



2023 ESG Report

Table of Contents

SJI Overview

- 3 A Letter From Our CEO
- 5 SJI Overview
- 6 Recognition and Awards
- 7 United Nations Sustainable Development Goals (SGDs)

8 Environment

- 9 Environmental Principles
- 9 Environmental Key Focus Areas
- 10 Climate-Related Risk Management
- 12 Greenhouse Gas Emissions Reduction
- 13 Clean Energy Investments
- 15 Modernizing Operations Through Technological Innovations
- 15 Environmental Protection and Land Restoration
- 17 Energy Efficiency

18 Social

- 19 Building a OneSJI Culture
- 20 Employee Wellness and Engagement
- 22 Diversity, Equity, Inclusion and Belonging
- 23 Diversity Programs and Initiatives
- 25 Talent Attraction and Management
- 26 Safety and Operations
- 26 Emergency Response Preparation
- 27 Infrastructure Modernization
- 27 Pipeline Operations
- 28 Meeting Demand
- 28 Customer Experience
- 29 Community Partnerships

30 Governance

- 31 Cybersecurity
- 32 Governance
- 34 Stakeholder Engagement
- 35 Political Involvement
- 36 ESG / Sustainability Strategy
- 37 ESG / Sustainability Governance
- 37 Our Policies

38 Appendix

- 39 Glossary of Terms
- 40 By The Numbers

A Letter From Our CEO

In today's fast-paced and ever-evolving energy landscape, one thing is certain: the mission and values of SJI remain the same. We strive to deliver safe, reliable, affordable energy, commit ourselves to our customers, employees and communities and conduct our business in a manner that is guided by our principles of sustainability, safety, inclusion, service and community.

Embracing the Power of Renewable Energy

We are excited about our progress in developing and investing in renewable energy solutions and infrastructure through projects in which we develop solar, fuel cells and renewable natural gas from a variety of feedstocks.

In addition to more than 20 dairy Renewable Natural Gas (RNG) projects in various stages of development throughout the United States, we are also investing in several landfill gas-to-RNG projects.

In conjunction with Opal Fuels, SJI is constructing two facilities in New Jersey through SJI Renewable Energy Ventures, which specializes in developing waste-to-energy projects throughout North America. RNG will be produced naturally from the decomposition of organic landfill material.

We are also excited to share the development of the Linden Renewable Energy Project, one of the largest food waste-to-renewable natural gas projects in the United States. The project will convert organic waste into pipeline-quality RNG that can be used for a variety of applications to displace fossil fuels.

RNG projects have become desirable investment opportunities for SJI, along with investments made to regularly upgrade our infrastructure.

Prioritizing Safety and Infrastructure

We take pride in our natural gas systems and our system improvement efforts across our utilities focus on enhancing their safety, reliability and resilience.

Safety is a core value at SJI and we regularly learn from and improve our safety program. Our formalized Safety Management System enhances our ability to demonstrate a firm commitment to safety across our operations by measuring our overall safety performance. The American Gas Association has recognized South Jersey Gas (SJG) and Elizabethtown Gas (ETG) for safety performance, naming each as an Industry Leader in Accident Prevention for the fifth consecutive year.

SJI supports the environmental goals of our state and region. We continue to modernize and develop critical infrastructure while delivering safe, reliable, affordable energy to SJI's customers and communities.

ETG will be completing its \$300 million Infrastructure Investment Program (IIP) next year, while SJG is in its second of a five-year \$250 million modernization program. These investments improve the safety and reliability of our systems and enable our infrastructure to deliver the decarbonized fuels of the future.

Making an Impact with DEI+B

As OneSJI, we are better together. Our Collective Ambition unites us under a singular vision, purpose and aspiration to build a culture of inclusion. We encourage our employees to bring their authentic selves to work every day to ensure we're all accountable, empowered and included.

We continue to drive our Diversity, Equity, Inclusion and Belonging (DEI+B) efforts. With the support of our DEI+B team, we're developing strategy and tactics and providing the structure that aids in administering a broader focus on DEI+B solutions. We do this by helping employees connect with one another in meaningful ways, offering helpful inclusion training and development resources, providing education on wellness programs and encouraging meaningful discussions.

We launched our Power of Pride (PoP) Employee Resource Group which focuses on the inclusion and belonging efforts that support LGBTQ+ employees.

We also hosted our inaugural DEI+B Summit, which not only formally introduced the "B" for "Belonging," but also engaged employees across the organization to continue to drive alignment with the business, building belonging amongst employees to increase awareness, growth, development and interconnectedness.

Highlighting our diverse programs at SJI is an important part of our DEI+B strategy and supporting our diverse community outside of the organization helps us further establish deeper relationships with our customers, making an impact in the communities we serve.

Serving as a Committed Community Partner

We take pride in being a committed and trusted community partner who delivers critical support to those in need, providing vital funding and contributing countless volunteer hours to programs that benefit the communities we serve.

Our employees volunteered for activities such as the MLK Day of Service, American Heart Association's Heart Walk, Veteran Engagement Team's food drive, Partnership for Youth Success Program, the Mark Cuban Foundation's Artificial Intelligence Bootcamps and many other efforts.

SJI employees also pledged approximately \$165,000 to local charities during our annual Employee Giving Campaign. The company provided a dollar-for-dollar match to double the total of that campaign to more than \$330,000.

Our community outreach team regularly appears at events throughout the community and offers tips to help customers save money by learning how to lower their energy costs. One way is through our online marketplaces and Conserve websites where customers can obtain energy-efficient products for their homes. The team also works with customers who seek support to pay their bills by connecting them with utility assistance programs.

Leading On

We are determined to deliver safe, reliable, affordable energy for our State and region and to be a company where employees are proud to work and make an impact in the communities we serve. As we continue to evolve our business for the future, we are committed to a focus on cleaner energy, continued growth and innovation.

I want to thank our more than 1,200 dedicated employees for their steadfast commitment to our customers, our communities and each other. I am proud of all that we have accomplished and look forward to fueling our future with you.

Michael J. Renna
President and CEO



SJI Overview

Headquartered in Folsom, New Jersey, SJI is an energy services holding company that delivers energy solutions to its customers through two primary subsidiaries.

SJIU oversees the Company's regulated natural gas utility operations, providing safe, reliable and affordable natural gas to residential, commercial and industrial customers in parts of New Jersey through its subsidiaries Elizabethtown Gas and South Jersey Gas.

SJI Renewable Energy Ventures, a non-utility subsidiary of SJI, specializes in the ownership, development, construction and operation of diverse renewable energy projects.



Elizabethtown Gas

Serves approximately

315,569

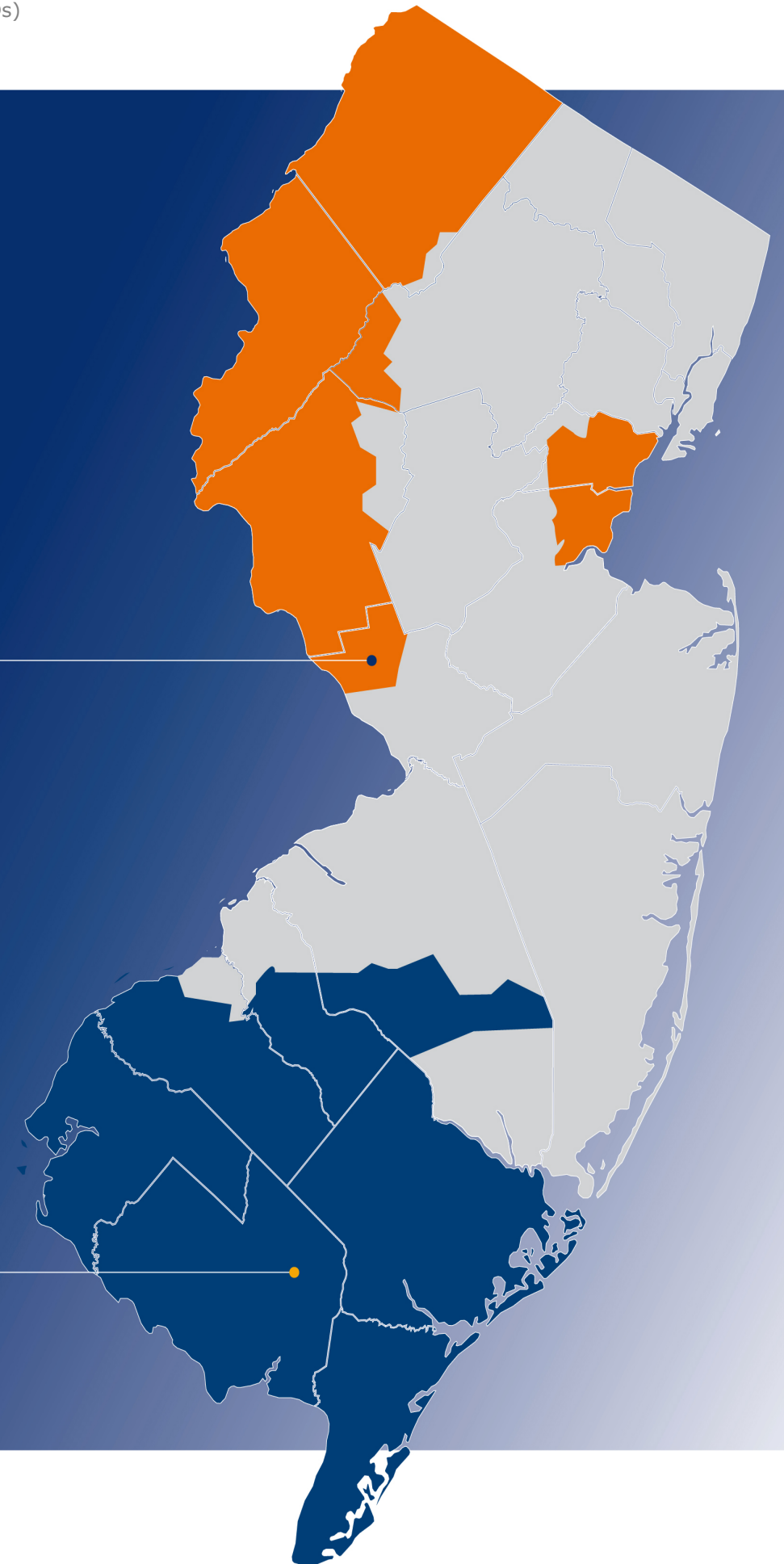
residential, commercial and industrial customers in parts of Union, Middlesex, Sussex, Warren, Hunterdon, Morris and Mercer counties

South Jersey Gas

Serves approximately

419,842

residential, commercial and industrial customers in Atlantic, Cape May, Cumberland and Salem counties, as well as parts of Burlington, Camden and Gloucester counties



Recognition and Awards

We are committed to employee excellence and customer satisfaction.



2023 NJBIA Award for Excellence in Community Service

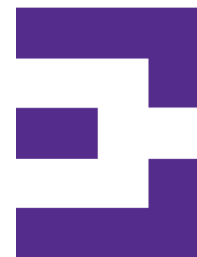


2023 NJ Alliance for Action "New Jersey's Leading Capital Construction Projects" award



American Gas Association

American Gas Association Industry Leader Accident in Prevention



escalent

Elizabethtown Gas recognized as "Easiest to Do Business With" utility by Escalent

J.D. POWER

Elizabethtown Gas and South Jersey Gas ranked #1 and #2 in the East Midsize segment (includes brands that serve between 125,000 and 399,999 residential customers) of the J.D. Power 2023 U.S. Gas Utility Residential Customer Satisfaction Study which measures customers' satisfaction nationally among gas residential customers. Visit [jdpower.com/awards](https://www.jdpower.com/awards) for more details.



United Nations Sustainable Development Goals (SDGs)

SJI contributes to many of the UN SDGs with the following goals being most notable:

E/S/G Category*	ESG Report Section Title	SDG Goal Number(s)	E/S/G Category*	ESG Report Section Title	SDG Goal Number(s)
Environment	Decarbonization Goals		Social	Employee Engagement and Wellness	
	Climate-Related Risks			Community Partnerships	
	Clean Energy Investments			Talent Management	
	Sustainable Business Practices			Safety and Operations	
	Energy Efficiency		Governance	Cybersecurity	
	Energy Efficiency Education			Capital Investments	
	Infrastructure Modernization			Our Policies	

* The definitions of E/S/G can be found in the glossary section of the Appendix

02

Environment

- 9 Environmental Principles
- 9 Environmental Key Focus Areas
- 10 Climate-Related Risk Management
- 12 Greenhouse Gas Emissions Reduction
- 13 Clean Energy Investments
- 15 Modernizing Operations Through Technological Innovations
- 15 Environmental Protection and Land Restoration
- 17 Energy Efficiency



Environmental Principles

Our Environmental Principles illuminate the relationship between our daily operational activities and efforts to reduce our environmental impacts while maintaining compliance with all applicable environmental laws, regulations and corporate policies. At SJI, we focus on:

- **Sustainable business practices and designing our facilities to help protect the planet** while working to minimize the environmental risks to customers, employees and the communities where we operate.
- **Providing sufficient resources to drive positive outcomes**, including energy solutions to achieve our environmental goals.
- **Utilizing suppliers and contractors** who agree to comply with all environmental laws and regulations.
- **Reduction of climate-related risks and greenhouse gas emissions** through prudent strategies to reduce pollution, minimize waste and mitigate adverse environmental impacts.
- **Continuous improvement of our environmental performance through the employment of an Environmental Management System (EMS)** that includes procedures for training and periodic assessments specifically designed to minimize risk, the generation of waste and the use of hazardous materials, energy and other natural resources.
- **Furthering our environmental stewardship through the development of the next generation of more environmentally friendly energy technologies** while aligning with regulatory agencies to develop scientific, fact-based environmental policies and regulations that reduce greenhouse gas emissions.

Environmental Key Focus Areas

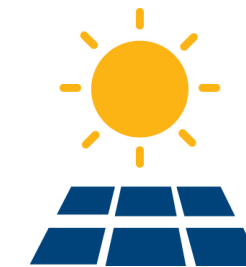
The commitment to our environmental principles includes strategies related to the following key focus areas:



Climate-Related Risk Management



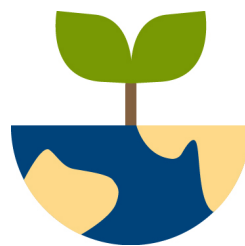
Greenhouse Gas Emissions Reduction



Clean Energy Investments



Modernize Operations through Technological Innovations



Environmental Protection and Land Restoration



Environmental Investigation and Remediation



Waste Minimization and Recycling



Water Disclosure



Environmentally Friendly Workplaces



Customer Education on Improving Energy Efficiency

Climate-Related Risk Management

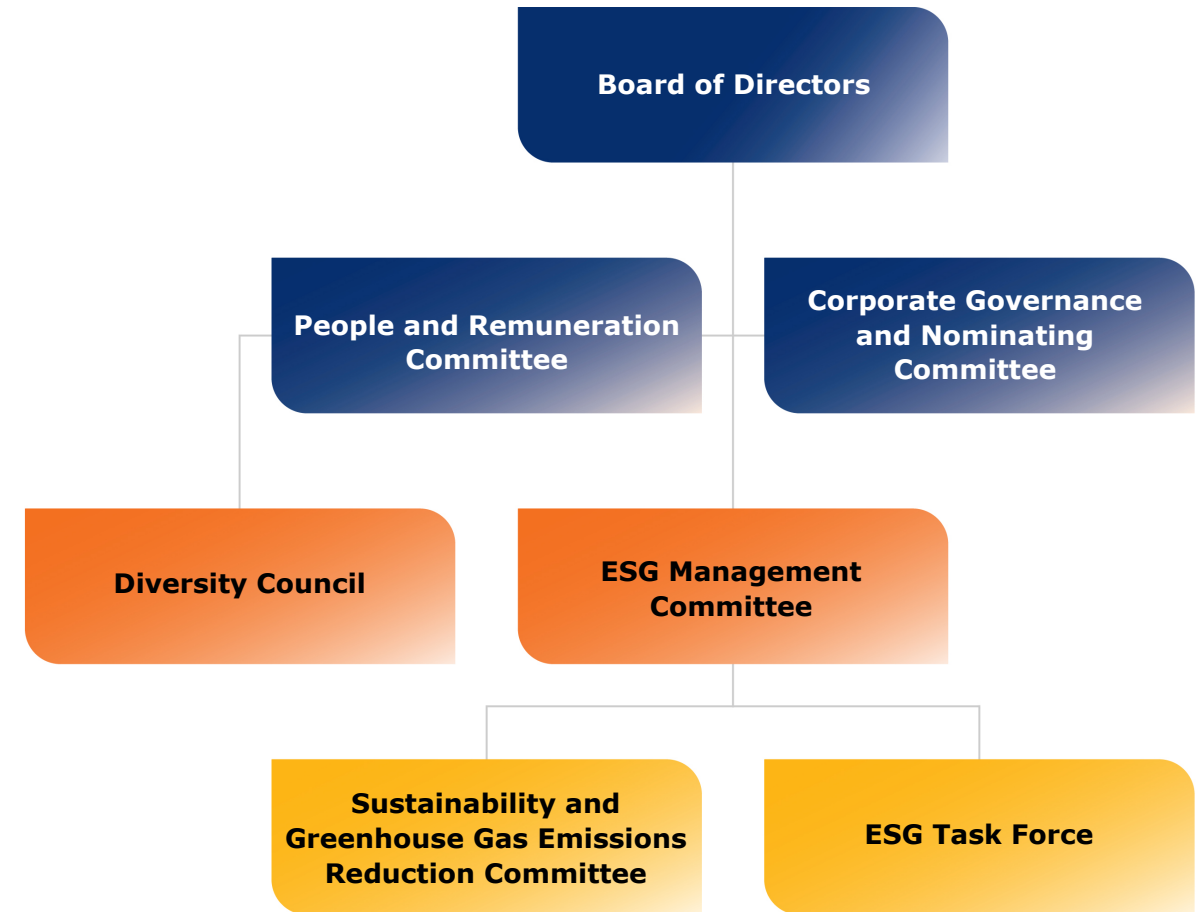
As a distributor of natural gas, a fossil fuel, policy changes to address climate change and reduce greenhouse gas emissions have the potential to impact SJI’s operations and financial performance. SJI is working to comply with those policy and regulatory changes. SJI continues to align our climate disclosure and internal practices with the Task Force for Climate-Related Financial Disclosure (TCFD) framework.

Governance

SJI has a multilevel governance infrastructure that provides oversight of all the Company’s ESG initiatives, including climate.

- The Corporate Governance and Nominating Committee of the Board provides oversight on matters related to corporate governance and the Company’s ESG program.
- The People and Remuneration Committee of the Board provides oversight of the human capital management practices of the Company, including compensation structure, health and safety of employees and contractors, succession planning, culture and employee satisfaction, DEI+B programs and initiatives and training opportunities.

- SJI’s Chief Diversity Officer works in collaboration with the Diversity Council, a group consisting of a diverse representation of key leaders that reports into the People and Remuneration Committee of the Board and Senior Leadership to drive the DEI+B strategy across the Company.
- The Environmental, Social and Governance (ESG) Management Committee is responsible for managing and monitoring the implementation of SJI’s key ESG strategies, including SJI’s decarbonization commitment and targets, enterprise-wide environmental remediation program and climate-related risks and opportunities.
- The Sustainability and Greenhouse Gas Emissions Reduction Committee was formed to provide lateral visibility and monitoring of decarbonization metrics and KPIs across business lines. This group comprises business leaders and subject matter experts who regularly meet to discuss progress on their respective area of emissions reductions and potential future strategies.
- The ESG Task Force was developed to optimize the integration of ESG into SJI’s core business. The ESG Task Force is led by the Vice President of ESG and comprised of personnel from Enterprise Risk Management, Communications, Safety, DEI+B and Environmental. Members of this Task Force serve as ESG ambassadors throughout the organization and assist with the development and disclosure of SJI’s ESG information.



Environmental Principles

Environmental Key Focus Areas

Climate-Related Risk Management

Greenhouse Gas Emissions Reduction

Clean Energy Investments

Modernizing Operations Through Technological Innovations

Environmental Protection and Land Restoration

Energy Efficiency

Strategy

The climate-related risks and opportunities that could potentially impact SJI were identified through a survey of key stakeholders, risk inventory evaluation and scenario analysis centering on key operation sites and pipeline supply networks. SJI's Shareholders and Board of Directors review and evaluate the Company's growth and value enhancement opportunities, including acquisitions and business development proposals.

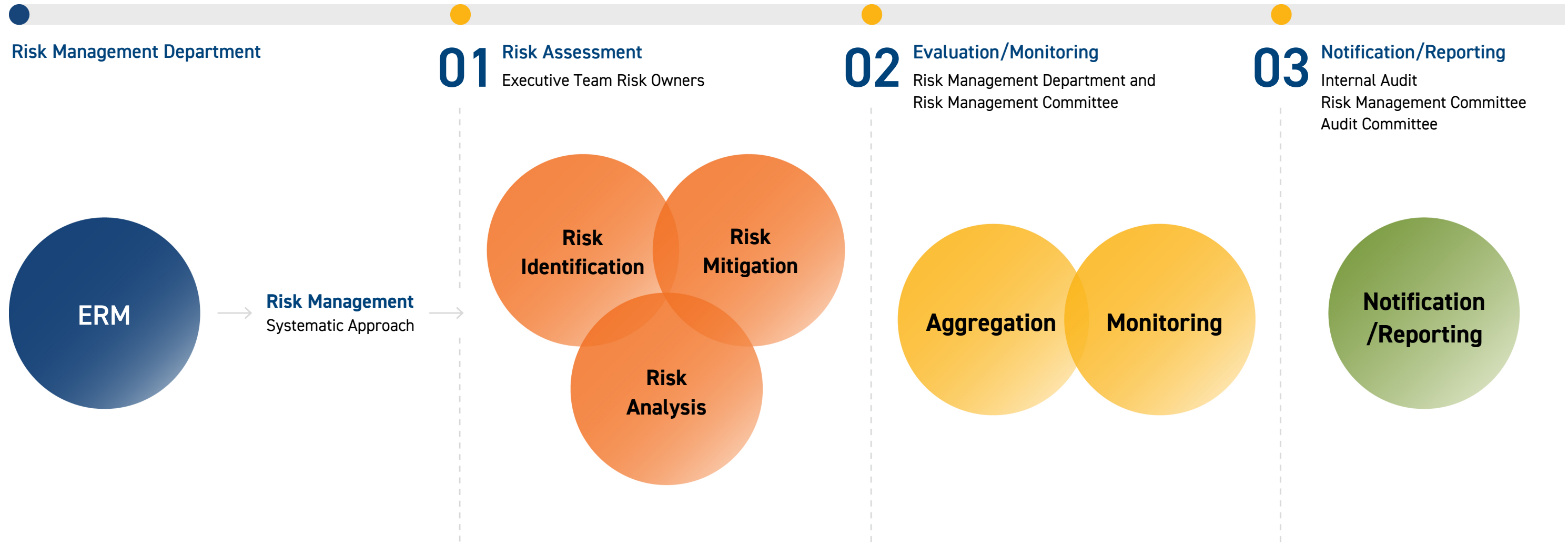
Risk Management

SJI has implemented a systematic strategy for managing physical and transitional risks by applying the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management (ERM) Framework to Environment, Social and Governance (ESG)-related risks. This integration provides a consistent, systematic process for identifying and assessing risks, including climate.

Metrics and Targets

Beginning with Calendar Year 2018, SJI has completed an annual analysis of our Scope 1 and Scope 2 emissions for SJI's utility companies. Based upon the 2018 values, the Company set goals for emissions reductions and decarbonization efforts. Setting emissions reduction targets allows SJI to have the alignment with its stakeholders that is necessary for the ongoing successful operations of our utility and non-utility business. Progress against these goals is regularly monitored and continues to be made since setting our benchmarks.

Enterprise Risk Management (ERM) Framework



Greenhouse Gas Emissions Reduction

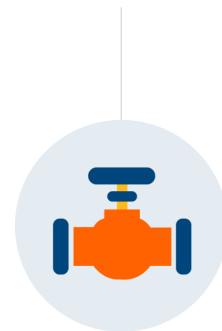
As part of our efforts to reduce our environmental impact, we monitor greenhouse gas emissions from our natural gas delivery system. This evaluation includes an annual measurement of our comprehensive emissions footprint. The Sustainability and Greenhouse Gas Emissions Reduction Committee was formed to centralize communication and monitor decarbonization metrics and KPIs across business lines by using a "Team of Teams" approach.

Ten teams were developed as part of this Committee, each addressing and identifying opportunities for emissions reductions related to one respective emissions source.

Our Company created a comprehensive plan that includes a timeline to achieve carbon-neutral operations. We continue to assess and reevaluate our decarbonization efforts as the market, regulations, stakeholder priorities and our Company's strategy evolve over time.

Emissions Reduction Strategy

Team of Teams



Scope 1 Emissions

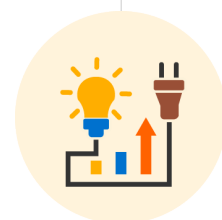
Distribution Fugitive Sources

1. Leaks from pipeline main and services
2. Gas releases and third-party damages
3. Meter and Regulator Stations
4. Customer Meters
5. LNG Plants



Facility Sources

6. Stationary Combustion
7. Refrigerant Usage
8. Non-Reg Facilities
9. Mobile Fleet Vehicles



Scope 2 Emissions

10. Electricity Usage

Strategy Highlights



Pipeline

- Infrastructure replacement program
- Reduce blowdown gas release emissions
- Advanced mobile leak detection



Facility Refrigerant

- HVAC updates to lower or zero ozone depleting refrigerants



Stationary Combustion

- Heater replacements and upgrades



Non-Reg/Scope 2

- Data gathering
- Biogenic vs. non-biogenic
- Solar and green credits



Mobile Sources

- Investigating alternative vehicle energy source other than gas/diesel/CNG

Carbon Reduction Goals

The following benchmarks guide our current and future practices:

Achieve a

70%

carbon reduction of operational emissions and consumption by the year 2030

Achieve

100%

carbon neutral operations by 2040

Commit at least

25%

of annual capital expenditures on sustainability projects

Carbon reduction/neutrality goals are set based on the 2018 baseline year and relate to Scope 1 and Scope 2 emissions for SJI's utility companies: South Jersey Gas (SJG) and Elizabethtown Gas (ETG). Carbon neutral goal attainment may require the purchase of offset credits in 2040 equal to any emissions that have not been reduced or eliminated at that time and will therefore depend on the availability, adequacy and appropriateness of the purchase of such credits in 2040 and beyond.

DISCLAIMER: The standards of measurement and performance, as well as any goals disclosed in this report, are based on various assumptions made in good faith at the time of publication and are not guarantees or promises of actual future performance and should not be construed as a characterization regarding the materiality or financial impact of that information.

Clean Energy Investments

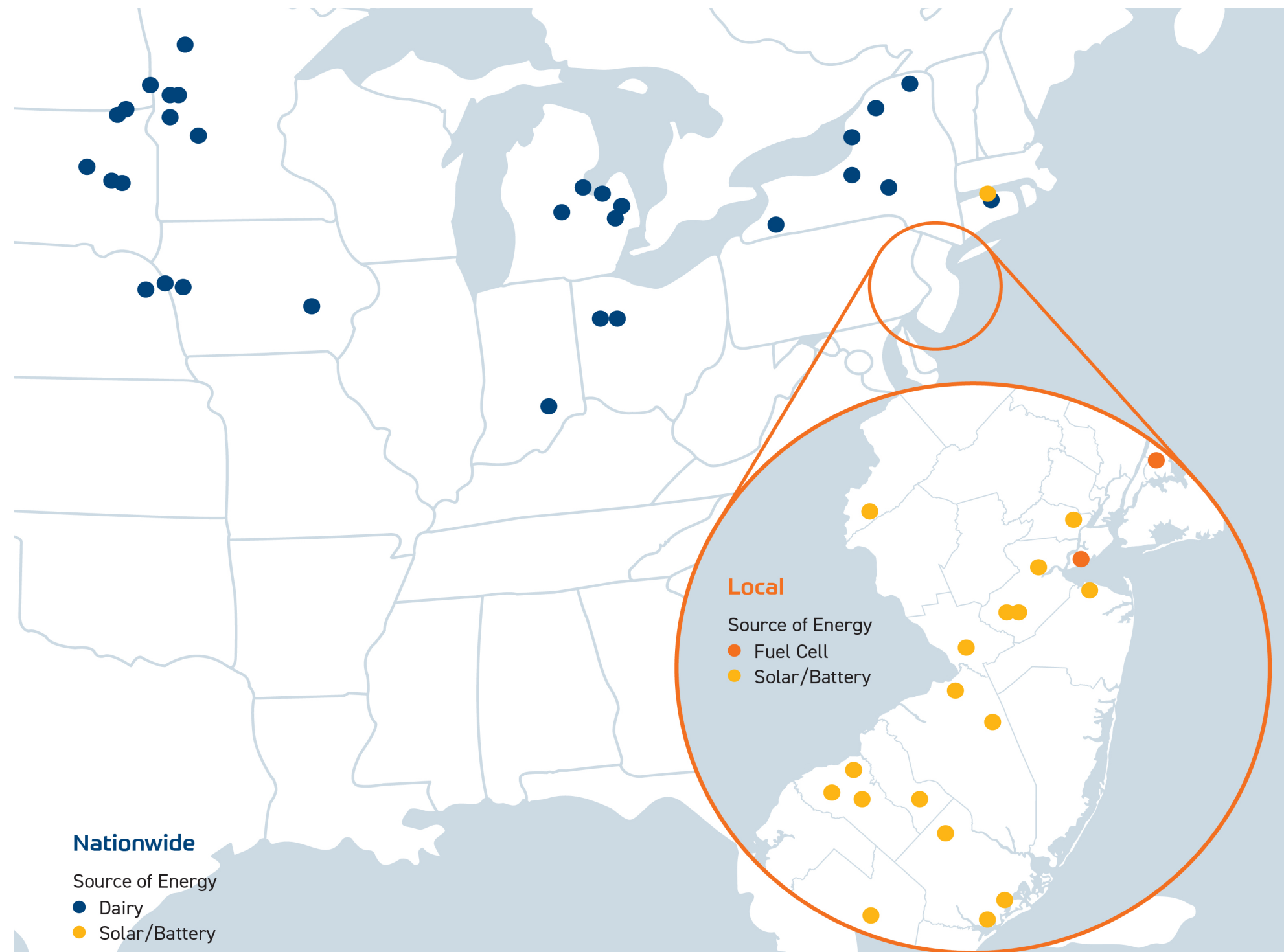
SJI is committed to promoting sustainability, driving innovation and leading the way towards a cleaner energy future for our State and region. As a natural gas utility with over 100 years of experience, SJI continues to look for ways to incorporate energy-saving and carbon-reducing practices at every level of its operations.

Compressed natural gas (CNG) is an alternative to gasoline or diesel fuel. Made by compressing natural gas, CNG emits less greenhouse gases when compared to gasoline and diesel fuels. SJI has more than 220 compressed natural gas vehicles in its fleet and continues to support the expansion of fueling stations located within the SJG and ETG service territories.

In 2023, there were 13 public access CNG stations in these territories, six of which are operated by the Company's utilities. A new public station in Penns Grove, NJ, was placed in service in 2023. This station supports a fleet of CNG trucks operated by a national distribution company. Two more stations in development are expected to be placed in service in 2024. Additionally, SJI is currently developing the New Sentury Compression Station, a \$69-million pressure regulation station in South Harrison Township, NJ. SJI plans to install a solar array to power the 1-megawatt equivalent electrolyzer at the facility.

SJI is re-envisioning how we lead our employees, customers and communities to a better today and tomorrow with the advancement of energy investments and the formation of a diverse and talented team of energy professionals.

Clean Energy Project Locations



Environmental Principles

Environmental Key Focus Areas

Climate-Related Risk Management

Greenhouse Gas Emissions Reduction

Clean Energy Investments

Modernizing Operations Through Technological Innovations

Environmental Protection and Land Restoration

Energy Efficiency



SJI Renewable Energy Ventures

SJI Renewable Energy Ventures, a non-utility subsidiary of SJI, specializes in the ownership, development, construction and operation of diverse renewable energy projects. SJI Renewable Energy Ventures aims to advance a robust portfolio and pipeline of future projects including solar, fuel cells, green hydrogen and Renewable Natural Gas (RNG)⁽¹⁾ from a variety of feedstocks.

In 2023, SJI and Opal Fuels broke ground on a landfill gas RNG project at the Atlantic County Utilities Authority's solid waste landfill. RNG produced at this plant will be used as transportation fuel and will be blended into the existing natural gas distribution systems that supply energy to local homes and businesses, decreasing the amount of natural gas used by these customers.

Plans for construction of the Linden Renewable Energy (LRE) Project also began in 2023. This project is planned to manage organic waste in the New York City and Northern New Jersey area. Once complete, it is anticipated this project could be one of the largest food waste-to-RNG facilities in the United States. With the capacity to process about 1,500 tons of organic waste per day, the facility will potentially produce the RNG energy equivalent of up to 31,000 gallons of gasoline daily. Construction on the facility began in 2024.

MarinaEnergy

AN SJI COMPANY

SJI has a long history of solar energy development through our subsidiary Marina Energy. SJG, ETG and SJI facilities have been equipped with solar power, helping offset electric grid usage.

In 2023, SJI Marina Energy brought online a 7 mega-watt brown-field solar array at a landfill in Florence Township, NJ, that features 16,000 solar panels. Additionally, a 5.66 MW solar and 5.2 MWh battery storage facility in Agawam, MA, was acquired through Catamaran Renewables, a joint venture between Marina Energy and the renewable energy investment company Captona.

Catamaran Renewables is also currently operating two fuel cell projects producing 12.5 MW of electricity. Catamaran is evaluating future fuel cell opportunities in the Northeast area of the country.

SJI RNG DevCo

SJI RNG DevCo, a subsidiary of SJI Renewable Energy Ventures, oversees the development of SJI's dairy farm renewable energy portfolio. SJI RNG DevCo has deployed seven projects and holds RNG development rights to 20 large farms that focus on producing RNG from anaerobic digesters at dairy farms throughout the United States. These developments help support agricultural communities, improve local air quality and support economic development.

When we invest in renewable energy and lower-carbon technologies, we are able to generate positive environmental and economic outcomes.

⁽¹⁾ Definitions for renewable energy sources can be found in the [Appendix](#) section.

Environmental Principles

Environmental Key Focus Areas

Climate-Related Risk Management

Greenhouse Gas Emissions Reduction

Clean Energy Investments

Modernizing Operations Through Technological Innovations

Environmental Protection and Land Restoration

Energy Efficiency

Modernizing Operations Through Technological Innovations

SJG and ETG are members of the U.S. Environmental Protection Agency's Natural Gas STAR Methane Challenge Program. The STAR Methane challenge aligns with our efforts to protect our region's environmental and natural resources. As part of our participation, SJG and ETG follow the Cast Iron and Unprotected Steel Best Management Practice. We aim to reduce emissions by replacing a significant portion of our aging and leak-prone unprotected steel and cast iron distribution mains and services with modern medium-density plastic and protected steel mains and services to reach our goal replacement rate of at least 5% per year.

Environmental Protection and Land Restoration

SJI strives to protect the environment and minimize impacts on the community and landowners and to select pipeline construction routes that avoid environmentally sensitive areas such as wetlands, wildlife, habitats and their associated buffer zones. SJI also works with landowners and other community residents to choose routes with the fewest impacts to property.

It is our goal to perform project work in compliance with all applicable federal, state and local laws, guidance documents and other applicable requirements, as well as the terms of any licenses, permits and authorizations of any governmental authority or public utility. SJI endeavors to restore all disturbed land to its original

condition after construction is complete. During the land disturbance, we take preventative measures to control sediment and stormwater runoff. SJI works closely with landowners to restore each property as specified in landowner agreements. This includes initial maintenance and repair work, as well as follow-up inspections of agricultural lands.

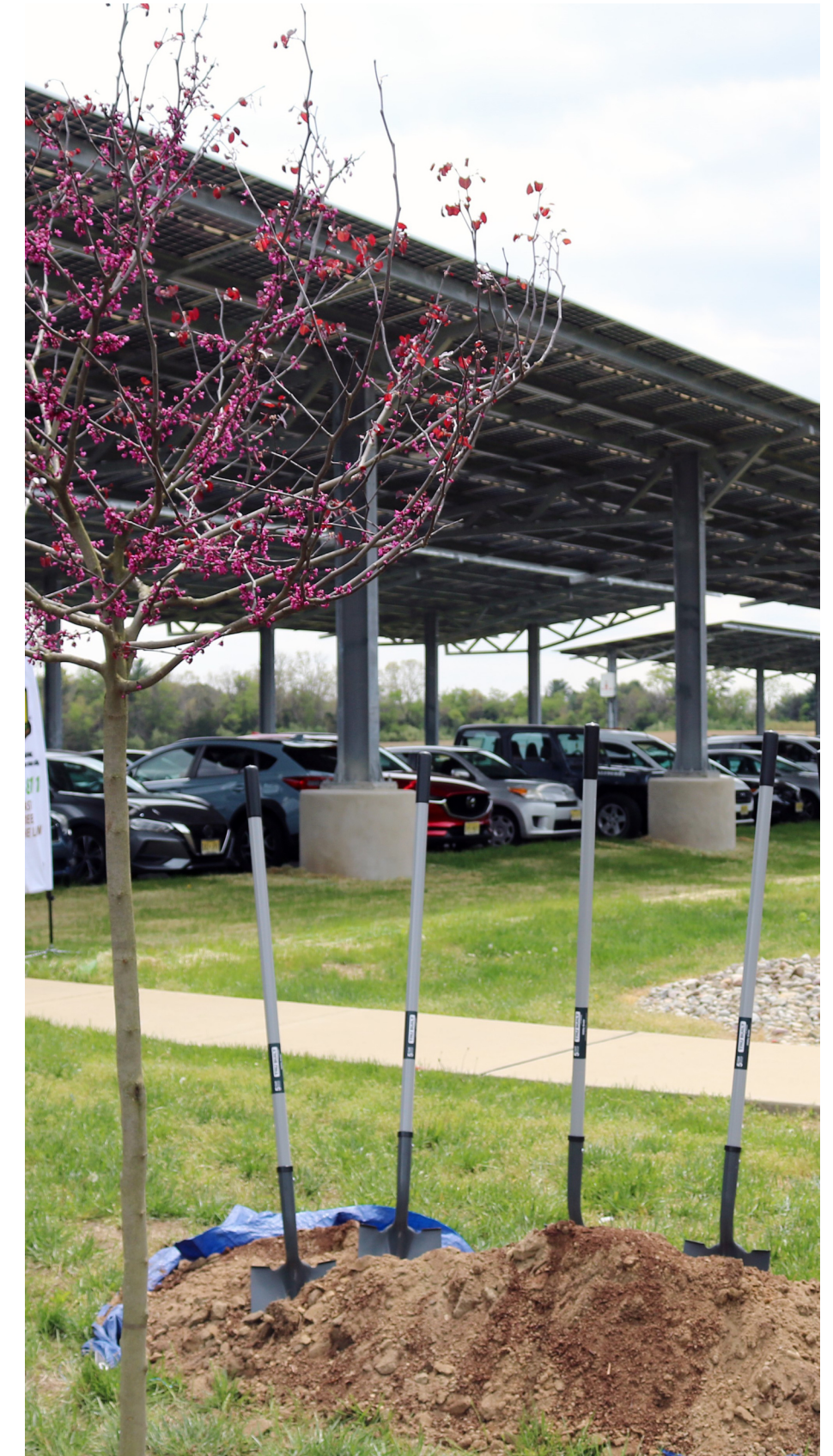
SJI also makes every reasonable effort to complete the restoration of an area, including final grading and installation of permanent erosion control structures and seeding grass in a timely fashion. Where applicable, SJI implements site restoration practices that include pollinator-friendly grasses and plantings to help ensure a healthy pollinator population. SJI also tracks habitat restoration performed in its utility service territories.

Environmental Investigation and Remediation

During the late 1800s and early 1900s, manufactured gas was produced from materials such as coal and oil at manufactured gas plants (MGPs) all across the United States. SJI oversees the cleanup of 20 such sites owned by past or present subsidiary companies. The Company is committed to meeting its legal obligations to ensure that these sites are properly investigated and remediated and meet environmental standards and regulations.

SJI has continuously worked to meet its responsibilities with respect to sites that required investigation or remediation including completing the cleanup and closure of over 80% of our MGPs. The remainder of our sites are being actively remediated and are projected to be completed within the next 4 years.

Remediation of these sites is intended to improve the surrounding community and to enhance public safety by restoring any disturbed infrastructure, curbs, sidewalks, pavement and landscaped areas. Additionally, at our remediation sites where degraded or impacted wetland areas are part of the scope of remediation, our restoration efforts allow for a "better-than-existing" approach to the restoration. We can leave behind a more ecologically diverse habitat in areas that were once degraded or populated by a single plant species.



Environmental Principles

Environmental Key Focus Areas

Climate-Related Risk Management

Greenhouse Gas Emissions Reduction

Clean Energy Investments

Modernizing Operations Through Technological Innovations

Environmental Protection and Land Restoration

Energy Efficiency



Waste Minimization and Recycling

SJI minimizes its waste production through source reduction, effective purchasing, chemical substitution, good housekeeping and recycling when possible. At SJI, we aim to manage necessary waste disposal responsibly and we schedule frequent disposal pick-ups with waste disposal contractors. Our recycling waste products include asphalt, concrete, used oil, inefficient lighting lamps and blasts, contaminated soils, wood waste and more. In 2023, SJI recycled **245 tons** of business-related office debris, which was **45%** of the total office debris. We also recycled **39,506 tons** of utility and remediation operations debris (includes pipeline construction, maintenance and remediation jobs), which was **80% of the total utility and remediation operations debris** based on the waste information available at the time of the report.

Water Disclosure

Our goal at SJI is to maintain compliance with environmental regulations and minimize any water impacts resulting from office use and utility operations. SJI reduces water use through low-flow or waterless restroom facilities and filtered water stations that help reduce waste from discarded plastic water bottles.

Environmentally Friendly Workplace

As SJI continues to grow and expand, we have continued to look for ways to minimize our environmental footprint. We have implemented recycling programs and installed efficient HVAC equipment in newer and renovated offices. SJI also follows Leadership in Energy and Environmental Design (LEED) standards and processes, utilizes janitorial services that use green chemical products whenever possible and uses a cafeteria vendor that sources food products with a focus on reducing their carbon footprint.

245 (45% of total)
tons of recycled business-related office debris

39,506 (80% of total)
tons of recycled utility and remediation operations debris

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Environmental Key Focus Areas

Climate-Related Risk Management

Greenhouse Gas Emissions Reduction

Clean Energy Investments

Modernizing Operations Through Technological Innovations

Environmental Protection and Land Restoration

Energy Efficiency

Energy Efficiency

Our utilities are committed to involving and engaging customers in our efforts to protect the environment and sustain our natural resources, while helping customers save energy and money.

Since 2009, SJG and ETG combined have invested more than **\$273 million in energy efficiency programs.**

SJG and ETG offer Conserve to all customers. This comprehensive portfolio of residential, multifamily, commercial and industrial energy efficiency programs encourages all customers, including income-qualified, to reduce energy usage and save money. In addition to energy-saving programs, there are tips and information to help customers decrease their energy consumption, lower their energy bills and reduce their impact on the environment. Detailed information about the Conserve program is shared on the SJG and ETG websites.

SJG and ETG also partner with Sustainable Jersey. Sustainable Jersey works with communities and school districts to reduce waste, cut greenhouse gas emissions and improve environmental quality. Through 2023, SJG and ETG have provided Sustainable Jersey with more than \$1.5 million to support its efforts in the state.

SJG and ETG have also sponsored the Alliance to Save Energy's Empowered Schools Program, which empowers students to grow as leaders, apply academic knowledge to solve real-world challenges and move their schools and communities toward a greener future. In 2023, 60 schools participated in the program, an increase of 20 schools since 2022.

Income Qualified Programs

SJG and ETG partner with the New Jersey Board of Public Utilities to deliver the Comfort Partners Program, a program that helps low-income customers reduce their utility bills and save energy at no cost to them.

In 2023, SJG **spent \$3.9 million** serving customers through the Comfort Partners Program, while ETG **spent \$2.6 million.** In addition, SJG and ETG offered a moderate-income free weatherization program and spent approximately **\$5.2 million** combined in 2023.



03

Social

19 Building a OneSJI Culture

20 Employee Wellness and Engagement

22 Diversity, Equity, Inclusion and Belonging

23 Diversity Programs and Initiatives

25 Talent Attraction and Management

26 Safety and Operations

26 Emergency Response Preparation

27 Infrastructure Modernization

27 Pipeline Operations

28 Meeting Demand

28 Customer Experience

29 Community Partnerships



Building a OneSJI Culture

Employee Wellness and Engagement

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Building a OneSJI Culture

Our Collective Ambition provides the vision, purpose, strategic and operational priorities that bring us together as OneSJI.

Our employees are the driving force behind our ongoing success, from developing innovative solutions to delivering award-winning service to over 700,000 residential, commercial and industrial customers across New Jersey. In 2023, we continued to strengthen our community through programs, events and Employee Resource Groups, all while enhancing the employee experience to cultivate our OneSJI culture.



Employee Wellness

Together, our 1,221 employees drive growth for our business, deliver on our purpose and bring us closer to achieving our vision of a cleaner energy future.

The SJI Employee Wellness Program is designed to enhance overall well-being by focusing on eight fundamental principles of wellness. It encourages the development of healthy habits and fosters the physical, mental, financial and emotional health of our employees through comprehensive wellness education. Employees are rewarded for participation in quarterly wellness challenges, attending webinars, engaging in wellness coaching and conducting their annual health screenings.

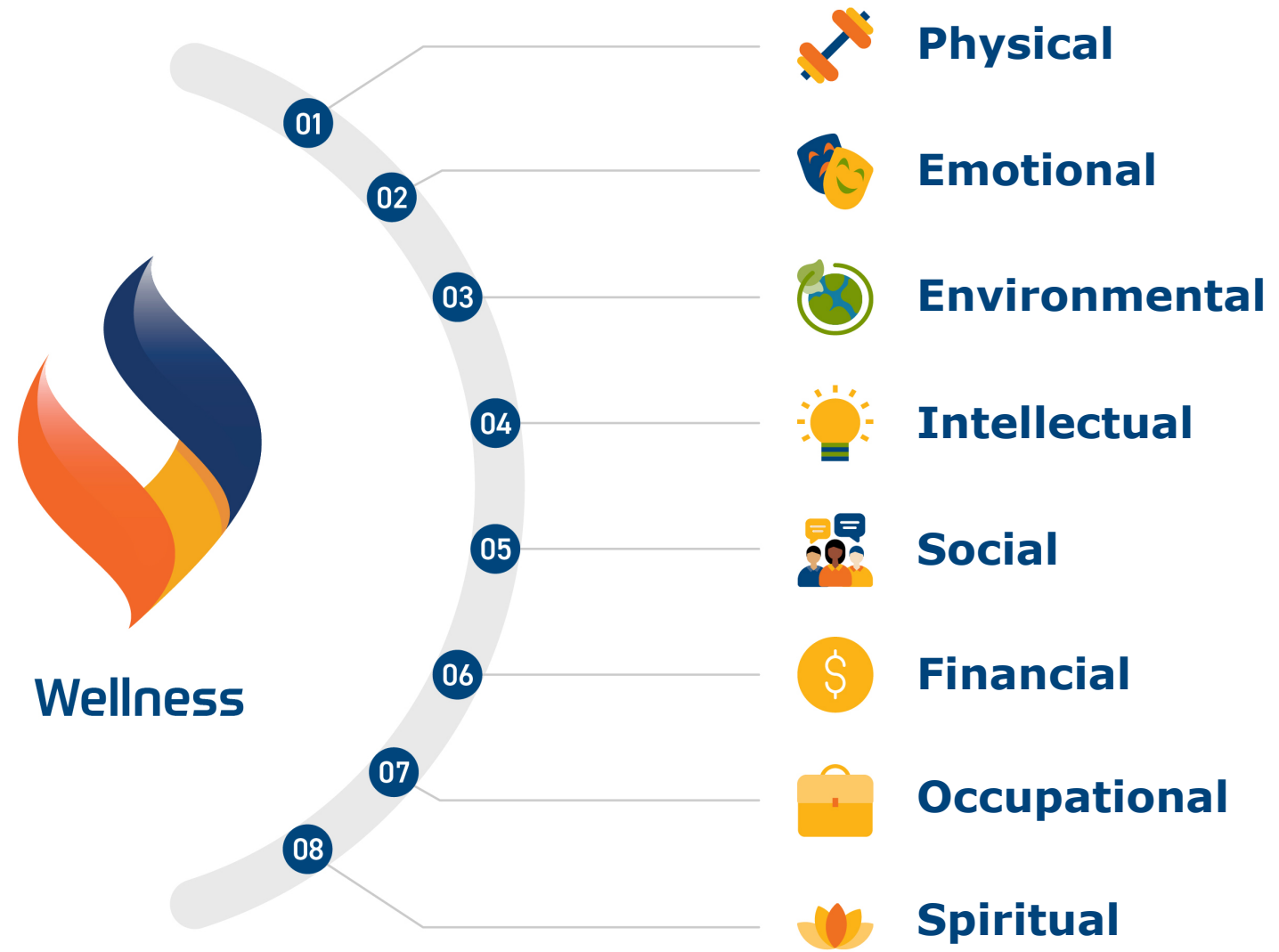
Additionally, our Employee Assistance Program (EAP) offers professional support, including counseling and guidance, available 24/7 for employees and their immediate family members. This invaluable resource addresses a range of work/life challenges such as depression, anxiety, grief, anger, substance abuse and financial or family pressures, ensuring that our employees have the support they need every day.

322
corporate staff members

782
utility company employees

41%
population represented by unions

940,000
union hours worked



Employee Engagement

At SJI, we administer annual anonymous employee engagement surveys. All employees are invited to participate in the surveys to provide their feedback on our culture and their sense of belonging. Full engagement surveys that assess all elements of engagement are conducted every other year. During off-cycle years, we issue smaller engagement pulse surveys to ensure we are monitoring our progress. Our engagement survey results measure performance against Company and external benchmarks, which include industry and same-sized peers.

The 2023 survey focused on key engagement drivers. The survey results inform our overall employee engagement strategy and provide the data needed to make improvements.

In addition to our engagement efforts, we continued to focus on addressing employee needs and expectations, while also connecting employees with one another and our purpose.

Throughout the year, SJI engaged its employees through creative activities to help build and maintain connections. This year's initiatives included:



- Energize Weeks are quarterly campaigns focused on connecting employees with SJI's strategic initiatives and included activities such as podcast interviews and challenges. The 2023 Energize Week topics were Giving Back, Learning and Development, Employee Engagement and Wellness.



- Continued the OneSJI Employee Recognition Program to acknowledge and celebrate outstanding achievement in one or more of the areas core to who we are as OneSJI.



- Organized an Employee Outing at Citizens Bank Park, where employees attended a Philadelphia Phillies game.



- Came together to make a collective difference for our communities through the Employee Giving Campaign – raising over \$165,000 for local nonprofits. Through a company match, SJI donated more than \$330,000 in critical support to local, regional and statewide community-based organizations.



- Hosted a viewing party for the Atlantic City Air Show at our SJG Headquarters and invited employees to the Hard Rock Hotel & Casino for the annual Holiday Party.



- Raised \$48,000 for the American Heart Association at its annual Heart Walk event in Ocean City.

Diversity, Equity, Inclusion and Belonging

Our DEI+B efforts focus on three key areas: Talent, Supplier Diversity and Community Partnerships

Talent

At SJI, we work to build a culture of inclusion and belonging where employees feel comfortable bringing their authentic selves to work each day – regardless of their race, gender, ethnicity, sexual orientation, generation, disability status or any other distinguishing difference that makes up a diverse workforce. We are committed to fostering open and honest dialogue to advance DEI+B imperatives and to grow our diverse talent pipeline. These efforts help make SJI a stronger and healthier company by promoting innovation and increasing employee engagement and retention. [Learn more about Talent Management here.](#)

Supplier Diversity

Our Supplier Diversity Program, in participation with the NJ Board of Public Utilities' Supplier Diversity Development Council, helps us support diverse businesses in the communities we serve and provides them with opportunities to grow as our organization grows. The inclusion of diverse suppliers leads to a more resilient and innovative supply chain, which benefits customers and stakeholders. This not only benefits SJI, but also empowers the communities we serve.

SJI actively promotes diversity in its procurement processes by partnering with businesses owned by minorities, women, veterans and persons with disabilities. SJI collaborates with various organizations and participates in initiatives aimed at enhancing supplier diversity. These partnerships include the Eastern Minority Supplier Development Council (EMSDC), the Women's Business Enterprise Center - East (WBEC- EAST) and various Chambers of Commerce including the African-American Chamber of Commerce of NJ. Additionally, SJI is a member of the NJ Supplier Diversity Development Council. Beginning in 2023, the State of New Jersey began to certify businesses owned by LGBTQ+AI individuals. SJI

spent the year building relationships with these suppliers and has actively engaged with the NJ Pride Chamber of Commerce.

Through these collaborations, SJI supports the growth and development of diverse suppliers, providing them with resources, training and networking opportunities to succeed.

In 2023, SJI spent more than \$150M with small, minority-owned, women-owned, veteran-owned and disabled veteran-owned businesses.

Community Partnerships

As part of our DEI+B strategy, we support diverse community organizations. These partnerships help us to establish deeper relationships with our customers and the communities we serve. We invest time and money to support these essential organizations and partner with customers to help them with their energy costs through assistance and energy efficiency programs. [Learn more about our Community Partnerships here.](#)

Additionally, we have taken measurable steps to support our commitment to DEI+B and we continue to expand on what our commitment means for us as we adapt to changing needs. Our governance is shaped by a cross-disciplinary approach that embeds Diversity, Equity, Inclusion and Belonging (DEI+B) into our operations.

The People and Remuneration Committee of the Board provides oversight of the Company's DEI+B programs and initiatives. The DEI+B team, positioned in Human Resources, leads all DEI+B efforts and works in consultation and collaboration with senior leadership, the Diversity Council, Human Resources Leaders, Employee Resource Groups and all other organization Leaders to develop strategy and tactics, as well as to provide the structure that helps us administer a broader focus on DEI+B solutions at SJI.



Diversity Programs and Initiatives



In 2023, our focus was on implementing strategies and programs to further enrich the culture of SJI.

The OneSJI Diversity Podcast serves as a platform to highlight employee stories and diverse experiences, fostering cultural competency and raising awareness across various dimensions of diversity.

Additionally, our DEI+B Coffee Chats have proven to be an effective means of building community and enhancing understanding of Diversity, Equity, Inclusion and Belonging in both the workplace and the broader world. Each month, employees voluntarily came together to engage in discussions on a range of DEI+B topics, reaching over 500 participants.

In September 2023, SJI proudly hosted its inaugural DEI+B Summit, a two-day event filled with workshops, keynote speeches, panel discussions, interactive activities and presentations by our Employee Resource Groups. This summit not only introduced the concept of “Belonging” but also actively engaged employees across the organization, reinforcing our commitment to fostering a sense of belonging and driving alignment with business goals while promoting awareness, growth and interconnectedness.

We also celebrated diversity through monthly DEI+B Spotlights, panels and events honoring various heritage months. Highlights included the MLK Day of Service in partnership with community organizations, Black History Month, Women's History Month,

Neurodiversity Awareness Month, Earth Month, Pride Month and Hispanic/Latinx History Month. To further support diverse heritages and significant cultural events, we continue to offer a total of two floating holidays for greater flexibility in observance of diverse heritages, religious holidays or other significant cultural events.

Employee Resource Groups

Employee Resource Groups (ERGs) contribute to employee development, strengthen community partnerships, foster a sense of belonging among all talent and help to attract diverse talent to join SJI. Many of our diversity initiatives are powered by our ERGs, which collaborate closely with the DEI+B Team, the Diversity Council and Executive Sponsors to create impactful programs that advance our DEI+B objectives.

Our ERGs are vital, volunteer-led employee groups that significantly enhance employee engagement and promote an inclusive, collaborative workplace. These groups are open for all employees to participate.

We currently have six Employee Resource Groups that serve to more deeply engage our workforce:



SJAABE

AABE is a national organization focused on ensuring African Americans and other minorities have input into developing energy policy regulations and environmental issues and on providing scholarships and service to the community. SJAABE has nearly 50 active members from local energy companies, including South Jersey Industries, American Water and Atlantic City Electric. SJAABE hosted a Black History Month panel featuring Senior Leader panelists (SVP, General Counsel and VP, Enterprise Management) with 150 overall participants in attendance. Additional efforts included a networking mixer attended by CEO Mike Renna and other Senior Leaders and providing educational awareness programs for Black technical and STEM scholars. AABE also hosted the 10th annual scholarship golf outing that supported the chapter in awarding \$39,000 in scholarships and stipends to high school students pursuing college degrees in STEM fields.



VETS

The Veterans Engagement Team focuses on engaging veteran employees and using their experience as an asset to the Company. They address issues unique to the Veteran community and provide supportive initiatives that help those who proudly served in the Armed Forces of the United States. In 2023, VETS hosted a Veterans Day event, including a guest speaker, toy collections and writing holiday cards for veterans. SJI also presented Frank "Doc" Schupp, New Jersey Veterans Network's Director of Veterans Outreach, with a donation check from the company's annual employee giving campaign, totaling over \$67,000.



PoP

Power of Pride, newly launched in 2023, focuses on the inclusion and belonging efforts that support LGBTQ+ employees. With a robust allyship component to partnering with internal and external stakeholders, PoP provides an immense richness to the organizational focus on LGBTQ+ inclusion. During the launch month, PoP attracted more than 50 employees to its membership and engaged 200 employees at each SJI location through monthly activities and events. PoP's engagement programs aimed to increase visibility to gain more members, provide educational experiences for PoP members and allies and drive internal and external community outreach.



Emerging Leaders

Emerging Leaders aims to develop, equip, and retain Emerging Leaders through targeted initiatives and programs focusing on generational diversity and encouraging innovation, professional growth and development. In 2023, Emerging Leaders began a new philanthropic partnership with the Arc of Atlantic and Union County to support adult and youth rehabilitation programs throughout the year.



WLI

Women's Leadership Initiative enhances an employee's career by building strong work relationships through networking, skill development and community outreach. In 2023, WLI hosted its annual Trailblazer Award that recognizes one woman within SJI who empowers and supports women, leads by example, and embodies OneSJI.



The Green Team

The Green Team strives to be an interactive and educational resource group that empowers employees to help support and create a more sustainable environment in our local communities. The Green Team hosted an Inaugural Earth Month, which included weekly programming throughout April 2023. This included lunch and learns on REV projects and roadside and beachside boardwalk cleanups in the SJG and ETG territories.

SJI ERGs and employees contributed to the 2023 Southern New Jersey Heart Walk, raising more than \$48,000 for the American Heart Association.

Talent Attraction and Management

At SJI, we take pride in nurturing internal talent and seizing opportunities to foster personal and professional growth. When recruiting talent externally, we look for individuals with strong technical skills, fresh perspectives and innovative ideas that will help them thrive in a highly collaborative and dynamic environment.

Internally, we focus on fostering a learning culture and developing the next generation of leaders. Through our corporate university, **Empower U**, each employee has access to over 16,000 online courses to further build their business, technical and creative skills.



In 2023, to further enhance utility and energy industry knowledge, selected employees across the business participated in a ten-week cohort program called Public Utility Reporting (PUR). PUR provides exposure and insight into public utility operations and SJI departments through a weekly session taught by internal SJI experts.

SJI also developed a new five-month frontline leadership cohort program, **ACCELERATE**, to focus on upskilling and empowering new leaders with developing their teams, driving results and creating inclusive and engaged workplaces. Leaders participated in workshops and peer coaching, with inter-session activities to reinforce their learning. 94% of full-time employees received professional training in 2023.

Today, SJI partners with higher education institutions and local high school Institutes of Technology to develop early talent through internship opportunities.

Our early talent programs include:

- **SPARK** - our high school internship partnership with Atlantic County Institute of Technology
- **POWER** - our rotational leadership development program for early career talent
- **IGNITE** - our 11-week internship program for college students



In 2023, we welcomed 170 new employees to SJI and created over 140 new job positions. 23% of our current employee population assumed new roles and responsibilities through a combination of filling open positions and in-line promotions. The Company also welcomed 21 new employees through our early career talent development programs.

170
new employees welcomed

>140
new job positions created

23%
of employee population assumed new roles and responsibilities

21
new employees welcomed through early career talent development programs

Building a OneSJI Culture

Employee Wellness and Engagement

Diversity, Equity, Inclusion, and Belonging

Diversity Programs and Initiatives

Talent Attraction and Management

Safety and Operations

Emergency Response Preparation

Infrastructure Modernization

Pipeline Operations

Meeting Demand

Customer Experience

Community Partnerships



The Talent Attraction (TA) team has committed to building and strengthening connections with local organizations by increasing our presence at local events and speaking engagements, such as:

- Chamber of Commerce of Southern NJ
- South Jersey Energy Partnership Careers in Energy Expo
- Mark Cuban's AI Bootcamp

Additionally, the TA team has taken our relationships with Indeed, Glassdoor and LinkedIn to the next level, creating new pages with updated Company information and ongoing initiatives.

To foster inclusion and belonging from day one, each new employee is paired with a New Employee Ambassador who supports integration into the OneSJI culture and serves as a guide during the new employee's first 90 days of employment. In addition, new employees participate in our Natural Gas 101 workshop within their first 90 days to learn more about the utility industry as a whole.

Safety and Operations

Safety is a core value at SJI and an integral part of our corporate culture and Collective Ambition. SJI has developed a Safety Compliance Manual with safety policies and programs that, when implemented, increase the likelihood that health and safety are maintained in the workplace. This safety manual and the policies and programs contained, applies to all SJI facilities and operations. Additionally, SJI has implemented a Safety Management System to promote pipeline integrity, safety and environmental protection.



During 2023 we continued to review our operations and construction activities, track and report on compliance items and deliver ongoing Health, Safety and Environment (HSE) training.

Our safety efforts and initiatives in 2023 contributed to SJG and ETG achieving 1st Quartile performance results among American Gas Association members. In addition, the performance led to recognition by the American Gas Association, which issued both entities "Industry Leader Accident Prevention" safety awards.

Emergency Response Preparation

We regularly conduct safety drills to prepare our utility crews to keep our customers and communities safe during emergencies. In 2023, the Emergency Preparedness Department completed six total comprehensive safety exercises throughout SJG, ETG and SJI. In addition, the SJIU Emergency Preparedness Department provides training to Fire, EMT and Police First Responders to teach them about Natural Gas Safety. In 2023, SJIU's Emergency Preparedness Department provided 17 trainings to paid and volunteer departments throughout the State. These exercises are part of our continued efforts to enhance response protocols, partner with emergency responders and local officials and improve overall emergency response.

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Meeting Demand

Customer Experience

Community Partnerships

Infrastructure Modernization

Our system improvement efforts across our utilities focus on enhancing the safety, reliability and resiliency of our natural gas systems.

The New Jersey Board of Public Utilities has approved several capital investment programs in the past ten years to modernize the SJG and ETG distribution systems.

The SJG Infrastructure Investment Program (IIP) – targeted at replacing pre-code coated steel and pre-1971 vintage Aldyl-A plastic mains and related services, as well as the installation of excess flow valves - began on July 1, 2022. This \$200 million, five-year program will replace approximately 250 miles of main. In 2023, SJG **replaced 45 miles of main and replaced approximately 2,750 services.**

The ETG Infrastructure Investment Program (IIP) – targeted at replacing vintage cast iron, unprotected steel, ductile iron and copper – began on July 1, 2019. This \$300 million, five-year program will replace approximately 250 miles of main. In 2023, ETG **replaced 47 miles of main and replaced approximately 6,500 services.**

Our modernized system results in fewer leaks and our diligent leak tracking and response program is designed to ensure timely repairs. With less natural gas escaping our system, we are also reducing fugitive greenhouse gas emissions.

Pipeline Operations

As part of our overall safety management system, SJI's Pipeline Safety Management System (PSMS) serves as a resource to improve pipeline safety, culture and performance. We regularly conduct leak surveys along our distribution and transmission systems. All surveys for both utilities are conducted using natural gas sensing equipment on vehicular and walking surveys along the pipelines, distribution mains and distribution services.

SJI's utilities inspect their transmission pipelines using Inline Inspection (ILI) technologies. Inline inspection is when a device is inserted into and travels through the pipeline. The information gathered is then used to assess the pipeline and determine the need for repairs.

To further support safe pipeline operations, our utilities installed Excess Flow Valves on all qualifying new and replacement service lines. These valves are mechanical safety devices designed to automatically shut off the flow of natural gas in the event of a service line break or excavation damage. In addition to the level of protection provided by Excess Flow Valves, remote control valves are present on the transmission system to allow for immediate, real-time gas flow shutoff capabilities.

We strive to educate our community stakeholders about natural gas safety. Through our pipeline safety communications and in accordance with regulatory standards, we inform local officials, emergency responders, customers, residents and others of the importance of natural gas safety and safe practices, how to detect a natural gas leak, how to safely conduct subsurface work and what to do in the event of a natural gas emergency.





Meeting Demand

Our utilities are committed to ensuring that demand for natural gas can be met during peak periods. For this reason, SJG maintains and operates a natural gas Peak-shaving Plant at its McKee City facility and ETG maintains and operates a natural gas Peak-shaving Plant at its Erie Street facility. Liquefiers at these facilities draw natural gas from the existing pipeline system, convert it to liquified natural gas and store converted gas in their tanks. When demand is high, this liquified natural gas can be returned to a vapor and injected into the utility systems to reinforce supply and stabilize the pressure needed to ensure uninterrupted service.

Customer Experience

Both SJG and ETG are committed to delivering an exceptional customer experience. Taking a proactive approach to resources and investments enable them to drive customer and employee engagement while reinforcing reliable and responsive utility services. The examples below illustrate the utilities' dedication to meeting customer needs, enhancing customer satisfaction and providing essential energy services in 2023.

- **Customer Satisfaction Ranking:** ETG and SJG ranked #1 and #2 in the East Midsize segment (includes brands that serve between 125,000 and 399,999 residential customers) of the **J.D. Power 2023 U.S. Gas Utility Residential Customer Satisfaction Study**, which measures customers' satisfaction nationally among gas residential customers. Visit [jdpower.com/awards](https://www.jdpower.com/awards) for details.
- **Energy Assistance Funding:** Through collaboration with the New Jersey Board of Public Utilities and the Department of Community Affairs, SJG and ETG helped customers secure energy assistance funding. These efforts promoted service continuity that ensured customers could continue to rely on natural gas for their heating, hot water and cooking needs.
- **New Phone System:** In 2023, a new and improved phone system was successfully implemented at both utilities. This new phone system provides an ability to support multiple customer channels, improves agent visibility via dashboard views, includes top-tier system reliability and contains extensive reporting capabilities.
- **Customer Feedback and Improvements:** The commitment to service is driven by Voice of the Customer feedback. In 2023, the utilities benefited from insights gathered from customer survey responses, which led to improvements in customer satisfaction after service interactions.

Our talented teams of sales and marketing professionals partner with our operations teams to support organic and planned new customer acquisitions. From coordinating the timing and density of new service installations to bundling projects, our methods strive to help to reduce our costs as well as customer costs and increase new customer acquisitions.

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Pipeline Operations

Meeting Demand

Customer Experience

Community Partnerships

Community Partnerships

SJI makes an impact in the communities we serve by supporting initiatives that align with our vision, core values and priorities, as well as with our four charitable giving pillars.

Charitable Giving Pillars



Our Company prides itself on being a committed community partner. This includes assisting local, regional and statewide organizations that deliver critical support to those in need and providing vital funding and contributing countless volunteer hours to programs to benefit the communities we serve.

SJI's Government Relations team strives to enhance the positive impact the organization has in the community through stakeholder and community engagement. By aligning our resources and personnel, we can build a more cohesive strategy to identify and deliver solutions to the challenges facing our communities. Additionally, our Government Affairs professionals work to identify financial resources to support civic, health, economic development,

and charitable programs in the communities we serve, aligning those initiatives with the Company Charitable Giving Pillars.

As a corporate partner committed to the communities we serve, SJI continues to support a number of organizations throughout the ETG and SJG service areas. Through our Annual Employee Giving Campaign, our workforce comes together collectively to make an impact and help support our local communities. The 2023 campaign resulted in our employees giving/pledging approximately \$165,000 to outstanding nonprofits, exceeding the campaign's goal of \$160,000. Once again in 2023, SJI and its utilities matched dollar-for-dollar all employee donations and pledges, effectively doubling the impact of the Employee Giving Campaign. In 2023, our Company and its employees generously supported the Community Food Bank of New Jersey, the American Red Cross, the American Association of Blacks in Energy (South Jersey Chapter), the Nature Conservancy, Covenant House and the New Jersey Veterans Network. Including these matching funds, SJI and its utilities spent over **\$1.3 million** for charitable giving and economic development purposes in 2023.

SJI has provided long-standing support for the Game On Grant and First Responders grant programs.

Game On Grant Program

The SJG Game On Grant Program provides critical financial aid to local community-centered children's athletic programs, leagues, clubs, associations and recreational organizations. We're proud to partner with these organizations and support them in their missions to provide safe, fun activities for kids in our region.

In 2023, the Game on Grant programs of SJG and ETG collectively awarded over **\$40,000 in grants** toward the purchase of equipment, uniforms and field improvements to local communities.

First Responders Grant Program

The First Responders Grant Program, at both SJG and ETG, supports the critical safety training and lifesaving efforts conducted by local fire, police and EMS first responders. In 2023, our utilities collectively awarded approximately **\$80,000 in such grants**. These grants are used by first responders to support necessary purchases including combustible gas detectors, turn out gear, fire hoses, medical supplies and other equipment.

>\$1.3 million

spent for charitable giving and economic development purposes in 2023

>\$40,000

in grants awarded for the purchase of equipment, uniforms and field improvements to local communities

~\$80,000

in grants awarded to support the critical safety training and lifesaving efforts conducted by local fire, police and EMS first responders

04

Governance

31 Cybersecurity

32 Governance

34 Stakeholder Engagement

35 Political Involvement

36 ESG / Sustainability Strategy

37 ESG / Sustainability Governance

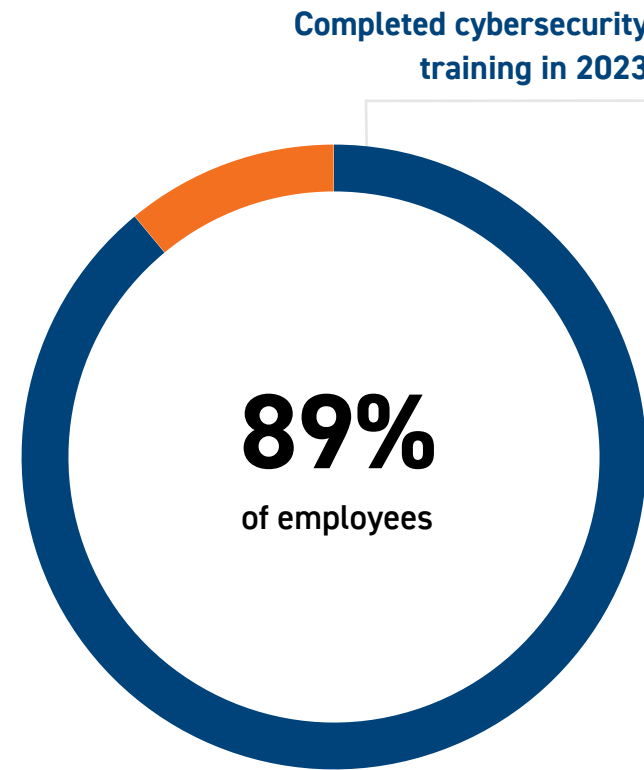
37 Our Policies



Cybersecurity

SJI deploys cybersecurity systems using a defense-in-depth methodology, which is designed to continuously assess, improve and strengthen SJI's external and internal cybersecurity posture to identify and prevent cyber attacks.

Employees are educated about cybersecurity practices through biannual security awareness training, security bulletins and social engineering simulations. Additional training is provided if a user's role is identified to carry a higher cyber risk. Members of SJI's cybersecurity team participate in training opportunities throughout the year and use the resources to guide plans for maturity. Training opportunities include webinars, conferences and meeting with peer utility companies. The cybersecurity team members hold certifications across industry-leading training partners, including ISC2, ISACA, GIAC, SANS and EC-Council. Overall, **89% of employees** completed cybersecurity training in 2023.



The effectiveness of the cybersecurity program is evaluated with different industry assessments. Examples of recent assessments include tabletop exercises for cyber incident response; exercises to validate recovery procedures and system resiliency; risk and vulnerability reviews; penetration testing; and an annual baseline of the cyber program.



Governance

Our Board of Directors is the Company's ultimate decision-making entity, except for matters reserved for shareholder decision. In 2023, SJI was governed by a 10-member Board of Directors, the majority of whom are independent.

The Corporate Governance and Nominating Committee of the Board provides oversight on matters related to corporate governance and the Company's ESG program. The People and Remuneration Committee of the Board provides oversight of the human capital management practices of the Company.

The Corporate Governance and Nominating Committee also oversaw the production of the Company's annual Environmental, Social and Governance (ESG) Report, which provides an overview of the Company's commitment to ESG.

We welcome feedback on this report and our programs, as well as our environmental, social and governance metrics. Please submit comments to media@sjindustries.com.



Board Committees:

- Audit and Risk Committee
- People and Remuneration Committee
- Strategy and Investment Committee
- Corporate Governance and Nominating Committee

Members of the Board of Directors:

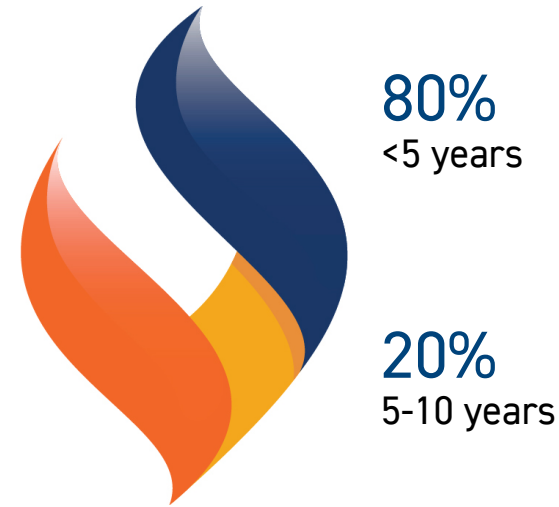
- Michael J. Renna (President and CEO, SJI)
- Joseph M. Rigby (Chairman)
- Frank Cassidy
- Andrew Gilbert
- Susan Gonzalez
- Thomas H. Graham
- G. Edison Holland, Jr.
- Clara Lequin
- Kevin O'Dowd
- Christopher J. Paladino

59
Director Average Age

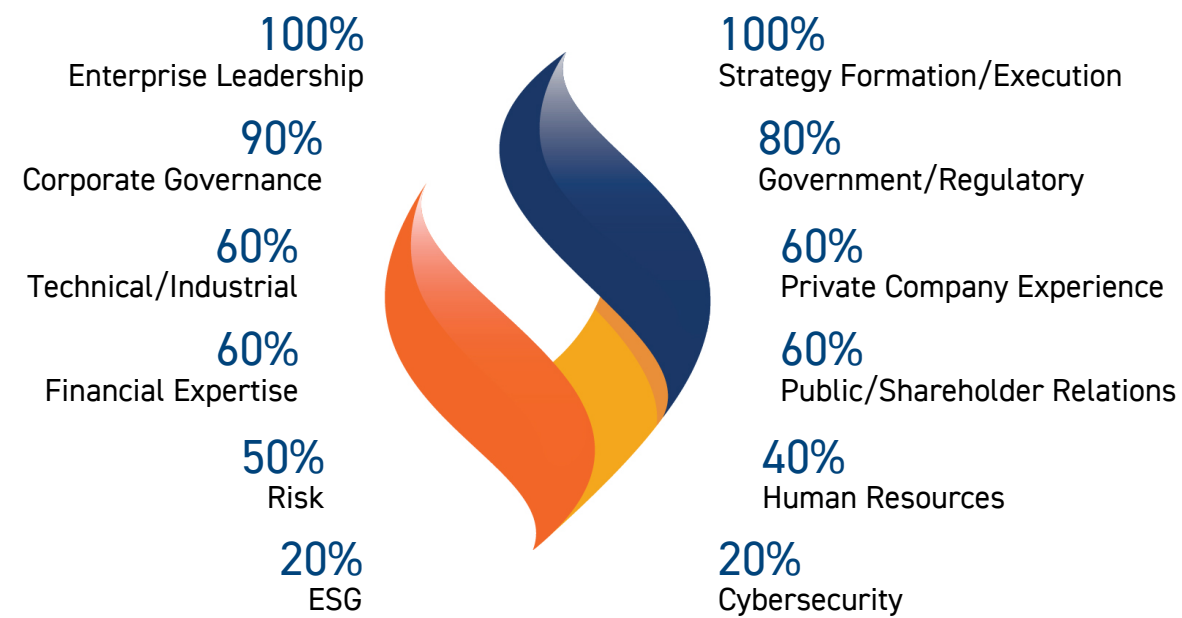
3.1 years
Director Average Tenure



Director Tenure and Diversity

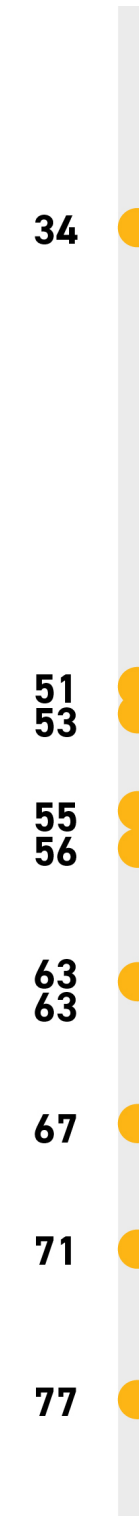


3.1 Years Average Tenure



Board of Directors' Skills

Director Age



Stakeholder Engagement

SJI engages with our stakeholders to understand their needs and expectations regarding our business and the services we provide. We believe these exchanges of information are fundamental to strategizing how we can continue to provide long-term value. SJI's stakeholders include customers, employees, regulators, our shareholder and the communities we serve.



Customers:

SJI is focused on providing safe, reliable, affordable energy to our more than 700,000 customers across the state of New Jersey. We work to modernize critical infrastructure, ensure the safety of our systems and enhance our customer experience. We listen to the needs of our customers and provide solutions to help them save energy and lower their bills by educating our customers about energy-efficient products and practices, managing their accounts and accessing financial assistance. We are proud to deliver the quality service our customers expect and deserve, while making affordability a top priority.

→ [Learn more about how we serve our customers here.](#)



Employees:

Our employees are our greatest asset. Together, we work to foster a culture of inclusion and belonging, where our professional, well-trained and knowledgeable staff treat each other with courtesy and respect. We engage our workforce to address their well-being and help them achieve their professional goals. At SJI, we do this by helping employees connect with one another in meaningful ways, offering helpful training and development resources, providing education on wellness programs and more. We also regularly survey our employees to measure the effectiveness of our employee engagement efforts, including career development and wellness programs.

→ [Learn more about how we value our employees here.](#)



Regulators:

As the owner and operator of two regulated utility companies, public policy considerations often have a direct and measurable impact on our business. SJI works collaboratively with legislators and regulators to achieve results that ensure reliable and affordable energy for our customers, while balancing the interests of the Company and public policy objectives.

→ [Learn more about our government involvement here.](#)



Shareholders:

We have an open dialogue with our shareholder to understand their investment objectives as a long term owner of infrastructure companies. We are also able to, subject to applicable laws, engage with other companies owned by our shareholder to share best practices on matters such as ESG.



Communities We Serve:

SJI provides more than just energy to the communities we serve; we are an active partner in addressing the financial, social, health and safety needs of communities throughout New Jersey. We offer assistance to hospitals, food banks, social services and civic organizations, first responders, school programs, athletic teams and many other causes. SJI employees volunteer time as mentors, coaches, laborers and more, as they seek to improve the communities where they live and work. SJI also serves as an economic engine by providing jobs and infrastructure enhancements and working with a diverse pool of local suppliers to support their businesses.

→ [Learn more about how SJI serves surrounding communities here.](#)

Political Involvement

SJI is committed to advocating for sound public policies that advance the interests of our customers, employees, stakeholders and the communities we serve.

Our participation in efforts to properly influence public policy takes many forms, but in every instance, we conduct such activities in full compliance with all Federal, State and local laws, rules and regulations. Under the corporation's Code of Ethics, all directors and employees are required to uphold all laws and applicable regulations, which include provisions governing lobbying activities, issue advocacy, political contributions and government contracting.

As a heavily regulated company, public policy considerations often have a direct and measurable impact on our business. Accordingly, SJI takes an active role in legislative, regulatory and other policymaking processes to ensure that legislators and regulators are properly informed about the decisions they make that may impact our business and ultimately, our customers, employees and communities. Notably, SJI's efforts in this regard include informing policymakers about the Company's decarbonization initiatives.

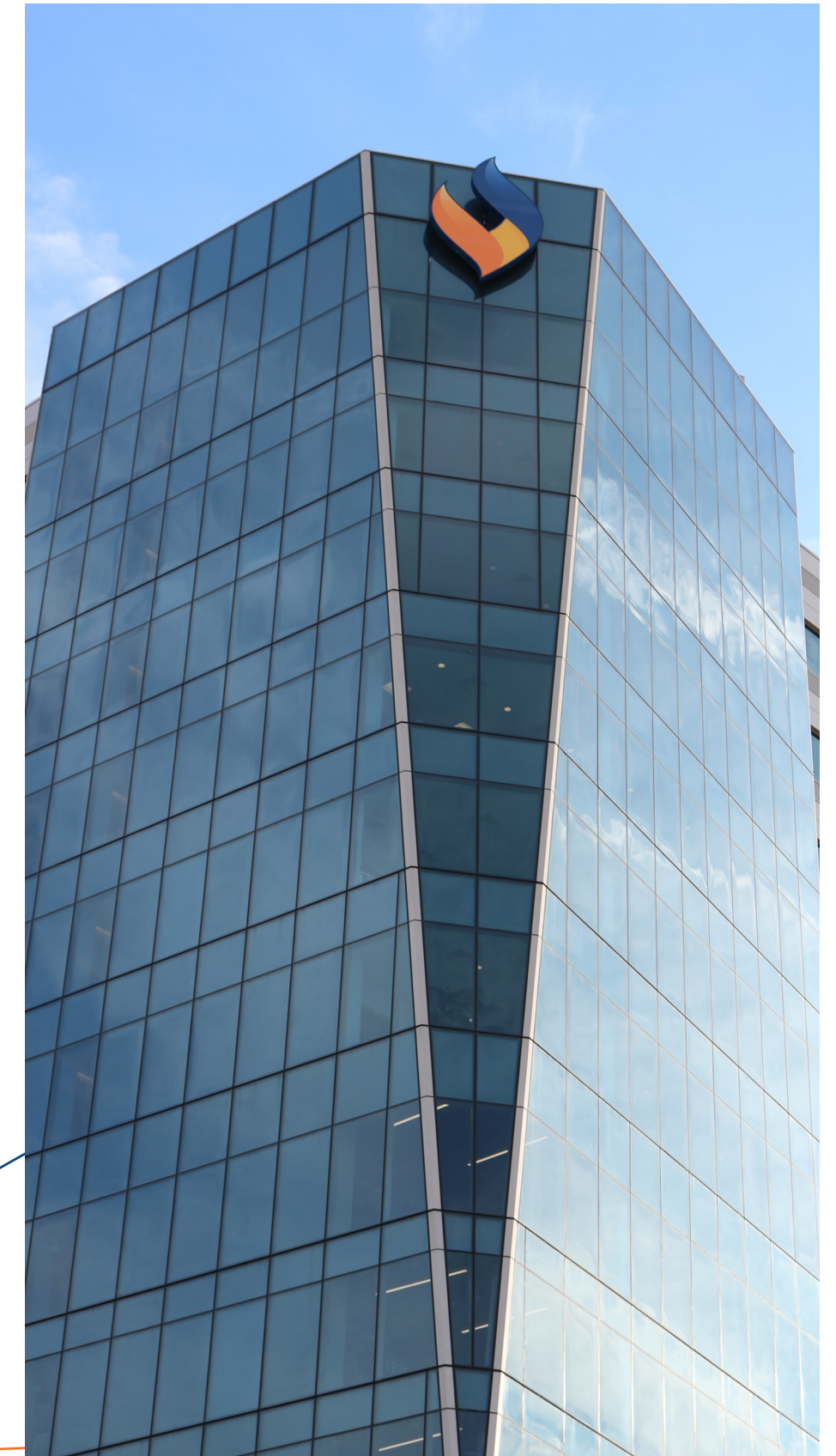
To ensure proper compliance and adherence to the highest ethical standards, all persons performing lobbying activities on behalf of the Company are required to be registered with the appropriate regulatory agencies and must file applicable reports and disclosure statements on a regular basis, as required by law. Additionally, all persons conducting lobbying activities on behalf of the Company, including third-party consultants, are required to avoid any and all prohibited conflicts of interest that may arise.

Finally, SJI reports all legislation and proposed regulations upon which lobbying activities are undertaken to the New Jersey Election Law Enforcement Commission (ELEC) and provides annual reports to ELEC on all corporate expenditures to support such activities. ELEC makes all such disclosures and reports available to the public on its website,

<https://www.elec.nj.gov/>.

New Jersey law explicitly prohibits regulated corporations such as utilities, banks and insurance companies from using corporate funds to make or solicit political contributions. In strict adherence to State law, SJI does not make or solicit campaign contributions for candidates for elected office at any level. Moreover, SJI does not permit the utilization of corporate resources, including staff time, supplies, equipment or property, in support of candidates for elected office at any level.

Finally, it should be noted that for more than two decades, SJI employees have maintained a separate, independent continuing political committee, known as the SJI PAC, in accordance with State laws, rules and regulations. The SJI PAC is not supported by or controlled by the corporation and participation by SJI employees is completely voluntary.



ESG / Sustainability Strategy

SJI is committed to supporting the future of energy and the region. We're committed to working with customers a industry, commercial and government stakeholders to ensure a balanced approach to addressing the energy needs of our region – driving energy independence and lowering costs.

Natural gas plays a critical role in this future by helping to ensure a balanced approach while delivering a safe, reliable, affordable solution to meet the energy needs of our State. We also strive to support the advancement of lower carbon and renewable energy solutions through our non-utility subsidiaries. In addition to supporting the need for energy from diverse sources, SJI is committed to improving energy efficiency.

See [Climate-Related Risk Management](#) section of this report for further ESG/ Sustainability Strategy information.



ESG / Sustainability Governance

See [Climate-Related Risk Management](#) section of this report for further ESG Sustainability Governance information.

Our Policies



[Human Rights Policy](#)



[Supplier Code of Conduct](#)



[Code of Ethics and Business Conduct for Directors/Employees](#)



[Environment Policy](#)



05

Appendix

39 Glossary of Terms

40 By The Numbers



Glossary of Terms

- **Environmental** - the impact a company can have on the environment as well as climate risks that affect the future of a business in its respective industry. This can focus on topics such as carbon emission output, climate change mitigation/adaptation and biodiversity/habitat loss.⁽¹⁾
- **Social** - an organization's relationship with their stakeholders and risk areas surrounding social practices of a company. This can focus on topics such as DEI, health and safety, customer satisfaction and employee well being.⁽¹⁾
- **Governance** - the board oversight within a company and how the leadership of an organization is held accountable to its employees and stakeholders. This can focus on topics such as cybersecurity, business ethics, corruption/fraud and board composition and diversity.⁽¹⁾
- **Green hydrogen** - A low-carbon fuel produced using a renewable energy source, such as wind or solar energy. Green hydrogen can be safely blended with natural gas or renewable natural gas to lower the carbon intensity of the fuel supply.⁽²⁾
- **Renewable Natural Gas (RNG)** - A form of biogas that can be interchangeable with conventional natural gas in pipelines, with a significantly lower carbon footprint. RNG results from capturing the methane emitted through the decomposition of organic matter under anaerobic conditions.⁽³⁾
- **Solar** - The conversion of energy from sunlight into electricity. The use of solar energy can reduce the amount of conventional electricity needed, reducing overall emissions.⁽⁴⁾
- **Fuel cell** - A fuel cell combines fuel and oxygen to produce electricity and heat power without combustion, lowering emissions. Fuel cell power generation systems are highly efficient and reliable.⁽²⁾

⁽¹⁾ Source: 2024 GRESB Infrastructure Asset Assessment Reference Guide, [Link to Resource](#)

⁽²⁾ Source: United States Department of Energy, Office of Energy Efficiency and Renewable Technology, [Hydrogen and Fuel Cell Technology Office](#)

⁽³⁾ Source: United States Environmental Protection Agency, Landfill Methane Outreach Program, [Renewable Natural Gas](#)

⁽⁴⁾ Source: United States Department of Energy, [Solar Energy Technologies Office](#)

By The Numbers

These metrics are provided in response to the desire of stakeholders for ESG/Sustainability information that is consistent in terms of accessibility, content, timing and presentation. Companies that participate in voluntarily providing ESG/Sustainability information in this format share a common goal to provide stakeholders with relevant information that:

- Allows integration of ESG/Sustainability data and performance
- Provides clarity of risks and opportunities and how they are being managed
- Provides insight into growth strategy, assumptions and future trajectory
- Serves as a primary reporting channel for consolidated ESG/Sustainability information relevant to stakeholders

Additionally, SJI is subject to a variety of laws and regulations that require the Company to measure and disclose a number of metrics, some of which are contained in this section.

DISCLAIMER: The standards of measurement and performance, as well as any goals disclosed in this report, are based on various assumptions made in good faith at the time of publication and are not guarantees or promises of actual future performance and should not be construed as a characterization regarding the materiality or financial impact of that information.

Sustainability Metrics

EPA Greenhouse Gas Reporting Program

The Greenhouse Gas Reporting Program (GHGRP) requires reporting of greenhouse gas (GHG) data and other relevant information from large GHG emission sources, fuel and industrial gas suppliers and CO2 injection sites in the United States. The GHGRP covers emissions from different aspects of the oil and gas industry through several of its subparts. Data contained in this section is reported in accordance with Subparts NN and W. More information about the GHGRP and Subparts NN and W can be found at the links below.

[EPA Greenhouse Gas Reporting Program](#)

[EPA GHGRP Subpart NN](#)

[EPA GHGRP Subpart W](#)

South Jersey Industries

Measurement	2023	2022	2021	2011
Utility System Emissions (In Metric Tons)				
Direct CO2-Equivalent Emissions - Scope 1 (partial, subpart W)	78,946	279,725	95,619	232,741
Product-Supplied CO2-Equivalent Emissions - Scope 3 (partial, subpart NN)	4,532,862	4,955,199	4,856,846	5,199,791
CO2	1,760	1,911	1,947	3,112
Methane	3,087	3,433	3,747	9,185
Nitrous Oxide	0.0031	0.0034	0.0038	0.0050

South Jersey Gas

Measurement	2023	2022	2021	2011
Utility System Emissions (In Metric Tons)				
Direct CO2-Equivalent Emissions - Scope 1 (partial, subpart W)	46,128	46,985	50,303	135,230
Product-Supplied CO2-Equivalent Emissions - Scope 3 (partial, subpart NN)	2,326,823	2,615,489	2,470,878	2,591,032
CO2	1,292	1,422	1,453	2,067
Methane	1,793	1,822	1,954	5,326
Nitrous Oxide	0.0023	0.0026	0.0030	0.0040

Elizabethtown Gas

Measurement	2023	2022	2021	2011
Utility System Emissions (In Metric Tons)				
Direct CO2-Equivalent Emissions - Scope 1 (partial, subpart W)	32,818	40,765	45,316	97,511
Product-Supplied CO2-Equivalent Emissions - Scope 3 (partial, subpart NN)	2,206,040	2,339,710	2,385,968	2,608,759
CO2	469	490	493	1,046
Methane	1,294	1,611	1,793	3,859
Nitrous Oxide	0.0008	0.0008	0.0008	0.0010

EEI-AGA ESG/Sustainability Metrics

The Edison Electric Institute-American Gas Association (EEI-AGA) ESG/Sustainability Template is a voluntary reporting template developed to assist gas and electric companies in providing the financial sector with comparable and consistent ESG data and information. Definitions for these sustainability metrics can be found on the EEI website [here](#), under Quantitative Metrics and Definitions.

South Jersey Industries

Measurement	2023	2022	2021	2011
Methane Emissions and Migration from Distribution Mains				
Number of Gas Distribution Customers	735,411	725,202	716,765	-
Distribution Mains in Service	10,423	10,364	10,271	9,277
Plastic (miles)	7,821	7,608	7,381	4,464
Cathodically Protected Steel - Bare and Coated (miles)	2,466	2,546	2,619	2,956
Unprotected Steel - Bare and Coated (miles)	11	15	23	957
Cast Iron/Wrought Iron - without upgrades (miles)	117	185	236	870
Ductile Iron (miles)	7	10	13	31
Copper	0.4	0.4	0.4	0.5
Plan/Commitment to Replace/Upgrade Remaining Miles of Distribution Mains (# years to complete)				
Unprotected Steel - Bare and Coated	0 SJG; 2 ETG	0 SJG; 3 ETG	1 SJG; 4 ETG	-
Cast Iron/Wrought Iron	0 SJG; 2 ETG	0 SJG; 3 ETG	1 SJG; 4 ETG	-
Distribution CO2e Fugitive Emissions				
CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	77,184	85,836	93,670	229,626
CO2e Fugitive Methane Emissions from Infrastructure (Pipeline Main and Services), includes ductile iron for ETG	75,938	94,181	94,181	230,215
Percent Reduction from 2006 to each year	72%	65%	65%	14%
CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	3,087	3,433	3,747	9,185
CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)	161	179	195	478
Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year)	95,333,008	105,215,005	98,632,573	96,299,261
Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet (MMscf/year)	90,566	99,954	93,701	91,484
Fugitive Methane Emissions Rate (Percent MMscf of Methane Emissions per MMscf of Methane Throughput) %	0.18%	0.18%	0.21%	0.52%

South Jersey Gas

Measurement

	2023	2022	2021	2011
Methane Emissions and Migration from Distribution Mains				
Number of Gas Distribution Customers	419,842	415,306	411,301	-
Distribution Mains in Service	7,075	7,037	6,977	6,144
Plastic (miles)	5,604	5,482	5,341	3,030
Cathodically Protected Steel - Bare and Coated (miles)	1,464	1,544	1,618	1,923
Unprotected Steel - Bare and Coated (miles)	7	11	19	955
Cast Iron/Wrought Iron - without upgrades (miles)	0	0	0	236
Ductile Iron (miles)	0	0	0	0
Copper	0	0	0	0
Plan/Commitment to Replace/Upgrade Remaining Miles of Distribution Mains (# years to complete)				
Unprotected Steel - Bare and Coated	0	0	1	-
Cast Iron/Wrought Iron	0	0	1	-
Distribution CO2e Fugitive Emissions				
CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	44,835	45,561	48,848	133,161
CO2e Fugitive Methane Emissions from Infrastructure (Pipeline Main and Services), includes ductile iron for ETG	44,504	44,781	48,281	131,137
Percent Reduction from 2006 to each year	70%	70%	68%	13%
CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	1,793	1,822	1,954	5,326
CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)	93	95	102	277
Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year)	49,973,854	55,071,839	51,629,711	45,164,947
Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet (MMscf/year)	47,475	52,318	49,048	42,907
Fugitive Methane Emissions Rate (Percent MMscf of Methane Emissions per MMscf of Methane Throughput) %	0.20%	0.18%	0.21%	0.65%

Elizabethtown Gas

Measurement

	2023	2022	2021	2011
Methane Emissions and Migration from Distribution Mains				
Number of Gas Distribution Customers	315,569	309,896	305,464	-
Distribution Mains in Service	3,348	3,326	3,294	3,133
Plastic (miles)	2,218	2,125	2,040	1,434
Cathodically Protected Steel - Bare and Coated (miles)	1,002	1,002	1,001	1,033
Unprotected Steel - Bare and Coated (miles)	4	4	4	2
Cast Iron/Wrought Iron - without upgrades (miles)	117	185	236	634
Ductile Iron (miles)	7	10	13	31
Copper	0.4	0.4	0.4	0.5
Plan/Commitment to Replace/Upgrade Remaining Miles of Distribution Mains (# years to complete)				
Unprotected Steel - Bare and Coated	2	3	4	-
Cast Iron/Wrought Iron	2	3	4	-
Distribution CO2e Fugitive Emissions				
CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	32,349	40,275	44,822	96,464
CO2e Fugitive Methane Emissions from Infrastructure (Pipeline Main and Services), includes ductile iron for ETG	31,434	39,481	45,900	99,078
Percent Reduction from 2006 to each year	74%	67%	61%	17%
CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	1,294	1,611	1,793	3,859
CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)	67	84	93	201
Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year)	45,359,154	50,143,166	47,002,862	51,134,314
Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet (MMscf/year)	43,091	47,636	44,653	48,578
Fugitive Methane Emissions Rate (Percent MMscf of Methane Emissions per MMscf of Methane Throughput) %	0.16%	0.18%	0.21%	0.41%

Other Sustainability Metrics

South Jersey Industries

Measurement	2023	2022	2021	2011
Blowdown Emissions Reduction Initiative				
Natural Gas Volume Released during Blowdown (cf)	908,997	2,830,297	3,262,044	-
Natural Gas Volume Saved (cf)	1,773,475	6,253,714	4,617,796	-
CO2e Emissions Released (metric tons/yr)	437	1,360	1,489	-
CO2e Emissions Reduced (metric tons/yr)	852	3,005	2,108	-
Percent CO2e Emissions Reduced (metric tons/yr)	66%	69%	59%	-
Excess Flow Valve Installation Program**				
Excess Flow Valves (EFVs)	355,235	335,310	319,785	-
Total Number of Services	598,032	586,885	590,426	-
% EFVs to total Services	59%	57%	54%	-
EFVs Methane Emissions Reduction (Mcf)	162,393	153,285	146,187	-
Recycled Waste				
Municipal Waste, Landfill (tons)	304	340	391	-
Municipal Waste, Recycled (tons)	245	102	149	-
Municipal Waste, % Recycled	45%	23%	28%	-
Utility Operations Solid Waste, Landfill (tons)	10,141	4,424	7,660	-
Utility Operations Solid Waste, Recycled (tons)	39,506	33,421	859	-
Utility Operations Solid Waste, % Recycled (tons)	80%	88%	10%	-
Manifested Waste (tons)	0.31	0.20	1.57	-
Utility Operations Liquid Waste (gallons)	804,462	1,361,556	154,597	-
Water Disclosure				
Total Water Used/Consumed (gallons)	6,448,003	9,270,637	4,741,108	-
City Water Usage (gallons)	3,288,586	4,052,177	3,043,608	-
Water Withdrawn from Well (gallons)	3,159,417	5,218,460	1,697,500	-

** EFVs Methane Emissions Reduction calculation based on the EPA's Natural Gas Star Program Partner Reported Opportunities for Reducing Methane Emissions, the estimated annual methane emission reductions is equal to 160 Mcf per installation of 350 Excess Flow Valves.

South Jersey Gas

Measurement	2023	2022	2021	2011
Blowdown Emissions Reduction Initiative				
Natural Gas Volume Released during Blowdown (cf)	734,836	2,744,203	3,198,772	-
Natural Gas Volume Saved (cf)	1,733,578	6,238,224	4,606,868	-
CO2e Emissions Released (metric tons/yr)	353	1,319	1,460	-
CO2e Emissions Reduced (metric tons/yr)	833	2,998	2,103	-
Percent CO2e Emissions Reduced (metric tons/yr)	70%	69%	59%	-
Advanced Leak Detection Program				
Number of Super Emitters Located	34	-	-	-
Natural Gas Volume Released (cf)	16,298,816	-	-	-
Natural Gas Volume Saved (cf)	4,147,618	-	-	-
CO2e Emissions Released (metric tons/yr)	7,441	-	-	-
CO2e Emissions Reduced (metric tons/yr)	1,893	-	-	-
Excess Flow Valve Installation Program**				
Excess Flow Valves (EFVs)	220,889	211,782	205,756	-
Total Number of Services	358,801	352,650	359,471	-
% EFVs to total Services	62%	60%	57%	-
EFVs Methane Emissions Reduction (Mcf)	100,978	96,815	94,060	-
Recycled Waste				
Municipal Waste, Landfill (tons)	210	249	285	-
Municipal Waste, Recycled (tons)	177	59	72	-
Municipal Waste, % Recycled	46%	19%	20%	-
Utility Operations Solid Waste, Landfill (tons)	0	36	108	-
Utility Operations Solid Waste, Recycled (tons)	39,104	6,359	713	-
Utility Operations Solid Waste, % Recycled (tons)	100%	99%	87%	-
Manifested Waste (tons)	0.03	0.08	0.00	-
Utility Operations Liquid Waste (gallons)	67,919	143,329	122,763	-
Water Disclosure				
Total Water Used/Consumed (gallons)	5,715,569	8,523,535	3,842,030	-
City Water Usage (gallons)	2,820,052	3,532,575	2,372,030	-
Water Withdrawn from Well (gallons)	2,895,517	4,990,960	1,470,000	-

** EFVs Methane Emissions Reduction calculation based on the EPA's Natural Gas Star Program Partner Reported Opportunities for Reducing Methane Emissions, the estimated annual methane emission reductions is equal to 160 Mcf per installation of 350 Excess Flow Valves.

Elizabethtown Gas

Measurement	2023	2022	2021	2011
Blowdown Emissions Reduction Initiative				
Natural Gas Volume Released during Blowdown (cf)	174,161	86,094	63,272	-
Natural Gas Volume Saved (cf)	39,897	15,490	10,927	-
CO2e Emissions Released (metric tons/yr)	84	41	29	-
CO2e Emissions Reduced (metric tons/yr)	19	7	5	-
Percent CO2e Emissions Reduced (metric tons/yr)	19%	15%	15%	-
Excess Flow Valve Installation Program**				
Excess Flow Valves (EFVs)	134,346	123,528	114,029	-
Total Number of Services	239,231	234,235	230,955	-
% EFVs to total Services	56%	53%	49%	-
EFVs Methane Emissions Reduction (Mcf)	61,415	56,470	52,128	-
Recycled Waste				
Municipal Waste, Landfill (tons)	93	91	106	-
Municipal Waste, Recycled (tons)	68	43	77	-
Municipal Waste, % Recycled	42%	32%	42%	-
Utility Operations Solid Waste, Landfill (tons)	10,107	4,388	7,552	-
Utility Operations Solid Waste, Recycled (tons)	402	27,062	146	-
Utility Operations Solid Waste, % Recycled (tons)	4%	86%	2%	-
Manifested Waste (tons)	0.28	0.12	1.57	-
Utility Operations Liquid Waste (gallons)	736,543	1,218,227	31,834	-
Water Disclosure				
Total Water Used/Consumed (gallons)	732,434	747,102	899,078	-
City Water Usage (gallons)	468,534	519,602	671,578	-
Water Withdrawn from Well (gallons)	263,900	227,500	227,500	-

** EFVs Methane Emissions Reduction calculation based on the EPA's Natural Gas Star Program Partner Reported Opportunities for Reducing Methane Emissions, the estimated annual methane emission reductions is equal to 160 Mcf per installation of 350 Excess Flow Valves.

SASB Gas Utility Standards

SASB Standards for Gas Utilities and Distributors are intended to aid entities in disclosing information about sustainability-related risks and that could be financially material. The information below was sourced using Version 2018-10 of the SASB standards. Additional guidance and definitions can be found [here](#).

SASB Code	Accounting Metric	SJG 2023	ETG 2023
Energy Affordability			
IF-GU-240a.1	Average gas retail rate for residential customers (USD per MMBtu)	\$ 19.85	\$ 10.02
The entity shall disclose its average bundled gas rate per million British thermal units (MMBtu) of bundled gas delivered to retail customers.	Average gas retail rate for commercial customers (USD per MMBtu)	\$ 16.16	\$ 9.62
	Average gas retail rate for industrial customers (USD per MMBtu)	\$ 8.97	\$ 7.77
	Average gas retail rate for transportation services (USD per MMBtu)	\$ 4.54	\$ 2.88
	Typical monthly gas bill for residential customers for (1) 50MMBtu of gas delivered per year	\$ 84.20	\$ 45.48
IF-GU-240a.2	Typical monthly gas bill for residential customers for (2) 100 MMBtu of gas delivered per year	\$157.89	\$ 80.38
The entity shall disclose the typical monthly gas bill for (1) the first 50 million British thermal units (MMBtu), and separately, (2) the first 100 MMBtu, of bundled gas delivered to its residential customers per year.	Typical monthly gas bill for residential customers for (2) 100 MMBtu of gas delivered per year	\$157.89	\$ 80.38
	Number of residential customer gas disconnections for non-payment	6,900	2,114
IF-GU-240a.3	Number of residential customer gas disconnections for non-payment	6,900	2,114
The entity shall disclose the total number of gas disconnections among residential customers during the reporting period that resulted from non-payment, where a disconnection is defined as the entity, or its service provider, intentionally turning off a customer's access to gas			
IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	Please see this item in SASB Discussion and Analysis Section	
The entity shall describe the external factors that cause, or are reasonably likely to cause, a significant impact on the affordability of gas among the entity's retail customers.			
End Use Efficiency			
IF-GU-420a.1	Percentage of gas utility revenues from rate structures that are decoupled	92%	84%
Revenue decoupled rate structures are defined, according to the U.S. National Association of Regulatory Utility Commissioners, as a rate adjustment that separates the entity's gas utility's fixed cost recovery from the amount of gas sold – and the utility's revenues are collected based on the regulatory-determined revenue requirement.	Percentage of gas utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)	0	0
Rate structures that contain a LRAM are defined as volumetric rates that contain a mechanism that allows the entity to recover revenues lost directly resulting from energy conservation, energy efficiency, demand side management, and/or distributed generation programs that are directly managed and/or implemented.			
IF-GU-420a.2	Residential Customer gas savings from efficiency measures by market (MMBtu)	249,376	150,546
The entity shall disclose the total amount of gas savings delivered to customers, in million British thermal units (MMBtu), from energy efficiency measures during the reporting period for each of its markets.	Commercial Customer gas savings from efficiency measures by market (MMBtu)	10,548	26,133
	Multifamily gas savings from efficiency measures by market (MMBtu)	7,295	8,437

SASB Code	Accounting Metric	SJG 2023	ETG 2023
Integrity of Gas Delivery Infrastructure			
IF-GU-540a. 1 The entity shall disclose the number of U.S. Department of Transportation (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) reportable pipeline incidents, the number of PHMSA Corrective Action Orders (CAO) received, and the number of Notices of Probable Violation (NOPV) received. The entity shall discuss notable incidents such as those that affected a significant number of customers, created extended disruptions to service, or resulted in a PHMSA "serious incident."	Number of reportable pipeline incidents	0	0
	Number of Corrective Action Orders (CAO)	0	0
	Number of Notices of Probable Violation (NOPV)	0	0
IF-GU-540a. 2 The entity shall disclose the percentage, by length, in kilometers, of its natural gas pipelines that are (1) cast and/or wrought iron, and separately, (2) unprotected steel.	Percentage of distribution pipeline that is (1) cast and/or wrought iron	—%	4%
	Percentage of distribution pipeline that is (2) unprotected steel	0.1%	0.1%
IF-GU-540a. 3 The entity shall disclose the percentage, by length, of gas (1) transmission pipelines, and separately, (2) distribution pipelines that were inspected during the reporting period.	Percentage of gas (1) transmission pipelines inspected	7%	—%
	Percentage of gas (2) distribution pipelines inspected	—%	—%
IF-GU-540a.4 The entity shall describe its efforts to manage the integrity of gas delivery infrastructure.	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	Please see this item in SASB Discussion and Analysis Section	
Activity Metrics			
IF-GU-000. A The number of customers served for each category shall be considered as the number of meters billed for residential, commercial, and industrial customers.	Number of residential customers served	392,345	291,496
	Number of commercial customers served	27,062	23,974
	Number of industrial customers served	435	99
IF-GU-000.B The amount of natural gas delivered to residential, commercial, and industrial customers shall be disclosed by bundled gas and transportation services only.	Amount of natural gas delivered to residential customers (MMBtu)	22,883,851	21,750,452
	Amount of natural gas delivered to commercial customers (MMBtu)	12,505,676	13,178,001
	Amount of natural gas delivered to industrial customers (MMBtu)	11,118,420	11,561,404
IF-GU-000.C Transmission pipelines is defined as a pipeline, other than a gathering line, that: (1) transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field. A distribution pipeline is defined as a pipeline other than a gathering or transmission line.	Number of gas transmission pipelines	236	21
	Length of gas distribution pipelines (km)	11,150	5,367
SASB Discussion and Analysis			
IF-GU-240a.4 Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory In 2023, our utilities were authorized to disconnect customers for non-payment with minimal restrictions. Our customer service and field departments continued to find opportunities to educate our customers on financial assistance, energy savings and payment arrangement opportunities; utilizing discontinuance only when necessary. As a result, we helped over 47,000 customers secure more than \$30.6M in financial assistance funds and the Company also collected \$30.9M to help reduce the arrears.			
IF-GU-540a.4 Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions Please see Infrastructure Modernization and Pipeline Safety sections of this report.			

SASB Code	Accounting Metric	SJI
<p>RR-ST-130a.1 The entity shall disclose (1) the total amount of energy it consumed as an aggregate figure, in gigajoules, (2) the percentage of energy it consumed that was supplied from grid electricity, (3) the percentage of energy it consumed that was renewable energy</p>	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	(1) 1,270,123.8 GJ, (2) 98.2%, (3) 1.8%
<p>RR-ST-140a.1 The entity shall disclose the amount of water, in thousands of cubic metres, (1) that was withdrawn from all sources, (2) the amount of water, in thousands of cubic metres, that was consumed in its operations.</p>	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 24,410 cubic meters, 0% in regions with high or extremely high baseline water stress (2) 24,410 cubic meters, 0% in regions with high or extremely high baseline water stress
<p>RR-ST-140a.2 The entity shall describe its water management risks associated with water withdrawals, water consumption and discharge of water or wastewater.</p>	Description of water management risks and discussion of strategies and practices to mitigate those risks	See Water Disclosure section of this report.
<p>RR-ST-150a.1 The entity shall calculate and disclose (1) the total weight of hazardous waste generated, in metric tons (2) the percentage of hazardous waste recycled as the weight of hazardous waste generated that was recycled, divided by the total weight of hazardous waste generated</p>	(1) Amount of hazardous waste generated, (2) percentage recycled	See EEI/AGA section of this report.
<p>RR-ST-150a.2 The entity shall disclose (1) the total number and quantity (in kilogrammes) of reportable spills, (2) the quantity of spills recovered, which is calculated as the weight of spilled hazardous substances removed from the environment through short-term release response activities</p>	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	Omitted based on lack of applicability.
<p>RR-ST-410b.1 The entity shall disclose the percentage of products, by weight, that are reusable or recyclable</p>	Percentage of products sold that are recyclable or reusable	
<p>RR-ST-410b.2 The entity shall disclose (1) the weight, in metric tonnes, of materials recovered, including those recovered through recycling services, product take-back programmes, refurbishment services and as manufacturing scrap (2) the percentage recycled, which is calculated as the weight of incoming material reused or reclaimed, plus the weight of material recycled or remanufactured</p>	(1) Weight of end-of-life material recovered, (2) percentage recycled	
<p>RR-ST-410b.3 The entity shall disclose the percentage of products, by revenue, sold during the reporting period that contain International Electrotechnical Commission's (IEC) 62474 Material Declaration Standard declarable substances, arsenic compounds, antimony compounds or beryllium compounds, divided by total revenue</p>	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	
<p>RR-ST-000.A Solar energy systems are defined as any system that converts sunlight into electrical energy, including 'photovoltaic (PV) system' and 'solar thermal electric systems'. Completed systems are defined by the entity, consistent with its existing public disclosure of completed systems.</p>	Total capacity of photovoltaic (PV) solar modules produced	
<p>RR-ST-000.B Project development assets are defined by the entity, consistent with its existing public disclosure of project development assets, regardless of terminology used by the entity</p>	Total capacity of completed solar energy systems	22.1 MW

Employee Data

Measurement	2023	2022	2021
Total Employees**	1,221	1,179	1,173
Corporate	26%	20%	20%
Utility Company	64%	76%	77%
Non-Utility Company	10%	4%	3%
% of Employees Represented by Unions**	41%	43%	39%
Employee Population Ethnicity Representation			
Male	61%	62%	63%
Female	39%	38%	37%
White	69%	71%	70%
Non White	31%	29%	30%
Breakdown of Non-White employees			
American Indian	—%	1%	1%
Asian	4%	3%	10%
Black	13%	12%	40%
Hispanic	12%	12%	43%
Two or More Races	2%	1%	5%
Native Hawaiian or Other Pacific Islander	—%	0.05%	0.3%
Median Employee Age**	42	44	43
Leadership Roles Held by Women	35%	41%	40%
Entry Level Engineer Positions Held by Women and Minorities****	50%	60%	40%
Internship Program Participants	13	16	19
Employee Engagement Survey Engagement Rate	70.5%	N/A	92%
Employee Engagement Survey Response Rate	84.5%	N/A	88%
Employee Participation in ESG Training*****	100%	-	-

** Intern Population included

**** Entry Level Engineer Positions: Coordinator, Associate, Intermediate

***** Data not collected in 2021 and 2022.

Safety

Measurement	2023	2022
Fatalities	0	0
Total Recordable Incident Rate (TRIR)		
South Jersey Gas Co	0.50	1.31
Elizabethtown Gas Co	1.40	1.26
Employee lost time incidents (LTI)	5	6
Reported community safety incidents	0	0

DISCLAIMER: The standards of measurement and performance, as well as any goals disclosed in this report, are based on various assumptions made in good faith at the time of publication and are not guarantees or promises of actual future performance and should not be construed as a characterization regarding the materiality or financial impact of that information.