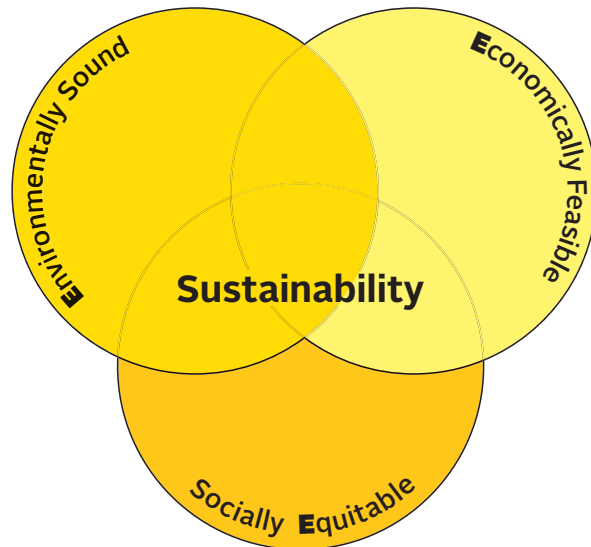




NEW JERSEY RESOURCES
**2014 CORPORATE
SUSTAINABILITY REPORT**

Sustainability creates and maintains the conditions under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic and other requirements of present and future generations. – The U.S. Environmental Protection Agency



OUR COMMITMENT TO SUSTAINABILITY

We are committed to achieving sustainable growth that benefits our stakeholders and the communities we serve, guided by the principles of integrity, transparency and social responsibility. The actions we take have the potential to change the world, and we are committed to doing our part to help change it for the better.

We are:

Environmentally Responsible

Ethical

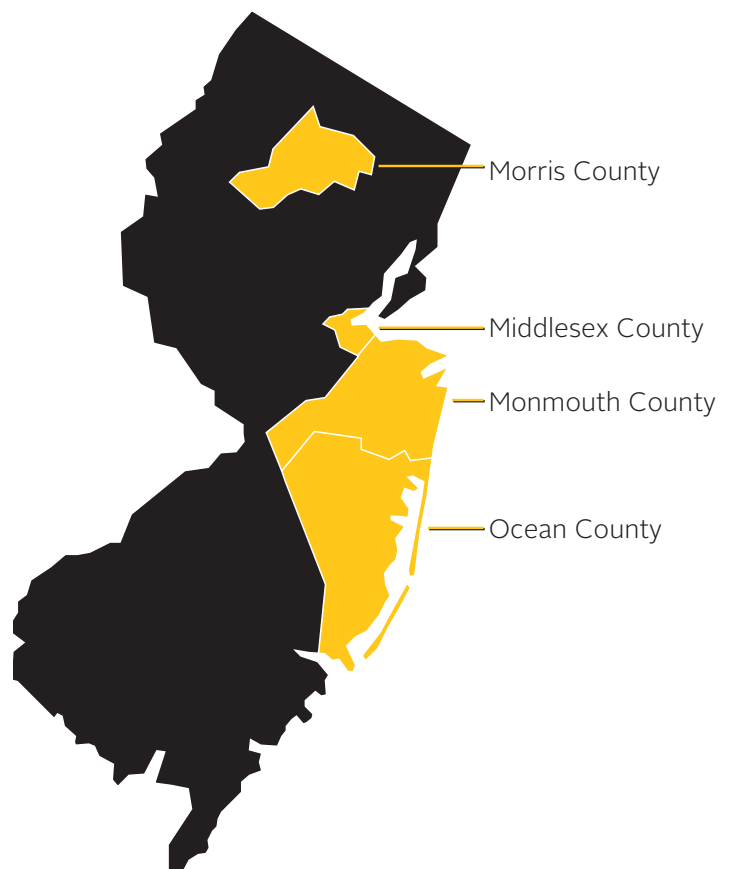
Sustainable

Safe and Reliable

Innovative

Philanthropic

Community-Focused

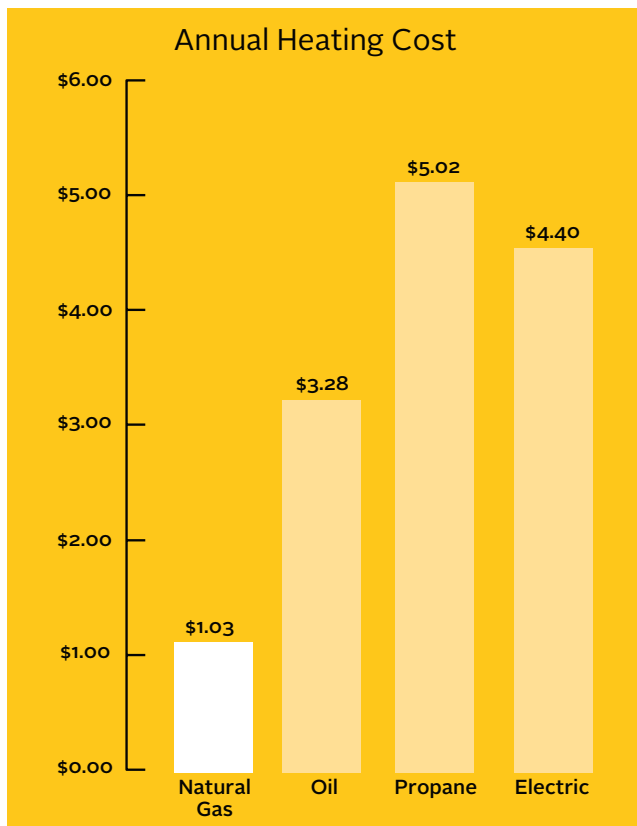


THE CLEAN ENERGY CHOICE

Facts About Natural Gas:

- *Approximately, 98.5 percent of the natural gas we use in the U.S. comes from North America; supplies remain abundant.*
- *Households that use natural gas appliances for heating, water heating, cooking and clothes drying spend an average of \$653 less per year than homes using electric appliances.*
- *Natural gas is the cleanest fossil fuel, emitting 52 to 56 percent less greenhouse gas (GHG) emissions than coal for the same amount of electricity generated.*
- *Households with natural gas versus all-electric appliances produce 37 percent less GHG emissions.*

Source: American Gas Association



Source: NJNG Tariff, JCP&L Tariff, Energy Information Association as of March 2014 comparable with 100,000 BTUs of natural gas

Facts About Solar Energy:

- *Twenty-nine percent of all new U.S. electric generation capacity added in 2013 came from solar, with seven states getting 100 percent of the new electric generation from solar. Behind natural gas, solar is the second-largest source of new electric generating capacity in the U.S.*
- *Solar generates more than 13,000 megawatt (MW) of cumulative solar electric capacity, enough to power more than 2.2 million average American homes.*
- *More solar installations have occurred in the U.S. within the past 18 months than in the 30 years prior. Residential solar installations are forecasted to increase 25 percent in 2014.*

Source: Solar Energy Industries Association

Facts About Wind Energy:

- *The total number of operating utility-scale wind turbines in the U.S. is 45,100, equating to approximately 61,000 MW of installed wind capacity in the U.S., enough electricity to power more than 15 million homes.*
- *Electricity generated by wind turbines does not pollute the air we breathe, so that means less smog, less acid rain and fewer GHG emissions. A single 1 MW wind turbine can displace 1,800 tons of carbon dioxide (CO₂) each year, equivalent to planting 1 square mile of forest.*

Source: American Wind Energy Association; U.S. Department of Energy



The decisions we make today have the potential to change the future for generations to come. That's a tremendous responsibility and one that we don't take lightly. Environmental stewardship is a critical component of our strategy at New Jersey Resources (NJR). And we are proud of what we've accomplished on our journey to become a more sustainable business, while safeguarding the environment, meeting the highest standards of corporate citizenship and creating a long-lasting positive impact on the communities we serve.

Over the past year, we have continued to build on our commitment to strengthen our environmental profile and help lower GHG emissions by advancing the development of clean energy and paving the way for energy efficiency and conservation. To that end, we acquired two community onshore wind projects, Two Dot Wind Farm in Montana and Carroll Area Wind Farm in Iowa, through our investment in wind developer OwnEnergy. In total, we invested more than \$60 million in these endeavors to expand our distributed power portfolio.

Our pledge to sustainability starts with our more than 900 employees who actively promote a cost-effective and prudent approach to energy efficiency and conservation in the workplace. In fact, our efforts to reduce our environmental impact and take proactive steps to minimize the direct consequences of our operations have helped reduce greenhouse gas emissions by more than 247,000 tons through facility upgrades and operational improvements over the past 10 years.

It goes without saying our accomplishments are the result of the exceptional work of our entire team — from our board of directors and management team to our employees on the phones and in the field. Every day, we give our best to make a difference where it is needed most. This sustainability report is proof of that.

As you read the pages that follow, we hope you are as proud of the NJR team and our accomplishments as I am. Together, the actions we take can make a positive difference for our environment, enhance our quality of life and change the future.

Sincerely,

A handwritten signature in black ink that reads "Laurence M. Downes". The signature is written in a cursive style.

Laurence M. Downes
Chairman and CEO

Our pledge to sustainability starts with our more than 900 employees who actively promote a cost-effective and prudent approach to energy efficiency and conservation in the workplace.

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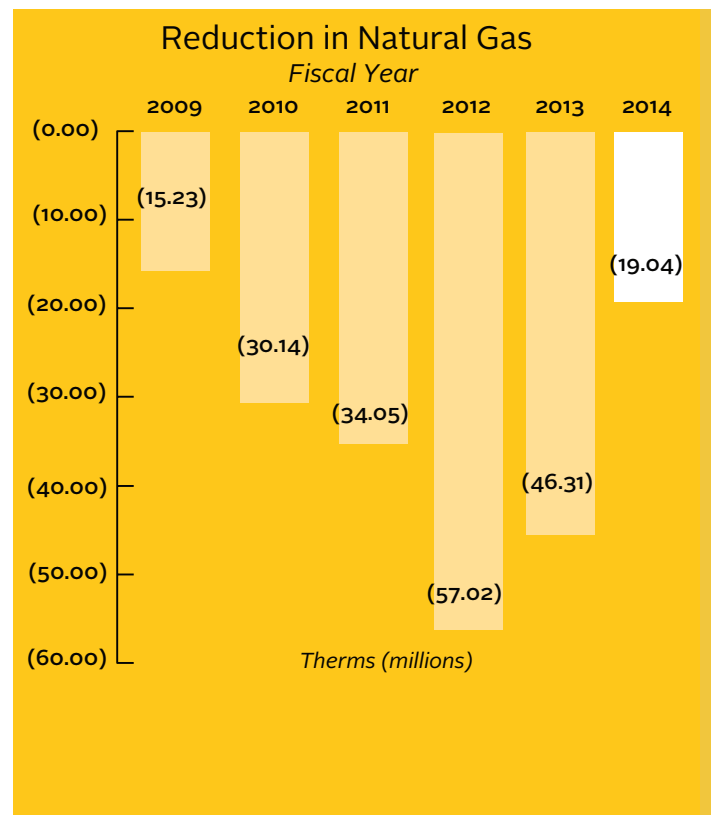
WE ARE CONSERVE TO PRESERVE

As an environmentally forward-thinking company, We are proud of our efforts to become a more sustainable and accountable company. We believe encouraging conservation and energy efficiency as well as reducing GHG is the right thing to do now, and for the long term. However, action is required to mitigate the impacts of climate change and protect our environment. If we are to achieve this goal, we must work together.

Conserve to Preserve (CTP) is the umbrella for our commitment to environmental stewardship, providing 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. However, individual actions taken as a whole play a critical role in protecting our environment and we are convinced that by working together positive change can happen.

Using an innovative rate mechanism, we have broken the traditional ties between financial performance and the volume of natural gas sold to meet energy-saving objectives through CTP. By engaging in practical approaches to energy efficiency, our customers save energy, save money and lower their carbon footprint.

Over the years, we have demonstrated how sustainability is helping us and our customers operate more efficiently. Since its inception in 2006, CTP has helped customers of New Jersey Natural Gas (NJNG), NJR's regulated subsidiary, reduce their natural gas usage by 271 million therms – saving \$278 million and preventing the release of nearly 3.2 billion pounds of CO₂ into the atmosphere.¹ This is the same as the annual energy use of 131,099 homes, planting nearly 1.2 million acres of trees or removing 302,493 cars from New Jersey's roadways each year.²





WE ARE ENVIRONMENTAL STEWARDS

At NJR, using energy in a safe, reliable and environmentally responsible way is a top priority. In fact, it's at the very heart of what we do. Every day our team works to encourage energy efficiency, promote conservation and enhance our quality of life. In March 2007, we announced our commitment to reduce our own GHG emissions by 20 percent by 2020. Since that time, we have compiled and tracked our emissions to identify ways to further reduce our environmental impact and take proactive steps to minimize the direct consequences of our operations.

Our goal is to make our own activities more sustainable and to encourage our customers, stakeholders, vendors and others to do the same. And that means we must lead by example.

Natural Gas STAR Lowering GHG Emissions

As environmental stewards, we combine company values and beliefs to ensure growth in a sustainable manner. Preserving the environment is a collaborative effort and we are happy to be a member of the Environmental Protection Agency's (EPA) Natural Gas STAR Program, a voluntary partnership of oil and natural gas companies dedicated to implementing cost-effective technologies and best practices that improve efficiency and reduce methane emissions. Our pledge to lower GHG

emissions is evident in our accomplishments to date. Since joining Natural Gas STAR 10 years ago, we have helped reduce CO₂ emissions by more than 247,232 tons through facility upgrades and operational improvements. This equates to the energy use of more than 30,004 homes for an entire year, planting over 183,840 acres of trees or eliminating 47,218 passenger vehicles from New Jersey's roadways each year.³

Here is a snapshot of some of those facility improvements:

- *We purchase 100 percent of our electricity from renewable energy sources such as wind, geothermal and biomass – supporting increased development of clean energy.*
- *The rooftop solar system at our natural gas distribution center in Wall produces approximately 9 percent of the building's electricity.*
- *With a 560 module, 128.8-kilowatt rooftop solar system at the headquarters of NJR Home Services (NJRHS), our home appliance and installation business, combined with its ongoing energy-efficiency upgrades, NJRHS plans to meet total electric demand with clean energy sources in the future.*

Natural Gas Vehicles

According to the EPA, transportation is the second largest source of CO₂ emissions. Therefore, it's important that we manage our fleet operations in an environmentally sustainable way.

With a focus on reducing our carbon footprint, over the past five years we have evaluated our needs and implemented opportunities to improve the environmental profile of our fleet by transitioning to compressed natural gas (CNG) and alternative fuel vehicles. Today, more than 25 percent of the NJR fleet includes a combined total 180 CNG, hybrid, electric and bio-fuel vehicles. In fact, we have reduced our fleet emissions by 28 percent as we retired older vehicles and replaced them with higher-efficiency models. Furthermore, in 2011, NJNG upgraded its Wall and Lakewood CNG filling stations. This investment not only supports the expansion of natural gas vehicle (NGV) infrastructure and the use of NGVs in the state, it also reduces the company's dependence on foreign oil, lowers our carbon footprint, improves the bottom line and achieves long-term fuel savings.

Reuse, Recycle, Remanufacture

As an EPA WasteWise program participant since 2002, we have implemented more than 55 programs to reduce waste, recycle, use remanufactured or environmentally friendly products, prevent pollution and reduce costs. Everyday our employees help achieve these goals by considering the environment before taking action. The NJR Environmental Committee is instrumental in promoting our environmental policy and WasteWise programs throughout the company.

Due to numerous employee-driven initiatives, we received two awards from the EPA. Our efforts continued in 2013, making a positive impact on the environment.

In 2013, we recycled:

7,626 pounds
of batteries

10,017 pounds
of electronics, wires and
associated electronic waste

2,166 feet
of straight-tube lamps

161 feet
of U-tube lamps

75,370 pounds
or **37.7 tons**
of paper

81,200 pounds
of high-density polyethylene pipe

820,670 pounds
of iron

Green Purchasing

We are working to improve the environmental performance of our operations and products and green procurement is a logical extension of our sustainability efforts. This practice benefits the environment, reducing GHG emissions and conserving energy.

2013 environmental impacts of purchasing recycled paper:

CO₂ avoided

64,404 lbs = annual CO₂ emissions from 15 average cars

wood avoided

84 tons = 541 trees

solid waste avoided

54,631 lbs = 2 garbage trucks

energy saved

705 million BTUs = annual energy usage for 8 homes

Source: EPA – Environmental Paper Network

Planting for Our Future

To help protect America's favorite outdoor places and conserve resources for healthy, sustainable communities, we launched Planting for Our Future, in 2007, a partnership with environmental nonprofit The Conservation Fund. Planting for Our Future gives customers the opportunity to offset GHG emissions from their energy usage while sustaining our nation's wildlife habitats. The Conservation Fund plants a tree for every \$5 donation we receive from our customers. And NJR matches all donations dollar-for-dollar. Since its inception, nearly \$226,000 have been donated through Planting for Our Future, helping facilitate the planting of 45,200 trees and the reduction of more than 60,000 tons of CO₂ or the equivalent of removing over 42,000 passenger vehicles off New Jersey's roadways.⁴



WE ARE ENERGY-EFFICIENCY RESOURCES

Through Conserve to Preserve, we demonstrate our commitment to growing a sustainable business while investing in energy efficiency and delivering savings to consumers through programs that actively promote a cost-effective and prudent approach to energy efficiency and conservation. In fact, although the number of our customers has increased 13 percent over the past 10 years, our customer base uses seven percent less natural gas. This directly translates to reduced GHG emissions. And we continue to partner with our customers to help them manage their energy bills and save money.

The SAVEGREEN Project®

Improving energy efficiency in our homes and businesses is one of the most constructive and cost-effective ways to address the challenges of saving energy, energy independence and the environment. The SAVEGREEN Project broadens these efforts and makes energy efficiency more accessible to customers by providing rebates and incentives. Moreover, it demonstrates our customers' personal commitment to save energy and money and reduce their carbon footprint. Nevertheless, getting customers on the right path to energy efficiency means engaging them at all levels.

SAVEGREEN offerings complement New Jersey's Clean Energy Program™ (NJCEP). Additionally, choosing SAVEGREEN has its advantages, including:

- *An enhanced rebate for the purchase and installation of a qualified natural gas furnace or boiler.[†]*
- *Following the installation of qualified heating equipment, customers will receive a free home energy analysis, which is required to access the rebates. The analysis will help customers identify additional energy-efficiency opportunities, including insulation and seal up.*
- *A 0% APR On-Bill Repayment Program for the approved costs of eligible energy-efficiency home improvements^{††}*
- *A \$250 independent proactive Home Performance with ENERGY STAR® (HPwES) home energy analysis, which is offered free to income-eligible households. Although incentives are the mainstay of the program, SAVEGREEN is helping contractors maintain a competitive edge with such initiatives as an online portal where contractors can view qualified leads, helping them expand their client base, as well as providing them with front-line technical training and continuing education classes.*

Natural Gas Heat Conversions. The colder than expected temperatures across the Northeast, coupled with financial incentives offered through NJNG and NJCEP, spurred homeowners and business owners into action, positioning natural gas as the preferred heating choice. Recognizing the long-term cost advantages of natural gas as a clean, abundant fuel source, more than 3,800 residential and commercial customers made the switch to energy efficiency and the NJNG Advantage, converting to natural gas heat. Of these customers, nearly 68 percent made the switch from oil, 21 percent from electric and 11 percent from propane.

Home Energy Score. SAVEGREEN has partnered with the U.S. Department of Energy (DOE) to provide an easier way for homeowners to understand their home's energy performance with the Home Energy Score (HEScore) program.

Following a home energy analysis, SAVEGREEN provides a HEScore report that shows customers their home's energy performance. Homeowners receive a score (on a scale of 1 to 10 with 10 being the most efficient) and custom recommendations for energy-efficiency improvements. In addition, the report lets them know what score their home could achieve should they move forward with the recommendations.

NJNG serves as a model for the HEScore program, taking a proactive lead in helping customers better understand their energy habits at home. There are currently 188 qualified assessors, representing 29 HEScore partners nationwide, providing scores to their customers. Through March 31, 2014, approximately 10,354 homes have been scored and, of these, approximately 53 percent were conducted by NJNG.

The investment in energy efficiency will help customers generate annual savings on their energy bills and support their commitment for sustainability. In fact, SAVEGREEN has helped customers reduce their GHG emissions from natural gas usage since the start of the program. And, by our estimates, the average customer who upgrades to a high-efficiency natural gas furnace, and benefits from SAVEGREEN's enhanced rebates, saves 147.11 therms per year, avoiding the release of 1,720 pounds of CO₂ (per furnace) into the atmosphere.

NGV Advantage

Natural gas-powered vehicles produce up to 30 percent fewer GHG emissions than diesel fuel, according to the American Gas Association; however, a lack of refueling infrastructure has been a major obstacle for their increased use. With the goal of stimulating the conversion of New Jersey fleets to NGVs, NJNG created the NGV Advantage pilot program. Under the pilot program, NJNG will build, own and maintain the CNG fueling station infrastructure, and the host facility will be required to use at least 20 percent of the stations' fueling capacities and make the stations accessible to the public 24 hours, seven days a week.

NJNG has entered into host agreements with Waste Management, Inc. in Toms River, Shore Point Distributing Company, Inc., in Freehold Township and the Township of Middletown Department of Public Works, investing \$10 million to build the first public access CNG fueling stations in Monmouth and Ocean counties. NJNG expects to complete construction of these stations by the end of fiscal 2014.

With only seven CNG fueling stations in New Jersey opened to the public, commissioning these facilities will help stimulate the NGV market in New Jersey beyond commercial fleets into the public sector. Moreover, they provide greater access to a cost-effective and environmentally cleaner choice fuel while supporting the state's Energy Master Plan. With abundant supplies of natural gas in the U.S. available at competitive prices, when compared to diesel and other petroleum-based fuels, CNG can reduce costs between 30 and 40 percent over petroleum. And CNG emits virtually no particulate matter (soot) and significantly reduced amounts of CO, nitrogen oxides and other GHG emissions that can be harmful to the environment.

Compared to traditional vehicles, the use of CNG vehicles may result in:

90 to 97 percent reduction in CO emissions.

25 percent reduction in CO₂ emissions

35 to 60 percent reduction in nitrogen oxide emissions.

50-75 percent reduction in other non-methane hydrocarbon emissions.

fewer toxic and carcinogenic emissions

Source: EPA

Conserve to Preserve Dashboard

NJNG's CTP Dashboard is a valuable tool that provides customers with energy-saving recommendations specific to their energy usage at home. This free online home energy analyzer helps customers reduce energy consumption through simple behavioral changes or investments in home energy-efficiency improvements. They can also learn about state and NJNG rebates and incentives to help make energy-efficiency upgrades more affordable.

Easy to use, customers complete an online home energy assessment about their respective home's energy usage and receive reports on how their home compares to nearby homes with similar features. They also receive a customized action plan that contains helpful energy-saving tips to make their home more comfortable, while saving money and reducing GHG emissions.

Conserve to Preserve Community Rewards

In early 2014, NJNG re-launched CTP Community Rewards, a unique fundraising opportunity for schools within NJNG's service territory. Designed to complement the CTP Dashboard, CTP Community Rewards serves as an important tool to help drive the importance of energy efficiency, while providing schools the chance to raise money for student programs.

Schools earn \$5 for each NJNG customer who completes the CTP Dashboard on their behalf. In addition, through a new CTP Community Rewards feature, NJNG will reward participating schools \$25 for each person who, after completing the Dashboard on a school's behalf, pays to have a whole-house analysis performed by an NJNG auditor. And income-eligible customers may qualify to have this analysis performed at no cost. The whole-house analysis is a great way to help customers identify energy-efficiency opportunities and access up to \$15,000 in incentives for recommended improvements.*

Save Energy. \$ave Money. Win Prizes!

Now in its fourth year, "Save Energy. \$ave Money. Win Prizes!" provides customers the chance to win prizes as an incentive for them to start thinking about easy, practical solutions they can use at home to become more energy-efficient. Each year the sweepstakes challenges customers in new ways.

In 2013, "Save Energy. \$ave Money. Win Prizes!" encouraged customers to take the first step toward energy efficiency and test drive the new and improved CTP Dashboard for a chance to win \$27,000 in prizes, including the grand prize \$10,000 home energy makeover and a HPwES home energy analysis performed by NJNG. For completing the CTP Dashboard and entering the sweepstakes, Phil Nader, of the Succasunna section of Roxbury Township, New Jersey, was randomly selected as the grand prizewinner.

Community organizations also had a chance to win one of five \$2,000 cash prizes by encouraging their members to try the CTP Dashboard. We asked our customers to play on behalf of their favorite local nonprofit organizations, which received an automatic entry into the "Save Energy. \$ave Money. Win Prizes! sweepstakes. The cash prizes helped advance the goals of Beachwood Elementary School PTA, Rescue Ridge, New Hope Foundation, Barn for the Poorest of the Poor and the Keyport DARE Program.

Love to \$ave. Love the Shore.

In support of the state's "The Shore is Open for Business" initiative, NJNG held the "Love to \$ave. Love the Shore." campaign to promote local businesses impacted by Superstorm Sandy. The campaign was designed to encourage customers to follow simple energy-saving tips to save energy and, in turn, support those establishments hardest hit and help them get back on their feet. Customers nominated their favorite Superstorm Sandy-impacted business as a Business of the Day and had a chance to win prizes.

E-Tips

Through CTP, our customers have come to rely on us to deliver timely information and valuable energy conservation tips. To date, over 90,000 customers have signed up for E-tips, our free monthly online newsletter that provides seasonal energy-efficiency tips, updates on available resources and information on energy-efficiency rebates, incentives and special offers. Thousands of customers have taken advantage of special discounts featured in our E-Tips, including reduced prices for Nest Learning Thermostats® or special events like NJCEP's energy-efficient lighting fairs. In addition, our employees help direct our customers down the path to energy efficiency. In 2013, NJNG customer service representatives and field personnel delivered more than 317,000 CTP conservation tips to our customers.

Conserve to Preserve Business Online

We developed CTP Business Online as a free service for NJNG commercial and industrial customers, as well as municipalities, that are looking for ways to reduce energy usage, increase operational efficiency and effectively manage costs. CTP Business Online is a comprehensive resource of energy-related

information and emerging technologies for diverse industries – all in one central location. It provides relevant links to energy-efficiency incentives and technical assistance programs offered through NJCEP, an energy resources library, industry benchmarks, energy audit tools and an "Ask the Expert" hotline.

Opower

In our continuing efforts to empower customers to make smarter decisions about their energy usage, NJNG's Opower pilot program provides participating customers with clear information and insight on their energy usage. By teaming up with Opower, an energy solutions provider, we can work toward meeting its energy-efficiency goals through effective customer engagement.

Leveraging Opower's behavioral science data analytics, approximately 40,000 customers receive Home Energy Reports, which puts energy usage in context, comparing customers' homes to those of average homes, and the most energy-efficient homes, within a geographic location as well as to their own historical usage. Customers benefit from recommendations and guidance on reducing energy usage, which we hope motivates them to make changes at home to save energy and money – all while making a positive impact on the environment.

Opower has been measuring and verifying the results of NJNG customers' participation in the pilot program. And, evidence shows that our customers are receptive to the energy-saving ideas and have taken action. Since the pilot's inception in 2011, our customers have reduced their natural gas usage by nearly 1.4 million therms. In 2013 alone, NJNG customers reduced their natural gas usage by 683,000 therms. This equates to nearly 4,000 tons of CO₂ prevented from reaching the atmosphere,

762 cars removed from the road for one year or enough energy to power 330 homes annually. ⁵

Sustainable Jersey®

Committed to supporting and helping to advance the sustainability of our communities, NJNG is a sponsor of Sustainable Jersey and serves on several of its task forces. This certification and incentive program for municipalities complements our objectives to instill best practices in the communities we serve. By providing clear “how to” guidance, tools and resources and funding opportunities, it helps municipalities advance and implement measures designed to sustain their quality of life over the long term. Furthermore, Sustainable Jersey provides a basis from which to highlight many of our CTP programs, some of which provide municipalities with Sustainable Jersey points. Statewide there are currently more than 400 municipalities participating in the program and, collectively, they cover more than 75 percent of the state’s population. NJNG is proud also to be one of the founding sponsors of a new companion Sustainable Jersey for Schools program that is currently being developed in partnership with the New Jersey School Boards Association.



WE ARE SUSTAINABLE ADVANTAGES

NJR is committed to advancing the development of clean energy and paving the way for energy efficiency and conservation to help lower GHG emissions. With a focus toward the future, we help our customers and communities take advantage of energy-saving opportunities and tap into clean energy resources.

NJR Clean Energy Ventures

NJR Clean Energy Ventures (NJRCEV) is committed to empowering a sustainable future by investing in, owning and operating clean energy projects that provide low-carbon solutions. These projects produce economic value for the host sites, including reduced electricity costs. Leveraging NJR's financial strength, reputation, scale and energy services to create sustainable advantages, NJRCEV has built a portfolio of more than 63 MW of installed capacity since its inception in 2010.

Solar Energy. Electricity from solar panels is an appealing low-carbon solution for New Jersey residents and businesses. As a leader in the state's clean energy marketplace, NJRCEV has installed more than 294,000 solar panels at customers' homes and businesses, creating in excess of 63 MW of clean energy capacity. To date, these panels have generated over 131,600 Megawatt hours (MWh) of energy and helped NJRCEV's residential and commercial

customers reduce their GHG emissions by 100,029 tons.⁶

- **Residential Solar.** *The Sunlight Advantage[®], NJRCEV's residential solar lease program, allows homeowners to harness the energy of the sun without the costly upfront investment for "Simple. Solar. Savings." The lease makes it affordable for customers to choose solar, helping them save money while reducing their carbon footprint. With approximately 2,500 systems installed, Sunlight Advantage systems have produced nearly 33,000 MWhs of energy or the equivalent of removing more than 4,700 passenger vehicles from the road each year.⁷*
- **Commercial Solar.** *NJRCEV has completed 16 successful commercial solar projects with prominent business developers, property owners and municipalities. By maximizing underutilized space, NJRCEV leases land or roof space for the installation of solar systems and, in turn, offers commercial tenants a power purchase agreement (PPA) with rates that are lower than their electric utilities. Through the PPAs, these companies benefit from environmentally responsible business practices without the upfront costs associated with a solar system. In addition, with a portfolio of commercial rooftop and*

ground-mounted solar systems throughout New Jersey, NJRCEV has helped support one of the largest solar markets in the country. To date, NJRCEV's net-metered and grid-connected commercial solar projects have produced more than 99,000 -MWhs of energy or the equivalent of producing enough energy to power 6,229 homes for a year.⁸

The following commercial solar installations were placed into service in fiscal 2013:

–**The Reeves Station** solar facility is an 8.1 MW fixed, ground-mounted, grid-connected system located in Medford, New Jersey. The project was completed in two phases – the east and the south. Combined, the project's estimated annual CO₂ emissions reduction of 7,842 tons is the equivalent of removing nearly 1,500 passenger vehicles from the road each year.⁹

–**The Medford Wastewater Treatment Plant** solar facility is a 1.5 MW ground-mounted, net-metered system located in Medford, New Jersey. The system supplies power to the plant, helping to reduce its electricity costs. The annual CO₂ emissions reduction of more 1,500 tons of carbon dioxide is the equivalent of removing more than 280 passenger vehicles from the road each year.¹⁰

–**The Absecon Community Schools Complex** solar system is a 0.9 MW ground-mounted, net metered system in Absecon, New Jersey. The system provides electricity to the town's elementary and middle schools. NJRCEV also hosted a presentation to teach students how solar energy works and installed a data display to show them real-time information

about production. The system's annual CO₂ emissions reduction is nearly 1,000 tons, which is the equivalent of removing over 180 passenger vehicles from the road.¹¹

–**The Woolwich Township Municipal Complex** solar system is located on a parcel of land adjacent to the Township's municipal building and police headquarters. The ground-mounted, net-metered array provides electricity to the facility, helping Woolwich to further its efforts to be an environmentally friendly municipality. The annual CO₂ emissions reduction of 300 tons equates to removing nearly 60 passenger vehicles from the road each year.¹²

Wind Energy. Onshore wind fits perfectly with NJRCEV's commitment to sustainability and promises an expansion of clean energy production and its environmental benefits. Through its investment in wind developer OwnEnergy, NJRCEV has access to established industry and development expertise along with an option to purchase shovel-ready projects to support its commitment to make clean energy, and its benefits, more accessible. To date, NJRCEV has acquired two community onshore wind projects. When operational, these wind farms will have total capacity of 30 MWs. The energy produced at the wind farms, as well as the renewable attributes, will be sold through 25-year PPAs with the respective region's energy utilities. As a result, NJRCEV is able to make wind power possible and economical for communities – while helping utility companies meet applicable green energy requirements.

The following commercial wind farms are under development:

- *Named for the Montana town it is located in, the **Two Dot Wind Farm** is located on 176 acres of rural agricultural land, approximately 93 miles east of the state capital of Helena. NJRCEV will invest approximately \$22 million and be responsible for constructing, owning and operating the wind farm that will consist of six, GE 1.62 MW, 87-meter rotor diameter wind turbines, for a total capacity of 9.72 MWs.*
- *The **Carroll Area Wind Farm** project is located on 1,100 acres of rural agricultural land in Carroll County, Iowa, approximately 65 miles northwest of Des Moines. NJRCEV will invest approximately \$42 million to construct, own and operate the wind farm with a total capacity of 20 MWs.*

Combined Heat and Power. Focused on the considerable environmental benefits of Combined Heat and Power (CHP), also known as cogeneration, offers NJRCEV works with large facilities, helping manage their energy costs and lower related GHG emissions through simultaneous generation of electricity and heat from a single source. Facilities that take advantage of CHP can benefit from reduced capital costs, and a more reliable power supply.

Results as of year-end 2013 include:

26,438
SAVEGREEN enhanced rebates issued

25,342
home energy analyses performed

3,196
0% percent APR financing agreements issued



WE ARE SAFETY EXCELLENCE

We serve the public interest by protecting our customers and employees, ensuring the provision of safe, reliable natural gas service and infrastructure, with a commitment to our environment.

Safety Council Task Force

We are committed to the safety, health and well-being of our more than 500,000 customers, 900 employees and the communities we serve. Our safety program begins with a commitment to operate according to rigorous internal health and safety standards that meet or exceed the local requirements. The company's safety program establishes a culture of operational safety ownership that protects employees, minimizes human error, drives employee engagement and allows the company to learn from reported incidents.

The NJR Safety Council is made up of a cross mix of departments and labor representatives who develop and oversee system-wide safety processes and training. Local councils at each of our service facilities meet monthly to address company-wide and location-specific safety issues, identify common injuries and develop the training required to create safe work conditions and prevent future injuries. In fact, there are three training sessions in place to help meet these objectives – new employee

orientation, in-service education and specialized skills training. As we identify issues, departments throughout the company participate in implementing solutions that will improve our overall safety environment. When an employee is injured, a formal root cause analysis takes place and the results shared in an effort to prevent similar injuries in the future.

Peer-to-Peer Safety Observation Program

We take continuous, deliberate steps to facilitate increased awareness of safety at all levels of the organization. By emphasizing open, honest communication and personal accountability, we focus on creating a culture where employees feel empowered to raise safety issues and discuss and implement solutions.

Employee involvement is key to ensuring a safe work environment. To that end, NJNG instituted the Peer-to-Peer Safety Observation Program designed to improve the safety of all employees by reducing the number of unsafe acts that may eventually lead to an employee injury.

The program provides a platform for employees to observe peers performing their job function, review proper safety techniques and use of protective safety equipment as well as speak with peers regarding safety concerns. Since the program's inception in 2011, we have seen a

steady decrease in the number of DART (Days Away, Restrictions and Transfers Incident) injuries and are on track to meet our target again in fiscal 2014. These measures track how often an employee is away from the job – on restricted or transferred duty – due to work-related injuries and quantifies the number of days an employee and the business are impacted by the injury.

Think Safe 24/7 ...

at Work, at Home and On the Road

Through Think Safe 24/7, our proactive corporate safety campaign, we motivate and inform our workforce about precautionary safety measures. Enhanced safety messaging is reinforced consistently through visual reminders, including banners, stickers and safety result posters as well as the monthly employee newsletter, e-mail communications and paycheck inserts. Moreover, safety-related communication has increased overall awareness of potential hazards.



WE ARE PIPELINE SAFETY

Ensuring the safety of our customers and the communities we serve is the most important thing we do. With that said, we have numerous safety programs, policies and procedures in place to maintain a safe, reliable and environmentally sound pipeline system.

Partners in Safety

To ensure the integrity of our infrastructure, the design, construction, operation, inspection and maintenance of all operating pipelines are subject to strict state and federal regulations, requiring facility operators to follow guidelines and standards developed by various industry organizations, including the American Society of Mechanical Engineers, American Petroleum Institute, American Society of Testing and Materials and the National Association of Corrosion Engineers.

Regulated Utility. As part of an industry regulated by the New Jersey Board of Public Utilities (BPU), NJNG maintains its natural gas distribution and transmission system per federal and state codes that require strict scheduled guidelines for periodic inspections and maintenance. NJNG and its contractor work force are experienced and knowledgeable in these code requirements. After an initial installation, and before the pipeline system is activated, the system is checked

through a combination of non-destructive inspection and pressure testing to ensure its reliability. Once the system is activated, periodic (annual or monthly) inspections are performed to detect any anomalies. For our transmission lines, we utilize internal line inspection tools, commonly known as “smart pigs.” These devices are designed to measure and record external or internal corrosion, construction (weld) defects and external damage to the pipe wall and coating due to excavation activities. If an anomaly is detected it is repaired and monitored frequently to ensure the potential of failure does not exist.

Pipeline Integrity. We perform various leakage and cathodic protection (CP) surveys on our underground piping system. These surveys inspect for possible natural gas leakage and active corrosion on steel pipe. In addition, special surveys are performed on cast iron pipe during deep frost, following land movement, rock blasting and road construction (paving).

NJNG’s entire transmission system is cathodically protected, with leak and CP surveys conducted annually. Moreover, the system is patrolled monthly for indications of natural gas leakage, construction activity or right-of-way encroachment.

NJNG also has systems in place above the ground to ensure pipeline integrity. We install above-ground pipeline markers along the route of our transmission pipelines to identify the presence of high-pressure transmission pipelines in the area. If third party construction activities are located near these transmission pipelines, NJNG personnel will standby during construction in order to minimize the possibility of excavation damage. In the event there is an emergency, remote control valves installed by NJNG at select locations in the transmission system are activated to assist in shutting down the pipelines. Additionally, we monitor our pipelines, assessing natural gas flow from our control center that alerts us to any unusual situations and allows us to respond quickly to potential natural gas events.

We also continually strive to improve our pipeline safety operations, design and construction techniques, inspection programs and workforce training and qualifications. However, upgrades to our pipeline infrastructure account for only a portion of our overall pipeline safety program. Natural gas safety is an essential part of all of our daily routines and partnership is key. Pipeline safety regulators, contractors and excavators, state and local agencies, community leaders and the public must all work together to ensure natural gas and all forms of energy are safely handled.

Public Awareness Campaign. Through our Partners in Safety program, NJNG conducts periodic public awareness seminars for municipal officials, police and fire departments, first responders and excavators. NJNG has also joined the natural gas industry in a comprehensive public awareness campaign to help make pipeline safety information more accessible, easier to understand and consistent throughout our industry. Social media outlets, such as Twitter and Facebook, are used to share safety information with the public.

As a regulated utility we are required to participate in New Jersey One-Call as well as widespread public education programs to promote safe digging practices, including, most importantly, the use of 811 – an easy-to-remember, nationwide number for both professional excavators and do-it-yourself homeowners to call before performing excavation work of any kind. One of these programs is the state-mandated Underground Damage Prevention program. NJNG, along with a group of New Jersey utility companies and in conjunction with New Jersey One-Call and the BPU hold a series of seminars throughout the state to serve as a reminder for excavators about the importance of damage prevention and safety. NJNG has also adopted industry-identified best practices such as distributing safe construction practices booklets to excavators in an effort to decrease the potential for third-party damages.

Safety Excellence

Emergency preparedness is critical to providing safe and reliable natural gas to our customers. In fact, our commitment to safety is evident in our performance in the industry-standard measure of emergency response time. In fiscal 2013, NJNG responded to 98.2 percent of all its emergency calls within an average of 26 minutes, despite the significant impacts from Superstorm Sandy. And, so far, in the first-half of fiscal 2014, NJNG has responded to 99.8 percent of all emergency calls within an average 21.6 minutes. This is compared to the American Gas Association Best Practices average of 26 minutes. Our call center team keeps skills sharp by participating in disaster exercises; and our emergency response teams work closely with public officials, first responders and others as needed to assess impacts, contain emergencies and protect public and employee safety.

Infrastructure Modernization

At our core, we are an infrastructure company with 7,160 miles of distribution and transmission main that serves over 500,000 customers throughout Monmouth and Ocean counties as well as parts of Morris, Middlesex and Burlington counties. Our extensive pipeline network is the lifeline that keeps our customers' homes warm and businesses running. As a result, the integrity of our natural gas system is crucial to the safety of our customers and we are committed to investing the necessary capital to support the safety, reliability and resiliency of our system.

NJNG has invested more than \$335 million in system improvements over the past five years. In fiscal 2013 alone, NJNG spent \$80.2 million in capital expenditures related to system improvement and integrity. And with a comprehensive pipeline infrastructure investment plan in place, we expect to dedicate an additional \$369 million over the next three years to support pipeline and system upgrades, underscoring our strong commitment to safety and reliability.

Safety Acceleration and Facility Enhancement (SAFE). We are taking aggressive steps through our SAFE program to upgrade older, more vulnerable infrastructure to ensure the integrity of our system and best serve our customers. Over the next three years, we expect to invest \$118 million to accelerate the replacement of 276 miles of NJNG's cast iron and unprotected steel mains and associated service lines in our delivery system – which are most susceptible to corrosion and leaks. To this end, we replaced 84 miles of infrastructure throughout 52 different municipalities in our service territory in fiscal 2013. The accelerated replacement of this aged main is consistent with the state's Energy Master Plan and its emphasis on investment in natural gas infrastructure as a pathway to lower energy costs and enhanced energy security.

New Jersey Reinvestment in System Enhancement (NJ RISE). Ensuring the integrity of our pipeline systems, we work with regulators to develop a more systematic approach to pipeline safety and integrity management. In fact, in the aftermath of Superstorm Sandy, we submitted the NJ RISE filing at the request of the BPU to improve the reliability and resiliency of our distribution and transmission systems. We proposed to invest over \$100 million on targeted storm hardening and mitigation projects, including the installation of secondary feeds in Mantoloking, the Seaside Peninsula and Long Beach Island, as well as the installation of more than 35,000 excess flow valves. These improvements will help mitigate the number and duration of future outages, improve reliability, help us to safely respond to service disruptions and enhance the safety and resiliency of our system in future weather events.

Furthermore, to enhance service reliability for current and future customers, NJNG plans to invest in a new Southern Reliability Link, a west-to-east transmission line in fast-growing Ocean County. The addition of the transmission line, with an interconnection to an additional supplier, will enhance the diversity and dependability of our delivery system. We also plan to build natural gas liquefaction facilities that will allow us to better utilize our existing liquid natural gas (LNG) plant located in Howell. These efforts will significantly reduce truck traffic associated with transportation of LNG and related emissions.



WE ARE VIBRANT COMMUNITIES

The success of NJR is connected directly to the strength and growth of the communities we serve. Our efforts focus on the issues we know are most important to our customers – education, wellness and the environment. We strive to educate our stakeholders, inspire and engage our employees and encourage our business partners to align with local community initiatives. Strong communities create opportunities that allow residents to live fuller, more rewarding lives.

Conserve to Preserve Foundation

The CTP Foundation champions our mission to become an integral part in promoting strong communities, supporting environmentally friendly programs, advancing energy-efficiency opportunities, promoting green job growth and encouraging valuable environmental stewardship. Since its inception in 2008, the CTP Foundation has provided ongoing support to such efforts as the sponsorship of the Energy Hog, Energy for Education and CTP Dashboard. The CTP Foundation will continue to support such causes, which enhance the quality of life in our state by promoting energy-efficiency and conservation as well as environmental stewardship.

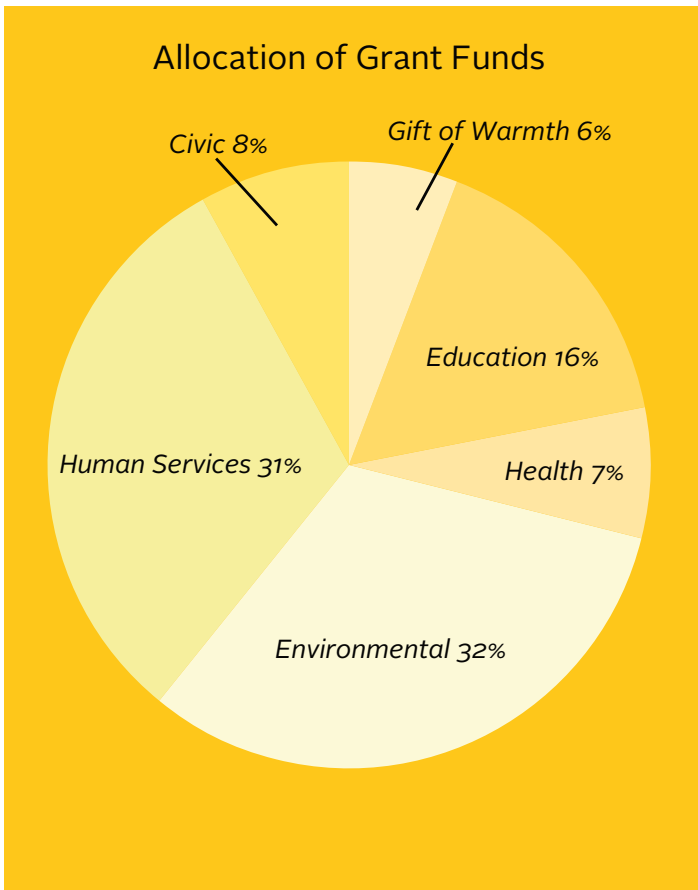
Corporate Charitable Donations

We aim to be a positive and productive member of the community. That spirit of giving back to the communities we serve is reflected in our corporate contributions, dedicating financial donations, in-kind contributions and other resources to bring about positive change. Over the past 12 months, we have contributed to the advancement of more than 1,500 charities and nonprofit organizations in our service area. Whether contributing to youth clubs, social services programs, senior citizen groups or educational institutions, we are proud to support those who help so many of our neighbors.

Below is a sample of our partner organizations:

- *180 Turning Lives Around*
- *21 Plus Foundation, Inc.*
- *Affordable Housing Alliance*
- *Alzheimer's Association, Greater New Jersey Chapter*
- *American Cancer Society*
- *American Conference on Diversity*
- *American Heart Association*
- *American Red Cross*
- *Barnegat Bay National Estuary Program*
- *Bayshore Community Hospital Foundation*

- *Big Brothers, Big Sisters*
- *Boy Scouts of America*
- *Boys and Girls Club*
- *Brookdale Community College*
- *Caregiver Volunteers of Central New Jersey*
- *CentraState Healthcare Foundation*
- *Children's Specialized Hospital Foundation*
- *Clean Ocean Action*
- *Coastal Habitat for Humanity*
- *Collier Services Foundation*
- *Community Medical Center Foundation*
- *Council of New Jersey Grantmakers*
- *County College of Morris Foundation*
- *Cystic Fibrosis Foundation*
- *Deborah Hospital Foundation*
- *Dottie's House*
- *EarthShare New Jersey*
- *Family & Children's Service*
- *First Book*
- *Friends of the Parks*
- *Georgian Court University*
- *Girl Scouts*
- *Holiday Express*
- *Homes For All, Inc.*
- *Independent College Fund of New Jersey*
- *Interfaith Neighbors*
- *Jersey Shore Convention and Visitors' Bureau*
- *Jersey Shore University Medical Center Foundation*
- *Juvenile Diabetes Research Foundation*
- *Kimball Medical Center Foundation*
- *LADACIN Network*
- *Literacy Volunteers of New Jersey*
- *Lunch Break*
- *March of Dimes*
- *Mercy Center*
- *Meridian Health Foundation*
- *Monmouth County Arts Council*
- *Monmouth Medical Center Foundation*
- *Monmouth-Ocean Development Council*
- *Monmouth University Urban Coast Initiative*
- *Morris County Economic Development Corporation*
- *Morris Habitat for Humanity*
- *Morristown Memorial Hospital*
- *NAACP*
- *New Jersey Citizen Action*
- *New Jersey Future*
- *New Jersey Vietnam Veterans' Memorial Foundation Inc.*
- *Ocean County College*
- *YMCA*
- *Ocean Medical Center Foundation*
- *Prevention First*
- *Riverview Medical Center Foundation*
- *Ronald McDonald House*
- *Saint Clare's Foundation*
- *Saint Vincent DePaul Society*
- *Salvation Army*
- *Southern Ocean Medical Center Foundation*
- *Special Olympics*
- *The Arc of Monmouth*
- *The Conservation Fund*
- *The Frances Foundation*
- *The Garden State Film Festival*
- *The Jersey Shore Partnership, Inc.*
- *United Negro College Fund*
- *United Way*
- *VNA Health Group*
- *Workforce Investment Board*



sales, pumpkin and flower sales and tested their talent with Chili Cook-Offs – all in support of various causes. In 2013, these employee-initiated events raised nearly \$30,000.

Employee Volunteerism

Our team demonstrates energy, enthusiasm and passion for building strong communities. Employees and retirees – with the help of their families and friends – work at the grassroots level to strengthen every aspect of community, giving generously of their time through our Volunteers Inspiring Service in Our Neighborhoods (VISION) program and other community initiatives, such as NJR You Days. Whether it's a beach cleanup or working with Habitat for Humanity to build homes in the aftermath of Superstorm Sandy, these programs give employees the opportunity to create change in fundamental ways. In 2013, our team of employee volunteers spent more than 5,000 hours making a difference in our communities. Here is a snapshot of the many nonprofit organizations we helped:

Donor Choice Employee Charity Drive

NJR's employee giving and gift-matching program inspires philanthropy, allowing employees to make a greater impact in their community. And it makes the donor experience more personal. Through our annual employee charity drive, administered by the United Way of Monmouth County, employees donate directly to their favorite nonprofit organizations. For the 2013-2014 campaign, nearly 41 percent of eligible employees participated, contributing more than \$110,000 with a 100 percent dollar-for-dollar company match.

- *FoodBank of Monmouth and Ocean Counties*
- *Making Strides Against Breast Cancer*
- *March of Dimes*
- *New Jersey Blind Citizen's Association*
- *Ronald McDonald House*
- *Special Olympics*
- *The Foodbank of Monmouth and Ocean Counties*

In addition, employee volunteers initiate fundraising efforts on their own for nonprofit organizations near and dear to their hearts, including the March of Dimes, American Heart Association and American Cancer Society. Over the years, employees have introduced jeans days, bake



NJR You Days

To further our commitment to corporate citizenship, each year our employees participate in NJR You Days, a two-day volunteer initiative designed to make a lasting positive impact for communities. In 2013, our employee volunteers helped refurbish O.C.E.A.N. Head Start, a comprehensive preschool program for children, ages 3 to 5 years, from disadvantaged families. Together, they donated hundreds of hours of volunteer service to spruce up the school and create a positive experience for countless students. With paintbrushes, shovels and ladders in hand, they painted the entire outside and inside of the building, including outside common areas, power washed playground equipment, removed old fencing and landscaped.

Executive Community Leadership

We also recognize that our senior executives are excellent company ambassadors, and we encourage them to lend their expertise as board members on local nonprofit organizations. This executive community leadership initiative provides them with a first-hand glimpse into the needs of the community and gives us the ability to determine how to respond most effectively. Below highlights some of the nonprofit organizations with which our management team members are involved:

- *180 Turning Lives Around*
- *Affordable Housing Alliance*
- *American Cancer Society*
- *Boy Scouts of America Jersey Shore Council*
- *Brookdale Community College Foundation*
- *County College of Morris*
- *Drumthwacket Foundation*
- *EarthShare New Jersey*
- *Family & Children's Service*
- *Foundation for Student Achievement*
- *Girl Scouts of the Jersey Shore*
- *Interfaith Neighbors*
- *Meridian Hospitals Corporation*
- *Monmouth County Long-Term Recovery Group*
- *Monmouth Park Charity Fund*
- *Morris County Economic Development Corporation*
- *New Jersey Future*
- *Ocean County College Foundation*
- *Ocean County Long-Term Recovery Group*
- *Ronald McDonald House*
- *Salvation Army*
- *Strand Theatre*
- *The FoodBank of Monmouth and Ocean Counties*

Home Ownership Program

Our commitment to improving the quality of life for families throughout the communities we serve is evident in our Home Ownership Program, which began in 1997. What started as an initial \$25,000 donation from NJNG to Asbury Park nonprofit Interfaith Neighbors, for the completion of a home renovation project for a deserving family, has sparked the growth of the Home Ownership Program.

Today, NJNG works with nonprofit organizations throughout its service territory to renovate and build affordable housing, providing the opportunity for qualifying families and individuals to purchase their first homes. NJNG remains a corporate sponsor of Interfaith Neighbors, and partners with Homes for All in Ocean County, Morris Habitat for Humanity in Morris County and other community organizations to strengthen the local economy and advance the development of underserved areas. Since its inception, more than 83 homes have been completed under the Home Ownership Program.

NJNG recently participated in the affordable housing project on DeWitt Avenue, Interfaith Neighbor's final piece of a five-year effort to improve housing conditions and provide more affordable home ownership opportunities through the Strategic Target Area Rebuilding Spirit Initiative of Asbury Park's West Side neighborhood. This project, which was completed in collaboration with the Affordable Housing Alliance and Coastal Habitat for Humanity, marks the completion of 35 homes through the Interfaith Neighbors and New Jersey Natural Gas Home Ownership Program.

Energy for Education

In partnership with those who share our hopes of building a promising future for today's youth through lifelong education, we aim to stimulate learning, increase motivation and open a world of opportunities beyond school years. NJNG's Energy for Education Programs include:

Conserve to Preserve Poster and Video Contests.

This annual initiative helps educate the younger generation about easy, practical solutions they can use to become more energy-efficient and make smart energy decisions throughout their lives. Moreover, it gives students the opportunity to use the power of art to highlight their energy-saving efforts to win prizes.

Energy Hog. NJNG is a sponsor of the Energy Hog, a nationwide energy-efficiency campaign launched by the Alliance to Save Energy and the Ad Council. The Energy Hog skit is an interactive classroom or assembly program designed to engage students in energy conservation.

College Admissions Seminars. Designed for high school students and parents, this annual program covers the secrets and strategies for navigating the complex college admissions process.

Achieve3000®. NJNG sponsors KidBiz3000® and TeenBiz3000®, which are Internet-based learning tools that help build students' reading, writing and technology skills. Parents can log on to see what their children are learning and teachers can view a variety of reports that track their students' progress.

We also partner with Big Brothers Big Sisters to provide students in Asbury Park and Lakewood middle schools the chance to experience the business world firsthand through our Project Venture mentoring program. NJR employees work closely with assigned students, sharing with

them valuable insight into the working world and helping them prepare for challenging careers. The program kicked off more than 26 years ago with just five students and, since that time, over 300 students have participated. The program's success has served as a model for other companies that have adopted similar approaches to mentoring today's youth.

Through these, and many other initiatives, we're helping open doors to a successful career and personal fulfillment that lasts a lifetime.



Exploring the Wonders of the Jersey Shore.

With nearly 50 exhibitors participating, Ocean Fun Days is a free day of family-oriented activities with an eco-friendly focus that educates, excites and inspires. The beach is the biggest backyard we have and this two-day event, now in its 11th year, provides interactive activities designed to help our customers appreciate the wonders of the Jersey shore. They learn from marine scientists, researchers and environmentalists how to protect our natural resources and enjoy hands-on exhibits, eco-tours and activities about the beaches and bays of New Jersey.

Energy Assistance and Home Energy Improvement Programs

Energy costs can add a significant burden to family budgets. This was most evident during the winter of 2013-2014 when the Northeast experienced unseasonable temperatures 11.5 percent colder than normal. NJNG's team of professionals partner with many community groups to provide specialized programs and support to help educate our customers about available resources and better manage their energy bills.

Each year, at the start of heating season, NJNG hosts a series of Energy Assistance Days throughout Monmouth, Morris and Ocean counties. Here the NJNG team collaborates with state-designated agencies and key nonprofit organizations to help customers determine which energy assistance and home energy improvement programs best meet their needs and assist them with the application process. In 2013, NJNG's Energy Assistance Days benefitted more than 340 residents – many of whom may not otherwise have known about the programs. Other proactive outreach efforts helped identify nearly 2,400 additional customers who qualified for energy assistance and conservation programs.

However, public energy assistance funds do not necessarily meet the needs of customers facing unexpected financial hardship. Thanks to generous contributions from our employees, customers and other stakeholders, NJNG's Gift of Warmth (GOW) fund has helped provide comfort in the homes and hearts of more than 21,770 households since its inception in 1987. With every dollar going directly to deserving families, GOW helps individuals and families who are experiencing temporary or financial hardship pay their natural gas bills. All donations are tax deductible and NJNG matches donations dollar-to-dollar up to \$80,000 each year.

Awards and Recognitions

A testament to our team's dedication, community partners have recognized our efforts to create positive change. And we are proud to share such honors with our 900 employees.

- *County College of Morris: Recognized for scholarship in field of Health Sciences*
- *Jersey Shore University Medical Center Foundation: Presented with the William C. Black award of Hope*
- *Salvation Army: Awarded for efforts in the aftermath of Superstorm Sandy*
- *Achieve3000: Given the Literacy Achievement Award for Commitment to Community.*
- *State Legislature of New Jersey: Honored for 25 years of service and partnership with the Social Community Activities Network (SCAN)*
- *March of Dimes: Awarded for dedication, leadership and service to their mission*
- *Georgian Court University: Recognized for efforts and dedication to the Jersey Shore in the wake of Superstorm Sandy*
- *American Red Cross: Presented with the Group Award for outstanding support during Superstorm Sandy*
- *Morris Habitat for Humanity: Received the Corporate Partnership Award for commitment to making affordable housing a reality for families in need*
- *New Jersey State League of Municipalities: Given a Certificate of Appreciation for outstanding and dedicated service*
- *American Cancer Society: Presented with the Society Award for partnership and dedication to the fight against cancer*



WE ARE DIVERSITY AND ETHICS

We believe diversity and inclusion are integral to our vision, strategy and business success. Additionally, a respect for coworkers and display of personal concern for individual needs is equally important. Fostering an environment that values diversity and ethics ensures 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.

Ethics in the Workplace

At NJR, we strive to instill a sense of personal responsibility in each of our employees. Our ethics training aims to familiarize employees with the policies that govern their day-to-day business practices and help them understand personal obligations and the consequences of violating NJR's Code of Conduct. Additionally, it helps employees confront real-life workplace behavior and prepares them to respond appropriately when questionable issues cross their paths. All employees are required to attend annual Code of Conduct sessions. Once employees understand and sign off on the tenets of the ethics policies, each is accountable for his/her own actions. Conscientious workers are encouraged to report suspected unethical activity without fear of repercussion. All Code of Conduct violations are thoroughly investigated

and appropriate steps taken. Employees and members of the public have access to a toll-free hotline through Ethicspoint Inc., where they can anonymously report ethics violations.

Through strong corporate governance and leadership practices, we ensure business is carried out in an ethical manner at all levels of the organization.

Diversity in the Workplace

Formed in 2003, the NJR Diversity Council supports the attraction, development and retention of a talented, diverse workforce and supplier network. Comprised of 11 employee volunteers across several operating units, the council's mission is to enhance appreciation for, and understanding of, the value of diversity and inclusion, advance education and awareness, commit management to discuss issues and challenge attitudes as well as promote organizational changes that support diversity.

We believe in the value that each individual provides to the whole. By creating an open and inclusive environment where we respect people for diverse perspectives and backgrounds, we encourage creativity that sparks new ideas and improves the way we do business every day. Through ongoing training and skills, we provide

employees with tools to help them successfully live and work within a diverse community. Following each program, we conduct surveys to gain critical feedback from employees regarding the impact of our diversity initiatives.

END NOTES

1. *EPA GHG Equivalencies Calculator*
2. *EPA GHG Equivalencies Calculator*
3. *Natural Gas STAR*
4. *The Conservation Fund; EPA GHG Equivalencies Calculator*
5. *Opower*
6. *EPA GHG Equivalencies Calculator*
7. *EPA GHG Equivalencies Calculator*
8. *EPA GHG Equivalencies Calculator*
9. *EPA GHG Equivalencies Calculator*
10. *EPA GHG Equivalencies Calculator*
11. *EPA GHG Equivalencies Calculator*
12. *EPA GHG Equivalencies Calculator*

[†] *For a list of qualified high-efficiency equipment, visit www.njcleanenergy.com/residential/home/home.*

^{††} *For complete terms and conditions of NJNG's On-Bill Repayment Program, visit www.savegreenproject.com.*

^{*} *For more information on Conserve to Preserve Community Rewards, visit www.njng.com/save-energy-money/ctp/communityrewards.asp. To learn more about a whole-house audit or a no-cost audit for income-eligible customers, go to www.savegreenproject.com.*



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