affordability

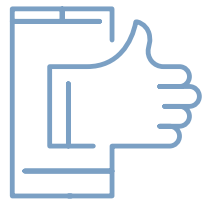


Service Reliability

## 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 a diversified energy company, our stakeholders are vast in scope. These include individuals and entities with a direct touch point to our operations and services, and those who have an interest in and/or a connection with how we conduct business.



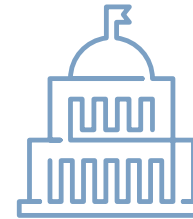
Customers



Employees



Shareholders and Financial Community



Elected and Appointed Government Officials



Nongovernment Organizations and Community Leaders



Suppliers, Vendors and Contractors

### Engagement Channels

- 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

- Employee Engagement Survey
- Lamplighters and Gaslight Club – Retiree and Long-serving Employee Engagement
- Employee Newsletter
- Training and Development
- Face-to-face Team and Leadership Meetings
- Business Resource Groups
- Recognition Awards

- Investor Relations Meetings
- Annual Meeting
- Press Releases
- Required Disclosures
- Periodic Filings with the Securities and Exchange Commission
- Industry Conferences
- Digital Channels

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

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

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

# Environmental

## Achieving a More Reliable, Affordable Low Carbon Future

NJR recognizes the imperative of climate change and supports emissions-reduction goals. Our company has a strong track record and commitment to decarbonization across our subsidiaries, including the establishment of meaningful goals to reduce emissions from all our New Jersey operations through 2050.

Our approach to decarbonization is rooted in our core belief that for the energy transition to succeed, it must be reliable, affordable and offer practical energy choices for families and businesses. Emissions reduction cannot be tackled as an isolated goal. These issues have moved to center stage with mounting challenges from increasing energy demand, supply constraints, and grid readiness concerns.

The most cost-effective path to achieve climate goals while meeting growing energy demand and ensuring reliability requires use of all of our infrastructure assets – natural gas and electric systems working together in an integrated way. Allowing emission reduction solutions of all types to develop and compete across energy systems will drive a more cost-effective transition and provide more choices for customers.

NJR has long embraced this approach to address the evolving energy landscape. We strongly believe our upgraded, modern infrastructure, trusted relationships with customers, and commitment to innovation position us well. We expect to grow our business while meaningfully reducing emissions over the long term and view these efforts as mutually reinforcing.

Across our subsidiary businesses, we have consistently delivered results in line with this vision.

**Over 1,700**  
metric tons of CO<sub>2</sub> avoided through  
the use of cross-compression technology

**0.06**  
leaks per mile of NJNG's  
distribution system

**\$71.3 M**  
FY24 SAVEGREEN investment

**4.8M**  
therms saved through  
SAVEGREEN programs  
in FY24

**Over 25,300**  
metric tons of CO<sub>2</sub> reduced through  
SAVEGREEN participating customers

**\$1.2B**  
CEV solar investment  
since inception<sup>2</sup>

**477 MW**  
CEV installed capacity<sup>3</sup>

**330,000**  
tons annual carbon  
emissions reduction from  
CEV's solar portfolio

**Over \$1.1 M**  
of Coastal Climate Initiative  
funding committed

**99%**  
of NJR's purchased  
electricity is renewable

<sup>2,3</sup> As of September 30, 2024, and includes NJRCEV's residential solar portfolio, which was sold to a third-party in November 2024.

## Reporting Progress Towards NJR's Emissions Reduction Goals

NJR has established both long-term and interim goals for emissions reduction from our New Jersey operations. We have a history of success achieving our company targets that dates back to our original emissions reduction goals established in 2007.

Our current goals include a 60% reduction in our New Jersey operational emissions by 2030 from 2006 levels and reaching net zero by 2050. These targets include Scope 1 and 2 emissions from NJNG, CEV, NJRHS and NJRES. As we work to achieve these short- and long-term goals, we are committed to transparency on our progress. We assess and report emissions sources in line with the guidelines set forth in the GHG Protocol, as shown in this report.

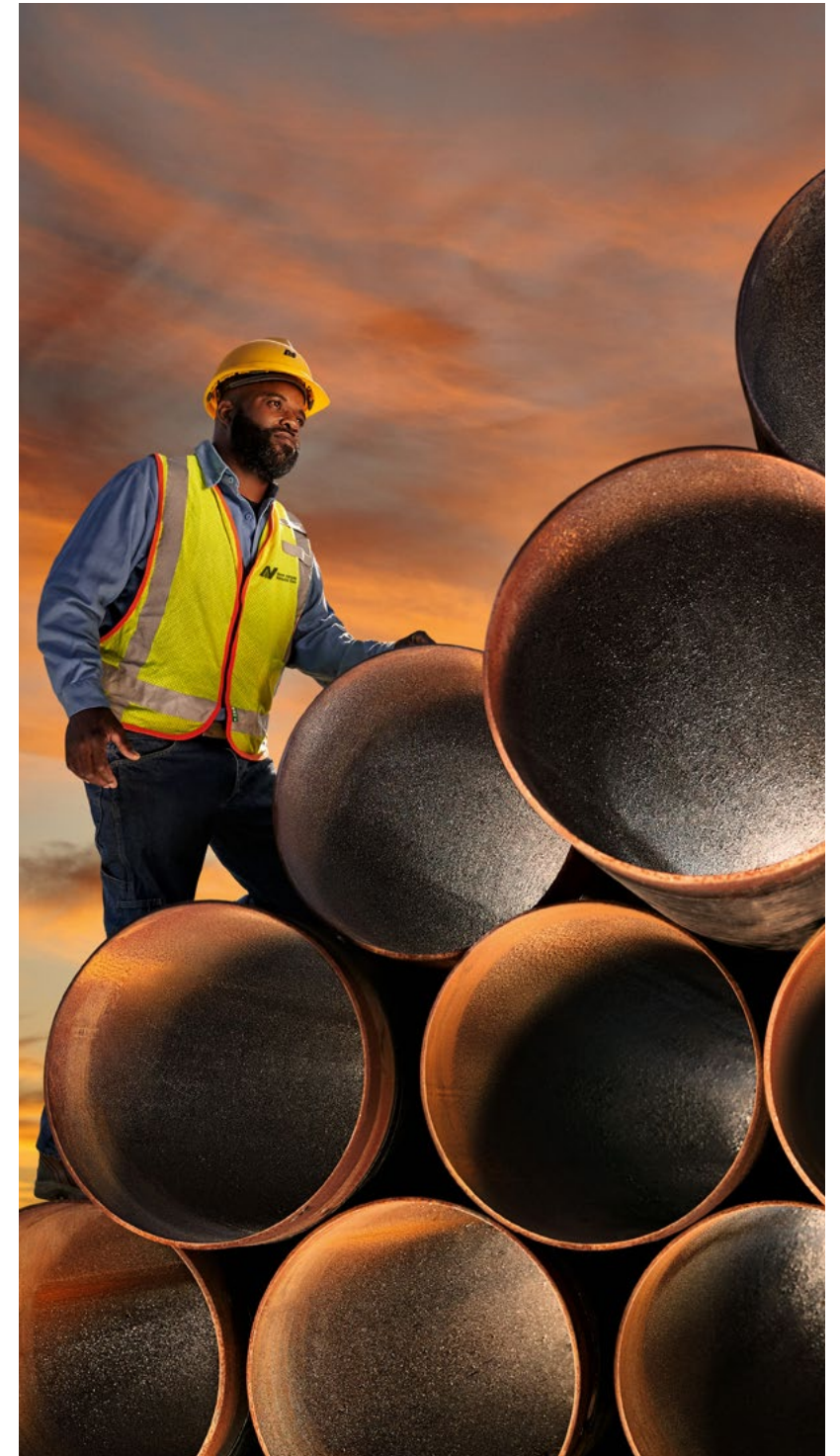
- Our Scope 1 emissions derive from our natural gas distribution system (as measured by the U.S. Environmental Protection Agency's Subpart W reporting), the stationary combustion of natural gas in our facilities, and the combustion of the various transportation fuels in our vehicle fleet, which include gasoline, diesel, compressed natural gas, and – recently integrated this year – 100% renewable diesel.
- Scope 2 emissions derive almost entirely from purchased electricity, of which NJR purchases 99% of its total usage from renewable sources.

As we actively pursue RNG projects within NJNG's service territory, we continue to purchase RNG attributes to reduce lifecycle emissions from stationary combustion of natural gas at NJNG facilities, as well as the use of compressed natural gas to fuel NJNG fleet vehicles.

Based on regulatory reporting standards, the largest source of our New Jersey operational emissions is our natural gas distribution system. NJNG has and continues to take a proactive approach to pipeline modernization, which has been the primary driver of our emissions-reduction progress.

Though these continued system-enhancement efforts have resulted in tangible reductions in fugitive leaks and overall operational emissions, our emissions reporting remains subject to EPA methodology. This methodology estimates emissions based on a formula that includes emissions factors and miles of infrastructure. As such, in fiscal 2024, our distribution emissions increased slightly, though overall Scope 1 emissions decreased based on mitigating factors.

As natural gas pipelines modernize and are upgraded to the latest, lower-leak pipeline materials and real-world measurement regimens have become more practical at scale, we believe a change in methodology that reflects actual versus estimated system emissions is due. NJNG, in concert with the entirety of the natural gas industry, is focused on advancing measurement-informed emissions inventory, which we believe will better reflect the result of our long-standing focus on system modernization.





NJNG prioritizes energy-efficiency solutions for our customers, while also leading with action in our own operations. Recent upgrades to four of our major operating facilities in New Jersey resulted in a more than 20% decrease in natural gas usage from the prior year. A comprehensive three-year plan for further efficiency upgrades at these facilities is underway and includes the direct installation of solar; the use of high-efficiency, end-use equipment such as gas heat pumps; and additional distributed carbon-capture installations. These upgrades help reduce our Scope 1 emissions from stationary combustion.

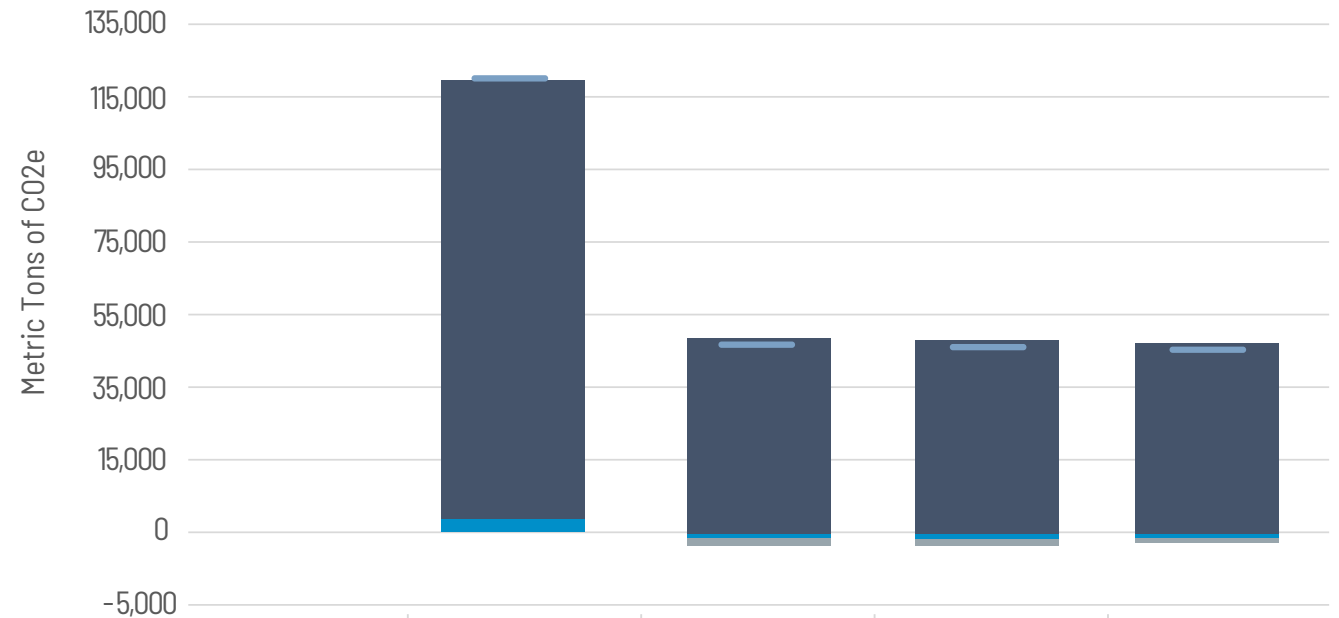
We continue to develop and implement strategies that reduce emissions from our vehicle fleet, which enable us to deliver on our commitment to safety and timely emergency response. In fiscal 2024, NJNG became the first natural gas utility on the East Coast to incorporate Neste MY Renewable Diesel to fuel a portion of its fleet operations. Neste MY Renewable Diesel is made from sustainably sourced, 100% renewable raw materials and can reduce up to 75%\*<sup>4</sup> of GHG emissions over the fuel's life cycle compared with fossil diesel fuel. Since it is a drop-in fuel that is compatible with all diesel engines, NJNG can seamlessly transition to Neste MY Renewable Diesel without the need for new infrastructure or modifications to our fleet vehicles. The expanded use of renewable diesel resulted in an increase in biogenic emissions in fiscal 2024.

We will continue to evaluate other strategies to reduce emissions from transportation including the use of both low- and zero-carbon alternatives, including electric vehicles, hydrogen vehicles, expanded use of compressed natural gas, and renewable diesel.

In fiscal 2024, NJR's GHG emissions from our New Jersey operations decreased slightly compared with the prior year, showing a 59.9% reduction in emissions from our 2006 baseline. This number includes the purchase of biogas attributes, which account for about 1.9% of our net reduction. The reductions in Scope 1 emissions were due to the use of renewable diesel in NJNG's fleet as well as reduced use of natural gas in NJR's and the reduced use of natural gas along NJNG's distribution system due to warmer-than-normal weather.

<sup>4</sup>The GHG emission reduction is determined using the methodology provided by U.S. California LCFS. The calculation may vary between international locations depending on the specific legislation used to provide the methodology (e.g. EU RED II 2018/2001/EU for Europe) and the raw material mix used to manufacture the product for each market.

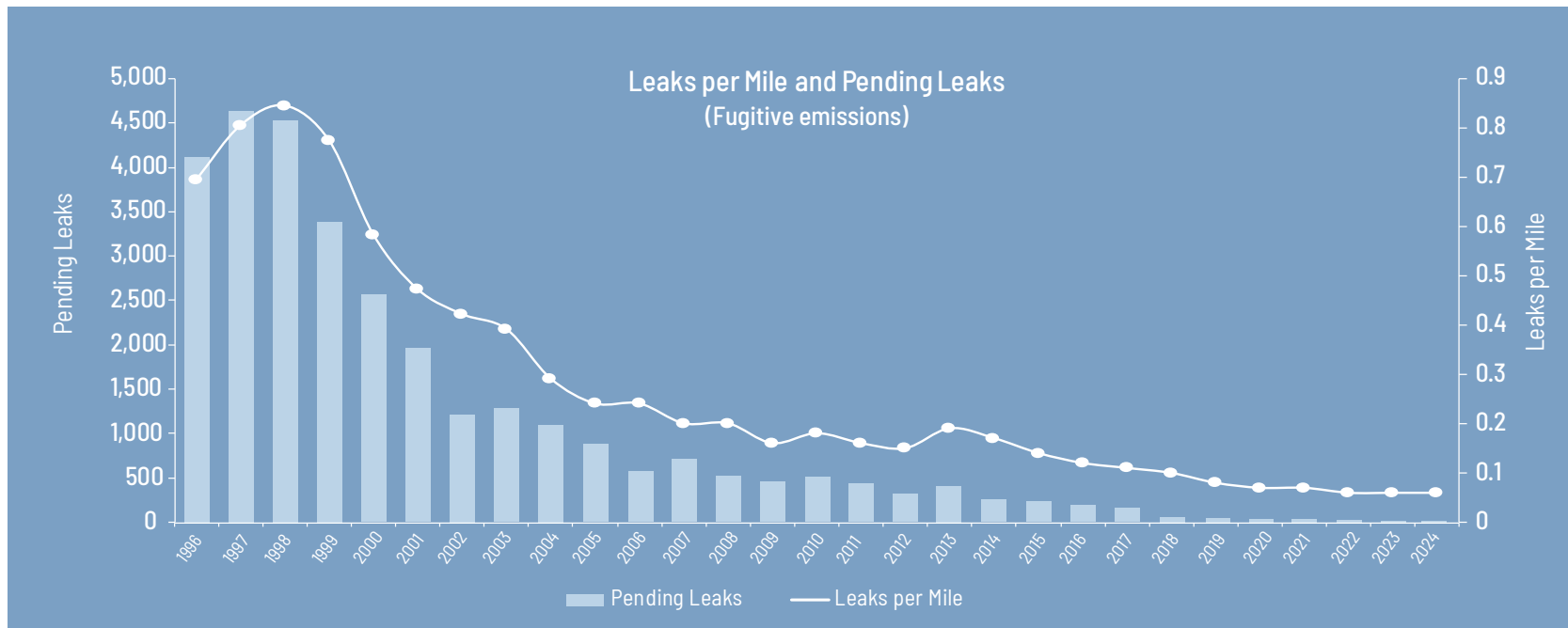
New Jersey Operational Emissions



	FY 2006	FY 2022	FY 2023*	FY 2024*
<b>Scope 1</b>	<b>116,919</b>	<b>51,576</b>	<b>50,068</b>	<b>49,466</b>
<b>Scope 2</b>	<b>3,332</b>	<b>300</b>	<b>163</b>	<b>117</b>
<b>Attributes</b>	<b>-</b>	<b>(1,993)</b>	<b>(1,793)</b>	<b>(1,381)</b>
<b>Net Total Emissions</b>	<b>120,251</b>	<b>49,883</b>	<b>48,438</b>	<b>48,202</b>
<b>Total Biogenic Emissions</b>	<b>-</b>	<b>58</b>	<b>60</b>	<b>530</b>
<b>Reduction from Baseline</b>	<b>0%</b>	<b>-58.5%</b>	<b>-59.1%</b>	<b>-59.9%</b>

■ Scope 1 ■ Scope 2 ■ RNG Attributes ■ Net Total Emissions

\*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 year's emissions up until this report has been filed. Additionally, 2023 emissions have been updated from the fiscal 2023 report to reflect this.



### Innovation in Operations Supports Emissions Reductions

The largest portion of our operational emissions in New Jersey, is Scope 1 emissions from our natural gas distribution system. For over a decade, we’ve made prudent investment in the removal of leak-prone materials including cast-iron and bare steel, which supports the reduction in leaks per mile and consistently ranks NJNG’s system as the most environmentally friendly in the state. In fiscal year 2024, NJNG reported 0.06 leaks per mile of our distribution infrastructure.

These pipeline modernization efforts have reduced leaks and the associated methane emissions, supporting the transition to an industry-leading practice of “find it and fix it” leak repairs.

Furthering our commitment to innovation in operations and best-in-class, leak-management practices, NJNG implemented a pilot this year to expand our use of advanced methane leak detection (AML). AML utilizes vehicle-mounted sensors to help detect and measure potential methane leaks. A benefit of AML is the efficiency of the surveys as opposed to traditional walking surveys. AML can cover larger areas in less time, which would enable NJNG to further exceed our existing regulatory compliance schedule for leak-survey work within our service territory.

Across all parts of the natural gas value chain, including industry collaborations like ONE Future, there is a movement toward direct measurement to quantify emissions most accurately. AML supports NJNG’s transition to the direct measurement of methane emissions from our system, as opposed to the current state of regulatory reporting that is based on national estimates of emissions from various pipe materials.

NJNG also continues to reduce emissions from blowdowns and flaring with the use of cross-compression technology. Any time pipeline replacement or repairs take place, a small part of our pipeline system must be closed off and cleared of excess gas – referred to as a “blowdown.” Typically, this means venting or flaring gas from the isolated portion of pipe.

With cross-compression technology, this gas is recaptured and returned to a working part of the pipeline system, preventing its release into the atmosphere. In fiscal 2024, the use of this emissions-mitigation technology prevented the release of over 1,700 metrics tons of CO2 into the atmosphere – the equivalent of the energy use from more than 225 homes annually.

Additionally, NJNG has gradually been converting operational controls at its metering and regulator stations from high and continuous bleed devices to low- or no-bleed alternatives. Due to this effort, since 2022, we have replaced nearly 90 of these devices, reducing emissions from metering and regulator stations by 43% – with a 50% reduction goal by 2025.

Our commitment to innovation, supported by advanced technologies like AML and cross compression, have established NJNG as an industry leader in reducing operational emissions.

## Energy Efficiency: Driving Cost-Effective Emissions Reduction for Customers

Energy-efficiency programs present customers with a valuable proposition: rebates and financing incentives to help reduce their energy consumption and lower their carbon footprint while saving money on their energy bills. These programs serve as effective tools for helping reduce building emissions toward achieving our long-term climate objectives.

New Jersey Natural Gas recognized and advanced this opportunity early on, implementing such initiatives 15 years ago.

Established in 2009, NJNG's energy-efficiency programs, branded as SAVEGREEN®, have delivered successful energy-saving initiatives for customers, and helped shape the landscape for energy-efficiency policy and other programs across the state. These include providing rebates\* and financing options\* for whole-home and high-efficiency equipment upgrades.

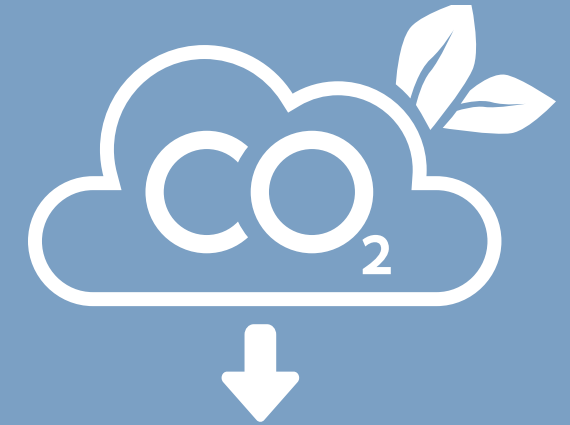
NJNG continued to lead and grow these programs in fiscal 2024, investing \$71.3 million – the company's largest annual investment in energy-efficiency programs to date. This investment spanned a variety of programs to help put energy efficiency within reach across our customer base, including small- and large-sized commercial, residential, low- to moderate-income households, and multifamily buildings.

This work translates directly into real results as our SAVEGREEN programs helped achieve annual customer savings of 4.7 million therms and eliminate over 25,000 metric tons of CO2 from the atmosphere.

During the lifetime of SAVEGREEN, over 100,000 customers have taken advantage of rebates and incentives for energy-efficiency improvements. In addition, NJNG routinely sends Home Energy Reports to over 260,000 customers, providing them with insights on their energy consumption and recommendations to reduce their natural gas usage. In total, participating customers have reduced carbon emissions by nearly 397 million pounds.

Looking ahead, NJNG continues to grow, innovate and expand access to these critical programs for our customers. In October 2024, the BPU approved the next generation of SAVEGREEN offerings and our ability to invest over \$385 million over the 30-month program period to expand the suite of energy-efficiency programs and opportunities for our residential and commercial customers.

This new program cycle is effective January 1, 2025, through June 30, 2027, and marks the largest energy-efficiency program in our company's history.



**In total, participating customers have reduced carbon emissions by nearly 397 million pounds.**



**100,000+ customers served through NJNG SAVEGREEN programs since inception.**

## Innovation Spotlight: End-Use Technology and Hybrid Homes

Technological advancements in energy efficiency are an exciting area of rapid development. Fuel- and electric-powered appliances and equipment are seeing steep increases in energy-efficiency gains. Innovative approaches and strategies to integrate the use of natural gas and electricity provide critical opportunities to manage and reduce grid peaks from rising energy demand. An energy policy that provides an open innovation platform is critical to reinforcing the innovation cycle and allowing for the most cost-effective solutions to emerge and scale.

We are helping lead the charge by providing our customers access to these innovations and latest technologies, including commercial gas heat pumps and hybrid heating systems, with our SAVEGREEN energy-efficiency programs.

**Gas heat pumps**, are appliances that use natural gas to provide space and water heating with remarkable efficiency. Unlike traditional high-efficiency furnaces that achieve up to 99% efficiency, gas heat pumps can operate at approximately 140% efficiency. This is because they capture and utilize ambient heat from the surrounding environment, leveraging absorption or engine-driven technologies to amplify the amount of heat generated relative to the energy consumed. This results in significant energy savings and reduced GHG emissions. Gas heat pumps are particularly

effective in colder climates where they can deliver consistent and reliable heating even during extreme weather conditions.

**Hybrid heat systems** involve the combination of an electric air-source heat pump and a high-efficiency natural gas furnace, both of which work together through integrated controls to optimize energy efficiency. The electric heat pump is responsible for providing heating and cooling by transferring heat between the inside and outside of a building. During milder weather conditions, the heat pump operates primarily to efficiently manage temperature control. However, when temperatures drop significantly, the high-efficiency natural gas furnace activates to provide additional heating, ensuring comfort and consistent indoor temperatures. This dual approach allows for maximized energy savings, reduced operational costs, and lower demand on the electric grid.

By integrating these advanced technologies, NJNG's energy-efficiency programs aim to provide customers with innovative solutions that promote sustainability, cost savings, and enhanced comfort. NJNG is authorized to begin providing customers with rebates and incentives adopt hybrid heating (residential and commercial) and gas heat pumps (commercial) — effective January 2025 with the start of the new SAVEGREEN energy-efficiency programs.



## Leveraging Lower-Carbon and Cleaner Fuels in an Integrated Energy Network

### The Value of a Cleaner-Fuels System

**"Net-zero systems entail net-zero infrastructure. Large scale investment in energy infrastructure is needed to achieve the unprecedented level of transformation projected across these studies. These models point to expansion of the electric grid to accommodate increasing wind and solar deployments and growing electricity demands. Infrastructure to move and store gaseous molecules at scale is required to employ hydrogen as a versatile low-carbon energy carrier and to enable carbon dioxide removal and sequestration. The existing liquid hydrocarbons and pipeline gas infrastructure will need to be leveraged where it supports the net-zero system designs envisioned in these studies."**

GTI Energy, (November 2023). Low-Carbon Resource Initiatives: Designs for Net-Zero Energy Systems: Meta-Analysis of U.S. Economy-Wide Decarbonization Studies

### NJR's View for Lower- and Zero-Carbon Fuels

To reduce emissions while ensuring reliable energy delivery, NJNG is advancing efforts to replace fossil gas with renewable sources, such as RNG, clean hydrogen, and other emerging clean-fuel technologies. These non-pipeline solutions can be introduced within or near our service area, offsetting unavoidable emissions and reducing fossil gas dependence, ultimately lowering net airshed emissions.

Deploying cleaner fuels to displace fossil gas and reduce pipeline system emissions as part of a broader integrated, energy-system decarbonization strategy can support 2050 emissions-reduction goals with lower costs and greater reliability than a single-solution approach. NJR is providing leadership in this area.

**Renewable Natural Gas:** NJNG is actively supporting the use of RNG, derived from gases produced at landfills, wastewater treatment plants or food-waste digesters, and other facilities where organic waste is decomposed. The biogas generated at these sites is unavoidable, resulting from natural decomposition that is an essential component of the societal services they provide.

Currently, GHG emissions from these facilities contribute significantly to the overall emissions profile in New Jersey and across the nation. By capturing and repurposing this energy to replace fossil fuel sources, it is possible to achieve direct, measurable, and immediate reductions in net emissions within the airshed.

The development of cleaner fuels is rapidly advancing in the U.S. and globally. Today's cleaner fuels, along with future innovations from ongoing R&D and investments, are seen as necessary for achieving affordable and reliable economy-wide emission reduction goals.

**Clean Hydrogen:** NJNG developed and operates the first green hydrogen plant on the East Coast, which began operating in October 2021. It injects hydrogen into our distribution system to help reduce emissions. The plant produces enough hydrogen to blend at low rates (approximately 1% on average) into a section of the system.

- However, even on this small scale, the project can reduce annual carbon emissions equivalent to the emissions from over 200,000 miles driven per year.
- This system was planned, installed and operated in advance of the rapidly increasing federal and global interest around clean hydrogen, making NJNG – and, indeed, New Jersey – a leader in the clean hydrogen space.

We also recognize the opportunities hydrogen presents to decarbonize other potentially harder-to-decarbonize sectors, including transportation, mass transit, maritime, industrial, aviation, construction vehicles and off-road uses. As these end uses develop and products become more readily available, NJNG plans to shift and distribute hydrogen throughout our service territory for multiple end-use applications. Building off our experience, NJNG is planning additional capital investment to develop multiple cleaner-fuel opportunities in our service territory.



## Distributed Carbon Capture

Carbon capture is a growing area for research, development and investment, with significant potential to reduce atmospheric volumes of carbon and slow the associated negative impacts of climate change. Though most commonly associated with large-scale emissions sources — such as heavy industry, power plants and manufacturing — technological breakthroughs are now providing a range of possible solutions that include smaller-scale technologies, which can be installed at the individual building level.

New Jersey Natural Gas is bringing this technology forward. NJNG installed innovative, distributed carbon-capture technology at its Wall Township corporate headquarters in New Jersey:

- Installed on commonly used gas boiler equipment, this particular technology is only about twice the size of a residential refrigerator and attaches to the existing HVAC system.
- These units will capture emissions associated with the combustion of natural gas and drop it out as a nontoxic solid.
- They will also increase the performance and efficiency of the HVAC system by capturing and recycling waste heat within the system.

Individual units can help reduce emissions by approximately 30% and offer a practical technology that works with existing equipment to effectively reduce emissions with minimal disruption to the customer. NJR will be installing more distributed carbon-capture technologies at additional company locations, and we are seeking opportunities to deploy units to NJNG's commercial customers.

Distributed carbon-capture technologies empower customers with choice. This is especially true for small- and medium-sized businesses and entities such as hospitals, schools, multifamily dwellings and government buildings, which may not have affordable or practical decarbonization solutions for their commercial boilers.

## Solar

Increasing renewable energy capacity is an essential strategy in meeting the state's 2050 emissions reduction goals. As a diversified energy infrastructure company and prominent investor in New Jersey's renewable energy market, NJR firmly supports prioritizing the deployment of renewable energy and distributed energy resources. This approach aims to achieve reductions in GHG emissions, stimulate economic growth and job creation, and ensure equitable access to renewable energy for our customers.

NJR Clean Energy Ventures (CEV) is among the leaders in the New Jersey renewable energy market. Since the launch of CEV in 2010 through fiscal 2024, we have invested more than \$1.2 billion in solar projects across six states. Through this commitment, we are growing the green economy, advancing and aligning with public policy, and helping to achieve NJR's sustainability and growth objectives.

CEV's investment in New Jersey's solar market comprises about 10% of the total solar systems installed in the state. This investment has supported construction projects with union labor, helped our customers save on energy costs, and reduced 330,000 tons of GHG emissions.

## Innovation Spotlight: Prioritizing Beneficial-Use Solar Development

A major priority driving our sustainability and investment strategy at CEV is the utilization of beneficial-use sites. These sites include former landfills, remediated properties, and “brownfield” locations, which are typically not suitable for traditional redevelopment. Targeting these locations for solar development enables us to transform underutilized spaces to new, revitalized clean energy sites – providing myriad benefits for local communities, contributing to economic development and advancing clean energy goals, including:

- New sources of revenue for local towns – revenue generation from otherwise dormant sites mitigates the need for additional local levies, including property taxes from municipal residents.
- Job creation and local economic impacts – according to the National Renewable Energy Laboratory Jobs and Economic Development Impact model which quantifies the local economic impacts of renewable investments, CEV’s total invested capital expenditures in underutilized projects totals nearly \$223 million and is estimated to have created 1,700 jobs.

CEV currently has 10 assets located on such sites, totaling 89.3 megawatts with an annual emissions reduction of nearly 80,000 metric tons. These assets include:

- Foul Rift (N.J.) is an 18.9-megawatt array that was developed on a 56-acre former composting facility in Warren County, N.J., with the start of construction in fiscal 2024. CEV and CEP Renewables LLC collaborated to transform this environmentally impaired site into a solar project that will meet the electricity demand of 3,390 households while preventing the release of over 17,000 metric tons of carbon emissions annually.
- Mount Olive (N.J.) features North America’s largest capped landfill solar array. Completed in fiscal 2023, this 25.6 MW ground-mounted solar array consists of approximately 56,900 solar panels and sits on 102 acres of a former landfill and superfund site in Mount Olive, New Jersey. It generates enough energy to power over 4,000 homes annually and reduces emissions by 23,940 tons each year.
- Old Bridge Global Landfill (N.J.) is CEV’s first commissioned beneficial-use community solar project. Consisting of 5,746 solar panels, the 2.8-megawatt (MW) array will provide renewable energy and reduced electricity costs to approximately 460 homes in Middlesex and Monmouth Counties, with 51% of the energy generation supporting low- and middle-income residents. The clean power generated is equivalent to eliminating over 2,600 metric tons of CO<sub>2</sub> from the atmosphere or removing more than 580 gasoline-powered vehicles from New Jersey’s roads.



## Storage and Transportation

NJR Storage and Transportation (S&T), our subsidiary dedicated to owning and operating natural gas storage and transportation assets, provides key markets with highly reliable firm natural gas supply services for a variety of end uses, including utility customer distribution, power generation, and commercial and industrial. S&T aims to reduce the carbon footprint of its operations while providing exceptional service to our customers.

S&T continues to deliver on this commitment, with a strong record of reliability our customers count on, particularly during severe weather events and periods of market volatility.

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 support customers' clean-energy initiatives with reliable, lower-carbon natural gas supply and help facilitate a transition from higher-emitting energy sources, such as coal and oil.

- Our Adelpia Gateway pipeline is a converted oil pipeline that now delivers natural gas to customers in the greater Philadelphia region. We currently provide Kimberly Clark, one of Adelpia's first customers, with reliable natural gas service, enabling it to retire a coal-fired plant on site. Switching to natural gas reduces the mill's GHG emissions by up to 50%, aiding Kimberly Clark's goal of reducing its carbon footprint in half by 2030.

In fiscal 2024, Adelpia Gateway received the Pennsylvania Governor's Award for Safety Excellence. This prestigious award acknowledges workplace safety programs and the

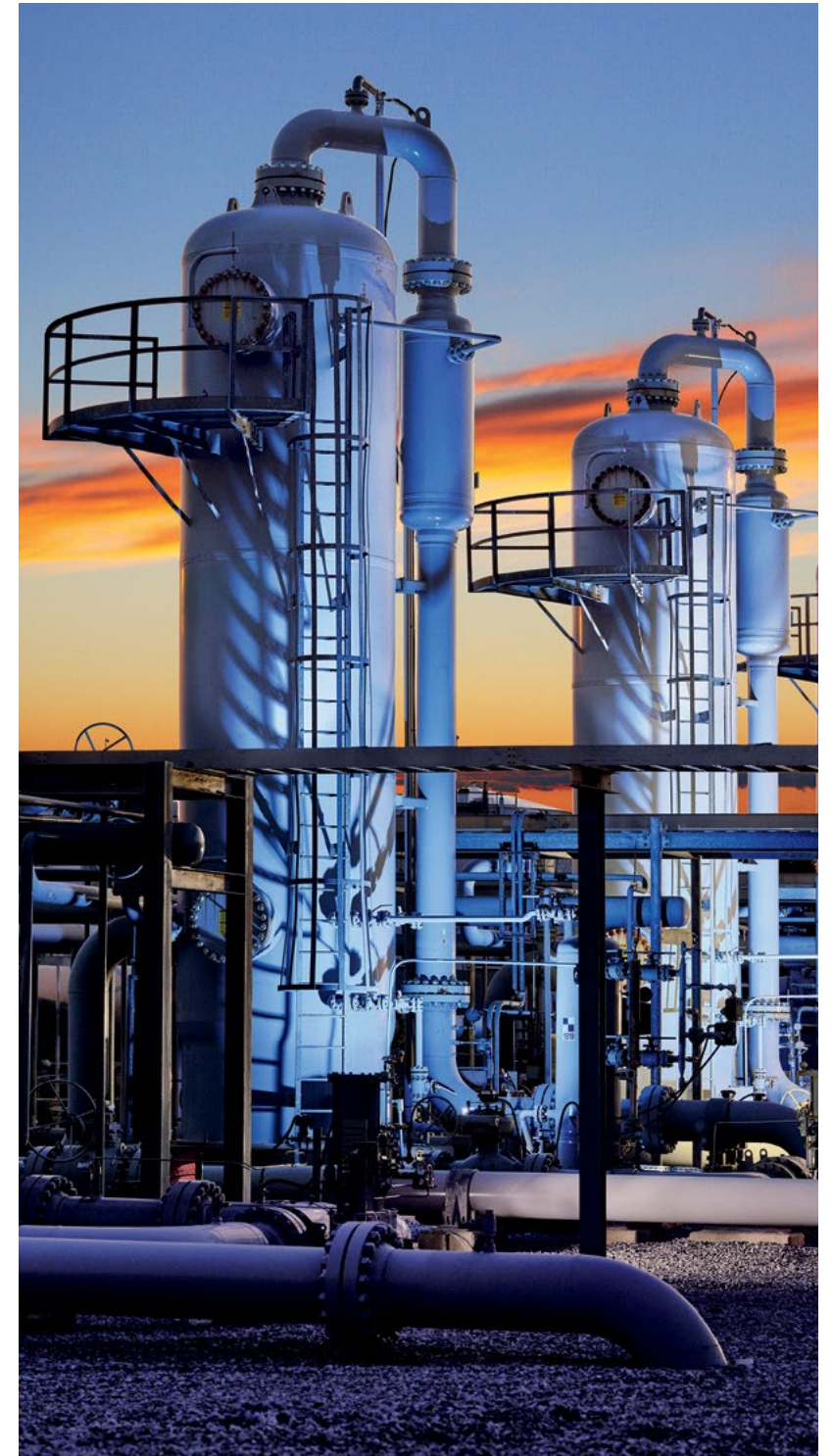
management-employee relationships that maintain high safety standards in workplace operations.

- 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 benefits customers and supports emissions reduction.

In fiscal 2024, Leaf River completed and now operates a new electric-powered booster compressor on its pipeline system. This project improves operational efficiency and performance, increases reliability, and allows for additional flexibility to better serve customers. Moreover, this investment achieves significant customer and operational benefits without an increase in certified capacity, helping to mitigate any downstream GHG emission impacts.

Looking ahead, natural gas demand is projected to increase in line with rapidly rising energy demand in the U.S. and globally over coming years. S&T's assets will remain crucial for maintaining energy availability in this environment and grid reliability amid the continued growth of intermittent renewables.

S&T will also continue to seek projects and partnerships that facilitate the increased usage or delivery of sustainable, lower-carbon energy sources including cleaner fuels like RNG and hydrogen. Salt caverns are known to be well-suited to store hydrogen, with geological stability and structural integrity that ensure hydrogen is stored safely. In fiscal 2024, Leaf River continued to explore opportunities to utilize its cavern space for the storage of hydrogen, including being fully permitted by FERC to utilize its facilities for this purpose.







## Coastal Climate Initiative

The Coastal Climate Initiative (CCI) encompasses NJR's commitment to environmental and natural resource stewardship. In early 2023, NJR announced a pledge of up to \$2 million over five years from its charitable foundations to support environmental stewardship and resiliency in our local communities. Since that time, we have committed over 60% of our funding to support both long-term and one-time projects that align with CCI's mission to improve coastal ecology, community resiliency and nature-based solutions that help protect against effects of climate change.

Part of the committed funding includes NJR's support of the Monmouth Conservation Foundation's (MCF) Scudder Preserve. This five-year, \$500,000 funding commitment will help bring to life MCF's vision to restore and improve the Scudder Preserve, an important natural habitat in

Middletown, Monmouth County, New Jersey, benefitting the local community for generations to come. Scudder Preserve is a 90-acre, densely wooded, preserved habitat, which is home to century forest, grasslands, streams and riparian corridors, nature trails, several ponds, and a building. NJR's funding will support specific, actionable strategies for MCF's plan for the preserve:

- Conduct a comprehensive natural resources inventory.
- Devise and implement a site restoration and management plan.
- Assess and devise a climate resilient public access strategy.
- Build and launch an educational outreach program at Scudder Preserve.

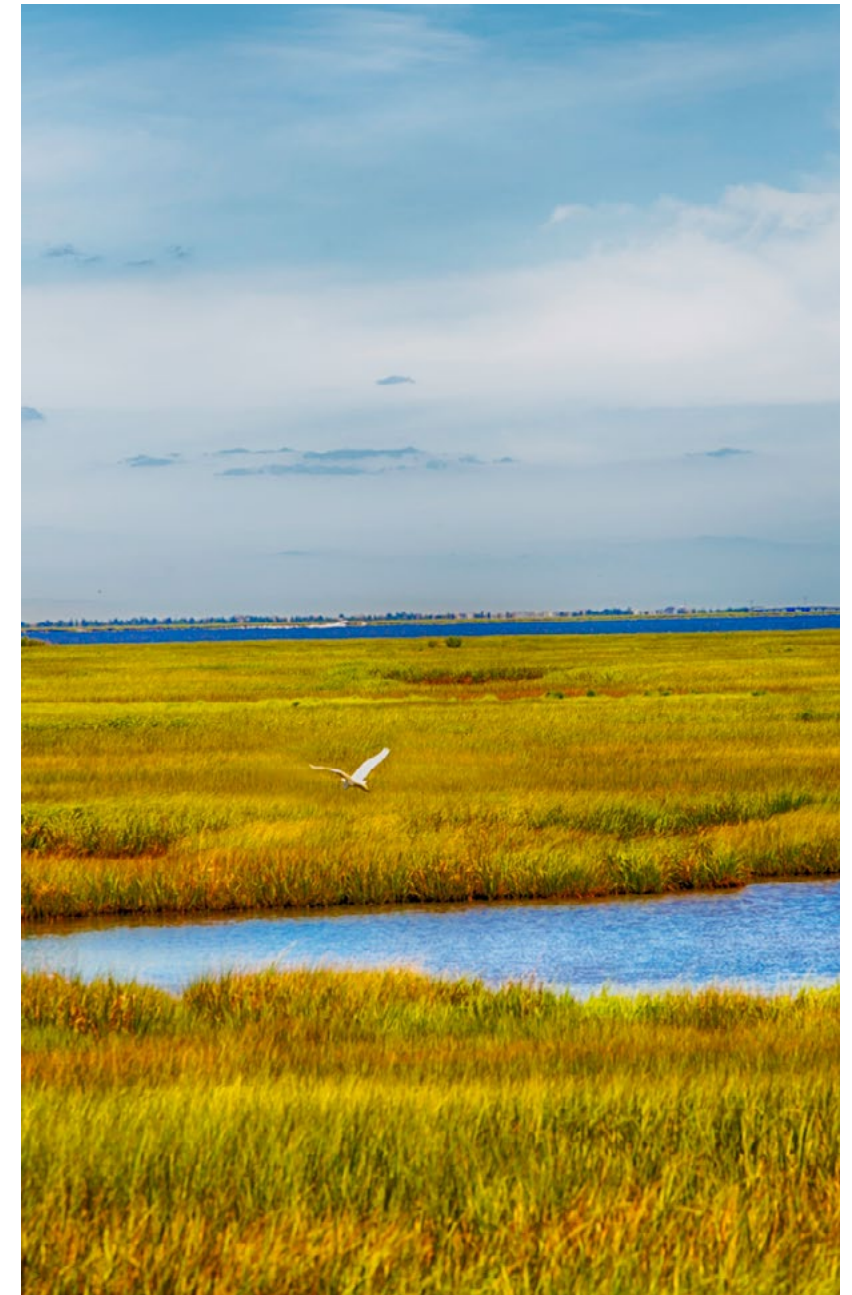
In whole, these efforts at Scudder Preserve, which are underwritten by NJR, will result in forest restoration and habitat management to reduce invasive species, help restore biodiversity and ecosystem function, including water quality benefits, greater climate resilience from native planting, and site improvements that reduce erosion and mitigate storm- and flood-water flows. The work at the preserve will focus on expanding public access and education through trail and facility improvements, allowing local communities to benefit from open space and nature.

CCI supported the important work of additional environmental organizations in fiscal 2024, including:

- Monmouth University's Urban Coast Institute serves as one of several stakeholders in the Clam Cove Living Shoreline Pilot Project. This project was identified as a priority by the National Fish and Wildlife Foundation. Its primary project goals are to stabilize a widening breach in the cove and reduce the loss of marshland, bolstering resilience the marsh provides to the local community. Additionally, the planned work will support carbon sequestration through the installation of a natural oyster reef breakwater. These efforts will help provide increased resiliency to the Long Beach Township community and improve habitats for fish, birds and other species.
- The Conserve Wildlife Foundation works to preserve rare and imperiled species of wildlife that live, breed and migrate in New Jersey. Our support for Conserve Wildlife includes a beach nesting bird survey focused on the American Oystercatcher, a species that serves as an indicator for healthy ecosystems and is a bellwether for potential impacts of climate change. The funding supported the development of a new educational curriculum focused on the Monmouth County watershed and at-risk wildlife in our areas and the development of baseline mapping of habitats to inform potential future resilience opportunities.

- Last year, NJR announced a milestone long-term funding agreement with New Jersey Audubon to support the stewardship and resilience of this 500-acre property within the Pinelands National Reserve located in Ocean County, New Jersey. Work completed over the year included biodiversity surveys, controlled burning of wildfire fuel such as leaf litter to reduce wildfire risk and hands-on work to enhance the property. About 20 NJR employees, alongside local community leaders, volunteered at the sanctuary helping to remove debris and invasive plant species.
- The Nature Conservancy of New Jersey, a leader in coastal wetland restoration efforts, continued to benefit from the support of NJNG customers and a dollar-for-dollar match from NJNG charitable foundations. Upon reaching a milestone of over \$100,000 in combined donations to The Nature Conservancy of New Jersey, NJNG sunsetted the customer donation program in fiscal 2024, transitioning to direct project investments and volunteerism efforts.
- The New Jersey Corporate Wetlands Restoration Partnership (NJCWRP) is 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.

We continue to establish and cultivate relationships, working in tandem to build stronger and more resilient communities and advance the priorities of the Coastal Climate Initiative.



## Water and Waste Management

NJR believes access to clean water is a universal human right and a cornerstone for global health, education and economic growth. Both globally and in the U.S., businesses depend on access to clean water for their operations. NJR supports the principles in the United Nations “Human Right to Water and Sanitation (HRWS)” principles ensuring access to sufficient, safe, accessible and affordable water.

While our current operations do not significantly impact water resources, the company adheres to all applicable laws and regulatory processes to identify, evaluate and, when necessary, mitigate any potential water impacts. NJR strives to minimize any such impacts even beyond these requirements.

Guided by HRWS, NJR’s commitment to sanitation and responsible waste is long-standing. For over 20 years, we have actively participated in the EPA’s voluntary WasteWise® program promoting sustainable materials management, waste management practices and environmental stewardship. In 2023, the most recent year of data available, NJR’s waste management efforts resulted in an estimated average recycling rate of nearly 70% in our New Jersey facilities.

## Employees Provide 1,000 Hours to Restore and Rehabilitate Nonprofits at Historic Fort Hancock

As part of our commitment to community service, more than 200 employees from across NJR came together to paint, landscape and refurbish the facilities at the New Jersey Sea Grant Consortium and Sandy Hook Childcare Center. As part of our annual NJR You Days initiatives, employees dedicated two days of work, helping transform the facilities at these two nonprofits. NJR employees primed and painted over 300 spindles, porch decks and trim, as well as the conference room, classroom, and interior spaces at the New Jersey Sea Grant Consortium building and Sandy Hook Child Care Center.

Like many nonprofits, the New Jersey Sea Grant Consortium and Sandy Hook Childcare Center operate on a tight budget. The extensive work accomplished by NJR helped these organizations complete long-term, wish-list projects they otherwise might not have been able to do. More importantly, it enables them to focus on their core mission of promoting the sustainable use of New Jersey’s coastal resources and providing a safe, nurturing environment for children.





## Innovation Spotlight: Montclair State Green Team

NJR focuses on strategic partnerships that drive innovation and are grounded in facts and research. For the past five years, part of this research has been conducted through the Montclair State University PSEG Institute for Sustainability Studies, which hosts an annual summer Green Teams Internship Program. The Green Teams Program will celebrate its 10th anniversary in 2025. NJR first participated in 2019 and has hosted seven Green Teams during this time.

Each Green Team consists of an interdisciplinary group of five undergraduate students whose backgrounds match the needs and deliverables requested by a hosting organization like NJR. The Green Teams support corporations, non-profits, municipalities, or community groups with sustainability-related challenges or opportunities.

The Green Teams supported NJR and NJNG with research on renewable natural gas development from landfills, wastewater treatment plants, and food waste, as well as expanding outreach for the SAVEGREEN energy-efficiency program offerings to low- and moderate-income households.

NJR's 2024 Green Team helped enhance the assessment of potential CCI funding opportunities through the creation of a holistic evaluation framework. This framework considers qualitative and quantitative inputs to evaluate the environmental, social, and economic impact of stewardship efforts. It will be used to assess future projects and communicate the respective community impacts of these projects, including how success is defined through such partnerships.

"Collaboration with companies such as NJR that push the industry's envelope to innovate new business products and provide necessary services, while solving society's sustainability challenges, is the best way toward a brighter future for all," said Dr. Amy Tuininga, executive director at the Institute for Sustainability Studies. "This partnership has impacted our Institute and many communities by providing real-world experiences for students to develop multi-dimensional workforce skills."

Along with project deliverables, the Green Teams Program includes career development training to prepare students to enter the workforce upon graduation. NJR works to connect Green Team members to employees in their fields of interest,

where possible, and encourages them to stay in touch as they complete their formal education. NJR welcomed back one of its original 2019 Green Team members as a full-time employee. Justin Bates, a Physics major from Montclair State University who graduated in 2021, returned as an NJNG employee, furthering the work he did related to RNG as a Green Team member. Since joining the company, Justin started as a Clean Energy analyst in NJNG Business Development, championing RNG projects, and has continued his work in our Corporate Strategy and Corporate Development departments at NJR, helping to assess the financial and emissions impacts of the company's decarbonization strategy.

"Through the Green Teams program, I received direct exposure to companies around the state that are environmentally conscious and support innovation in the clean energy space. I was fortunate to be paired with New Jersey Natural Gas and conduct research on such cutting-edge topics like RNG, and continue that work with NJR after graduation hired. The experience provided me with the tools needed to excel in the working world and, more importantly, gave me direction toward a career path that I otherwise may not have had."

## Social Responsibility

At NJR, we know our success is tied to the health and well-being of our diverse employees, the communities we serve, and our strong company culture.

- As a lifeline energy delivery company with field personnel and first responders on the front lines, we prioritize employee and community safety.
- We are further committed to creating and maintaining a culture that supports our employees' well-being, and allows them to perform their best.
- We believe in purposeful action to promote diversity, equity, inclusion and belonging.
- Understanding access to affordable energy is key to economic development and opportunity, we are focused on providing our customers with reliable and reasonably priced energy service, and with flexible options and assistance to help customers manage their energy use and lower their natural gas bills.
- We aim to give back to the communities we call home, making impactful changes through charitable giving, volunteerism and community partnerships that support vibrant economies, expand opportunity, and strengthen climate resilience.

These core values held throughout our company guide our internal employee training and engagement, external volunteerism and philanthropic giving through our charities and employees' time.

**2.32**  
DART Rate

**4.08**  
OSHA Rate

**17.9**  
Minutes Average Emergency  
Response Time

**Over 4,200**  
Community Service Hours

**\$2.1M**  
Charitable Funding  
to Nonprofits

**89.4%**  
Overall Employee  
Engagement 2023  
Voice of Employee Survey

**27.3%**  
Of Workforce in a  
Business Resource Group

**\$675M**  
Total Supplier Spending

**\$358,382**

Energy Assistance Distributed  
to Customers

**89.5%**  
Overall Customer Satisfaction

## Employee Safety

Safety for our employees, customers, and communities guides NJR's business operations. NJR revolves around a culture of safety, training and readiness. This bedrock value of our company culture is reflected in our CTS and Think Safe 24/7 safety initiative. Across all business segments and office locations, employees are empowered to make decisions that prioritize their wellbeing, and that of their colleagues and customers.

A key component of this safety culture is rigorous training. While many employees require specific training for their roles, both our regulated and unregulated businesses exceed requirements to emphasize the importance of safety whether working along natural gas infrastructure or on solar construction sites.

Throughout the year, we offer various training classes, including:

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

For our New Jersey-based operations, much of this training occurs at our state-of-the-art facility known as "Safety Town." Here, employees learn in small classroom environments or lecture halls. The facility's advanced technology includes virtual reality simulations to replicate real-life scenarios. Additionally, "Safety Town" features a

neighborhood of small homes and streets used to train both employees and local first responders, such as fire departments, on natural gas pipeline and equipment safety.

In fiscal 2024, NJR surpassed our performance goal for the Days Away/Restricted or Transferred (DART) rate. The DART rate reflects recordable injuries, as defined by the Occupational Safety and Health Administration (OSHA), which result in days off from work.

Adelphia Gateway, our FERC-regulated interstate pipeline within our S&T unit, has participated in OSHA's Voluntary Protection Programs for over 20 years. Since 2013, employees have accumulated over half a million hours without a lost time OSHA-recordable incident or illness. This achievement highlights the dedication to safety by all Adelphia employees.

### Our Commitment to Safety and Emergency Response

NJR dedicates substantial resources, including financial and human capital, to ensure the safety and integrity of our infrastructure across all operational areas. Natural gas infrastructure is critical to meeting lifeline energy needs in the daily lives of our customers, while supporting economic growth and prosperity – and we do so with a robust record of safety. Statistics from the National Transportation Safety Board indicate that pipelines are the safest and most efficient means of energy transportation – positioning this infrastructure for essential reliability and resiliency in a cleaner energy future.

NJR recognizes this only happens through the efforts of people who engage in vital safety functions. Education and awareness about natural gas and its transportation

infrastructure are imperative for the safe operation of a delivery system and the communities we serve. As such, NJR collaborates with industry organizations, peer companies, and regulators to continuously enhance reliability and system integrity through design, construction, inspection, and training within the utility and S&T transportation sectors.

At NJNG, our Partners in Safety program works directly with municipalities to provide necessary training and resources, ensuring our commitment to safe living and working conditions around natural gas. As a member of New Jersey One Call, NJNG actively participates in public awareness campaigns to promote safe digging practices among homeowners, businesses and excavators.

Emergency response times are a critical metric of NJNG's commitment to safety. Our performance places us in the top quartile of the industry, according to 2022 benchmarking data from the American Gas Association.

Both Adelphia Gateway and Leaf River Energy Center share NJNG's commitment to pipeline safety and community awareness. They actively engage with local residents and municipal officials, disseminating pertinent safety messages within the communities they serve.



### Service Reliability and Resiliency

Ensuring reliable operations is essential for providing natural gas for home heating, power generation, and other critical customer needs. The reliability of systems and services maintained by NJNG, CEV, and our S&T businesses demands meticulous planning and consistent efforts to meet customer requirements, especially during periods of weather volatility and peak demand. It also means responsible, long-term planning to ensure access to an adequate supply of natural gas, along with a properly maintained infrastructure to deliver and store that energy – both which require investment in our systems and employees.

Through oversight from the U.S. Department of Transportation 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 we 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 generally nearly 70 times less likely to experience a natural gas outage event compared to electricity outages and are without service for an average of three minutes per year (including planned outages for equipment maintenance or replacement). NJNG has had no weather-related outages on its system for more than 10 years.

NJNG’s employees manage supply and operational flexibility to maintain reliability under various market conditions. Weather conditions, system requirements, market prices, storage supplies, pipeline constraints, market opportunities, and other supply-demand issues are analyzed daily to ensure an adequate supply of natural gas.



**NJNG has had no weather-related outages on its system for more than 10 years.**

## Community Engagement: Focused Strategy to Maximize Impact

We are proud of our record and remain committed to refining our approach to meet needs, increase impact, and achieve our objectives. We remain a consistent presence in the communities we serve, and our vision for community engagement and philanthropy focuses on maximizing our impact in the following areas:

### Health and Human Services

- Help improve access to healthcare in underrepresented communities.

### Education

- Educate the public on personal, professional and societal development.

### Environment

- Empower community members to be proactive about conservation, lower carbon energy solutions and environmental stewardship, including NJR's Coastal Climate Initiative.

### 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.

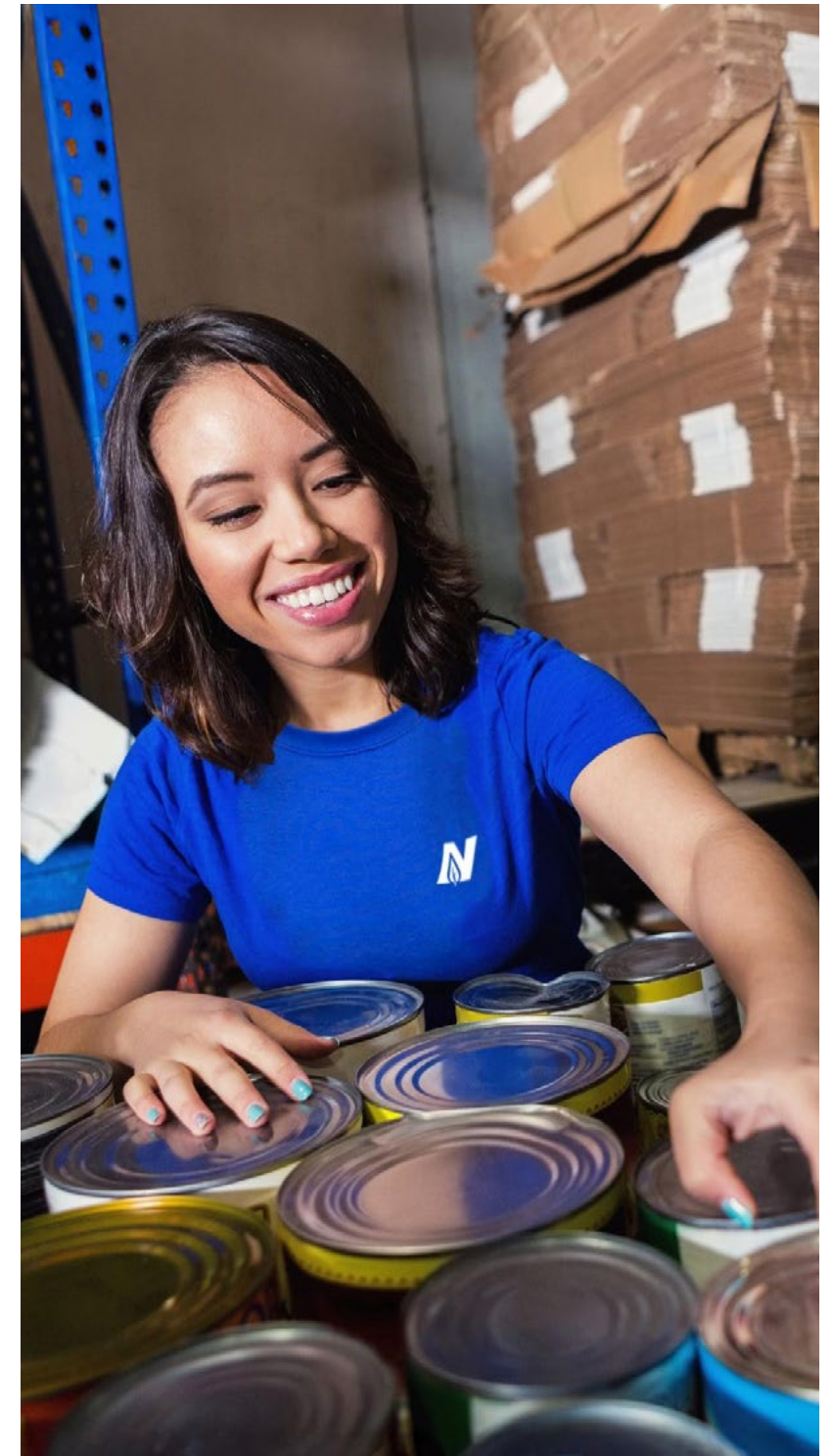
### Goodwill

- Collaborate with local and national organizations to support advocacy for underrepresented groups.

Alongside the \$20 million endowment of our charities announced in fiscal 2022, this strategic approach provides NJR opportunities to make a positive impact in our communities that will be felt for years to come. NJR values its role in the communities we serve, recognizing our success is tied to their well-being. Our commitment goes beyond energy needs, focusing on education, health and human services, housing, and diversity and inclusion. In fiscal 2024, through our charitable foundations, we invested over \$2.1 million of direct funding and time to causes that benefit our communities.

During a period when economic pressures have put a strain on families, our support for affordable housing development is more important than ever. This year, 36 affordable housing units were constructed through partnerships with nonprofits like Habitat for Humanity and Homes for All, helping qualified working families become first-time homeowners.

Our employees, retirees, and their families are also critical to our community involvement. This year, they dedicated over 4,200 volunteer hours to support nonprofits through our Volunteers Inspiring Service in Our Neighborhoods (VISION) program. Efforts included community landscaping, packing food boxes, and beach cleanups. We also focus intentionally on providing VISION opportunities in coastal habitats with those organizations we support through our Coastal Climate Initiative and others focused on ecosystem and biodiversity work.





Education is a key part of engagement with local communities. Our Speakers' Bureau reached over 4,600 community members of all ages with safety and energy conservation information. In partnership with Sustainable Jersey for Schools and the Alliance to Save Energy, and through our own programming and initiatives, NJNG supports environmental sustainability education in 35 local schools on topics ranging from energy fundamentals to climate and green careers. This year, our Project Venture mentorship program celebrated its 35th anniversary. Since its inception, nearly 450 students from Asbury Park and Lakewood middle schools have worked side by side with employee mentors, gaining valuable insights to help them build a solid foundation for their future careers by experiencing the business world firsthand.

NJR employees also contributed to over 100 community organizations through board and committee service, gaining leadership and networking experience.

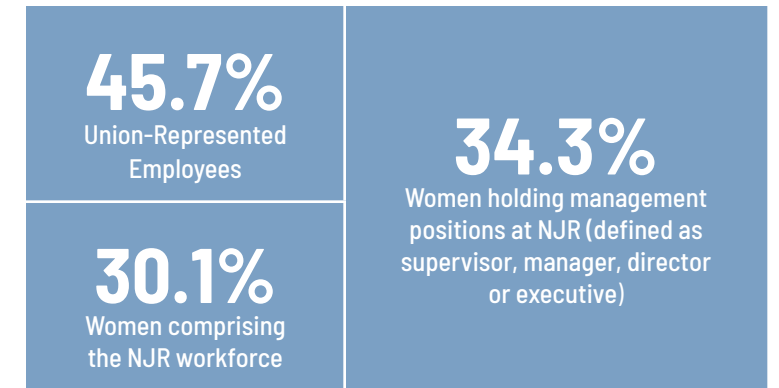
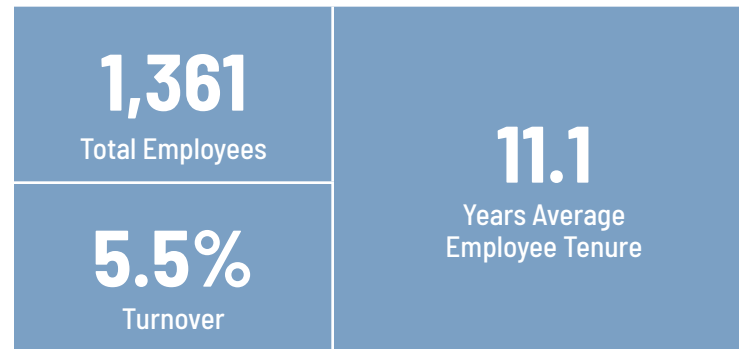
### Diversity, Equity, Inclusion and Belonging

Diversity, Equity, Inclusion and Belonging (DEIB) fuels a strong, collaborative team with unique perspectives and ideas that share a passion for NJR's future. In 2024, we expanded our strategy to place a renewed focus on Belonging – to foster deeper team connections, innovation and creativity, and equip employees to perform at their best.

Our integrated DEIB strategy is centered on cultivating a workplace culture that empowers our people to hone their individual strengths, driving our long-term success. It is championed by NJR's top leadership and focuses on three key areas: Business Resource Groups (BRGs), Professional and Personal Development and Community Engagement.

### Workforce Diversity

NJR remains committed to fostering a diverse workforce that reflects the richness of the talent in communities where we work, live and serve. Diversity includes not only race, gender, ethnicity and other protected characteristics but also other differences that may make a difference, such as background, skills, experience and perspective. Our commitment to workforce diversity is exhibited in our recruiting processes, our development programs and how we help all employees grow. While NJR strives to increase the diversity of the pool of qualified applicants, all employment decisions are made without unlawful regard for an individual's protected characteristics as set forth in our Equal Employment Opportunity Policy. More information about these efforts, including detailed reporting on the demographic make-up of our workforce, is available on [NJR's website](#). NJR and its subsidiaries are Equal Opportunity, Affirmative Action Employers.



## Heroes Serving Together BRG

NJR is a proud supporter of veterans. Members of our Heroes Serving Together BRG volunteer with veteran-focused local nonprofits including the New Jersey State Veterans Chamber of Commerce, which supports veteran-owned businesses throughout the state. Each Memorial Day its members place flags on Veteran graves to honor those people who served and died in the military.



## Business Resource Groups

NJR's BRGs are a key component of our Diversity, Equity, Inclusion and Belonging strategy, bringing employees of all ages and backgrounds to support our mission of fostering inclusion in the workplace, and are open to all employees, regardless of the demographic focus of each group.

In fiscal 2024, 27.3% of our workforce belonged to a BRG — where employees can connect, collaborate and share experiences. BRGs foster a sense of belonging and help bring fresh perspectives that drive innovation and success. Further, they help cultivate and retain emerging talent through professional development and leadership opportunities to help 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 (Latino/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 energy infrastructure as well as the day-to-day operation of the functions that support this work. In fiscal 2024, NJR engaged nearly 1,500 suppliers, primarily in the continental U.S., with a total spend of approximately \$675 million.

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 those owned by veterans and individuals with disabilities, therefore, increasing our 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

While NJR strives to increase the diversity of the pool of qualified suppliers, all contracting decisions are made without unlawful consideration of race, color, national origin or any other prohibited factor under the law.

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.

### Talent Acquisition and Management

Our people are at the heart of everything we do. We prioritize their development and ensure they have the resources and opportunities to grow and succeed. NJR is dedicated to attracting and retaining top talent, offering competitive compensation packages including incentive pay and comprehensive benefits. Additionally, we support our team's educational goals by offering eligible employees tuition assistance to pursue a bachelor's or master's degree.

NJR's Cultural Behaviors, adopted in Fiscal Year 2024, are the foundation for how we get work done and central to our growth and success. They guide our interactions, encourage innovative thinking, support problem-solving and promote constructive feedback. They are embedded in regular career conversations with people leaders and measured in annual employee performance reviews.

- Our succession planning continually evolves as we assess our employees' potential, performance, development needs and career goals, ensuring we have the right talent at the right time to support our growth.
- Integrating career conversations into our performance review process enables meaningful discussions so our people leaders can better support employees in pursuing their career goals.
- Professional development resources and opportunities are offered on an ongoing basis, equipping employees with the skills and knowledge necessary to excel in their roles. We've successfully upskilled our talent and fostered leadership skills across our team through partnerships with the following organizations:

- American Gas Association
- Diversity Crew
- Professional development through Rutgers University
- Office of Continuing Professional Education at Brookdale Community College
- Tri-State Diversity Council
- Garden State Equality
- Southern Gas Association
- Lead New Jersey
- New Jersey Business and Industry Association Women Business Leaders



## Employee Engagement

Ensuring employee engagement and wellness is vital for maintaining a skilled, committed, and successful workforce. Supporting our employees' growth and success in an ever-changing industry is a crucial aspect of sustaining our leadership in the energy transition.

Our year-end 2023 Voice of Employee survey indicates high-level engagement, with 89% of employees expressing strong intent to stay with the company and a willingness to recommend NJR as a great place to work.



In fiscal 2024, we moved ahead on key action items identified through the survey, including:

- Held leadership listening sessions with hundreds of employees across our company to provide a valuable forum for open dialogue, allowing our leaders to engage with employees and hear important feedback.
- Implemented regular career conversations with employees to promote growth and advancement.

- Enhanced career opportunity transparency to encourage internal mobility and advancement.
- Introduced The NJR Energy Innovation Informer, a new e-newsletter dedicated to keeping employees informed on the latest industry trends and insights on our sustainability efforts.

Empowering our employees to succeed in a dynamic and evolving industry is essential to sustaining our leadership position in the energy transition. Over the past year, we enhanced existing initiatives and launched new ones to support our workforce, including:

- Expanded new employee onboarding with members of the senior leadership team leading sessions that reinforce NJR's mission and vision.
- Supported employee wellbeing with a focus on mental health programs, meditation sessions, health club access and counseling resources through our Employee Assistance Program.
- Championed team building and community efforts through volunteerism and service efforts.

## Energy Affordability and Assistance

Energy affordability is a critical concern for our customers. While NJR maintains a strong focus on the long-term affordability and equity of the energy evolution, we are equally dedicated to supporting our customers in the short term through numerous customer-focused options including energy-efficiency programs, energy assistance, bill-management options, and a proactive approach to managing natural gas supply costs.

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, located along the Jersey Shore. Our northern territory serves portions of Morris County, and we continue to add customers in Sussex County. NJNG's customer base consists of nearly 91% residential customers and the associated commercial establishments that serve their daily needs.

The median household income in the counties we serve ranges from approximately \$82,380 to \$130,800, compared to a statewide average of \$97,126. According to its biannual 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 NJNG serves, the percentage of households classified as living in poverty or ALICE – Asset Limited, Income Constrained, Employed – ranges from 27 to 46%.

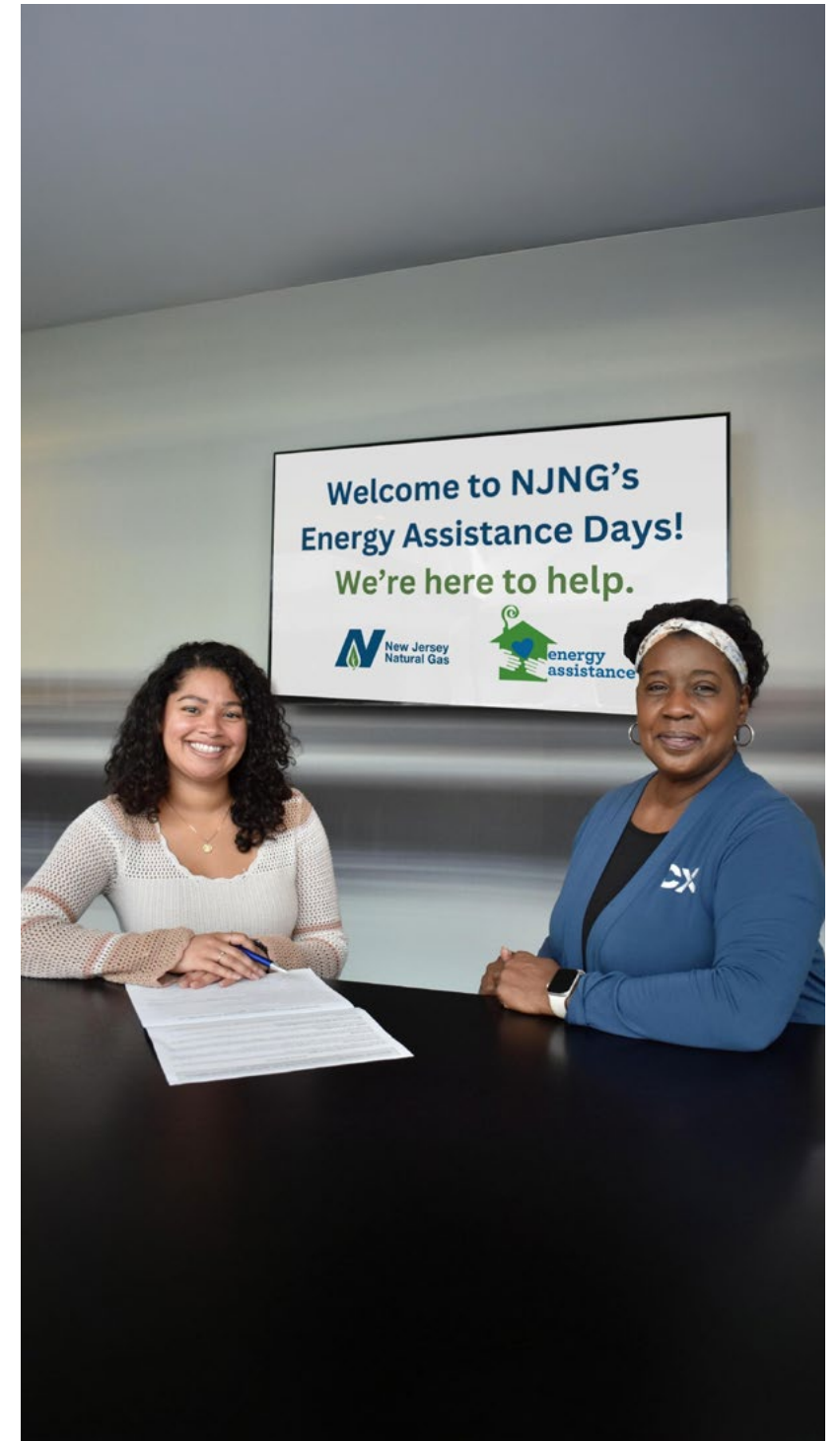
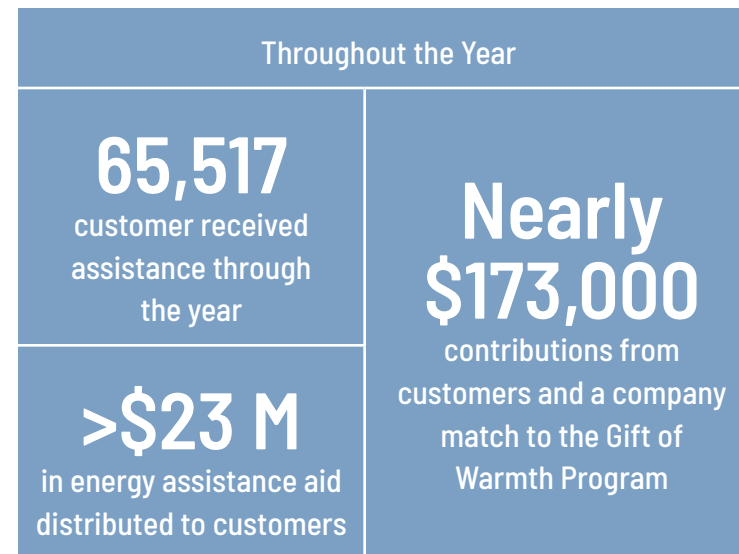
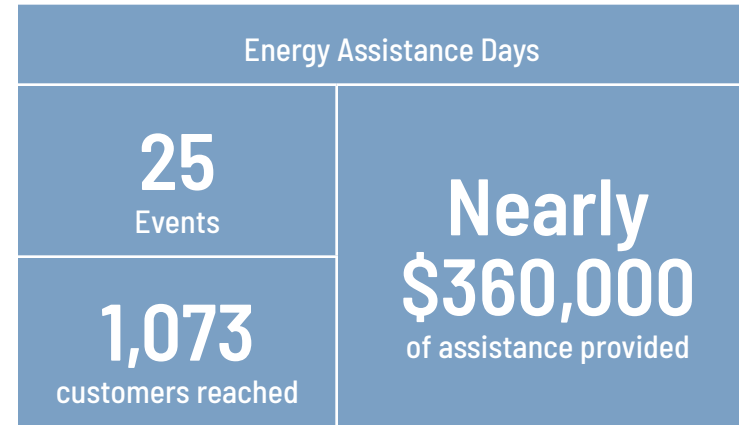
Natural gas remains the preferred choice for home heating in New Jersey and is more affordable and competitively priced compared to other fuel sources. Five out of six homes in NJNG's service territory heat their homes with natural gas.

In November 2024, NJNG received approval from the BPU for an adjustment to its base rates. This will enable us to recover over \$850 million in investments made to our infrastructure and business operations that are crucial to maintaining reliable energy delivery and system safety. The BPU reviewed this request to ensure it was prudent and reasonable prior to its approval. While the cost of NJNG's natural gas supply is passed directly to our customers, we continuously work to mitigate customers from the potential impacts of volatile energy markets and actively manage natural gas supply costs.

To reduce the risk of price fluctuations, NJNG employs a hedging program. It is NJNG's policy and practice to hedge at least 75% of our estimated winter send-out prior to the heating season. Our hedging program provides price stability that benefits our customers. Moreover, incentive programs established in collaboration with the BPU and the Division of Rate Counsel help mitigate the impacts of commodity prices and market volatility for customers. In fiscal year 2024, NJNG leveraged these incentive programs to create approximately \$88 million in savings for customers.

Under our Conserve to Preserve initiative and SAVEGREEN 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 nearly \$499 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.

NJNG also connects customers having difficulty paying their natural gas bills with payment assistance programs, including our very own Gift of Warmth. This year, NJNG hosted 25 Energy Assistance Day events in local communities throughout our service territory to provide our customers with in-person support through the qualification and application process





## 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.

<p><b>89.5%</b> Overall customer satisfaction at NJNG</p>	<p><b>Fewest complaints</b> per 1,000 customers among major N.J. utilities</p>
<p><b>Near 5-star</b> Google-rating maintained by NJRHS</p>	

Maintaining open lines of communication with our customers remains a top priority for NJR. We utilize 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 through bilingual members positions us to support the diverse customers served throughout our territory.

Our field and call center employees maintained high levels of service that continues to earn recognition for NJR.

## Awards and Recognition

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



NJNG Named a 2024 Utility Easiest to do Business With\* – 6th Year in a Row



NJNG Recognized as a 2024 Most Trusted Brand\*



NJR Home Services Named Ruud Top 20 Pro Partner\*\* – 8th Consecutive Year

\*Cogent Syndicated 2024 Utility Trusted Brand & Customer Engagement™: Residential study by Escalent.

## Governance

NJR is committed to strong corporate governance aligned with shareowner interests. We believe effective oversight comes from a 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 business and operational strategy, including all ESG issues.

The Board's composition includes:

- 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.
- Of the Board members, 30% are women and 30% are ethnically and/or racially diverse.
- Average tenure of our directors is 7.7 years.



## Board Expertise/Experience

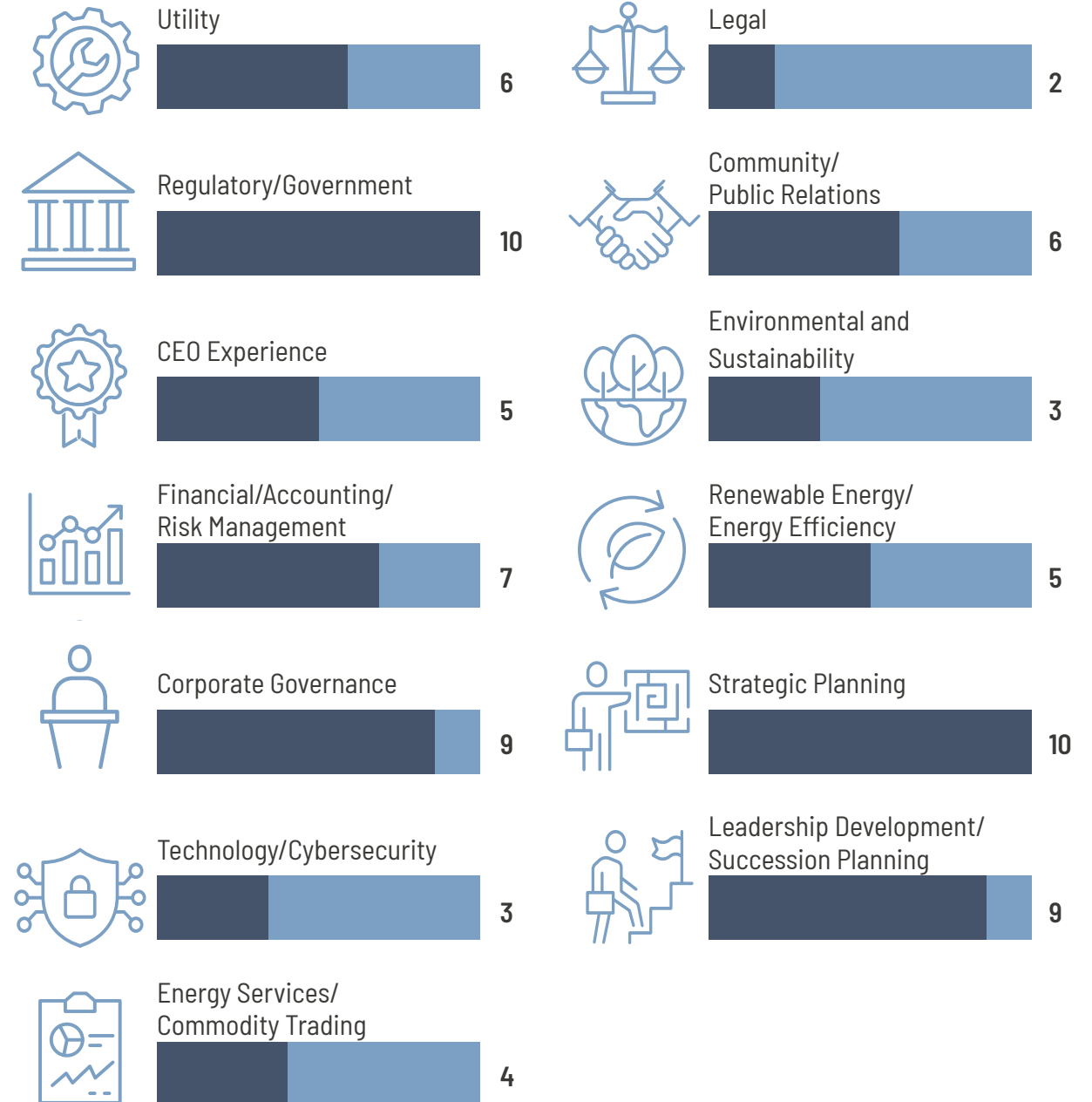
The Nominating/Corporate Governance Committee (NCGC) of the Board establishes and regularly reviews with directors the qualifications, attributes, skills and experience it believes are desirable for directors to ensure they align with the company's long-term strategy. The most important of these are noted to the right, 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. Except for of the Executive Committee, each committee is composed solely of independent directors and their charters can be found in the governance section of NJR's website at [investor.njresources.com/governance](http://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 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 critical energy infrastructure assets located across the United States, climate change – and public policy aimed at addressing it – have an impact on all our stakeholders and business strategies. 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, at various times covering topics that span performance, disclosure and risks, including sustainability considerations such as climate change and our decarbonization strategy, as well as other business-related matters.

Day-to-day NJR's executive leadership team is responsible for managing the risks and opportunities related to climate change. NJR has established processes that support the evaluation and discussion of climate- and sustainability-related business effects across the organization.

- A robust Enterprise Risk Management assessment is conducted annually with the involvement of organizational leadership and the Board. This process results in the identification of top risks and opportunities across the organization and assurance of the appropriate allocation of resources to manage or mitigate such risks. Based on the nature of NJR's business, many of these topics have a broad intersection with climate change.
- Established processes are subject to independent review by the Internal Audit department. Any observations from the review are addressed by management and reported to the Audit Committee.
- NJR's Sustainability Council is composed of senior leaders from across the organization who meet at least every two months to discuss 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 informs and supports 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 is apparent in our long-term business planning.

Our strategy is focused on consistent and disciplined growth through development, storage and delivery of lower carbon 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 and 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 operations and liquidity.
- Transition risks associated with climate change and associated costs may 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 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 for 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, as well as an additional executive order that opened a proceeding to plan for the future of natural gas utilities in New Jersey.

- 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 2024 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 to identify, discuss and assess financial risk from current macro-economic, industry and company perspectives. Its members are responsible for the management of risks identified across the organization, including providing oversight and monitoring to ensure our risk-mitigation efforts are carried out. 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 the highest standards of conduct that meets all ethical and legal business obligations. 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. Code of Conduct and associated training include, but are not limited to, anti-corruption and anti-bribery, equal opportunity employment, and insider trading. All contractors and vendors the company works with are also required to abide by our Code of Conduct.

NJR's Code of Conduct is made publicly available [here](#).

### NJR's Human Rights Policy

We consider human rights as fundamental freedoms and standards for everyone. NJR complies with laws, respects human rights, and upholds principles from the UN's Declaration of Human Rights and Global Compact.

NJR fosters a diverse, equitable, and inclusive workplace, which supports our commitment to human rights. This commitment is integral to our core values and is reflected in our Code of Conduct and policies promoting diversity, equity, inclusion, and belonging.

To read the full policy, please visit [njrsustainability.com](https://njrsustainability.com).

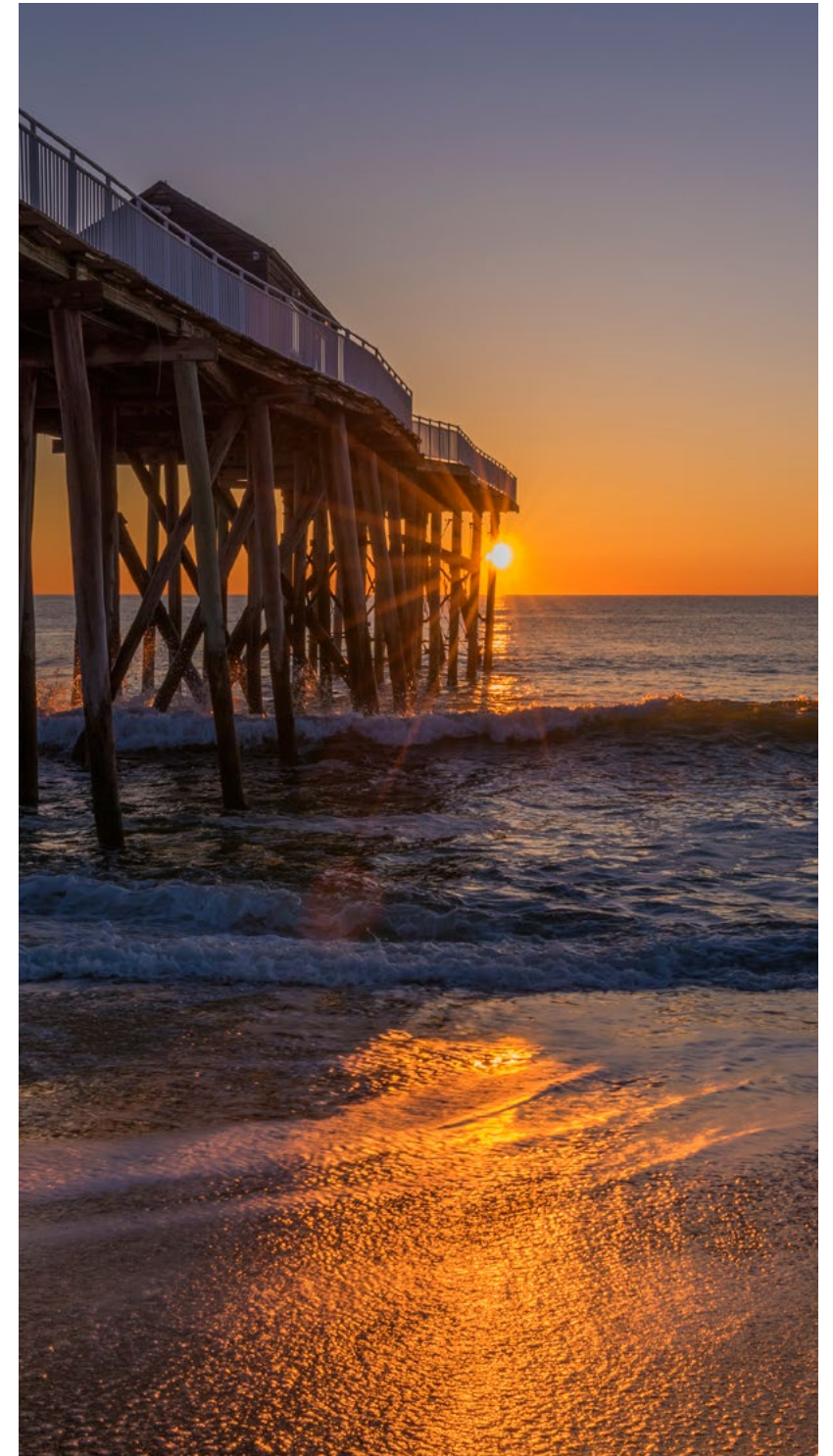
### Political Contributions Policy

As the parent company of a regulated, lifeline service utility serving nearly 583,000 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, where 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 where 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 we deliver is essential to our customers' lives and livelihoods. Information technology is central to our natural gas distribution and storage operations, our solar facilities, the management and maintenance 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. 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. NJR's cybersecurity efforts and program align with the National Institute of Standards and Technology 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") that provides governance, strategic planning and sponsorship for the organization's umbrella efforts. This structure allows 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.

Governance and oversight of these issues extends to NJR's Board members, who are actively engaged in major cybersecurity risk exposures and the steps management takes to monitor and control such exposures, including our risk-assessment and related-management policies. The Board, via the Audit Committee, receives updates at least quarterly on technology upgrades and enhancements that impact the assessment of risk, as well as on emerging technology advancements and potential risks such as artificial intelligence and the impact of the geopolitical, macroeconomic and risk landscapes.

## 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



**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

GRI STANDARD	DESCRIPTION	SOURCE
2-1	Organizational details	<a href="#">NJR's 2024 Form 10-K, Item 1. Business</a>
2-2	Entities included in the organization's sustainability reporting	2024 Corporate Sustainability Report: <a href="#">Our Companies</a> 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 21, 2025. Questions can be directed to Adam Prior, Director of Investor Relations, at <a href="mailto:a.prior@njresources.com">a.prior@njresources.com</a> .
2-4	Restatements of information	None
2-5	External assurance	Please see Page <a href="#">41</a> for more information on NJR's commitment to transparency in reporting.
2-6	Activities, value chain and other business relationships	<a href="#">NJR's 2024 Form 10-K, Item 1. Business</a> . Corporate Sustainability Report: <a href="#">Supplier Diversity</a>

GRI STANDARD	DESCRIPTION	SOURCE															
2-7	Employees	<p>2024 Corporate Sustainability Report: <a href="#">Workforce Diversity</a></p> <table border="1"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Regular Employees</td> <td>30%</td> <td>70%</td> </tr> <tr> <td>Temporary Employees</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Full-time Employees</td> <td>30%</td> <td>70%</td> </tr> <tr> <td>Part-time Employees</td> <td>88%</td> <td>12%</td> </tr> </tbody> </table> <p>The information provided in this disclosure is from the end of the reporting period.</p>		Female	Male	Regular Employees	30%	70%	Temporary Employees	0%	100%	Full-time Employees	30%	70%	Part-time Employees	88%	12%
	Female	Male															
Regular Employees	30%	70%															
Temporary Employees	0%	100%															
Full-time Employees	30%	70%															
Part-time Employees	88%	12%															
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 <a href="#">Governance Documents</a> 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 <a href="#">NJR's 2024 Proxy Statement</a> .															
2-10	Nomination and selection of the highest governance body	<a href="#">NJR's 2024 Proxy Statement</a> , Page 16															
2-11	Chair of the highest governance body	<a href="#">NJR's 2024 Proxy Statement</a> , Page 20															
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">NJR's 2024 Proxy Statement</a> , Page 24															

GRI STANDARD	DESCRIPTION	SOURCE
2-13	Delegation of responsibility for managing impacts	<a href="#">NJR's 2024 Proxy Statement</a> , Page 21
2-14	Role of the highest governance body in sustainability reporting	<a href="#">NJR's 2024 Proxy Statement</a> , Page 24
2-15	Conflicts of interest	<a href="#">NJR's 2024 Proxy Statement</a> , Page 19 and 27
2-16	Communication of critical concerns	<a href="#">NJR's 2024 Proxy Statement</a> , Page 28
2-17	Collective knowledge of the highest governance body	2024 Corporate Sustainability Report: <a href="#">The Intersection of Climate Change and Our Business</a>
2-18	Evaluation of the performance of the highest governance body	<a href="#">NJR's 2024 Proxy Statement</a> , Page 17
2-19	Remuneration policies	<a href="#">NJR's 2024 Proxy Statement</a> , Page 28 and 42
2-20	Process to determine remuneration	<a href="#">NJR's 2024 Proxy Statement</a> , Page 42
2-21	Annual total compensation ratio	<a href="#">NJR's 2024 Proxy Statement</a> , Page 80
2-22	Statement on sustainable development strategy	2024 Corporate Sustainability Report: <a href="#">Letter from the CEO</a>
2-23	Precautionary Principle or approach	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: <a href="#">Commitment to Stakeholders</a>
2-24	Embedding policy commitments	<a href="#">NJR Human Rights Policy</a>

GRI STANDARD	DESCRIPTION	SOURCE
2-25	Processes to remediate negative impacts	<a href="#">Code of Conduct</a>
2-26	Mechanisms for advice and concerns about ethics	<a href="#">Code of Conduct</a>
2-27	Compliance with laws and regulations	There were no significant instances of non-compliance with laws and regulations that resulted in fines considered material for the reporting period.
2-28	Membership associations	American Gas Association
2-29	Approach to stakeholder engagement	2024 Corporate Sustainability Report: <a href="#">Stakeholder Engagement</a>
2-30	Collective bargaining agreements	<a href="#">NJR's 2024 Form 10-K, Item 1. Business (Human Capital Resources)</a>



## Task Force for Climate-related Financial Disclosures

NJR has disclosed information recommended by the Task Force for Climate-Related Financial Disclosures. The relevant disclosure topics can be found within the 2024 Corporate Sustainability Report on the pages noted below.

Topic Area	Topic	Page
Governance	Describe the board's oversight of risks and opportunities.	<a href="#">Page 38</a>
	Describe management's role in assessing and managing risks and opportunities.	<a href="#">Page 38</a>
Strategy	Describe risks and opportunities the company has identified over the short, medium, and long-term.	<a href="#">Page 39</a>
	Describe the impact of risks and opportunities on the businesses, strategy, and financial planning.	<a href="#">Page 38</a>
	Describe the resilience of the strategy, taking into consideration different climate related scenarios, including 2C or lower.	<a href="#">Page 38</a>
Risk Management	Describe the processes for identifying and assessing risks.	<a href="#">Page 38</a>
	Describe the processes for managing risks.	<a href="#">Page 39</a>
	Describe how processes for identifying, assessing, and managing risks are integrated into the overall risk management.	<a href="#">Page 39</a>
Metrics and Targets	Disclose the metrics used to assess risks and opportunities in line with its strategy and risk management processes.	<a href="#">Page 14</a>
	Disclose Scope 1, 2, (and potentially 3) GHG emissions and related risks.	<a href="#">Page 14</a>
	Describe targets used to manage risks and opportunities and performance against targets.	<a href="#">Page 13</a>

Parent Company: New Jersey Resources  
 Operating Company(s): New Jersey Natural Gas  
 Business Type(s): Local Distribution Company  
 State(s) of Operation: New Jersey  
 Regulatory Environment: Regulated  
 Report Date: January 2024

**AMERICAN GAS ASSOCIATION GAS COMPANY ESG/SUSTAINABILITY REPORTING TEMPLATE**

Notes: *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.*

		Baseline	Past Year	Last Year	Current Year	Definitions
Ref. No.	Refer to the "Definitions" column for more information on each metric.	2011	2021	2022	2023	
<b>Natural Gas Distribution</b>						
						All methane leak sources per 98.232 (i)(1-6) are included for Distribution. Combustion sources are excluded. CO2 is excluded.
1	<b>METHANE EMISSIONS AND MITIGATION FROM DISTRIBUTION MAINS</b>					
1.1	Number of Gas Distribution Customers	497,752	566,561	572,500	579,600	These metrics should include all 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.
1.2	Distribution Mains in Service					
1.2.1	Plastic (miles)	3,220	4,514	4,650	4,807	
1.2.2	Cathodically Protected Steel - Bare & Coated (miles)	3,056	2,929	2,892	2,828	
1.2.3	Unprotected Steel - Bare & Coated (miles)	505	1	-	-	
1.2.4	Cast Iron / Wrought Iron - without upgrades (miles)	66	-	-	-	

		Baseline	Past Year	Last Year	Current Year	Definitions
Ref. No.	Refer to the "Definitions" column for more information on each metric.	2011	2021	2022	2023	
<b>Natural Gas Distribution</b>						
1.3	<b>Plan/Commitment to Replace / Upgrade Remaining Miles of Distribution Mains (# years to complete)</b>					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.
1.3.1	Unprotected Steel (Bare & Coated) (# years to complete)	-	1	-	-	Optional: # yrs by pipe type.
1.3.2	Cast Iron / Wrought Iron (# years to complete)	-	-	-	-	Optional: # yrs by pipe type
2	Distribution CO2e Fugitive Emissions					
2.1	CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	95,473	33,525	33,857	34,310	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).

		Baseline	Past Year	Last Year	Current Year	Definitions
Ref. No.	Refer to the "Definitions" column for more information on each metric.	2011	2021	2022	2023	
<b>Natural Gas Distribution</b>						
2.2	<b>CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons)</b>	3,819	1,341	1,354	1,372	INPUT VALUE (total mt CH4) as explained in definition above. Subpart W input is CH4 (mt).
2.2.1	CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)	199	70	71	71	
2.3	Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year)	63,724,725	85,302,967	94,000,488	86,334,107	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).
2.3.1	Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet	60,538	81,038	89,300	82,017	
2.4	Fugitive Methane Emissions Rate (Percent MMscf of Methane Emissions per MMscf of Methane Throughput)	0.33%	0.09%	0.08%	0.09%	Calculated annual metric: (MMSFC methane emissions/MMSCF methane throughput)

### SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

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

Topic	Code	Accounting Metric	Unit of Measure	FY2022	FY2023	FY2024
Energy Affordability	IF-GU-240a.1	Average retail gas rate for residential customers	US Dollars	\$13.99	\$15.79	\$15.38
		Average retail gas rate for commercial customers		\$17.24	\$16.57	\$15.54
		Average retail gas rate for industrial customers <sup>1</sup>		n/a	n/a	n/a
		Average retail gas rate for transportation services only		\$6.18	\$6.89	\$7.24
	IF-GU-240a.2	Typical monthly gas bill for residential customers for 50 MMBtu of gas delivered per year	US Dollars	\$62.03	\$67.92	\$68.56
		Typical monthly gas bill for residential customers for 100 MMBtu of gas delivered per year		\$113.21	\$124.83	\$126.12
	IF-GU-240a.3	Number of residential customer gas disconnections for non-payment	Number	4,794	7,899	7,646
		Percentage reconnected within 30 days <sup>2</sup>	Percentage (%)	53.5%	57.8%	50.5%
	IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	n/a	Please see this item on <a href="#">Page 33</a> of NJR's Corporate Sustainability Report.		

<sup>1</sup> 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.

<sup>2</sup> 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.

Topic	Code	Accounting Metric	Unit of Measure	FY2022	FY2023	FY2024
End-Use Efficiency	IF-GU-420a.2	Residential Customer gas savings from efficiency measures by market <sup>3</sup>	Million British Thermal Units (MMBtu)	312,738	417,147	469,087
		Commercial Customer gas savings from efficiency measures by market <sup>3</sup>		2,098	42,584	20,452
Integrity of Gas Delivery Infrastructure	IF-GU-540a.1	Number of reportable pipeline incidents <sup>4</sup>	Number	1	0	0
		Number of reportable corrective action orders (CAO) <sup>4</sup>		0	0	0
		Number of reportable notices of probable violation (NOPV) <sup>4</sup>		0	0	0
	IF-GU-540a.2	Percentage of distribution pipeline that is cast and/or wrought iron	Percentage (%) by length	0%	0%	0%
		Percentage of distribution pipeline that is unprotected steel		<1%	0%	0%
	IF-GU-540a.3	Percentage of gas transmission pipelines inspected <sup>4</sup>	Percentage (%) by length	16.83%	15.70%	7.00%
		Percentage of gas distribution pipelines inspected <sup>4</sup>		0%	0%	0%
	IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	n/a	Please see this item on Page 15 and 28 of NJR's Corporate Sustainability Report.		

<sup>3</sup> 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.

<sup>4</sup> 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. (FY24=CY23, FY23=CY22, FY22=CY21)

Topic	Code	Accounting Metric	Unit of Measure	FY2022	FY2023	FY2024
Activity Metrics	IF-GU-000.A	Number of residential customers served	Number	529,595	536,219	542,972
		Number of commercial customers served		39,622	39,756	39,583
		Number of industrial customers served		25	25	25
	IF-GU-000.B	Amount of natural gas delivered to residential customers	Million British Thermal Units (MMBtu)	45,543,254	43,366,747	44,511,097
		Amount of natural gas delivered to commercial customers		8,669,379	8,423,645	8,503,373
		Amount of natural gas delivered to industrial customers <sup>5</sup>		0	0	0
		Amount of natural gas delivered transferred to a third party		14,485,240	13,576,476	13,070,332
	IF-GU-000.C	Length of gas transmission pipelines	Kilometers (km)	404	404	394
		Length of gas distribution pipelines		11,980	12,138	12,287

<sup>5</sup> 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<sup>6</sup>

Topic	Code	Accounting Metric	Unit of Measure	FY2022	FY2023	FY2024
Activity Metrics	RR-ST-000.B	Total capacity of completed solar energy systems	Megawatts (MW)	386.6	468.8	477
	RR-ST-000.C	Total project development assets <sup>7</sup>	US Dollars (\$million)	\$1,037.70	\$1,207.50	\$1,236.30

<sup>6</sup> NJRCEV is not a manufacturer of solar technology, therefore, we have included the metrics applicable to solar owner operators.

<sup>7</sup> The amount is reflective of total assets in service as of September 30, 2024, and includes NJRCEV's residential solar portfolio, which was sold to a third-party in November 2024.



## Oil, Gas and Midstream – Adelfia Gateway

Topic	Code	Accounting Metric	Unit of Measure	FY2022	FY2023	FY2024
GHG Emissions	EM-MD-110a.1	Gross global Scope 1 emissions <sup>8</sup>	Metric tons (t)	9,861	16,435	13,967
		Percentage methane	Percentage (%) CO <sub>2</sub> -e,	69.4%	7%	3%
		Percentage covered under emissions-limiting regulations	Percentage (%)	-%	-%	-%
	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	n/a	Please see this item on <a href="#">Page 58</a> of NJR's Corporate Sustainability Report.		
Air Quality	EM-MD-120a.1	Air emissions of NO <sub>x</sub> (excluding N <sub>2</sub> O)	Metric tons (t)	<10	<10	<10
		Air emissions of SO <sub>x</sub>		<8	<8	<8
		Air emissions of volatile organic compounds (VOCs)		<8	8.77	<8
		Air emissions of particulate matter (PM <sub>10</sub> )		<3	<3	<3
Ecological Impacts	EM-MD-160a.1	Description of environmental management policies and practices for active operations	n/a	Please see this item on <a href="#">Page 58</a> of NJR's Corporate Sustainability Report.		
	EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	n/a	Please see this item on <a href="#">Page 58</a> of NJR's Corporate Sustainability Report.		
	EM-MD-160a.3	Terrestrial acreage disturbed, percentage of impacted area restored	Acre (ac), Percentage (%)	0%	0%	0%
	EM-MD-160a.4	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	Number, Barrels (bbls)	0	0	0

<sup>8</sup> The increase in Adelfia emissions in FY23 was due to the commissioning and operation of new assets along Adelfia Gateway Pipeline.

Topic	Code	Accounting Metric	Unit of Measure	FY2022	FY2023	FY2024
Competitive Behavior	EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	Reporting currency	\$0	\$0	\$0
Operational Safety, Emergency Preparedness & Response	EM-MD-540a.1	Number of reportable pipeline incidents	Number	0	0	0
		Percentage of significant reportable pipeline incidents	Percentage (%)	0%	0%	0%
	EM-MD-540a.2	Percentage of natural gas pipelines inspected	Percentage (%)	55%	0%	0%
		Percentage of hazardous liquid pipelines inspected		n/a	n/a	n/a
	EM-MD-540a.3	Number of accident releases from rail transportation	Number	n/a	n/a	n/a
		Number of non-accident releases (NARs) from rail transportation		n/a	n/a	n/a
EM-MD-540a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	n/a	Please see this item on <a href="#">Page 27</a> of NJR's Corporate Sustainability Report.			
Activity Metrics	EM-MD-000.A	Total metric ton-kilometers of natural gas products transported, by mode of transport	Metric ton (t) kilometers	6,982	11,897	16,387
		Total metric ton-kilometers of crude oil products transported, by mode of transport		n/a	n/a	n/a
		Total metric ton-kilometers of refined petroleum products transported, by mode of transport		n/a	n/a	n/a

**Oil, Gas and Midstream - Leaf River**

Topic	Code	Accounting Metric	Unit of Measure	FY202	FY2023	FY2024
GHG Emissions	EM-MD-110a.1	Gross global Scope 1 emissions	Metric tons (t)	33,938	32,448	33,113
		Percentage methane	Percentage (%) CO <sub>2</sub> -e,	29.2%	30.9%	33.9%
		Percentage covered under emissions-limiting regulations	Percentage (%)	0%	0%	0%
	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	n/a	Please see this item on <a href="#">Page 58</a> of NJR's Corporate Sustainability Report.		
Air Quality	EM-MD-120a.1	Air emissions of NO <sub>x</sub> (excluding N <sub>2</sub> O)	Metric tons (t)	56.3	50.6	47
		Air emissions of SO <sub>x</sub>		0.127	0.109	0.12
		Air emissions of volatile organic compounds (VOCs)		45.8	43.9	34.7
		Air emissions of particulate matter (PM <sub>10</sub> )		2.1	1.9	2.0
Ecological Impacts	EM-MD-160a.1	Description of environmental management policies and practices for active operations	n/a	Please see this item on <a href="#">Page 58</a> of NJR's Corporate Sustainability Report.		
	EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	n/a	Please see this item on <a href="#">Page 58</a> of NJR's Corporate Sustainability Report.		
	EM-MD-160a.3	Terrestrial acreage disturbed, percentage of impacted area restored	Acres (ac), Percentage (%)	0%	0%	0%
	EM-MD-160a.4	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	Number, Barrels (bbls)	0	0	0

Topic	Code	Accounting Metric	Unit of Measure	FY2022	FY2023	FY2024
Competitive Behavior	EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	Reporting currency	\$0	\$0	\$0
Operational Safety, Emergency Preparedness & Response	EM-MD-540a.1	Number of reportable pipeline incidents	Number	0	0	0
		Percentage of significant reportable pipeline incidents	Percentage (%)	0%	0%	0%
	EM-MD-540a.2	Percentage of natural gas pipelines inspected	Percentage (%)	0%	0%	0%
		Percentage of hazardous liquid pipelines inspected		n/a	n/a	n/a
	EM-MD-540a.3	Number of accident releases from rail transportation	Number	n/a	n/a	n/a
		Number of nonaccident releases (NARs) from rail transportation		n/a	n/a	n/a
	EM-MD-540a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	n/a	Please see this item on <a href="#">Page 27</a> of NJR's Corporate Sustainability Report.		
Activity Metrics	EM-MD-000.A	Total metric ton-kilometers of natural gas products transported, by mode of transport	Metric ton (t) kilometers	9,725	7,858	7,713
		Total metric ton-kilometers of crude oil products transported, by mode of transport		n/a	n/a	n/a
		Total metric ton-kilometers of refined petroleum products transported, by mode of transport		n/a	n/a	n/a

## 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 21](#) of the Fiscal 2024 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 area.

Species	Effect Determination
<i>Reptiles</i>	
Bog turtle	Not likely to adversely affect.
<i>Mammals</i>	
Indiana bat	Not likely to adversely affect. The Indiana bat is not anticipated to occur within forested areas that would be crossed by the project.
<i>Birds</i>	
Peregrine falcon	No significant impact.
<i>Plants</i>	
Small whorled pogonia	No effect.