

2019 CORPORATE SUSTAINABILITY REPORT



Leading the Way

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2019 Acknowledgments

Named 2019 Environmental Champion by the Market Strategies International Utility Trusted Brand and Customer Engagement™: Residential Study for the 5th consecutive year

Ranked highest among large utilities in the East in the J.D. Power 2019 Gas Utility Residential Customer Satisfaction Study for 5 years in a row¹

Named a “Most Trusted Brand” for the 6th consecutive year and a Customer Champion for the 5th consecutive year in 2019 by Cogent Syndicated Utility Trusted Brand and Customer Engagement report from Escalent.

Introduction

A Message from President and CEO Steve Westhoven

This is the 11th annual Corporate Sustainability Report for New Jersey Resources (NYSE:NJR), and my first since becoming CEO. In the nearly 30 years I've been a part of this company, I have seen firsthand how deeply rooted the values of conservation, responsibility and sustainability really are at NJR. Sustainability has always been a part of our culture – and our record clearly reflects that.

As President and CEO, I understand that environmental sustainability, emissions reduction and climate considerations, human capital management, corporate governance and transparency impact our business in different ways.

These are dynamic issues that require a strategic and thoughtful approach, consistent review and accountability, and a continuous reassessment to be certain they fit the needs of our business, customers and all of our stakeholders.

One of my first acts in my new role is to ensure our organization is positioned to meet our goal of achieving profitable growth in an environmentally responsible way – and that we have the structure in place to support that mission over the long run.

We formed an Office of Sustainability within NJR to do just that. This Office will support our Sustainability Council comprised of senior leaders across NJR and its subsidiaries, and is responsible for bringing all our sustainability efforts together under one framework. The Council has adopted the following key Environmental Guiding Principles:

- ▷ Support sound public policies that address climate impacts and ensure reliable, affordable and clean energy for our customers.
- ▷ Embrace innovations across technologies and fuel types that deliver energy with improved environmental outcomes.

Our Performance in 2019

NJR continued to make meaningful progress toward our sustainability mission, while delivering results for our stakeholders:



NJNG has one of the most

environmentally sound

systems in the state measured by leaks per mile



\$300 million

NJNG infrastructure investment



9,700

NJNG customers added



5,400

Hours of volunteer service

- ▷ Reduce greenhouse gas 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 and company energy efficiency, conservation and environmental stewardship opportunities.

Our Sustainability Council is empowered to evaluate our performance, set goals, and ultimately direct strategies and action plans to meet the company's sustainability objectives – including our goal of voluntarily reducing our operational emissions in New Jersey to 50 percent of 2006 levels by 2030. This target will evolve as technologies advance and is consistent with the long-term goal of the New Jersey Global Warming Response Act to reduce emissions to 80 percent of 2006 levels by 2050.

To better enable our organization to achieve New Jersey's 2050 climate goals, we have actively engaged in a comprehensive process to document our own emissions reduction progress and set a baseline for our efforts moving forward. Later this year, I will announce specific, emissions reduction strategies that will include energy efficiency, mobile emissions reductions and distribution system reductions through decarbonized gas, infrastructure upgrades and technology deployment, which are all critical for NJR to achieve its goals.

This work has already begun at our principal subsidiary New Jersey Natural Gas (NJNG).

In December, we announced that NJNG has offset 100 percent of its facility and fleet natural gas use – an important step in reducing NJR's own carbon footprint.

This builds on NJNG's strong track record of investing in reducing emissions and enhancing safety and reliability. Our system is the most environmentally sound in the state, as measured by leaks per mile. And, we are looking to achieve the same results with our operations.



2,500

Community organizations assisted



\$20 million

Investment in energy efficiency programs



156,737 kwh

Renewable solar energy produced at NJR facilities

Long-term, we see NJR as a leading energy infrastructure company that leverages our environmentally sound pipeline network to deliver clean, decarbonized fuel to heat homes and businesses. We will operate high-integrity, environmentally responsible assets that help ourselves and others accomplish that goal. Our solar investments will continue to power homes and businesses, and our expertise in clean energy will give us a foothold in growing markets like electric vehicle charging and battery storage.

New technologies and opportunities are rapidly advancing to help us achieve this vision:

- ▶ Renewable Natural Gas is being developed through naturally occurring methane from landfills and wastewater treatment facilities that can be captured and cleaned before it escapes into the atmosphere. This gas is then put to good use as an additional decarbonized energy source to heat homes and businesses or to power fleet vehicles.
- ▶ Excess wind and solar energy that would otherwise be curtailed can be used to power electrolysis processes to create 100 percent green hydrogen. This hydrogen can be injected into natural gas distribution systems, lowering the carbon footprint of the energy powering homes and businesses. Today, this technology is being put into real-world use in projects across the country and beyond.
- ▶ The emergence of electric vehicles is providing exciting new opportunities for charging infrastructure. Our Clean Energy Ventures business has already invested nearly \$900 million in solar projects in New Jersey. As the potential for clean energy in our lives is reimagined beyond home electricity, we will be there to ensure New Jersey and our stakeholders benefit from these innovations.

Long before corporations in this country focused on "sustainability," the principles of environmental stewardship, corporate responsibility, sound governance and caring for our communities has guided our actions and influenced how we do business.

It's no surprise then that many of our efforts date back decades, not just years, when it comes to demonstrating our commitment to the environment, our communities and our people with measurable actions.



Strengthened

our commitment to methane emissions reductions initiatives



Continued

industry leadership in sourcing responsible natural gas



16.38 million kwh

of renewable energy purchased for NJR's own operations

- ▶ We've invested over \$1.6 billion in our natural gas delivery system over the last decade, making it the safest and most environmentally sound system in the state, as measured by leaks per mile.
- ▶ For nearly 20 years we've voluntarily acted to report and reduce emissions from our system through the EPA Natural Gas STAR program.
- ▶ In place for over a decade, our energy efficiency programs are among the most seasoned and successful in New Jersey.
- ▶ Our Project Venture program benefiting at-risk youth in our community is now in its 31st year of changing lives through mentorship.

The credit for this belongs to our people, who put our company's values into practice. Their hard work has produced great results, and laid the sustainable foundation to responsibly grow our business and be a pivotal part of the clean energy future and its economy.

It's a future we embrace, and that we are doing our part to advance every single day. This report is meant to share our progress and achievement. It also reinforces the strategic course we are on as a business, and reminds our stakeholders of how we are leading the way on some of the most pressing environmental and business issues.

As a company, we have always embraced these changes, and proven that we can be a partner to the state in achieving our shared sustainability goals while also growing our businesses. Just as importantly, we have always prioritized delivering the energy our customers depend on in a reliable and increasingly clean way. NJR has the experience, talent, energy assets and sustainability track record to continue doing so long into the future.

We appreciate you taking the time to learn about NJR's sustainability efforts.

Sincerely,




First

NJ-based diversified energy company to issue Green Bonds to fund clean energy investments



\$1.90

Net income per share²

\$1.96

Delivered Net Financial Earnings (NFE) per share



6.8 percent

Increase of the shareowner dividend

Our Company/Corporate Profile

New Jersey Resources (NYSE: NJR) is a Fortune 1000 company focused on meeting the needs of our stakeholders, serving our communities and acting today to responsibly meet our common future.

Through its subsidiaries, NJR provides safe and reliable natural gas and clean energy service, including transportation, distribution, asset management and home services. NJR is comprised of five primary businesses:

- ▶ **New Jersey Natural Gas (NJNG)**, NJR's principal subsidiary, operates and maintains over 7,500 miles of natural gas transportation and distribution infrastructure to serve over half a million customers in New Jersey's Monmouth, Ocean, Morris, Middlesex and Burlington counties.
- ▶ **NJR Clean Energy Ventures (NJRCEV)** invests in, owns and operates solar projects with a total capacity of nearly 300 megawatts, providing residential and commercial customers with low-carbon solutions.
- ▶ **NJR Energy Services** manages a diversified portfolio of natural gas transportation and storage assets and provides customized energy solutions to its customers across North America.
- ▶ **NJR Midstream** serves customers from local distributors and producers to electric generators and wholesale marketers through its ownership of the Adelpia Gateway natural gas pipeline, Leaf River Energy Center and 50 percent equity ownership in the Steckman Ridge natural gas storage facility, as well as its 20 percent equity interest in the PennEast Pipeline Project.
- ▶ **NJR Home Services (NJRHS)** provides service contracts, as well as heating, central air conditioning, water heaters, standby generators, solar and other indoor and outdoor comfort products, to residential homes throughout New Jersey.

NJR and its more than 1,100 employees are committed to helping customers save energy and money by promoting conservation and encouraging efficiency through Conserve to Preserve® and initiatives such as The SAVEGREEN Project® and The Sunlight Advantage®.

The Intersection of Climate Change and Our Business

The NJR Board of Directors (Board) recognizes that, as an energy company with a regulated, lifeline utility service relied on by more than half a million customers, the changing climate may have an impact on all of our stakeholders and our business strategy. With the oversight of the Board's Nominating/Corporate Governance Committee, the NJR management team is responsible for driving further progress on sustainability, environmental stewardship and social responsibility in every aspect of our business operations. This includes assessing and managing climate-related risks and opportunities, which will be crucial to successfully navigating the low carbon future we embrace.

By the Numbers

Through our Commitment to Stakeholders, NJR is dedicated to enhancing customer quality of life across our businesses and meeting their expectations for reliability and value in an environmentally responsible way. This means providing safe, reliable and competitively priced service, first-class customer care and engaging with the communities we serve.



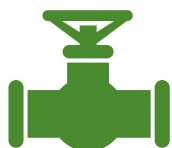
900 Metric Tons

total methane emissions reduction through system improvements since 2015



290 MW

total clean energy capacity installed by NJRCEV



#1

fewest leaks per mile among New Jersey natural gas utilities



5,400 hours

total hours volunteered by NJR employees (single year record)



\$300 million

total NJNG infrastructure investment in FY2019



1st Quartile

rank in American Gas Association (AGA) benchmarks for utility customer response



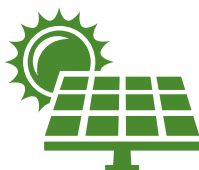
\$1.6 billion

total NJNG infrastructure investment over last decade



More than 41,400

barrels of crude oil demand removed from market by converting heating oil customers to natural gas



\$879.6 million

total net clean, solar energy investment by NJRCEV through FY2019



62,000

total trees planted since 2008 in partnership with The Conservation Fund

Governance

At NJR, we recognize sound corporate governance is extremely important to ensure we operate effectively and efficiently, and in a manner that enhances long-term value for our shareowners while protecting and promoting their long-term interests. We believe effective oversight comes from a board of directors that represents a diverse range of experience and perspectives that provides the collective qualifications, attributes, skills and experience that aligns with the Company's long-term strategy.

As of January 22, 2020, our Board includes 10 independent directors with deep experience and diverse skills and backgrounds, as well as our President and Chief Executive Officer. The Board is responsible for oversight of NJR's overall strategy, including environmental, social and governance issues. The Board's current leadership structure is characterized by:

- ▶ An independent Chairman of the Board;
- ▶ An engaged Board with oversight of the Company's most significant risks;
- ▶ A robust committee structure consisting entirely of independent directors; and,
- ▶ A largely independent Board holding regular executive sessions without management at Board and Board Committee meetings.

At publication, 10 of our 11 board members, or 91 percent, are independent according to the principles and standards established by the NYSE. Four members, or 36.4 percent, are gender, ethnically and/or racially diverse; six members have significant ties to New Jersey; and the average tenure of our directors is 9.14 years.

Board Diversity

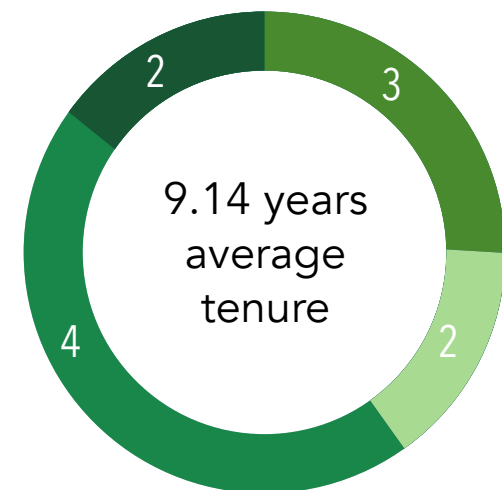
2

Women
Directors

3

Ethnically/Racially
Diverse Directors

Board Tenure



■ <5 ■ 5-10 ■ 11-15 ■ >15

The Board is organized into three principal standing committees: the Audit Committee; the Leadership Development and Compensation Committee; and, the Nominating/Corporate Governance Committee (NCGC). Independent directors comprise the Board committees, which provide ongoing oversight of our most significant risks assigned to them. Each of the committee's charters can be found on the governance section of [njresources.com](https://www.njresources.com).

Members of the Board are kept informed of our business through discussions with senior leaders of the Company, materials provided to them and meetings of the Board and its Committees. A member of executive management is designated as the primary liaison to each Committee and is responsible for providing information and updates to the Committee related to significant risks. The Board takes an active role in providing oversight on NJR's sustainability efforts through its NCGC. This includes the consideration of risks and advice to the Board on environmental stewardship, sustainability, governance and matters that impact corporate social responsibility, advocacy and NJR's reputation.

Additionally, NJR has recently formed an Office of Sustainability to support the work of the NJR Corporate Sustainability Council. The Council, which reports directly to the Chief Executive Officer, has adopted environmental guiding principles and is composed of senior leaders to guide the further development and implementation of our organization's strategy to address environmental, social, governance and other related matters.



Directors with
significant ties
to New Jersey

The NCGC regularly reviews with the Board the qualifications, attributes, skills and experience that it believes are desirable to have represented on the Board to ensure that the Board's composition aligns with the Company's long-term strategy. The most important of these are noted below, along with the number of directors possessing those attributes.

Board Member Expertise/Experience

Number of members with experience in each area

5

Utility

Experience in operating a regulated utility business, such as our principal subsidiary, New Jersey Natural Gas

10

Regulatory/Government

Experience in interacting with regulators and policymakers and/or working within government agencies

8

Accounting/Risk Management

Experience as a financial expert and/or a company CFO or audit partner

9

Corporate Governance

Experience in public company corporate governance related issues and best practices

3

Technology/Cybersecurity

Experience in technology innovations and/or oversight of cybersecurity programs

5

Midstream Energy Services

Experience in the energy services industry, including wholesale energy marketing, energy trading and delivery of midstream energy service

3

Wholesale Energy Marketing and Trading

Experience in physical or financial wholesale energy markets or trading

6

Community/Public Relations

Experience in community affairs, public relations and/or marketing

2

Legal

Experience and/or formal education as an attorney

5

Environmental

Experience in oversight of environmental policy, regulation and business operation matters

5

Renewable Energy

Experience in the renewable energy industry, including wind and/or solar energy generation and distribution

9

Leadership Development/Succession Planning

Experience in talent management and succession planning to ensure pipeline of leadership for an organization

11

Strategic Planning

Experience in strategic planning and growth and value creation

Environment – Leading the Way

NJR has long been a champion of encouraging conservation, energy efficiency and reducing the environmental impact from our own operations – it's a part of who we are and an effort we've been at for decades.

NJR believes we have a role to play in achieving carbon reduction goals, and that our businesses will be critical as we strive to meet these goals affordably, while ensuring energy resiliency for our customers. Our track record of investing in clean energy projects and in an environmentally sound natural gas delivery system positions us well to continue advancing a clean energy future. Our ongoing commitment is to build on this record and go even further by leading the way.

NJR's environmental commitments and accomplishments span a wide breadth of operations and practices including, but not limited to:

- ▷ Methane and emissions reduction initiatives, including industry-leading best practices;
- ▷ Conserve to Preserve® (CTP), our successful, customer-facing energy efficiency and conservation initiative;
- ▷ NJR Clean Energy Ventures (CEV) investments in commercial and residential clean, renewable energy projects;
- ▷ Promoting the use of natural gas for onsite generation, vehicles and space and water heating; and,
- ▷ Waste and water management.

This corporate commitment is embodied in [NJR's Environmental Policy](#), which governs our values and practices concerning environmental awareness, environmental protection, measurable performance and stakeholder consultation.



The employees and directors of New Jersey Resources are committed to conduct business in a professional manner that firmly satisfies all moral and legal business obligations. We further recognize that we must conduct business in an environmentally responsibly way to preserve, protect and restore our environment.

Therefore, we will:

- ▷ *Meet or surpass the requirements of all applicable environmental laws and regulations;*
- ▷ *Continually improve and implement safe technologies and operating procedures to protect human health and the environment;*
- ▷ *Preserve the environment while balancing business needs with sustainable growth;*
- ▷ *Communicate and cooperate with the public and environmental regulatory authorities with trust and candor;*
- ▷ *Achieve environmental excellence with support and leadership from all levels of the company;*
- ▷ *Maintain a professional environmental staff and committee to advocate this policy;*
- ▷ *Encourage the use of clean, efficient natural gas and related technologies; and*
- ▷ *Continuously improve company safety, health and environmental performance by establishing goals to measure and report progress.*



Environmental Management System

Recognizing the imperative for a systemic, integrated approach to managing environmental programs and policies, NJR has an established Environmental Management System. The system is designed to further NJR's environmental goals and principles throughout the organization, and to measure results to improve performance and drive accountability.

This system and NJR's underlying environmental and sustainability policies, including our Commitment to Stakeholders, clearly articulates our values, as well as our commitment to protecting the environment.

Emissions

NJR recognizes that methane is the primary component of natural gas and is a greenhouse gas. As a responsible company, we have taken meaningful steps and made significant commitments to reduce and minimize methane emissions from our distribution system.

As detailed below, NJR, through our principal subsidiary NJNG, is committed to reducing methane emissions while delivering on our mandate to provide safe, reliable service to our customers.

The result of these commitments and investments is the operation of the safest, most environmentally sound natural gas distribution system in the state, as measured by leaks per mile.

Through fiscal 2019, NJR continued to take bold steps to enhance the environmental benefits of natural gas by reducing overall methane emissions, and leading with environmental best practices in the operation of our natural gas distribution system.

For nearly two decades, NJNG has taken actions to voluntarily reduce emissions, and report through the U.S. Environmental Protection Agency's (EPA) Natural Gas STAR Program:

1,311,694 million cubic feet (Mcf)

Through 2018 (the most recent available data), NJNG has voluntarily reduced its methane emissions by 1,311,694 million cubic feet (Mcf)

15,280 cars

NJNG emissions reduction over the past two decades is the equivalent of taking 15,280 passenger vehicles off the road for an entire year

741,000 acres of forest

NJNG's voluntary emissions reductions have achieved the same reductions in carbon as that removed by 741,000 acres of forest over an entire year

In fiscal 2019, NJNG also continued several critical emission reduction commitments through the Methane Challenge Program and building on its completion of the industry's first ever purchase of TrustWell natural gas supply – a certification program for responsibility sourced natural gas.

EPA's Methane Challenge Program: The Methane Challenge Program is a voluntary program founded by the EPA in collaboration with oil and natural gas companies. The program recognizes companies that make specific and transparent commitments to reduce methane emissions.

ONE Future: In 2019, NJNG went further in our efforts to combat methane emissions by joining Our Nation's Energy Future Coalition (ONE Future), a natural gas industry-led organization dedicated to voluntarily achieving meaningful reductions in methane emissions across the natural gas supply chain. ONE Future focuses on achieving a science-based average rate of methane emission that is equal to one percent or less of total natural gas production by 2025.

Through our membership, NJNG commits to measure our emissions and track progress over time according to the ONE Future reporting protocols.

Industry Trailblazing with TrustWell Responsibly Sourced Gas: NJNG was the first natural gas utility in the nation to purchase independently certified supply under the Trustwell™ ratings system. The rating evaluates a wide range of risks and impacts including, but not limited to, emissions, leaks and well integrity, and serves as an attestation to a responsible natural gas product for natural gas purchasers and end users. Continuing its leadership in fiscal 2019, NJNG has continued to use TrustWell responsibly sourced gas.

2020 Preview: Reducing Our Own Company Emissions with Renewable Natural Gas

In December 2019, NJNG announced it had completely offset its facility and fleet use of natural gas with renewable energy. By purchasing Renewable Natural Gas Attributes (RNGAs), renewable energy credits generated from the production of Renewable Natural Gas (RNG), all emissions from natural gas use at its facilities and from the use of its Compressed Natural Gas (CNG) fleet vehicles are being offset.

RNG, an innovative, ultra-clean fuel product, consists primarily of methane derived from the decomposition of organic sources such as food waste, landfills, dairy farm by-products or wastewater treatment plants.

Responsibly Investing in Our System to Reduce Emissions, Improve Safety:

Upgrading aging infrastructure contributes to greater service reliability delivery, while helping reduce greenhouse gas emissions. We have made significant investments in our system to retire aging infrastructure and operate a top-tier natural gas distribution system that is environmentally sound – with the fewest leaks per mile of any natural gas utility in New Jersey.

- ▷ From 2009 to 2019, NJNG invested nearly \$1.6 billion in utility infrastructure to enhance the resiliency of our system and to better serve our customers.
- ▷ NJNG's Safety and Facilities Enhancement (SAFE) program replaced vintage cast iron.
- ▷ NJNG became the first natural gas utility in the state to eliminate all cast iron from its system.
- ▷ In 2016, the New Jersey Board of Public Utilities (BPU) approved the replacement of NJNG's remaining unprotected steel main. This work is expected to be complete in 2021.

Energy Efficiency

Through Conserve to Preserve®, NJNG offers customers the tools and resources to make smart energy decisions for their homes, and to protect our environment and natural resources. While traditional utilities typically try to sell as much natural gas as possible, an innovative rate mechanism allows us to encourage and reward conservation while still providing the same safe and reliable service our customers expect and deserve. By conserving energy today, we can all make a difference for future generations.

For over a decade, NJNG has successfully deployed energy-efficiency solutions to help customers reduce their natural gas usage, save on energy costs, lower emissions and protect the environment. Through fiscal 2019, Conserve to Preserve® and The SAVEGREEN Project® have helped customers save \$405 million through reduced usage initiatives.

Investing in Energy Efficiency: By The Numbers

\$20 million

total invested in energy efficiency programs in fiscal 2019

Over \$169 million

total invested in energy-efficiency incentives since program began in 2009

46,815

total energy audits completed by NJNG since the beginning of the program

Over 57,000

total SAVEGREEN customers since program began

Over \$417 million

total in economic activity generated since program began

More than 2,700

total local contractors have participated

Nearly one million

total energy saving tips dispensed to customers in fiscal 2019 alone

SAVEGREEN®

NJNG continues to build on our commitment to environmental stewardship with innovative energy-efficiency programs, to help customers better understand and manage their energy usage and save money. NJNG is now in the second year of its expanded energy-efficiency program offerings available through The SAVEGREEN Project®.

NJNG is authorized to invest \$135 million over the three year program to provide customized energy solutions to assist residential and small commercial customers, and public entities including schools. If fully subscribed, these programs are projected to reduce more than 1.5 million tons of carbon dioxide emissions.

For more information on these programs, customers can visit www.savegreenproject.com.

NJR Clean Energy Ventures

NJR has a strong track record of delivering clean energy and low-carbon solutions through our subsidiary, NJR Clean Energy Ventures (NJRCEV). We are a major investor in New Jersey's solar energy market and one of the leading solar providers in the state.

NJRCEV invests in, owns and operates energy projects that generate clean power, provide low-carbon energy solutions and help our customers save energy and money. Through fiscal 2019, NJRCEV's projects have included both commercial and residential solar system development. From 2010 through the end of fiscal 2019, NJRCEV built a portfolio of nearly 300 megawatts of installed capacity.

PowerSave Schools

Implemented in 37 schools spanning NJNG's service territory for the coming school year, NJNG's PowerSave Schools program through the Alliance to Save Energy works with classroom grades from pre-k to high school to empower and educate students about the importance of energy efficiency and conservation.

Teachers receive professional development opportunities, lesson plans aligned to Common Core and Next Generation Science Standards, and other tools and resources necessary for successful delivery of the program;

The program provides a framework for students to identify and prioritize measures and take significant steps to incorporate energy efficiency as a standard practice;

Alliance staff convene school teams three times a year to offer training, celebrate successes, help overcome challenges and share best practices; and

The program is offered in coordination with Sustainable Jersey, a free certification program for municipalities and public entities who want to achieve energy savings through sustainable best practices.



NJRCEV: Fiscal Year 2019 By The Numbers

\$163.2 million

investment in clean, solar energy by NJRCEV in fiscal 2019

7

commercial solar projects completed

60 megawatts

total installed capacity

815

residential systems installed

\$879.6 million

total net investment in clean, solar energy by NJRCEV through fiscal 2019

21

NJRCEV has residential solar lease installations in all 21 New Jersey counties

27,000

homes powered annually by total portfolio

Promoting Natural Gas Vehicles: the NGV Advantage

Compressed Natural Gas (CNG) is cleaner and dramatically less expensive than automotive gasoline, and results in significantly fewer emissions.

The lack of infrastructure for CNG remains a structural barrier to wider adoption of CNG as a transportation fuel. NJNG has stepped up to fill that gap in our service territory through the construction, operation and maintenance of three public-access CNG fueling stations in Monmouth and Ocean counties.

WasteWise

For 16 years, NJR has participated in WasteWise, the EPA's voluntary program that encourages organizations to reduce, reuse, recycle and buy remanufactured products, while emphasizing waste prevention and environmental preservation. NJR also purchases remanufactured and or recycled products and encourages waste prevention. The combination of all of these programs has resulted in an average facility recycling rate greater than 70 percent across all NJR facilities.

800.76 tons

Metals and alloys

38.33 tons

Used motor oil

115.79 tons

Paper and cardboard

11.5 tons

Lead acid batteries

63.48 tons

Co-mingled recyclables

11.66 tons

Tires

Water Management

Within our current mix of businesses, water is not presently a material issue for NJR. As a company that invests in and builds critical infrastructure, we are committed to following all applicable laws, including regulatory processes designed to identify, evaluate and, when necessary, mitigate any water impacts as a result of those operations, and to minimize those impacts outside of those processes whenever feasible. As a diversified energy company, we recognize that such future circumstances may change regarding our company's water needs, and have set forth the following statement affirming NJR's belief in commonly recognized and adopted sustainability principles concerning water:

Access to clean water is a universal human right, as it is an essential building block to promote global human development, including public health, education and economic growth. Around the world and domestically in the United States, businesses also rely on access to clean and quality water for their operations. NJR recognizes that the Human Right to Water, as defined by the United Nations, means access for everyone to sufficient, safe, acceptable, physically accessible and affordable water. We are committed to the responsible use of water – today and in the future – with these principles in mind.



Stakeholders

Our Commitment to Stakeholders

Leadership demands responsibility, integrity and accountability. These elements are made clear in NJR's Commitment to Stakeholders (CTS), which has held firm for more than two decades and is at the center of every action we take on behalf of our customers, employees, communities, regulators and investors. This commitment extends to our sustainability efforts and our care for the environment.

More than a credo, the CTS is a measuring stick against which we evaluate our performance, determine our executives' annual incentive awards and chart our future:

We are committed to enhancing our customers' quality of life by meeting their expectations for reliability and value in an environmentally responsible way every day.

To meet our commitment, we will:

- ▷ *Provide safe, reliable and competitively priced service;*
- ▷ *Listen and respond to our customers to improve service;*
- ▷ *Use our expertise to grow in new and existing markets;*
- ▷ *Inspire a culture that sees change as an opportunity to improve quality;*
- ▷ *Place integrity, communication, diversity, work/life balance, continuous learning and accountability at the core of everything we do;*

▷ *Support our communities, work with policymakers and demonstrate sensitivity to the environment; and*

▷ *Provide a superior return to our investors.*

At NJR, we recognize that sustainability is an essential component of our success in delivering service excellence to our customers, engagement with our communities and positive outcomes for all our stakeholders. A companywide dedication to responsible management of our resources goes hand-in-hand with our current and future plans for growth and improvement.

Below are key initiatives, accomplishments and measurements of accountability to our stakeholders.

An Uncompromising Record on Employee Safety

We count on NJR employees to provide our customers with excellence every day. Our employees, more than 1,100 strong, help us maintain our leadership in innovation and define the future of the energy industry. We recruit, hire and train dedicated women and men who think boldly and act with integrity, a key to keeping NJR a successful and forward-looking organization.

Our employees ensure that we provide the highest standards of safety and service, as we deliver natural gas service to over half a million customers; make critical clean energy investments; expand our midstream energy business; and meet the needs of our retail home services customers.

NJR's never-ending quest for safety excellence includes leadership and employees working together to achieve continuous safety improvements.

At every level of our organization, we are committed to providing the appropriate resources and training to ensure the safety of all NJR employees in all aspects of our business, from solar energy installations to utility emergencies, and from natural gas system infrastructure projects to routine office transactions. Over the years, we have developed a culture that keeps safety at the forefront for every employee and we make it a priority to continually strive for safety excellence.

We continue to implement our safety initiative, Safety 24/7, backed by policies and practices that ensure a safe workplace for our employees and that strives for zero incidents. We firmly believe even one accident or injury is one too many.

Metric	2019 Goal	Actual FY 2019
OSHA rate	4.50	4.50
DART (Days Away) rate	2.64	1.78
DART Severity	53.06	67.07
Preventable Motor Vehicle Accident Rate	2.50	3.77



Partners in Safety: Engaging and Protecting the Communities We Serve

Safety is the top priority for NJNG, and our commitment to the Partners in Safety program is as strong as ever.

Partners in Safety engages the communities we serve through initiatives designed to improve worker safety, protect vital underground utility infrastructure and ensure public safety during excavation activities conducted near existing underground natural gas facilities.

In fiscal 2019, our public awareness safety campaigns with the Partners in Safety Team reached:

Over 16,500 residents

Over 1,800 excavators

Over 110 municipalities

636 emergency officials

Creating a Thriving Workplace

The best organizations recognize employees as essential partners in their mission and actively create opportunities for employees to expand their skills, mature as leaders, balance work and life responsibilities and engage in the company and community. In 2019, NJR continued to invest in our employees' safety, health and wellness, leadership development, talent management, work-life balance, diversity and inclusion, and employee engagement.

▷ Career Development Initiatives

- o *We held our first-ever NJR Women's Enrichment Day, launched company-wide mentoring circles, created a new multi-level employee learning curriculum and introduced a 360-degree feedback process – just a few examples of how development experiences are a part of our daily culture.*

▷ Growth

- o *We continue to grow with more than 1,100 employees based in New Jersey and in several locations across the country.*

▷ Employee Engagement

- o *NJR employees continue to maintain high levels of engagement with 87 percent favorable scores in our annual survey – employees feel proud to work here and confident about the future of our company.*

Wellness

NJR strives to create a culture of wellness, where our employees are responsible for their individual well-being through active participation in health and wellness activities.

In 2019, we launched a company-wide fitness challenge, regular meditation sessions, mobile on-site dental clinics and access to a new tele-medicine mobile app in addition to a host of other existing wellness resources.



Diversity and Inclusion (D&I)

NJR believes diversity, inclusion and employee engagement are integral to our vision, strategy and business success. Fostering an environment that values diversity and ethics helps create an inclusive organization where we embrace, leverage and respect the differences of our employees, customers and the communities in which we live, work and serve.

- ▷ 84 percent favorable score specific to the diversity and inclusion questions from our annual employee survey. The survey indicates employees feel strongly that our company encourages and promotes diversity of backgrounds, talents and perspectives.
- ▷ 95 percent of our employees completed Diversity and Inclusion/Unconscious Bias training and report a better understanding of D&I and how it impacts our company culture
- ▷ Fostering an inclusive environment through Business Resource Groups (BRGs)

In fiscal 2019, we formed a new Latino BRG with African Heritage, Pan-Asian, Generations, Veteran and LGBTQ+ BRGs scheduled to launch in fiscal 2020. These BRGs join our successful Supporting Women's Advancement and Growth (SWAG) BRG that launched two years ago.



Board of Directors' Role in Human Capital Management

Our Board believes that human capital management is an important component of our continued growth and success, and is essential for our ability to attract, retain and develop talented and skilled employees.

We pride ourselves on a culture that respects co-workers and values concern for others. Fostering a culture and environment that values diversity and ethics helps create an inclusive organization where we embrace, leverage and respect the differences of our employees, customers and the communities where we live, work and serve.

Management regularly reports to the Board's Leadership Development and Compensation Committee (LDCC) on human capital management topics, including corporate culture, diversity and inclusion, employee development and compensation and benefits. The LDCC has regular involvement in talent retention and development and succession planning, and the Board provides input on important decisions in each of these areas.

Each year, we conduct an employee feedback survey designed to help us measure overall employee engagement. The feedback employees provide during the survey helps us evaluate employee programs and benefits and monitor our current practices for potential areas of improvement. Our LDCC maintains oversight of matters related to human capital management and reviews the results of the employee feedback survey. In fiscal 2019, the annual employee survey showed continued high levels of engagement, satisfaction and retention.

Customers

Our business places tremendous value on establishing strong relationships with our customers and earning their trust. We recognize the expectation from families and businesses that depend on us each year to provide safe, reliable and high-quality products and services – whether in keeping their homes and facilities warm, repairing appliances or providing clean energy. We are committed to continuous and open communications with those we serve across our businesses.

When it comes to lifeline utility service in homes and businesses, that commitment is even more critical. Reaching out through a wide array of vehicles – from print and digital communication such as mail and e-mail, our website, and social media, to in-person visits, advertisements and news media – NJNG delivers on that promise through regular and responsive interactions with our customers. Each year our customers contact us for vital information through our call center, social media, our website, and outreach events like public forums and our Energy Assistance Days.

We take this commitment seriously and measure our progress each year to ensure we truly are delivering value and responsiveness to our customers. In fiscal 2019, NJNG met or exceeded American Gas Association (AGA) benchmark goals for priority response times:

Fiscal 2019 NJNG Results:

Priority Response	Goal	Results	Rank Against AGA Benchmark
Total Priorities	n/a	30,101	n/a
Average Response Time	20 minutes	19.6 minutes	1st quartile
Response Time Less than 60 minutes	99.8%	99.98%	1st quartile



Energy Assistance Days

NJNG's Energy Assistance Days meet our customers where they live. Working through our community partnerships, we go out into neighborhoods we serve to educate our customers one-on-one about how to save money on their energy bills, including bill payment assistance for working and middle-class families, and programs to help lower their consumption.

In fiscal 2019, NJNG held 20 Energy Assistance Days in our territory, reaching nearly 1,207 customers, and connecting them to over \$295,000 in assistance.

Once again, independent industry surveys have acknowledged our longstanding commitment to customer service. In fact, NJNG was ranked highest in customer satisfaction with residential natural gas service in the east among large utilities according to the J.D. Power 2019 Gas Utility Residential study¹. NJNG was also named a Most Trusted Brand for the 6th consecutive year and a Customer Champion for the 5th consecutive year in 2019 by the Cogent Syndicated Utility Trusted Brand and Customer Engagement report from Escalent.

Metric	Plan 2019	Actual FY 2019
Percent of Calls Answered	97%	99.2%
Average Speed of Answer	<30 seconds	24 seconds
Service Level	82%	91.1%
First Call Resolution	92%	93.2%

Regulators

We have long regarded our compliance and interactions with regulators as essential components in serving our customers and communities with excellence and integrity. These regulators, who include lawmakers, federal, state and local government officials and the regulatory agencies they lead, help ensure that we fulfill our commitment to responsible corporate conduct and fair, responsive customer service. We recognize that as the parent company of a regulated, lifeline service utility serving more than half a million customers – so many of whom depend on NJNG to bring them through the coldest nights of the year – we must work closely with regulators on issues that affect our customers and our business.

Open and transparent communication with employees, customers and the communities we serve is paramount. This commitment also extends to our interactions with regulators on matters ranging from rulemaking to regulatory filings to new laws and government programs.

We pledge to conduct all such engagement ethically, transparently and in accordance with all applicable laws, through the following principles:

- ▶ NJR company employees will comply with all laws, rules and regulations as it pertains to interactions with government officials; and
- ▶ NJR is committed to transparency and complies with all lobbying and government affairs disclosure requirements.

Communities

NJR is not just a business located in this state. We are in and part of New Jersey, and we stand for New Jersey – in particular, we are dedicated to our communities. The places where we live and work have been fundamental to our success and our growth over the past six decades, and NJR and our employees are eager to give back.

We keep statistics to track our contributions of time and capital, but in doing so we know that deeply personal stories stand behind all of these numbers. We see this in every family we can help through our Home Ownership Program to become a first-time homeowner; every nonprofit organization we can support through in-kind, hands-on support; every resident in need we can connect with energy assistance through our Gift of Warmth fund; and every young student in Asbury Park and Lakewood we can mentor and inspire through our Project Venture program, now in its fourth decade. Every neighbor we can touch through our community programs is a life we may be changing for the better.

We take enormous pride in the men and women of our companies who donate their time – more than 5,400 hours in fiscal 2019– and make charitable contributions to support nonprofits in the cities and towns where they work and live. And in striving to become an industry leader in environmental and energy innovation, we seek to make our hometowns a model of dynamic, livable, and sustainable communities.

229

Affordable homes completed by the Home Ownership Program since inception

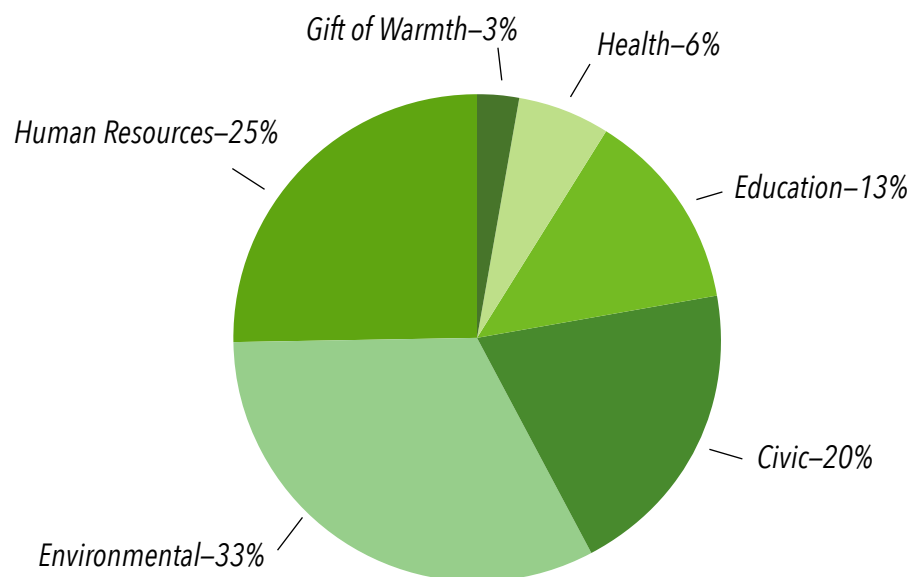
\$249,526

Contribution to NJNG's Gift of Warmth energy assistance fund

Over 2,500

Organizations supported through charitable and in-kind donations for fiscal 2019

Allocation of Grant Funds:



Home Ownership Program: Expanding the American Dream

It started with a single home in Asbury Park in 1996. Today, through its Home Ownership Program, NJNG is partnering with nonprofits Morris Habitat for Humanity, Interfaith Neighbors in Monmouth County and Homes for All in Ocean County to provide affordable homes for deserving families in need.

These projects are expanding the American Dream to families across our region, offering home ownership opportunities to working families who otherwise could not afford a house. Including 43 new homes in fiscal year 2019, NJNG has helped create 229 new homes — and counting.



Respect for Human Rights

NJR has set forth the following statement concerning universal human rights and the Company's respect for and role in the protection of those rights:

While it is the role of governments to protect the rights of their citizens, we recognize that all businesses have a role to play in fostering a society that respects human rights. As a diversified energy company, NJR is committed to respecting human rights in our own operations and complying with local, state and federal laws in the communities where we do business. Moreover, we believe our commitment to ethical business practices helps to ensure the protection of human rights. Our commitment is guided by the principles set forth in the NJR Code of Conduct, the laws governing human rights of the United States and the states in which we operate.

Investors and Shareowners

Those who invest in our business deserve our constant efforts to deliver a superior return, year after year. We are thus committed to maintaining a strong financial profile, insisting upon operational excellence and forging a corporate strategy that yields consistent earnings and appropriate dividend growth.

NJR delivered on this commitment in fiscal 2019 with positive results for our company and our shareowners.

- ▶ Consolidated net income of \$169.5 million, or \$1.90 per share
- ▶ Net Financial Earnings (NFE) were \$175 million, or \$1.96 per share
- ▶ Our Board of Directors approved a 6.8 percent dividend increase to an annual rate of \$1.25 per share – our 26th increase since 1995

NJR's stakeholders count on us to deliver on our commitments. Over the past year we have met these commitments and further contributed to a cleaner, more sustainable business, now and into the future.

Global Reporting Index

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 follow in the index on page 28.

Forward-Looking Statements and Footnotes

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. 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 and governance goals, emission reduction targets, future capital expenditures, infrastructure programs and investments, NJR CEV ITC-eligible projects and demand for residential solar, the ability to construct and operate the Adelphia Gateway Project and operate the Leaf River Energy Center, as well as construct the Southern Reliability Link and PennEast pipeline projects.

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.

¹New Jersey Natural Gas received the highest score in the East Large segment of the J.D. Power 2015-2019 Gas Utility Residential Customer Satisfaction Studies of customers' satisfaction with their residential gas provider. Visit jdpower.com/awards.

²Non-GAAP Financial Information:

This report includes the non-GAAP financial measure NFE. A reconciliation of this non-GAAP financial measure to the most directly comparable financial measure calculated and reported in accordance with GAAP can be found below. As an indicator of NJR's operating performance, these measures should not be considered an alternative to, or more meaningful than, net income or operating revenues as determined in accordance with GAAP. This information has been provided pursuant to the requirements of SEC Regulation G. NFE excludes unrealized gains or losses on derivative instruments related to the company's unregulated subsidiaries and certain realized gains and losses on derivative instruments related to natural gas that has been placed into storage at Energy Services, net of applicable tax adjustments as described below. Volatility associated with the change in value of these financial instruments and physical commodity reported on the income statement in the current period. In order to manage its business, NJR views its results without the impacts of the unrealized gains and losses, and certain realized gains and losses, caused by changes in value of these financial instruments and physical commodity contracts prior to the completion of the planned transaction because it shows changes in value currently instead of when the planned transaction ultimately is settled. An annual estimated effective tax rate is calculated for NFE purposes and any necessary quarterly tax adjustment is applied to CEV, as such the adjustment is related to tax credits generated by CEV.

A reconciliation of net income to NFE for the three and twelve months ended September 30, 2019, and 2018, is provided below.

	Twelve Months Ended September 30,	
(Thousands)	2019	2018
Net income (loss)*	\$ 169,505	\$ 233,436
Add:		
Unrealized loss (gain) on derivative instruments and related transactions	2,881	26,770
Tax effect	(711)	(4,512)
Effects of economic hedging related to natural gas inventory	4,309	(22,570)
Tax effect	(1,024)	7,362
Net income to NFE tax adjustment	—	—
Net financial earnings (loss)	\$ 174,960	\$ 240,486
Weighted Average Shares Outstanding		
Basic	89,242	87,689
Diluted	89,616	88,315
Basic earnings (loss) per share	\$ 1.90	\$ 2.66
Add:		
Unrealized loss (gain) on derivative instruments and related transactions	0.03	0.31
Tax effect	(0.01)	(0.05)
Effects of economic hedging related to natural gas inventory	0.05	(0.26)
Tax effect	(0.01)	0.08
Net income to NFE tax adjustment	—	—
Basic net financial earnings (loss) per share	\$ 1.96	\$ 2.74

*Results during fiscal 2018 include an income-tax benefit of \$59.6 million, or \$0.68 per share, due to the revaluation of deferred income taxes resulting from tax reform and the reduction in the federal corporate tax rate

GLOBAL REPORTING INDEX*

Global Reporting Index is an international independent organization that establishes standards designed for organizations to report about economic, social and environmental impacts from their operations.

*GRI: General Disclosures 2019

General Disclosures

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
Organizational Profile		
102-1	Name of the organization	New Jersey Resources Corporation (NJR)
102-2 102-2a	Activities, brands, products and services	<p>New Jersey Resources (NJR) is a publicly-owned Fortune 1000 company formed in 1981 pursuant to a corporate reorganization. As an energy services holding company, its principal business is the distribution of natural gas through a regulated utility. NJR also provides other retail and wholesale energy services to customers, as well as invests in clean energy projects and midstream assets. We are an exempt holding company under section 1263 of the Energy Policy Act of 2005. Our subsidiaries include:</p> <p>New Jersey Natural Gas (NJNG) provides regulated retail natural gas service to over half a million residential and commercial customers in central and northern New Jersey and participates in the off-system sales and capacity release markets. NJNG, a local natural gas distribution company, is regulated by the New Jersey Board of Public Utilities (BPU).</p> <p>NJR Clean Energy Ventures (NJRCEV) is a leading renewable energy company that invests in, owns and operates residential and commercial solar projects with a total capacity of nearly 300 megawatts, providing residential and commercial customers with low-carbon solutions. NJRCEV's residential solar program, The Sunlight Advantage, currently provides savings to approximately 8,100 eligible homeowners through both roof- and ground-mounted solar systems.</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
		<p>NJR Energy Services (NJRES) maintains and transacts around a portfolio of physical assets consisting of natural gas storage and transportation contracts in the United States and Canada. NJRES also provides unregulated wholesale energy management services to other energy companies and natural gas producers.</p> <p>NJR Midstream Holdings (NJR MIDSTREAM) invests in energy-related ventures through its subsidiaries. Investments include NJR Steckman Ridge Storage Company, which holds our 50 percent combined ownership interest in Steckman Ridge, located in Pennsylvania and NJR Pipeline Company, which includes Adelphia Gateway, LLC and our 20 percent ownership interest in PennEast. NJR Pipeline Company also owns Leaf River Energy LLC, which was acquired on October 11, 2019.</p> <p>NJR Home Services (NJRHS) provides heating, ventilation and cooling service, sales and installation of appliances to approximately 108,000 service contract customers, as well as solar installation projects.</p> <p>NJR Service Corporation (NJRSC) provides shared administrative services, including corporate communications, finance and accounting, internal audit, legal, human resources and information technology for NJR and all of its subsidiaries.</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-2b	Subject to stakeholders questions or public debate	<p>NJR, through its affiliate NJR Midstream Holdings, maintains an equity interest in the PennEast pipeline company. The PennEast pipeline will help meet growing regional demand for natural gas, lower energy costs for natural gas customers in New Jersey and Pennsylvania, reduce emissions and create jobs. PennEast received its Certificate of Public Convenience and Necessity from the Federal Energy Regulatory Commission (FERC) on January 19, 2018.</p> <p>Most of NJNG's natural gas comes from a single primary feed in the northern part of its system. The Southern Reliability Link (SRL) will provide a secondary interstate feed into the southern part of its service area to strengthen its system and benefit its customers.</p>
102-3, 102-4	Location of organization's headquarters; Locations of operation's headquarters	1415 Wyckoff Road, Wall, NJ 07719
102-5	Ownership and legal form	NJR is a publicly-owned corporation, with shares traded on the New York Stock Exchange (NYSE: NJR). Please see NJR's 2019 Form 10-K for more information.

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-6	Markets served	<p>NJR provides reliable energy and natural gas services, including transportation, distribution and asset management in states from the Gulf Coast to the New England regions, as well as the Mid-Continent region, West Coast and Canada.</p> <p>NJNG serves customers in Monmouth, Ocean, Morris, Middlesex and Burlington counties in New Jersey.</p> <p>NJRHS serves customers in 13 New Jersey counties, and NJRCEV serves customers in all 21 counties.</p> <p>NJRES provides unregulated, natural gas services to wholesale and retail customers across the Gulf Coast, West Coast, Eastern Seaboard and Canada.</p> <p>NJR Midstream invests in the midstream asset sector, specifically natural gas storage and transportation pipelines.</p> <p>Customers Served/Beneficiaries</p> <p>NJNG</p> <ul style="list-style-type: none"> • Residential • Commercial, Public entities • Firm transportation • Interruptible • Electric generators <p>NJRCEV</p> <ul style="list-style-type: none"> • Residential • Commercial, Municipalities • Solar Renewable Energy Certificate (SREC) Sales

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
		<p data-bbox="1056 232 1129 261">NJRES</p> <ul data-bbox="1056 277 1587 565" style="list-style-type: none"> <li data-bbox="1056 277 1587 310">• Regulated natural gas distribution companies <li data-bbox="1056 318 1314 350">• Industrial companies <li data-bbox="1056 358 1283 391">• Electric generators <li data-bbox="1056 399 1402 431">• Natural gas/liquid processors <li data-bbox="1056 440 1293 472">• Retails aggregators <li data-bbox="1056 480 1314 513">• Wholesale marketers <li data-bbox="1056 521 1325 553">• Natural gas producers <p data-bbox="1056 613 1230 643">NJR Midstream</p> <ul data-bbox="1056 659 1314 816" style="list-style-type: none"> <li data-bbox="1056 659 1272 691">• Local Distributors <li data-bbox="1056 699 1188 732">• Producers <li data-bbox="1056 740 1287 773">• Electric Generators <li data-bbox="1056 781 1314 813">• Wholesale Marketers <p data-bbox="1056 873 1136 902">NJRHS</p> <ul data-bbox="1056 911 1203 943" style="list-style-type: none"> <li data-bbox="1056 911 1203 943">• Residential

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-7	Scale of the organization	<p>Number of employees: NJR employs more than 1,100 full- and part-time employees.</p> <p>Number of operations: NJR operates within four reporting segments: Natural Gas Distribution, Clean Energy, Energy Services and Midstream. In addition, NJR has non-utility operations that either provide corporate support services or do not meet management's criteria to be treated as a separate segment. These operations, include appliance repair services, sales and installations at NJRHS and administrative services at NJRSC.</p> <p>Fiscal 2019 Financial Snapshot: All income streams are sourced from operations within the United States.</p> <ul style="list-style-type: none"> • Net Income –\$169.5 million, or \$1.90 per share (basic earnings per share) • Net Financial Earnings - \$175 million, or \$1.96 per share* • Total Capitalization –\$3.1 billion • Total liabilities – \$1.3 billion* • Total Assets –\$4.4 billion <p><i>* Does not include long-term debt.</i></p> <p>For a more detailed description of the organization, please see NJR's 2019 Annual Report and Form 10-K. For information on Beneficial Ownership, please see the company's Proxy Statement.</p> <p>Quantity of products or services:</p> <ul style="list-style-type: none"> • Natural gas distribution and delivery • Solar energy solutions • Residential retail sales and home comfort needs • Wholesale energy management services • Shared administrative and support services for NJR

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-10	Significant changes to the organization and its supply chain	There were no significant changes to company operations during the fiscal year. Please see the NJR Fiscal 2019 Annual Report and Form 10-K for more information.
102-11	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.

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-13	102-13 Membership of Associations	<p>Here is a snapshot of the many Boards and Committees we are actively involved in.</p> <p>Boards and Committees</p> <p>180 Turning Lives Around</p> <p>American Gas Association</p> <p>American Gas Association, Technical Advisory Committee</p> <p>American Gas Association, Trustee</p> <p>American Gas Foundation</p> <p>Cadvin Capital, LLC</p> <p>Catholic Diocese of Trenton</p> <p>Catholic University - Alumni/Advisory Committee</p> <p>Choose New Jersey</p> <p>Congressional Black Caucus Foundation</p> <p>Constellation Capital Corporation</p> <p>Downstream Natural Gas Information for Sharing and Analysis Center (DNG-ISAC)</p> <p>Drumthwacket Foundation</p> <p>Executive Leadership Council</p> <p>Finance Council, Diocese of Trenton</p> <p>Georgian Court University School of Business & Digital Media</p> <p>Girl Scouts of the Jersey Shore</p> <p>Horizon Blue Cross Blue Shield of NJ</p> <p>Horizon Foundation of New Jersey Trustee</p> <p>Jersey Water Works</p> <p>John J. Heldrich Center for Workforce Development's National Advisory Board</p> <p>Junior Achievement of New Jersey</p> <p>Monmouth University Urban Coast Institute (UCI) Advisory Committee</p> <p>Montclair Art Museum</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
		National Academy of Human Resources Foundation Board National Petroleum Council (Member) New Brunswick Development Corporation New Jersey Economic Development Authority NJ Future St. Rose High School - Alumni/Advisory Committee Sustainable State Institute for New Jersey The Eagleton Institute of Politics, Rutgers University The Whitman Strategy Group, LLC Timothy J. Piazza Memorial Foundation
102-14	Statement from senior decision makers	Please see pages 2-5 of this report for a statement from Stephen D. Westhoven, President and Chief Executive Officer of New Jersey Resources

Strategy

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-15	Key impacts, risks and opportunities	<p>Our approach to risk management focuses on early identification of key risks and taking action to minimize the likelihood of detrimental impact on the business. During the year, the company continuously assesses our processes and reporting capabilities to identify and appropriately manage risks, and meet business needs and support effective management of risks – while operating within the confines of our Corporate Governance structure and internal policies.</p> <p>A description of key impacts, risk factors and opportunities can be found in our 2019 Annual Report and Form 10-K.</p>

Ethics And Integrity

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-17	Mechanisms for advice and concerns about ethics	<p>Our directors, officers and employees can contact the legal department at NJR for advice and clarification about ethical and lawful behavior as it relates to the integrity of the company. Employees and members of the public also have access to the EthicsPoint 24-hour toll-free hotline – 866-384-4277 – where they can anonymously report ethics violations.</p> <p>Moreover, all company representatives, regardless of title, are required to complete an annual Code of Conduct training that reinforces the company's commitment to conduct business in a professional manner that clearly satisfies all moral and legal business obligations. Here participants become familiar with the policies that govern day-to-day practices and what constitutes unethical and unlawful behavior.</p> <p>Our compliance program also encourages and facilitates the reporting of known or potential violations of the law, or our policies and directives. Individuals can anonymously report such violations to Human Resources or the General Counsel, using telephone hotlines or via email. A cross-functional committee reviews all allegations, oversees any investigations, and implements corrective or disciplinary actions.</p>

Governance

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-18 to 102-28	Governance structure	Details on the Corporate Governance structure, including members of NJR's Board of Directors (the Board) and standing committees responsible for decision-making, can be found under Corporate Governance at njresources.com .
102-19 and 20	Delegating authority; Executive responsibility for economic, environmental and social topics	<p>The mechanisms of delegation are set out in the company's Proxy Statement.</p> <p>Our Board and senior management team are responsible for raising visibility to citizenship and sustainability issues and activities that span multiple groups across the enterprise, and for facilitating connections between teams and departments.</p> <p>The Nominating-Corporate Governance Committee (NCG) of the Board has oversight of environmental, social, and governance issues, and associated risk oversight. Management is responsible for our risk management, including providing oversight and monitoring to ensure our policies are carried out and processes are executed in accordance with our performance goals and risk tolerance. Our management team holds regular meetings that identify, discuss and assess financial risk from current macro-economic, industry and company perspectives.</p> <p>NJR has recently formed an Office of Sustainability to support the work of its Corporate Sustainability Council. The Council, which reports directly to the Chief Executive Officer, is composed of senior company leaders to guide the further development and implementation of NJR's strategy to address environmental, social, governance and other related matters.</p> <p>It is important to note our employees advance our sustainability efforts – everyday – in creating a path for change and implementing our strategies.</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-21	Consulting stakeholders on economic, environmental and social topics	<p>NJR cultivates a constant and open dialogue with key stakeholders to maintain long-standing relationships. The company holds an annual shareowner meeting; participates in industry trade shows, analyst meetings, investor conferences and road shows; hosts in-person and one-to-one meetings and calls, etc. to deepen relationships with its stakeholders, including customers, employees, suppliers, regulators and shareowners. These initiatives provide a proactive platform for ongoing communications.</p> <p>The company leverages insights to help connect customers to the right services – harnessing data and analytics to improve outcomes, create new solutions and equip customers to make good choices.</p>
102-22	Composition of the highest governance body	Details on the Corporate Governance structure, including members of the Board and standing committees responsible for decision-making, can be found under Corporate Governance at njresources.com .
102-23	Chair of the highest governance body	Donald L. Correll became Chairman of the board of directors of NJR, effective on January 22, 2020, immediately after the Annual Meeting of Shareowners . For more information on NJR's Board, please visit Board Committees and the 2019 Proxy Statement .
102-24	Nominating and selecting the highest governance body	<p>NCG Committee of NJR's Board is composed entirely of independent directors and is responsible for nominating candidates for election to the Board.</p> <p>Additional information on the nomination process, can be found in the company's By-Laws and 2019 Proxy Statement. Our Corporate Governance Guidelines and Code of Conduct contain additional information.</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-25	Conflicts of interest	<p>NJR reporting tools – Code of Conduct, formal policies and procedures, annual and ongoing training, multiple reporting channels, robust risk management practices, regulatory non-compliance and strong governance structure – are designed to ensure stakeholders can report actual or potential critical concerns and violations of the law. Please see NJR's Code of Conduct, Corporate Governance Guidelines and Communications with the Board.</p>
102-26 and 102-27	<p>Role of highest governance body in setting purposes, values and strategy (economic, environmental and social)</p> <p>Collective knowledge of highest governance body;</p>	<p>The Board works with the NJR executive management team to determine the overall strategy of the company, and addresses key matters, including a proactive sustainability initiative that drives social, environmental and financial performance and impact. The Board establishes policies, programs and procedures, including metrics, to help us address our sustainability efforts.</p> <p>For more information on the roles of the governance body and senior executives, as well as the company's mission, strategies and goals, please see the Corporate Governance section on the company's Website.</p> <p>The Board has adopted Corporate Governance Guidelines to preserve and strengthen its structure and processes.</p> <p>The guidelines acknowledge the leadership exercised by the Board's standing committees and their chairs. The guidelines also recognize the importance of maintaining the flexibility to adapt corporate governance processes to meet changing business requirements. These guidelines may be amended by the Board as needed.</p> <p>NJR strives to ensure the effectiveness and independence of its Board and each committee to support its operations and enhance corporate value. NJR conducts annual code of conduct training with respect to fiduciary responsibilities for members of the Board to ensure conflicts of interest are avoided and managed.</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-28	Evaluating the highest governance body's performance	<p>As required by our Corporate Governance Guidelines, the Board conducts an evaluation of its performance on an annual basis. The Board has the authority to retain advisers or consultants and to provide for their compensation by the Company, as it shall deem appropriate, to assist in designing and implementing such evaluation. Annually, all Board members participate in a self-assessment that is administered by the NCG Committee. The self-assessment focuses on Board structure and leadership, logistics, conduct of the meeting, discharge of Board responsibilities, and Board culture and ethics.</p> <p>Board members are also asked to identify ways to improve the effectiveness of the Board. During fiscal 2019, the NCG Committee chair interviewed each Board member to solicit their views on the Board's performance. The results of the interviews were shared with the NCG Committee and discussed with the Board. Feedback from the leadership team was also provided to the Board informally at its request. Each of the Audit Committee, NCG Committee and the Leadership Development and Compensation Committee also conduct a self-evaluation administered by their committee chair on an annual basis.</p> <p>For more information, see the Corporate Governance section at njresources.com.</p>
102-29	Identifying and managing economic, environmental and social impacts	<p>NJR uses many forums to collect information that identifies areas of risk, including stakeholder engagement, surveys, investor calls, webinars, research analysis and more. Effective management of risks and opportunities is essential to the delivery of NJR's financial and non-financial objectives to ensure we deliver value to our shareowners, maintain our brand integrity and continue to meet the requirements of good corporate governance.</p> <p>The Board determines our overall appetite for risk through a review of internal and external business and stakeholder needs. It also oversees NJR's risk management and internal control systems, defines risks and monitors risk exposures as well as ensures the nature and extent of the risks align with our strategic objectives.</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
		We are committed to the effective management of all identified key risks and coordinate our approach through a Risk Management Committee. See NJR's 2019 Form 10-K and Proxy Statement for details.
102-30	Effectiveness of risk management process	The Board is responsible for our risk oversight. Management is responsible for our risk management, including providing oversight and monitoring to ensure our policies are carried out and processes are executed in accordance with our performance goals and risk tolerance. In carrying out its risk oversight function, the Board has three principal standing committees, and each is responsible for risk oversight within its area of responsibility and regularly reports to the Board. Each of the committee's charters reflects such responsibilities.
102-31	Review of economic, environmental and social topics	During fiscal 2019, there were twelve meetings of the Board, and its committees regularly discussed economic, environmental and social topics. Our management team holds regular meetings that identify, discuss and assess financial risk from current macro-economic, industry and company perspectives.
102-32	Highest governance body's role in sustainability reporting	This sustainability report is reviewed by subject matter experts, legal counsel, senior and executive management and the chair of the Board.
102-33	Communicating Critical Concerns	<p>NJR reporting tools – Code of Conduct, formal policies and procedures, annual and ongoing training, multiple reporting channels, robust risk management practices, regulatory non-compliance and strong governance structure – are designed to ensure stakeholders can report actual or potential critical concerns and violations of the law.</p> <p>Please see NJR's Code of Conduct, Corporate Governance Guidelines and Communications with the Board.</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-35	Remuneration Policies	At NJR, executive compensation is based on a full range of factors, including company and individual performance, and shareowners' interests. Compensation consists of a mix of salary, incentives and benefits paid over time. Please see the company's 2019 Proxy Statement for more information.
102-36	Process for Determining Remuneration	The Board has entrusted the Leadership Development and Compensation Committee in reviewing and establishing remuneration policies and approving executive compensation. See NJR's 2019 Proxy Statement .
102-37	Stakeholder's Involvement in Remuneration	Each year, shareowners approve a non-binding advisory resolution, approving the compensation of our named executive officers. In 2019, over 97.4 percent of the votes cast approved the resolution.
102-38	Annual Total Compensation Ratio	Information on the CEO pay ratio can be found on page 71 of NJR's 2019 Proxy Statement .

Stakeholder Engagement

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-40, 42, 43 and 44	List of Stakeholder Groups; Identifying and Selecting Stakeholders; Approach to Stakeholder engagement	<p>At NJR, we define stakeholders as those individuals impacted by our operations and services, as well as have an interest or are influential in how we conduct our company. We identify stakeholders across the value chain and assess relationships (responsibility, dependency, influence and proximity) to understand their respective needs to identify appropriate level and method of engagement. Our stakeholders include, employees, customers, local and state government, nongovernment organizations and community leaders, with our engagement approach varying from informal conversations to meetings and events based on stakeholder group. Our goal is to cultivate mutually strong relationships with our stakeholders, and to better understand how best to meet their expectations for reliability and safety every day.</p> <p>A list of stakeholders and forms of engagement follows:</p> <p>Customers</p> <p>Satisfaction surveys, focus groups • My Account: self-service capabilities</p> <ul style="list-style-type: none"> • My Communications: account alerts via email, phone, and text • Newsletter/bill inserts, collateral pieces • Direct mail and advertising • Community workshops and programs • Community events • Social media • On-hold messaging • Website • Press releases • Customer call centers and local payment locations • Open houses for key projects • Community/business networking events • Personal account representatives for commercial and conversion customers

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
		<p>Employees Annual employee engagement survey • Lamplighters • Employee newsletter, e-mail, paycheck inserts • Mail • Posters • Recognition awards • NJR University – training and development sessions • Face-to-face team and leadership meetings • Employee events • Executive site visits and presentations • Onsite LCD displays • Union representation</p> <p>Shareowners/Investors Investor relations (IR) meetings • Annual meetings • Quarterly earnings conference calls • News releases • Required disclosures • NJR Investor app • One-on-one meetings • Industry conferences • Social media</p> <p>Elected and Appointed Government Officials Event Sponsorship and participation: Face-to-face, telephone and e-mail communications • Industry conferences and business organization events that support elected and appointed officials – N.J. League of Municipalities, N.J. Conference of Mayors, N.J. Business and Industry Association, N.J. State Chamber, N.J. Alliance for Action, Two River Mayors Association and Bayshore Conference of Mayors • N.J. State Legislative sessions, committee hearings, regularly scheduled county Freeholder and municipal meetings, regulatory proceedings and policy meetings • Presentations and speaking engagements • Charity events attended by elected and appointed officials</p> <p>Suppliers, Vendors and Contractors Meetings with vendors and subcontractors • Advocacy groups • Trade shows • Industry events</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-41	Collective Bargaining Agreements	See the Employee Relations section of NJR's Form 10-K for details on collective bargaining
102-44	Key Topics and Concerns Raised Through Stakeholder Engagement	<p>NJR's value chain involves a range of stakeholders – from regulators, suppliers and contractors to customers and local government – whose social, environmental and economic interests must be considered in the work we do.</p> <p>We engage in constructive dialogues and collaborations with partners on how to drive sustainable outcomes, particularly in the delivery of large-scale infrastructure projects and energy-efficiency programs with many stakeholders.</p>

Reporting Practice

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-45	Entities included in the consolidated financial statements	See Note 1 – Nature of Business to NJR's consolidated financial statements, beginning on page 75 of the company's 2019 Form 10-K .
102-46	Defining Report Content and Topic Boundaries	<p>In defining the report content, we considered factors that fall within the three components of sustainability – social, economic and environmental – as derived from stakeholder engagement. The expectations of our stakeholders and the business environment in which we operate constantly evolve. With that in mind, our assessment process helps us identify and prioritize those issues that matter most to our stakeholders and company. As we engage with our stakeholders, we receive valuable feedback on processes that enables us to communicate our performance and progress more effectively and in line with the needs of our many stakeholder groups, as well as our own business interests.</p> <p>For a list of material factors please see the Forward Looking Statements of this report.</p>

GRI STANDARD	DESCRIPTION	RELATED CONTENT AND SOURCE
102-48	Restatement of Information	None
102-49	Changes in Reporting	None
102-50	Reporting Period	The data and information contained within are reported for fiscal October 1, 2018 through September 30, 2019.
102-51	Date of Most Recent Report	June 2019
102-52	Reporting Cycle	This report is produced annually.
102-53	Contact Point for Questions Regarding the Report	For questions regarding the contents of NJR's 2019 Corporate Sustainability Report, please contact Dennis Puma, director of investor relations, at dpuma@njresources.com .
102-54	Claims of Reporting with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core options and some topic-specific segments.



2019 CORPORATE SUSTAINABILITY REPORT