



New Jersey Resources
Corporate Sustainability Report





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New Jersey Resources is committed to excellence in all areas of our business, and that includes our commitment to operating as a sustainable company. With that in mind, I am pleased to present our first-ever Corporate Sustainability Report.

While some may consider sustainability to be purely about responsibility to the environment, we know that it extends to many other aspects of our day-to-day activities and is an integral component of our company strategy. In addition to Conserve to Preserve®, which serves as the umbrella for our environmental initiatives, our sustainable efforts include our commitment to give back to our local communities, ensure the safety of our employees and customers, foster a diverse and inclusive workplace and promote ethical and honest corporate practices.

Our employees are highly motivated and dedicated to meeting the company's strategic goals; therefore, they are encouraged and recognized when they work collaboratively to generate and share new and innovative ideas that will enhance our sustainability efforts. Additionally, we have strong support from our Board of Directors, who recognize the importance of being a sustainable company for both the benefit of our business and our community. They have guided us in our decision making while consistently challenging us to reach further in our efforts.

To all those who have partnered with us in many of the initiatives highlighted within this report, including legislators, community leaders, employees, retirees and customers, we thank you.

As we continue our sustainability efforts, we will work to create a lasting record of accomplishments that will improve our quality of life both today and for future generations.

Sincerely,

A handwritten signature in black ink that reads "Laurence M. Downes".

Laurence M. Downes
Chairman and CEO



Protecting Our Environment

Conserve to Preserve®

New Jersey Resources' (NJR) primary subsidiary, New Jersey Natural Gas (NJNG) offers its customers the resources and tools to make smart energy decisions through Conserve to Preserve®, which promotes wise energy use for the protection of our environment and natural resources. While traditional utilities increase revenue by selling 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. Using the tools and information provided through Conserve to Preserve, and highlighted below, our customers have reduced their natural gas consumption by 88.7 million therms since 2006. Based on their efforts, our customers have avoided the release of more than 1.1 billion pounds of carbon dioxide into the atmosphere.

Conserve to Preserve Dashboard

We are committed to helping our customers save. That's why we introduced the Conserve to Preserve Dashboard, a personalized online home energy center. This interactive, user-friendly tool is easily accessed through the utility's online customer center.

By simply entering information about their home, appliances and living habits, customers are able to view and analyze their natural gas bills. Because the Dashboard integrates with the Home Energy Analysis from New Jersey's Clean Energy Program, it can run reports and create graphs that show where home energy dollars are spent. It also provides customized recommendations to make a home more energy-efficient and comfortable, while reducing greenhouse gas emissions.

The Conserve to Preserve Dashboard enables customers to compare their homes' energy use to homes of similar size and style in their area. They can even find out what it costs to run appliances and how much can be saved by installing new, energy-efficient models. Because the Dashboard is a living tool, customers can return to it time and time again to re-evaluate their energy use and track the results of their conservation efforts.

Conserve to Preserve Business Online

At NJNG, we know it's all about resources so we developed Conserve to Preserve Business Online, a free service for our commercial and industrial customers looking to increase operational efficiency and manage energy costs effectively.



Business Online is a comprehensive resource of energy-related information and emerging technologies of interest to a vast array of industries in one central, well-organized location. Customers can find new ways to reduce energy usage that not only save money, but also help preserve the environment. This includes relevant links to information about financial support and technical assistance for their business available through New Jersey's Clean Energy Program.

Features include an extensive energy resource library, industry benchmarks and energy audit tools. Also, the "Ask an Expert" hotline offers advice from qualified professionals with decades of experience. A monthly online newsletter focuses on energy-related technology and business applications that are useful for everyday operations. These valued-added services are available to our customers whenever they need them - 24 hours a day, seven days a week.

Conserve to Preserve Community Rewards

In 2008, NJNG introduced a new, unique fundraising opportunity for local schools and organizations. Participants can earn up to \$5,000 in just three months through the Conserve to Preserve Community Rewards program. Not only do participants help raise money for their organization, but they also help friends and neighbors to reduce their energy use and protect the environment at the same time.

Schools and nonprofits raise money by encouraging members, along with their friends, family and neighbors, to sign up for the Conserve to Preserve Dashboard. NJNG rewards their efforts with \$5 for each person who actually uses the Dashboard within a 3-month period. Participants can earn as much as \$5,000 and the money raised can be put toward any cause the organization chooses.



Conserve to Preserve
Dashboard



Conserve to Preserve
Business Online



The Clara B. Worth Elementary School in Berkeley Township has been the most successful organization to date to reap the benefits of the Conserve to Preserve Community Rewards Program. Championed by Mike Murray, manager of accounting at NJNG, the school earned nearly \$1,000 in three short months for the purchase of new playground equipment.



With strong support from Principal Daniel Prima, the school incorporated registration for the Conserve to Preserve Dashboard into several events during the quarter in which they participated in Community Rewards. This included American Education and Energy Awareness Week, which ran from November 16 to November 22 in four elementary schools in the district.

Mike's efforts to ensure the program's success were most evident when he dressed up as the Energy Hog, a character that represents wasteful energy use in all areas of the home. The Energy Hog made appearances at student assemblies that took place throughout the week and were sponsored by NJNG and the Berkeley Township Education Association. By spreading awareness of the Dashboard and leading the fundraising program at Clara B. Worth, Mike has helped his friends and neighbors learn to collectively save thousands of energy dollars.

Greenhouse Gas Emissions

In March 2007, NJR announced its support for the state's goal of reducing greenhouse gas (GHG) emissions 20 percent by 2020. In order to begin this process, it was necessary to establish a baseline from which such reductions could be calculated. NJR worked with the environmental consultants at the PMK Group to verify the GHG emissions produced by company activities in calendar year 2006.

PMK's calculation of our corporate carbon footprint was nearly the same as the company's initial internal measurement, with the exception of the calculation of fugitive emissions (vented emissions, pipeline blow downs, system leaks and losses) which is contained in PMK's calculations, but omitted from NJR's internal measurement. Because there is no calculation



for fugitive emissions, lost and unaccounted for (LAUF) natural gas, which is reported annually to the Department of Transportation, was used by PMK in its place. Using LAUF as a placeholder greatly increases NJR's greenhouse gas emissions due to the fact that natural gas released without combustion is methane, which has a global warming potential 22 times higher than combusted natural gas.

Based on company practices that minimize the direct release of natural gas into the atmosphere, such as our participation in the U.S. Environmental Protection Agency's (EPA) Natural Gas STAR™ program, we believe using LAUF natural gas is an inaccurate representation of these emissions. Additionally, our industry partners at the American Gas Association have addressed the issue, indicating that fugitive emissions related to system leaks and losses and operational activities such as pipeline blow downs have a minimal effect on a company's carbon footprint. We are currently working to develop a more accurate measurement for the calculation of fugitive emissions that takes into account our efforts to minimize the release of uncombusted natural gas into the atmosphere.

With the finalization of the report from PMK, NJR has determined the appropriate measures needed to assess our greenhouse gas emissions and will develop the necessary reporting structure to track and calculate our carbon footprint going forward.

Major initiatives in 2009 will include:

- The area of primary focus will be to determine the best process for calculating LAUF emissions, which will enable us to more accurately report NJR's GHG emissions.
- Several projects have already been completed in both the Wall headquarters and other company buildings in order to conserve energy, therefore reducing GHG emissions. These include the installation of light sensors in offices, compact fluorescent light bulbs, the use of daylight harvesting, where appropriate, and energy management systems. Quantifying the effects of these efforts is required to calculate the associated GHG emission reductions. Additionally, the feasibility of using renewable forms of energy in company buildings is being investigated.
- Following up on the report's recommendation, NJR will develop an GHG inventory management plan by the end of fiscal 2009. The plan will describe NJR's process for completing a thorough, company-wide GHG inventory and include both long and short-term GHG reduction goals.



Emissions Related to Electricity

Immediately following the announcement of our GHG reduction goals, NJR became the first utility in the state to purchase 100 percent of its electricity through the New Jersey CleanPower Choice Program. Administered by the New Jersey Board of Public Utilities' Office of Clean Energy, this voluntary program is funded by an incremental charge on electricity bills for New Jersey residents and businesses. We estimate that our electricity purchase from renewable resources, including wind and small hydro power, will annually offset over 4,139 tons of carbon dioxide emissions that are normally associated with traditional electricity generation. This is the equivalent of taking 723 cars off the road for a year or planting 1,118 acres of trees. Due to our participation, in 2007, NJR was recognized as the Clean Power Purchaser of the Year at the New Jersey Clean Energy Leadership Awards. NJR's choice to offset all emissions from electricity used at our facilities makes the company the largest participant in CleanPower Choice.

This effort is in addition to the roof-top solar photovoltaic system located at our natural gas distribution center in Wall. Since 2004, approximately 9 percent of the electricity used at this building has been generated from the sun.

Emissions Related to Transportation

With a local distribution company as our primary business, NJR has a large number of vehicles on the road everyday; therefore, transportation is a major source of the company's GHG emissions. In 2007, the company received its first delivery of biodiesel fuel, which will serve as an alternative fuel source for many of the utility's vehicles. Biodiesel is a renewable fuel produced from agricultural resources, such as soybean oil, that works with existing diesel engines. NJR is using the fuel in a blended form known as B20, which is composed of 20 percent biodiesel and 80 percent diesel and is estimated to reduce GHG emissions up to 10 percent, according to the EPA. The biodiesel, which is currently being utilized at the company's William L. Maude Service Center in Wall, fuels 32 trucks and numerous pieces of construction equipment. In the future, NJNG also has plans to install a biodiesel tank at its John J. Mount Service Center in Lakewood to fuel an additional 17 trucks.

To reduce emissions related to employee business travel, NJR is also transitioning from the Runzheimer program, which reimburses employees for their vehicle expenses, to a corporate fleet consisting solely of hybrid and EPA SmartWay-certified vehicles. This transition is expected to occur gradually over the next few years as employees become eligible for the hybrid vehicles on a rotating basis. Additionally, the company has purchased several hybrid vehicles that will replace existing vehicles currently used in areas such as Meter Reading and Energy



Delivery. As leases expire on existing vehicles within NJR's fleet, the company is identifying the best option for replacement, in order to improve the fuel efficiency and reduce GHG emissions related to transportation.

Natural Gas STAR

The EPA's Natural Gas STAR program encourages oil and natural gas companies to adopt cost-effective technologies and innovative practices to reduce emissions of methane, a potent greenhouse gas, and to increase operational efficiency. Since joining in 2004, NJR has helped reduced methane emissions by 59.7 thousand cubic feet through facility upgrades and operational improvements. That is enough natural gas to heat more than 786 homes for an entire year, and is equivalent to planting over 7,205 acres of trees or eliminating 5,322 cars from New Jersey's roadways.

Other Environmental Programs

WasteWise™

NJR has been participating in the EPA's WasteWise program since 2002. WasteWise, with over 2,000 member companies, promotes natural resource conservation, solid waste reduction, pollution prevention and cost savings. NJR achieves these goals through a variety of methods to reduce, reuse and recycle, as well as by using remanufactured, recycled content or other types of environmentally friendly products. The company's efforts have been recognized with two honorable mention awards from the EPA for waste reduction programs.

Planting for Our Future™

To help our customers show their concern for the environment, NJR launched the Planting for Our Future program through a partnership with The Conservation Fund, America's premier conservation nonprofit organization. For a donation of just \$5, a tree is planted that will absorb approximately one ton of carbon dioxide, helping to offset customers' GHG emissions. One hundred percent of all donations go directly toward planting trees in native forests across the county, including the Edwin B. Forsythe Wildlife Refuge in Ocean County. Additionally, NJR has committed to match customer donations up to \$50,000 per year over the first five years of the program. Since its inception in April 2007, NJR and its customers have donated more than \$116,000 through Planting for Our Future, which is enough to plant 23,350 trees and trap over 31,000 tons of carbon dioxide from the atmosphere.

In addition to these donations, in 2008, NJR also pledged support to restore nine acres of forestland and sensitive wildlife habitat across public recreation areas at Edwin B. Forsythe National Wildlife Refuge. Located 10 miles north of Atlantic City, the wildlife refuge spans



nearly 47,000 acres and three counties: Atlantic, Burlington and Ocean. The refuge was established to provide important wintering habitat for waterfowl, especially Atlantic brant and the American black duck – a species which has suffered dramatic population decline in recent years.

Manufactured Gas Plants

NJNG has been actively conducting improvements at three former manufactured gas plant (MGP) properties located in Atlantic Highlands, Long Branch and Toms River, New Jersey. These efforts, under the direction of the New Jersey Department of Environmental Protection (NJDEP), are restoring the former plant properties to productive future use. NJNG's improvements address, among other things, coal tar residues; a by-product of manufacturing gas from coal and coke.

There are approximately 3,000 former MGPs nationwide and about 80 in New Jersey. Potential impacts from these sites were not subject to environmental regulation until the early 1980s when the state directed utilities to assess the properties. According to testing conducted on NJNG's behalf, potential risks from contact with coal tar residues at NJNG's MGP properties are within acceptable state and federal health-based risk levels.

NJNG works closely with the NJDEP to ensure compliance with all environmental regulations. When conducting improvements, the safety of the residents and surrounding communities are NJNG's primary consideration.

The latest information on NJNG's efforts at all three MGP properties is available in the Community section of njliving.com.



Safety

Public safety and the safety of our employees are the utmost priority for NJR. We take this commitment very seriously by providing our employees the proper training, tools and environment to ensure that they work safely without injury, damage or incident. We also recognize that one of the primary opportunities for all employees to demonstrate leadership is by assuming an active role in creating and maintaining a safe work environment. In 2008, we were recognized by the American Gas Association (AGA) for significant achievement in the area of accident prevention and workplace safety. This is based on our ability to consistently maintain a total Occupational Safety and Health Administration (OSHA) rate of injuries and illnesses that falls below the industry average for a large local distribution company.

Additionally, we are recognized by the AGA as a consistent leader in the area of emergency response time within the natural gas industry. In fiscal 2008, 99.3 percent of emergency calls were responded to in less than the industry standard of 60 minutes.

The safety of our employees and customers is largely dependent on our ability to maintain a safe and reliable distribution system. The National Transportation Safety Board has determined natural gas pipelines to be our nation's safest energy delivery system. In fiscal 2008, NJNG invested \$18.4 million to expand our own distribution system and an additional \$34.4 million to upgrade and replace infrastructure. We work cooperatively with industry leaders, peer groups and regulators to continually improve our pipeline safety operations, including design and construction techniques, inspection programs and workforce instruction. We conduct extensive training and periodic drills with emergency responders and state and local agencies testing procedures, logistics and communications to ensure that emergency plans are in place. And, as an active member of New Jersey One Call, NJNG participates in widespread public education programs to promote safe digging practices.

We continually strive to improve and enhance these efforts to ensure the safety of our employees, customers and the communities we serve every day.



Supporting Our Communities

At NJR, we have made a commitment to responsible corporate citizenship in the communities where we work and live. Our efforts focus on the issues most important to our customers – education, wellness and the environment. We give back to our communities through financial and in-kind support, various employee contributions and through the thousands of hours of volunteerism by employees and retirees every year.

Charitable Contributions

NJR has provided financial and in-kind support to nearly 700 community organizations. Whether we're contributing to youth clubs, senior service groups, health and nutrition providers or educational institutions, we are proud to support those who help so many of our neighbors. Below is a sampling of the organizations we partner with.

- 180 Turning Lives Around
- 21 Plus Foundation
- Academy Charter High School
- Academy of Saint Elizabeth
- Achieve 3000
- Algonquin Arts
- Alzheimer's Association, Greater New Jersey Chapter
- American Conference on Diversity
- American Heart Association
- American Red Cross, Jersey Coast Chapter
- ARC of Monmouth
- Asbury Park Chamber of Commerce
- Bayshore Community Hospital Foundation
- Big Brothers Big Sisters of Monmouth County
- Brookdale Community College Foundation
- CentraState Healthcare Foundation
- Clean Ocean Action
- Coastal American Foundation
- Coastal Habitat for Humanity
- Collier Services Foundation
- Community Medical Center Foundation
- Contact of Ocean County
- County College of Morris Foundation
- CPC Behavioral Healthcare
- Deborah Hospital Foundation
- Diocese of Metuchen
- Diocese of Trenton
- Dottie's House
- Earth Share of New Jersey
- Eastern Monmouth Area Chamber of Commerce
- Epiphany House
- Family and Children's Services
- Festival of the Atlantic
- George Sheehan Classic
- Georgian Court University
- Girl Scouts of Northern New Jersey, Ocean County and the Jersey Shore
- Greater Long Branch Chamber of Commerce
- Greater Long Branch NAACP



- Housing Authority of the City of Long Branch
- Independent College Fund of NJ
- InfoAge Learning Center
- Interfaith Neighbors
- Jersey Shore Council, Boys Scouts of America
- Jersey Shore University Medical Center Foundation
- Kimball Medical Center Foundation
- LADACIN Network
- Long Branch Public Library
- Mercy Center
- Meridian Health Foundation
- Monmouth-Ocean Development Council
- Monmouth Council of Girl Scouts
- Monmouth Council, Boys Scouts of America
- Monmouth County Arts Council
- Monmouth County Office on Aging
- Monmouth County Society for the Prevention of Cruelty to Animals
- Monmouth Health Care Foundation
- Monmouth Medical Center Foundation
- Monmouth Park Charity Fund
- Monmouth University
- Morris Area Girl Scout Council
- Morris County Economic Development Corporation
- Morris Habitat for Humanity
- Morristown Memorial Health Foundation
- National Fuel Funds Network
- New Jersey Association of Conservation Districts
- New Jersey Citizen Action Education Fund
- New Jersey Council on the Arts
- New Jersey Future
- New Jersey Marine Sciences Consortium
- New Jersey Repertory Company
- New Jersey State Police Memorial Association
- NJ SHARES
- NJN Foundation
- Ocean County College Foundation
- Ocean County Foundation for Vocational Technical Education
- Ocean County YMCA
- Ocean, Inc.
- Ocean Medical Center Foundation
- Ocean of Love
- Partnership for a Drug-Free New Jersey
- Prevention First
- Providence Free Medical Clinic
- Riverview Medical Center Foundation
- Ronald McDonald House
- Saint Clare's Foundation
- Salvation Army – Red Bank Corps
- SCAN Learning Center
- Southern Monmouth Chamber of Commerce
- Southern Ocean County Hospital Foundation
- Special Olympics New Jersey
- The ARC Ocean County Chapter
- The Community YMCA
- The FoodBank of Monmouth and Ocean Counties
- The SIDS Center of NJ
- Tri-County Scholarship Fund
- United Negro College Fund



- United Way of Monmouth County
- United Way of Morris County
- United Way of Ocean County
- Visiting Nurse Association of Central Jersey
- Western Monmouth Chamber of Commerce
- Women’s Fund of New Jersey
- YMCA of Western Monmouth County

Conserve to Preserve Foundation

The Conserve to Preserve Foundation was established by NJR in February 2009 due to its belief that environmental stewardship, intelligent energy use and the protection of natural resources is a shared responsibility of the company, state and residents. Its mission is to provide support for qualified organizations that enhance the quality of life in local communities by supporting and promoting environmentally friendly programs, advancing energy-efficiency initiatives and technologies and further encouraging effective environmental stewardship.

In early 2009, NJR announced the first grant from the Conserve to Preserve Foundation would go toward the New Jersey Department of Labor and Workforce Development’s Green Job Training Partnership Program, which will recruit, prepare and train qualified candidates to fill the growing market for green jobs in the state. Through existing partnerships between industry and educational institutions, participants will be afforded apprenticeship opportunities in the energy industry.

Twelve weeks of training includes classroom instruction, team building and workplace readiness as well as safety training and hands-on exposure to real-work occupational settings. Time in the classroom includes environmental global awareness so that trainees fully understand how their work can make a difference for the environment. Potential jobs resulting from the training and apprenticeship include: energy auditor, weatherization inspector, energy conservation representative or residential air sealing technician.

The Conserve to Preserve Foundation will continue to assist programs such as this, which will enhance the quality of life in our state by supporting initiatives that promote energy-efficiency and environmental stewardship.

Donor Choice Charity Drive

NJR’s employees also recognize the importance of giving back to the community. Through the company’s annual charity drive, 432 employees donated to their favorite nonprofit organization. In total, a record \$86,000 was raised, 100 percent of which was matched by NJR. The annual charity drive is administered with the help of the United Way of Monmouth County.



NJNG Awards

New Jersey Alliance for Action: Eagle Award for the ability to rise above obstacles and achieve levels of success beyond the common grasp

NAACP of Greater Long Branch: President's Community Service Award for our continuous support

Boys & Girls Club of Monmouth County: Thomas S. Smith Service to Youth Award

United Way of Ocean County: 2008 Outstanding Community Service Award

Special Olympics of New Jersey: Gold Medal Partner Award

International ARC Awards: Best Written Text, Best Interior Photography

NJBIZ: Best Places to Work in New Jersey

Environmental Support Services: Excellence Award for NJR's WasteWise program and its commitment to reducing operational risks associated with environmental, health and safety regulatory compliance and potential crisis events through improved information management

March of Dimes, Monmouth County Chapter: Gold Award

2008 Bobby Buecker Fund Knights of Columbus Golf Outing: Outstanding Patron Award

J.D. Power Founder's Award

NJNG was particularly proud to be recognized by a name synonymous with service and satisfaction when it was presented the J.D. Power Founder's Award. A discretionary award presented periodically, the Founder's Award recognizes individuals or companies demonstrating dedication, commitment and sustained improvement in serving customers. In the 40-year history of J.D. Power and Associates, only 18 companies or individuals have received the award and previous honorees include General Motors, The Ritz Carlton Hotels and Hyundai Motors. Upon presentation of the award, J.D. Power III noted, "New Jersey Natural Gas has a company-wide focus on customer satisfaction that extends from the boardroom to the field. This commitment to customers extends from billing to a focus on good community citizenship and the environment."



Volunteers Inspiring Service In Our Neighborhoods

Every year, our employees and retirees, with the help of their families and friends, generously give their own time to support community projects through our Volunteers Inspiring Service in Our Neighborhoods (VISION) program. In fiscal 2008, these generous individuals spent more than 4,000 hours volunteering to make the communities we serve even better places to live.

VISION volunteers can be found:

- Improving neighborhoods by cleaning up beaches, planting flowers and painting nonprofit facilities
- Collecting and packaging food, warm clothing, baby care supplies and holiday gifts to donate to local agencies
- Staffing water stops at local road races throughout the year
- Assisting at Special Olympics events

Home Ownership Program

Through the long-standing partnership between NJNG and the Monmouth County-based nonprofit Interfaith Neighbors, two more families became first-time homeowners this year. In August, community leaders, regulators, family and friends came to dedicate the homes of the Raoul and Remy families which are the first to be built as part of Interfaith's West Side Revitalization Project. Both homes are equipped with energy-efficient appliances and compact fluorescent light bulbs to help the families save money. Additionally, the Remy's home features solar panels that can help the family save up to 25 percent annually on their electricity bills. Since it began in 1996, a total of 19 affordable housing units have been constructed and sold through the NJNG and Interfaith Neighbors home ownership program and three additional homes are currently under construction. In 2009, we are also working with Homes for All and Ocean, Inc. to build homes in Ocean County as well as the Affordable Housing Corporation and Habitat for Humanity in Morris County.





Ocean Fun Days

Thousands of visitors joined volunteers from NJNG, the New Jersey Marine Sciences Consortium and dozens of environmental organizations around the state for the fifth annual Ocean Fun Days. Beautiful weather helped draw crowds to Island Beach State Park and Sandy Hook for two days of exhibits, games and lessons focused on the beaches and bays of New Jersey. In addition to our environmental fair for students, many area Girl Scouts and Boy Scouts attended to take part in the various scouting badge programs offered.



Speakers' Bureau

Our Speakers' Bureau program helps us reach out to our communities and offer information on a variety of issues, from natural gas safety to energy conservation. Our presentations are designed to help us interact with our neighbors, from young students to senior citizens. Over the past year, NJNG employees delivered more than 125 Speakers' Bureau presentations to audiences totaling over 9,000 customers and other members of the community.

Energy for Education

Few NJR initiatives have more potential impact or profound reach than our education programs which encourage academic excellence and performance. In partnership with those who share our hopes of building a promising future for today's youth through lifelong education, our goals are to stimulate learning, increase motivation and open a world of opportunities beyond the schooling years. Programs include SAT preparation, college tours, literacy programs, corporate tours, Achieve 3000 and the Energy Hog.

As part of this effort, NJNG provides students in Asbury Park and Lakewood middle schools the chance to experience the business world firsthand through the Project Venture mentoring program. NJNG employee mentors work closely with assigned mentees, sharing with them valuable insight into the working world and helping to prepare them for challenging careers. The program began over 20 years ago with just five students, and since that time, more than 200 students have participated.

NJNG is helping former Project Venture students to realize their full potential by providing scholarships for graduating seniors who move on to an accredited two or four-year college, university or vocational school. Each year, two students who previously participated in Project Venture, one from Lakewood and one from Asbury Park, are selected and presented with a



\$2,000 scholarship. This year's recipients were Kwendy Lau of Asbury Park, who went on to study at Claremont McKenna College in Claremont, California, and Kymona Singleton of Lakewood, who continued her education at Temple University in Philadelphia, Pennsylvania.

Gift of Warmth

The Gift of Warmth was established by New Jersey Natural Gas to help customers who are experiencing financial difficulties and cannot afford to pay their energy bills. The fund helps income-eligible households, as well as customers experiencing temporary or unanticipated financial hardship. Each year, customers, shareowners and employees are invited to help families in our service territory by contributing to the fund. NJNG matches these contributions dollar-for-dollar up to a total of \$80,000 each year. Due to the generosity of donors, in fiscal 2008, over \$205,000 was raised to provide assistance for 747 local families. Since the program began nearly 20 years ago, a total of more than \$4 million has been raised through the Gift of Warmth.

Heart Gallery of New Jersey

In 2008, NJR was proud to host a reception and fundraiser for the Heart Gallery of New Jersey at its headquarters in Wall, NJ. The 100 Waiting Children exhibit from the Heart Gallery, showcased compelling portraits of New Jersey teenagers who have lived in foster care the longest and are still waiting to be adopted. Over one hundred supporters came together to learn more about these amazing children and their dream of becoming members of loving, stable families. In 2005, the Heart Gallery of New Jersey photographed 346 children for a similar exhibit which NJR was also proud to host. More than half of those in the exhibit have since been adopted.

Support Our Troops

Employees, retirees and their families, along with school children throughout our service territory, write heartfelt cards to our troops serving overseas all year long. Whether it's our Hearts for Heros cards in February, Flags for Freedom cards in June, Thanks for Giving in November or holiday cards in December, we have provided nearly 2,500 uplifting notes of thanks to our troops. In addition, our employees donate and send candy, toiletry items and other products throughout the year.





In-Kind Support

NJR provides in-kind support to many local nonprofit organizations. In 2008, we loaned large gas grills for 55 different events that were attended by more than 25,000 people. We also provided free conference rooms and refreshments to dozens of groups for various meetings throughout the year. Additionally, we provided free printing services for various groups saving them thousands of dollars.





Diversity

At NJR, we believe diversity extends far beyond the characteristics of race, age, gender, ethnicity, religion or physical condition. As such, we are committed to strengthening our company through education, understanding and recognition that diversity is a core value and a competitive advantage. By creating an open and inclusive environment where all people are respected for their diverse perspectives and backgrounds, we encourage the creativity that sparks new ideas and improves the way we do business every day.

NJR's Diversity Council is comprised of employee volunteers who work throughout the year to educate their colleagues by hosting special events and sharing information that helps us to recognize and appreciate the diverse perspectives within our organization. In fiscal 2008, the Council hosted seven diversity events that celebrated the pride and traditions of different international cultures.



Ethics

At NJR, we strive to instill a sense of personal responsibility in each of our employees through annual Code of Conduct training. All employees are required to attend in order to familiarize themselves with, and reinforce, the policies and procedures that must govern their day-to-day business practices. One hundred percent of Code of Conduct violations are thoroughly investigated and acted upon. Employees and members of the public have access to a toll-free hotline, Ethicspoint, Inc., where potential violations can be reported anonymously 24 hours a day, 365 days a year. Any communications received through Ethicspoint are immediately forwarded to NJR's designated contact and appropriate action is taken within 24 hours.

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

