

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	FY19	FY20	FY21
Energy Affordability	IF-GU-240a.1	Average retail gas rate for residential customers	US Dollars	\$10.38	\$11.81	\$11.17
		Average retail gas rate for commercial customers		\$11.44	\$12.75	\$12.43
		Average retail gas rate for industrial customers ¹		n/a ¹	n/a ¹	n/a ¹
		Average retail gas rate for transportation services only		\$4.18	\$5.00	\$5.06
	IF-GU-240a.2	Typical monthly gas bill for residential customers for 50 MMBtu of gas delivered per year	US Dollars	\$46.50	\$53.11	\$51.33
		Typical monthly gas bill for residential customers for 100 MMBtu of gas delivered per year		\$84.29	\$96.37	\$92.52
	IF-GU-240a.3	Number of residential customer gas disconnections for non-payment ²	Number	7,286	3,696	0
		Percentage reconnected within 30 days ²	Percentage (%)	53.3%	70.9%	0%
	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 Page 28 of NJR's Corporate Sustainability Report.		

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

² NJNG measures reconnections over a three-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. More information is available on [page 29](#) of this report.

Topic	Code	Accounting Metric	Unit of Measure	FY19	FY20	FY21
End-Use Efficiency	IF-GU-420a.1	Percentage of gas utility revenues from rate structures that are decoupled	Percentage (%)	71.7%	71.4%	71.4%
		Percentage of gas utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)		n/a	n/a	n/a
	IF-GU-420a.2	Residential Customer gas savings from efficiency measures by market ³	Million British Thermal Units (MMBtu)	228,538	540,448	427,169
		Commercial Customer gas savings from efficiency measures by market ³		16,884	8,685	6,296
Integrity of Gas Delivery Infrastructure	IF-GU-540a.1	Number of reportable pipeline incidents ⁴	Number	2	1	0
		Number of reportable corective action orders (CAO) ⁴		0	0	0
		Number of reportable notices of probable violation (NOPV) ⁴		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		2.7%	1.7%	1.3%
	IF-GU-540a.3	Percentage of gas transmission pipelines inspected ^{4,5}	Percentage (%) by length	100%	100%	20%
		Percentage of gas distribution pipelines inspected ^{4,5}		100%	100%	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 13 of NJR's Corporate Sustainability Report.		

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

⁴ This data is reported to the Pipeline and Hazardous Materials Safety Administration on a calendar year basis, therefore, data is reflective of the months of January through December. (FY21=CY20, FY20=CY19, and FY19=CY18)

⁵ FY19 and FY20 inspections included line walk inspections, to be consistent with SASB reporting standards, going forward line walk inspections will not be reflected in inspection totals.

Topic	Code	Accounting Metric	Unit of Measure	FY19	FY20	FY21
Activity Metrics	IF-GU-000.A	Number of residential customers served	Number	509,344	520,199	524,428
		Number of commercial customers served		38,228	37,920	39,430
		Number of industrial customers served		27	25	25
	IF-GU-000.B	Amount of natural gas delivered to residential customers	Million British Thermal Units (MMBtu)	45,955,604	44,550,810	46,209,754
		Amount of natural gas delivered to commercial customers		9,691,919	8,207,942	8,618,272
		Amount of natural gas delivered to industrial customers ⁶		21	0	0
		Amount of natural gas delivered transferred to a third party		15,273,483	14,767,662	15,170,406
	IF-GU-000.C	Length of gas transmission pipelines	Kilometers (km)	347	356	404
		Length of gas distribution pipelines		11,702	11,816	11,969

⁶ 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

Topic	Code	Accounting Metric	Unit of Measure	FY19	FY20	FY21
Activity Metrics	RR-ST-000.B	Total capacity of completed solar energy systems	Megawatts (MW)	291.4	357.4	367.8
	RR-ST-000.C	Total project development assets ⁷	US Dollars (\$million)	\$833.20	\$970.80	\$993.40

⁷ NJRCEV does not currently have any assets in development stages; this amount is reflective of total assets in service.

Oil, Gas and Midstream - Adelphia Gateway

Adelphia Gateway was acquired by NJR in FY2020.

Topic	Code	Accounting Metric	Unit of Measure	FY20	FY21
GHG Emissions	EM-MD-110a.1	Gross global Scope 1 emissions	Metric tons (t)	1,342	1,633
		Percentage methane	Percentage (%) CO ₂ -e,	0.7%	31.8%
		Percentage covered under emissions-limiting regulations	Percentage (%)	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 in NJR's Qualitative Disclosures.	
Air Quality	EM-MD-120a.1	Air emissions of NO _x (excluding N ₂ O)	Metric tons (t)	<10	<10
		Air emissions of SO _x		<8	<8
		Air emissions of volatile organic compounds (VOCs)		<8	<8
		Air emissions of particulate matter (PM ₁₀)		<3	<3
Ecological Impacts	EM-MD-160a.1	Description of environmental management policies and practices for active operations	n/a	Please see this item in NJR's Qualitative Disclosures.	
	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 in NJR's Qualitative Disclosures.	
	EM-MD-160a.3	Terrestrial acreage disturbed, percentage of impacted area restored	Acres (ac), Percentage (%)	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

Topic	Code	Accounting Metric	Unit of Measure	FY20	FY21
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
Operational Safety, Emergency Preparedness & Response	EM-MD-540a.1	Number of reportable pipeline incidents	Number	0	0
		Percentage of significant reportable pipeline incidents	Percentage (%)	0%	0%
	EM-MD-540a.2	Percentage of natural gas pipelines inspected ⁸	Percentage (%)	100%	0%
		Percentage of hazardous liquid pipelines inspected		n/a	n/a
	EM-MD-540a.3	Number of accident releases from rail transportation	Number	n/a	n/a
		Number of nonaccident releases (NARs) from rail transportation		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 NJR's discussion on Employee Safety on page 24 .		
Activity Metrics	EM-MD-000.A	Total metric ton-kilometers of natural gas products transported, by mode of transport ⁹	Metric ton (t) kilometers	25,041	28,812
		Total metric ton-kilometers of crude oil products transported, by mode of transport		n/a	n/a
		Total metric ton-kilometers of refined petroleum products transported, by mode of transport		n/a	n/a

⁸ FY20 inspections included line-walk inspections, to be consistent with SASB reporting standards, going forward line-walk inspections will not be reflected in inspection totals.

⁹ These numbers were revised from the 2020 Corporate Sustainability Report to reflect activity in the relevant unit of measure.

Oil, Gas and Midstream - Leaf River

Leaf River was acquired by NJR in FY2020.

Topic	Code	Accounting Metric	Unit of Measure	FY20	FY21
GHG Emissions	EM-MD-110a.1	Gross global Scope 1 emissions	Metric tons (t)	33,070	28,004
		Percentage methane	Percentage (%) CO ₂ -e,	27.3%	32.3%
		Percentage covered under emissions-limiting regulations	Percentage (%)	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 in NJR's Qualitative Disclosures.	
Air Quality	EM-MD-120a.1	Air emissions of NO _x (excluding N ₂ O) ¹⁰	Metric tons (t)	57.45	37.6
		Air emissions of SO _x ¹⁰		0.14	0.1
		Air emissions of volatile organic compounds (VOCs) ¹⁰		46.34	39.1
		Air emissions of particulate matter (PM ₁₀) ¹⁰		2.04	1.5
Ecological Impacts	EM-MD-160a.1	Description of environmental management policies and practices for active operations	n/a	Please see this item in NJR's Qualitative Disclosures.	
	EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	n/a	n/a	n/a
	EM-MD-160a.3	Terrestrial acreage disturbed, percentage of impacted area restored	Acres (ac), Percentage (%)	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

¹⁰ This data is reported to the U.S. EPA on a calendar year basis, therefore, data is reflective of the months of January through December (FY21=CY20). FY20 data is reflected in US tons; going forward, this metric will be reflected in metric tons.

Topic	Code	Accounting Metric	Unit of Measure	FY20	FY21
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
Operational Safety, Emergency Preparedness & Response	EM-MD-540a.1	Number of reportable pipeline incidents	Number	0	0
		Percentage of significant reportable pipeline incidents	Percentage (%)	0%	0%
	EM-MD-540a.2	Percentage of natural gas pipelines inspected ¹¹	Percentage (%)	100%	0%
		Percentage of hazardous liquid pipelines inspected		n/a	n/a
	EM-MD-540a.3	Number of accident releases from rail transportation	Number	n/a	n/a
		Number of nonaccident releases (NARs) from rail transportation		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 NJR's discussion on Employee Safety on page 24 .		
Activity Metrics	EM-MD-000.A	Total metric ton-kilometers of natural gas products transported, by mode of transport ¹²	Metric ton (t) kilometers	9,396	10,027
		Total metric ton-kilometers of crude oil products transported, by mode of transport		n/a	n/a
		Total metric ton-kilometers of refined petroleum products transported, by mode of transport		n/a	n/a

¹¹ FY20 inspections included line-walk inspections, to be consistent with SASB reporting standards, going forward line-walk inspections will not be reflected in inspection totals.

¹² These numbers were revised from the 2020 Corporate Sustainability Report to reflect activity in the relevant unit of measure.

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 has assessed 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. Replacements completed or scheduled through 2021 were estimated to reduce emissions by over 550 thousand cubic feet, or approximately 30 metric tons, per hour.
- 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 16 of the Fiscal 2021 Corporate Sustainability Report.

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

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

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

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

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

These programs are complemented by monthly safety meetings and bi-monthly training on a variety of safety topics applicable to the industry and work environment.

Species	Effect Determination
<i>Reptiles</i>	
Bog turtle	Not likely to adversely affect. Adelphia will employ a US Fish and Wildlife Service Recognized Qualified Bog Turtle Surveyor during excavation activities to monitor for the bog turtle and implement protective measures as needed.
<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.