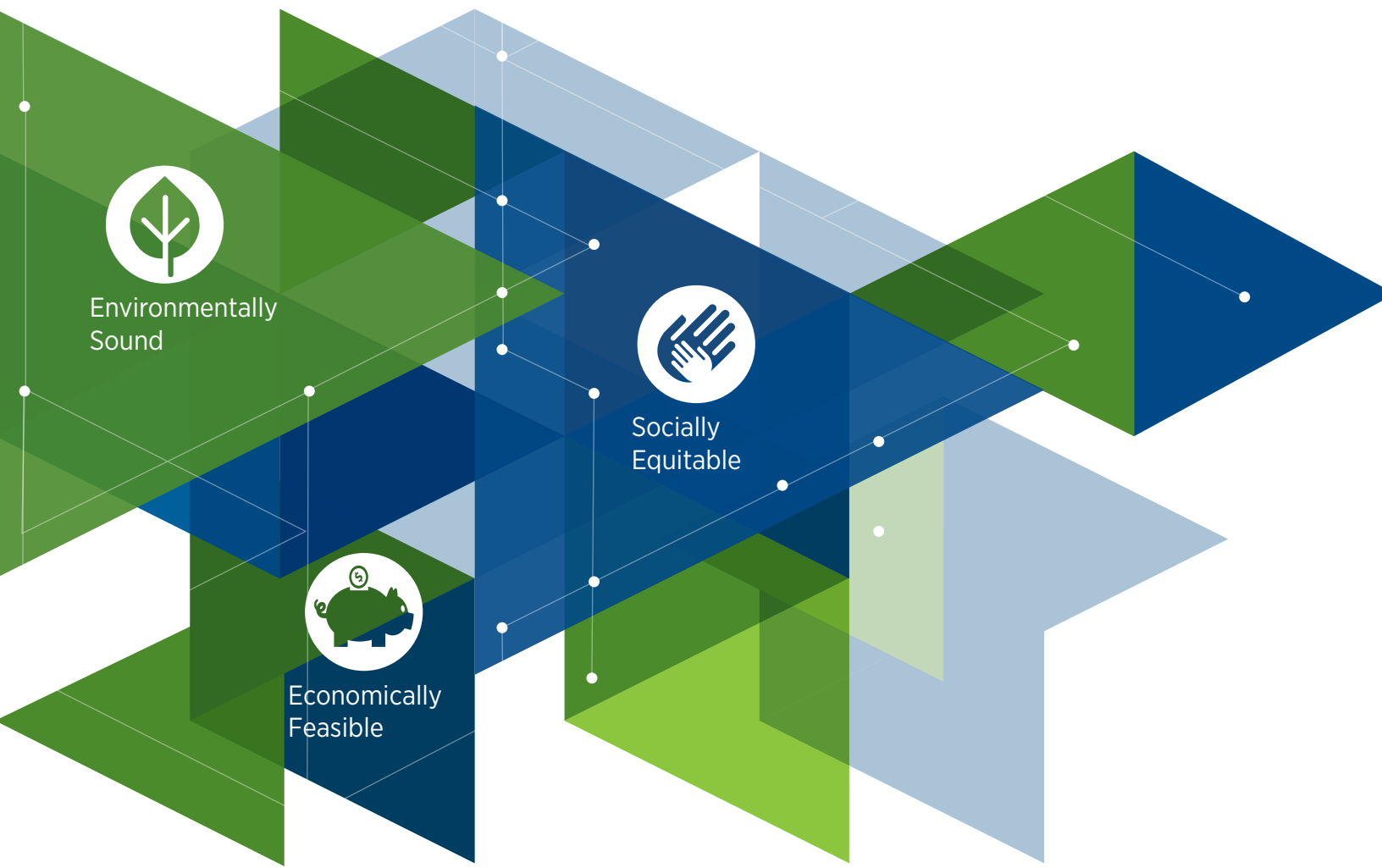


2017 Corporate Sustainability Report



MESSAGE FROM OUR CHAIRMAN AND CEO

As we grow our business and meet the needs of our stakeholders, we remain focused on driving corporate sustainability in all areas. Our efforts to balance environmental stewardship, economic growth and social responsibility to make positive and lasting changes that benefit our customers, communities and the world around us are critical to our long-term success. We use the Global Reporting Initiative (GRI-4) sustainability reporting guidelines as the foundation of our program, and I am proud of our team's progress as we advance our sustainability agenda.

We make sure our customers have the energy they need to run their lives and businesses. Whether that energy is natural gas, solar or wind – we ensure energy is reliable, delivered safely and offers value to our customers.

But, our mission is larger. It is about creating a culture and a company today that is ready to meet the challenges of tomorrow. We are imagining and creating a reliable, affordable and cleaner energy future that will benefit generations to come.

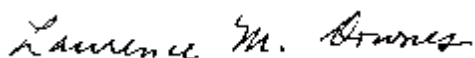
As we pursue that mission, we are investing in our energy network and providing energy services and solutions to our customers here in New Jersey and across the country. Our diverse portfolio of energy infrastructure assets includes natural gas pipelines, storage fields, solar arrays and wind turbines. We also help our customers use less energy, save money and reduce emissions as we promote and advance energy efficiency in New Jersey through innovative programs.

Our commitment to sustainability is reflected in our investments and initiatives. To date, we've invested over \$800 million in clean energy projects with the installed capacity to power more than 60,000 homes per year. Over the last decade, we've invested more than \$1 billion to ensure the safety and reliability of our system. Through fiscal 2017, we have helped our customers save \$374 million through programs that reduce natural gas usage, and our efforts have protected the environment by preventing the release of 2.1 million tons of carbon dioxide (CO₂) into the atmosphere. This equates to removing 400,000 cars from New Jersey's roads each year. And, since 2001, our employees, retirees and their families have provided at least 2,000 volunteer hours per year, helping those in our communities who need it most.

These accomplishments are a testament to the dedication of New Jersey Resources' more than 1,000 women and men, who are the driving force behind all we do and all we achieve.

With our focus on advancing a reliable, affordable and cleaner energy future, we see tremendous opportunities before us. Our sound strategy, skills and the leadership of our employees will continue to drive us forward as we build a strong foundation for sustainable, long-term growth.

Sincerely,

A handwritten signature in dark ink, appearing to read "Laurence M. Downes". The signature is fluid and cursive, with the first name being the most prominent.

Laurence M. Downes
Chairman and CEO



OUR COMMITMENT TO A SUSTAINABLE FUTURE

[New Jersey Resources \(NJR\)](#) is committed to balancing the growth of our business with our sense of social responsibility as an organization. This report highlights the measurable sustainability results we deliver through industry-leading services, solutions and expertise, and details our performance against our internal operating principles. By keeping within the three tenets of sustainability — economic, social and environmental — NJR succeeds with greater purpose for our customers, employees, shareowners and the communities we serve.

As a natural gas and energy services company, our efforts touch lives in different and meaningful ways. For us, sustainability is about balancing environmental stewardship, economic achievements and social progress to benefit all our stakeholders. From investing in the resiliency of our system to strengthening our communities through volunteerism, the path to sustainability begins with all of us working together to make a positive difference. When it comes to sustainability, we've made progress as a company, but there's more work ahead.

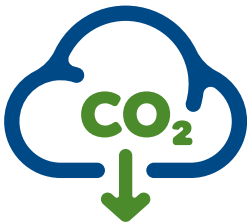
A LOOK AT OUR YEAR



432,000
energy-saving
tips dispensed



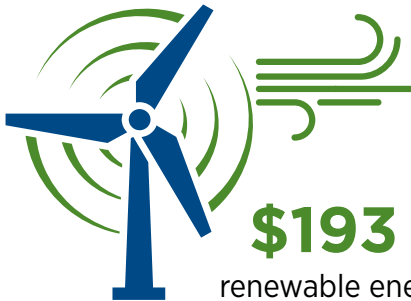
6,400
community service hours



19%
annual NGV
emissions reduction



**\$195.3
million**
infrastructure investments



\$193 million
renewable energy investments



25th
consecutive year of
highest customer satisfaction



**79+
megawatts**
total installed capacity



#1
lowest leaks
per mile in
New Jersey



\$13.1 million
investments in
energy efficiency grants
and financing



85%
employee engagement score



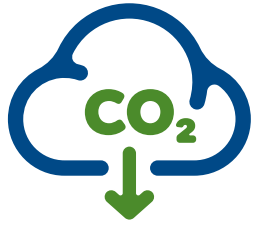
ENVIRONMENTAL IMPACT

We believe encouraging conservation and energy efficiency and reducing our environmental impact is simply the right thing to do now and for the long term. Individual actions taken as a whole play a critical role in protecting our environment, and we are convinced by working together we can drive positive change.

Through Conserve to Preserve® (CTP), our commitment to environmental stewardship, we are working toward meeting our goals through effective customer engagement and investing in programs that promote energy efficiency and conservation. And we continue to set conscientious goals as part of our commitment to the environment with a greenhouse gas (GHG) reduction program, renewable energy installation projects, responsible fleet management, WasteWise programs and many other environmentally sustainable efforts.

In addition to making our own activities more sustainable, our goal is to encourage our customers and stakeholders to do the same.

CTP — Helping Customers and Communities Since 2006



2.1 million
tons CO₂ eliminated



49,039
The SAVEGREEN Project®
participating customers



2.7+ million
CTP tips shared



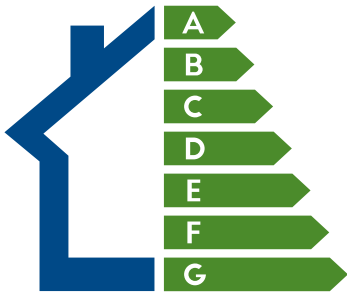
8,871
customized energy reports**



\$374 million
customer energy savings



\$371 million
economic activity
from SAVEGREEN



17,489
homes scored
for efficiency*



2,624
contractors supported



\$150 million
invested in energy-efficiency incentives

** Source: Department of Energy*

*** Source: Opower*

Conserve to Preserve Tools and Resources — 2017

Through CTP, we provide our customers and employees with the tools and resources they need to make wise energy choices. That means using energy more responsibly to protect our environment and conserve our natural resources.

Energy-saving Tips

Each month our customers save energy with no-to low-cost energy-saving recommendations from our customer service representative and E-Tips, our monthly electronic newsletter.



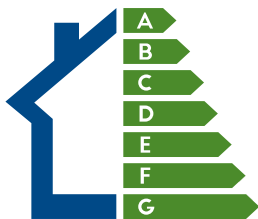
432,000
energy-saving
tips dispensed



113,000
E-Tips subscribers

Home Energy-efficiency Ratings

Since 2012, SAVEGREEN has been a partner of the U.S. Department of Energy (DOE) Home Energy Score initiative. Upon the completion of a comprehensive home energy audit by the SAVEGREEN team, customers receive a report that scores how energy-efficient their home is now and what it could be with suggested improvements.



2,412
homes scored
for efficiency*

Home Energy Reports

Throughout the year, participating customers receive Opower® home energy reports, which provide insight on their energy use at home. The report has been highly effective at providing customers with the necessary information to reduce energy consumption.



68,871
participating
customers**

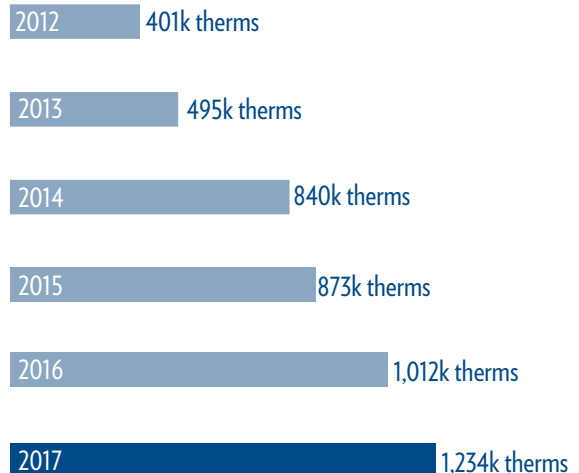


1.2 million
natural gas therms saved *



7,210 tons
of CO₂ eliminated *

Home Energy Reports Have Been Driving
More Natural Gas Savings Since 2012.



*Source: Department of Energy

**Source: Opower

Planting For Our Future

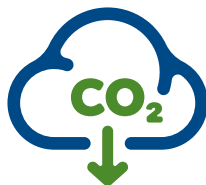
A single tree can absorb over one ton of CO₂ from the atmosphere, help fight climate change, improve air and water quality and enhance quality of life.* For every \$5 donated to Planting for Our Future, a tree is planted by The Conservation Fund, a nonprofit organization. And NJNG matches all donations to maximize the positive environmental impact.



\$313,647
donated*



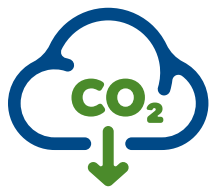
61,788
trees planted*



64,000 tons
CO₂ eliminated**

Natural Gas STAR

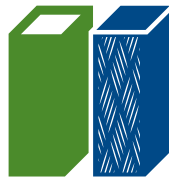
For more than a decade, we have been a member of the U.S. Environmental Protection Agency's (EPA) Natural Gas STAR Program. During that time, we have reduced our emissions by over 20 percent through changes in our operations.



27,902 tons
of CO₂ eliminated†

WasteWise

As an EPA WasteWise partner, we implement sustainable best practices in line with our corporate environmental policy. Here's a snapshot of our 2017 WasteWise recycling efforts:



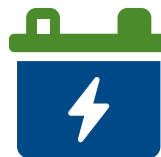
762 tons
metals and alloys



304 tons
paper and cardboard



101 tons
co-mingled recyclables



7 tons
lead acid batteries



21 tons
used motor oil



18 tons
tires

*Source: The Conservation Fund, donations since 2007, trees planted
**EPA Greenhouse Gas Equivalencies Calculator, annual emissions equivalent

Note: The Conservation Fund has fulfilled its obligation to plant trees on behalf of donations made by NJNG and its customers, but regrets a clerical error it made that overstated the number of trees planted and acres restored to date as indicated in the 2016 Report.

† EPA Natural Gas STAR, 2016 emissions reduction data, 2017 data not available.

Vehicle Emissions Reduction — 2017

According to the EPA, transportation is the second largest source of CO₂ emissions, which are harmful to the environment. Since 2011, we have reduced our carbon footprint by replacing 405 less fuel-efficient fleet vehicles with alternative ones. In fiscal 2018, we anticipate adding 14 natural gas vehicles (NGVs) to our fleet.



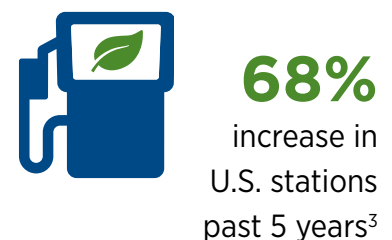
**Virtually no sulfur dioxide, mercury or particulate pollution*

**Source: American Gas Association*

† Than most gasoline and diesel vehicles

The NGV Advantage — 2017

The lack of infrastructure remains a barrier to advancing compressed natural gas (CNG) as a transportation fuel. Through the NGV Advantage, NJNG owns and maintains three public-access CNG fueling stations located at host sites in Monmouth and Ocean counties. In fiscal 2017, we spearheaded a collaborative effort with three other New Jersey natural gas utilities to promote and develop the use of NGVs and natural gas as a transportation fuel.



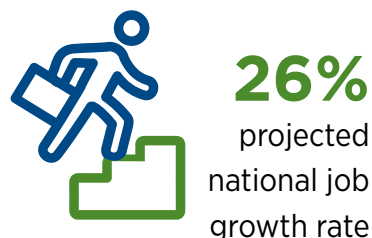
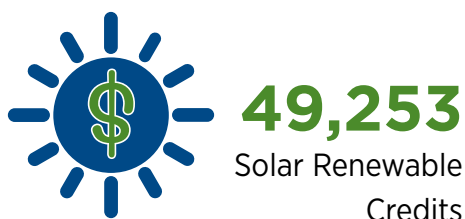
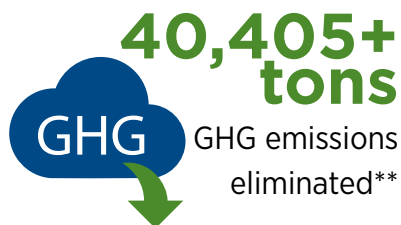
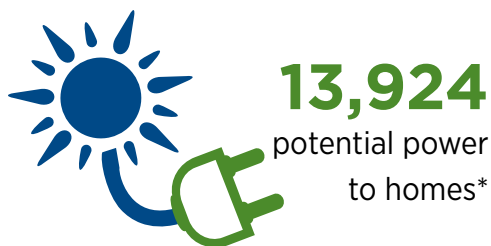
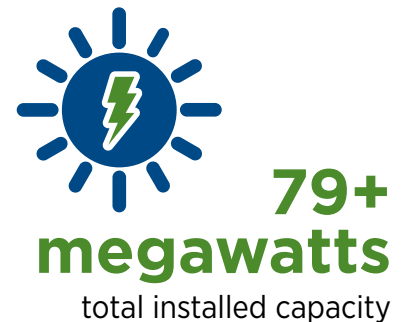
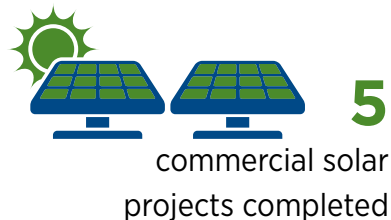
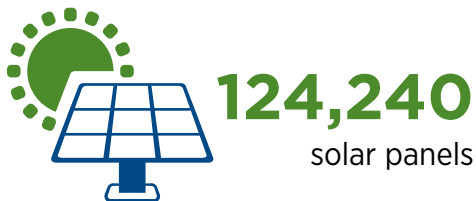
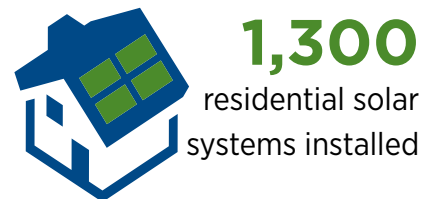
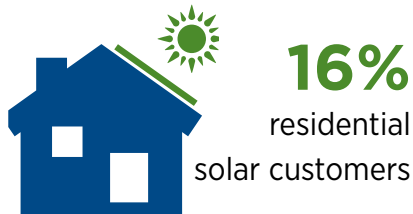
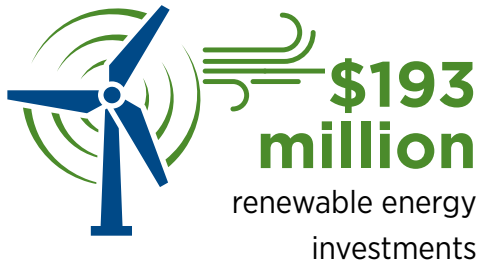
**Dispensed at NJNG stations*

1, 3 NGV Global

2 Gas Buddy, NJNG Tariff

Clean Energy — 2017

At the forefront of the state's clean energy marketplace is New Jersey Clean Energy Ventures (NJRCEV). Since 2010, we have invested \$800 million in zero-emissions diversified clean energy projects, and we are committed to providing an easy and affordable way for our customers to benefit from clean energy without the upfront costs. Through its residential program, The Sunlight Advantage® and commercial solar efforts, customers can harness the power of the sun without the costly, upfront investments ... helping bridge the energy gap.



* Annually

**EPA Greenhouse Gas Equivalencies Calculator

† Equivalent to GHG emissions eliminated

2016 National Solar Jobs Census, The Solar Foundation



ECONOMIC IMPACT

Every day, our nation relies on natural gas. And thanks to an unprecedented abundance of domestically produced natural gas, it is an affordable resource — positioning it as the preferred fuel of choice. Over the next 36 months, NJNG anticipates adding between 26,000 and 28,000 new customers. For nearly a decade, we have invested more than \$150 million in programs (generating over \$371 million in economic activity) to ensure our customers have access to energy efficiency. SAVEGREEN offers rebates and incentives — including a zero percent On-bill Repayment Program — to help offset the upfront costs of natural gas equipment upgrades and comprehensive energy-saving measures.

Converting to Natural Gas Heat

Recognizing the convenience, affordability and long-term advantages of natural gas, residential and commercial customers continue to make the switch to this low-cost, abundant energy supply.



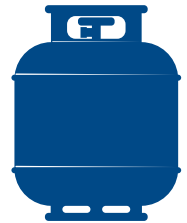
customers converting from alternative
energy sources



63%
oil



25%
electric



12%
propane

Helping Customers Save with Energy-efficiency Incentives

Improving the efficiency of our homes and businesses is one of the most cost-effective ways to address the energy savings. SAVEGREEN broadens these efforts and makes energy efficiency more accessible to customers by providing rebates and incentives. Moreover, it gets customers on the right path to energy efficiency engaging them at all levels.



\$13.1 million
invested in grants
and financing options



1,316
repayment plans

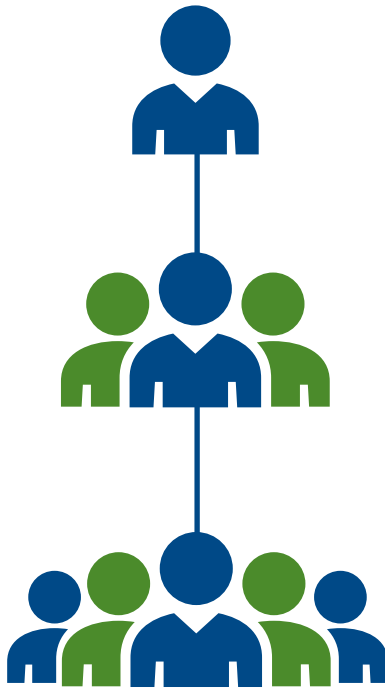


2,624
participating
contractors*

** Since inception of program*

Adding to the Economy

Energy efficiency not only benefits the environment, it adds value to the economy.



Direct Jobs

created as an immediate result of energy-efficiency investments. For example, jobs are created when workers are deployed to install and maintain energy-efficient equipment.

Indirect Jobs

created in the supply and service chains that are directly impacted by energy-efficiency investment. Examples include jobs created at facilities that supply or distribute the energy-efficient equipment.

Induced Jobs

created through the spending of income earned by workers hired into new direct and indirect job positions on goods and services in the local economy. Jobs are also created when money saved on energy bills is spent on other priorities such as education, food, medicine or non-essential items and services.

Source: United States Agency of International Development



SOCIAL RESPONSIBILITY

Corporate social responsibility is a cornerstone of our Commitment to Stakeholders. By proactively engaging our employees and the communities we serve, we enhance our ability to be an effective and trusted partner while maximizing our business value. So it's important our actions benefit society as a whole. From our charitable giving to the safety of our employees and customers ... it means ensuring a culture of best practices and holding ourselves accountable.

Building Healthy and Strong Communities — 2017

The spirit of giving back is a fundamental part of creating positive change. From providing affordable housing opportunities to first-time homeowners through our Home Ownership Program to in-kind support to community organizations, together with our employees we are providing hope and inspiring others.



6,400
community
service hours



145th
affordable home
through Home
Ownership Program



Gift of Warmth

\$235,541
contribution to NJNG's
Gift of Warmth energy
assistance fund



32,721
households benefitted
from assistance



1,800
local nonprofits
assisted

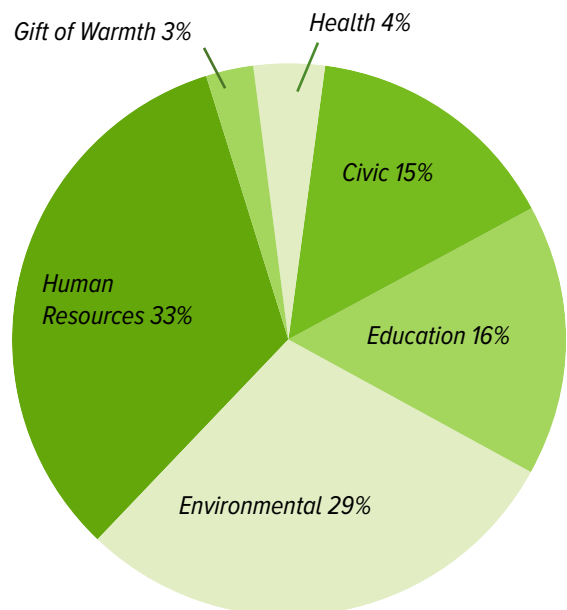


15,000
Ocean Fun Days
visitors



energy
assistance

\$10 million +
energy assistance grants



Allocation of Grant Funds

Creating a Thriving Workplace — 2017

Over 1,000 strong, our employees are the foundation for our collective success — past, present and future — and the most promising source of our sustainable advantage. In 2017, we continued key programs focused on employee and customer safety, leadership development, work-life balance, talent management, health and wellness, diversity and inclusion as well as employee engagement.

Safety 24/7

Our leadership-steered corporate initiative, Think Safe 24/7, puts safety first. It reminds employees to keep safety top of mind at all times, and fosters a culture where achieving our safety goals is a shared priority. Our safety initiatives, policies and practices are designed to ensure a safe workplace for our employees and strive for zero incidents — because even one accident or injury is one too many.



4.5

injury rate against
Occupational
Safety and Health
Administration rate



2.64

days away, restrictions
and transfer rate



3.36

preventable motor
vehicle accident
rate per million
miles driven

Employee Wellbeing, Development and Talent Management

NJR's programs are an investment in our employees. We're committed to providing programs — employee wellness, job skills training and certification, executive coaching and more — to ensure their wellbeing and help them meet their personal and professional goals. It's important we create a strong pipeline of future leaders.



12-month

onboarding process
to ensure a successful
start at NJR



career development
framework to support
career growth

Diversity and Inclusion

At NJR, we help foster a collaborative workplace and environment where a broad spectrum of perspectives, backgrounds and experiences encourage creativity that sparks new ideas and improves the way we do business — every day. We work diligently to ensure there are no artificial barriers to success — providing a place where people feel valued and are encouraged to wholly participate and reach their full potential. By harnessing their unique differences, we are able to meet challenges quickly, creatively and effectively — for the benefit of our employees, customers, communities and other stakeholders.



88%

retention rate with
diverse business
enterprises



21

employees in
inaugural women's
leadership development
program



85%

employee
engagement score



4.7

out of 5 stars
employee rating
of diversity and
inclusion programs

Governance, Regulations and Compliance

At NJR, we recognize sound corporate governance is extremely important to ensure we operate effectively and efficiently, and in a way that enhances our long-term value for our shareowners. Our board of directors, which includes our CEO, also comprises 11 independent directors with diverse skills and backgrounds and is responsible for overseeing the management of NJR and its affiliate companies. Our Corporate Governance principles and our Code of Conduct provide a framework that sets clear expectations for our employees and our board of directors and is designed to drive best practices, uphold high standards and ethical conduct. Together, they help ensure NJR representatives are governed by integrity and fairness in an environment that promotes accountability, transparency, high performance and sense of pride and service among our team.

For more information about our governance structure and guidelines along with principles for ethical behavior please see our Global Reporting Index standards or visit the Investor tab at njresources.com.

1 Safe, Reliable and Competitively Priced Service
Safe, reliable, competitively priced service is our first priority and, driven by employee performance, the foundation of our success.

2 Customer Satisfaction
Every employee will deliver outstanding customer care and achieve the highest level of customer satisfaction.

3 Growth
With enthusiasm and commitment, every employee will work to identify growth opportunities that meet the evolving needs of our customers and ensure the continued vibrancy of the organization.

4 Quality
Pursuing quality will be a shared responsibility throughout our organization.

5 Valuing Employees
Recognizing the power of a diverse, highly trained workforce, we are committed to the professional and personal development of every employee and ensuring a safe and respectful environment.

6 Corporate Citizenship
We will fulfill our commitment to being a responsible corporate citizen by maintaining our focus on integrity, philanthropy, charitable outreach, environmental stewardship and volunteerism to enhance the quality of life in the communities we serve.

7 Superior Return
Supported by a strong financial profile and operational excellence, we will meet the expectations of our investors through consistent earnings and dividend growth, appropriately rewarding their confidence in us.

Our Commitment to Stakeholders

We believe sustainability and business success are inseparably linked to achieving service excellence for our customers, stakeholders and communities. Corporate responsibility is a critical component of our strategy, combining company values and beliefs to ensure future growth in a sustainable manner.

After reading this report, we hope you came away with a strong understanding of how employees at all levels of our company are motivated and dedicated to meeting NJR's strategic goals. Every day we are passionately committed to a vision of sustainability and hold ourselves accountable with clear and measurable goals. They are established with the guidance and collective expertise of our board of directors, who consistently challenge us to reach further in our unwavering pledge to be a responsible corporate citizen.

We are grateful for the public service we share with our community leaders, regulators and legislators, as well as the support of our stakeholders and tireless efforts of our employees. We strive to maintain the positive relationships we share and honor the confidence they place in us. As we continue to grow, we aspire to be an exemplary corporate citizen through thoughtful and deliberate stewardship of our sustainability efforts.

Global Reporting Index Standards

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines GRI G4 and is a supplement to our Corporate Sustainability Report. NJR's GRI Standard Disclosures can be found [here](#).

Forward-Looking Statements

Certain statements contained in 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. 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.