



GAIL (India) Limited

GAIL Sustainability Glimpses

2020



**ENERGIZING
POSSIBILITIES**





Vision

Be the leader in natural gas value-chain and beyond, with global presence, creating value for stakeholders with environmental responsibility.

Mission

Enhancing quality of life through clean energy and beyond.



Message from CMD



“Sustainability at GAIL is intertwined with our core business strategy. We envision a sustainable and responsible growth that creates value.”

Dear Stakeholders,

As I write to convey this message, the COVID-19 pandemic is disrupting millions of lives and impacting the global economy like never before. The global economy is expected to shrink by over 3 per cent in 2020- the steepest slowdown since the Great Depression of the 1930s. Governments are striving hard to cope with the current situation and devising innovative measures

for economic sustenance. We, at GAIL, are focused on protecting and sustaining our employees, customers and communities in this unprecedented challenging time.

I am proud to present GAIL's Sustainability Report for the financial year 2019-20, marking a decade of our foray into sustainability. This Sustainability Report is a compendium of efforts taken by GAIL to increase the value we deliver to our stakeholders.





We report in accordance with the Global Reporting Initiative (GRI) Standards “Core” Reporting Requirements. In the current year, we have also aligned our sustainability disclosure requirements with the evolved IPECA 2020 requirements and Ministry of Corporate Affairs National Guidelines on Responsible Business Conduct Guidelines.

Promoting Sustainable and Inclusive Growth

Over the years, our country has made huge strides to ensure access to clean and affordable energy. Gol’s push towards increasing natural gas share in the economy is promising for the overall growth of the society and economy. Currently, it is planning to increase the share of natural gas in the Indian primary energy mix from the level of around ~6% to 15% by 2030. For achieving this target and promoting a natural gas based economy, the government has proposed various initiatives like ‘Pradhan Mantri Urja Ganga, ‘North East Gas Grid’, CGD projects under 9th & 10th round bidding by PNGRB, promoting the use of LNG in Heavy duty vehicles, MoU with the Indian Railways for providing clean fuel etc. As the flagship natural gas company of India, growth of the Indian gas market is GAIL’s priority. These initiatives will provide GAIL with the space for expansion in the upcoming years.

Now that we are nearing the end of the decade, GAIL’s Strategy 2030 defines the roadmap through

the next decade. The strategy has been developed with an objective of building a strong business portfolio and organizational structure which are not only robust to respond to the fast-changing business scenario but also unlock growth opportunities for the long term advancement of the company, and in turn, deliver long term value to the stakeholders.

We are committed to deliver value to all of our stakeholders in an earnest manner. We stand focused on maintaining world-class standards for ensuring operational safety, performance and growth.

Addressing Climate Change and Sustainability

We understand the impending climate change risks and acknowledge the transformation that are required to address the issue. We have adopted innovative technologies and continue to push for supporting the Gol’s commitments to the Paris Climate Accord. As a part of this, GAIL is promoting Sustainable Alternative towards Affordable Transportation (SATAT), which is an initiative of the government. Additionally, we have gained significant momentum in implementing the energy-saving initiatives across GAIL sites.

Sustainability at GAIL is intertwined with our core business strategy. We envision a sustainable and responsible growth that creates value consistent with the long-term preservation and enhancement

Empowering & Encouraging Entrepreneurs

Sustainability at GAIL is intertwined with our core business strategy. We envision a sustainable and responsible growth that creates value...



of financial, economic, environmental and social capital. GAIL's Sustainability Policy provides us with the necessary guidance to progress towards energy conservation, resource and environmental management.

I am proud to announce that GAIL has been included in the FTSE4Good Index Series as a part of the London Stock Exchange Group Sustainability Index for consecutively 4 years in a row for demonstrating strong environmental, social and governance practices of international standards.

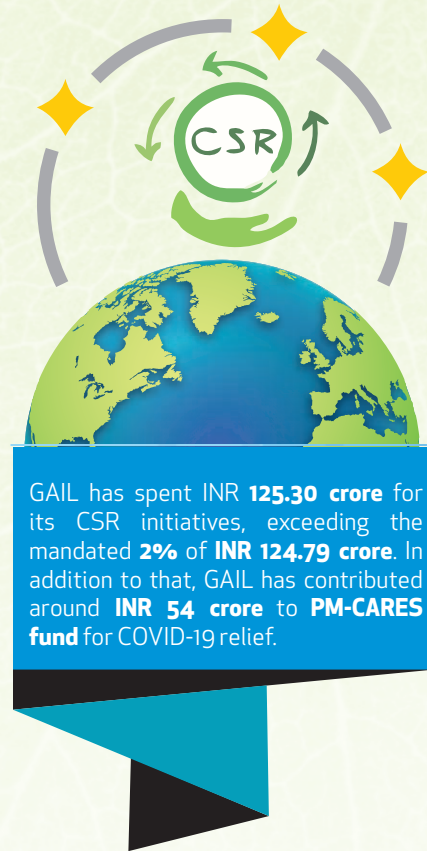


Creating Shared Value

Since our inception, we have been guided by the objective to be a responsible corporate citizen, who understands and acknowledges its responsibilities towards the communities, environment and all other stakeholders involved in the process.

We endeavour to create a road map and document the modus operandi to enable GAIL to discharge its duties and obligations, which ensures that the benefit reaches the most disadvantaged segments of the country and creates a just, equitable, inclusive and sustainable society for all. There are a multitude

of initiatives under GAIL's *Hriday* program that are positively creating a long-lasting impact on our communities.



Our ethical, responsive and efficient operational processes have enabled us to establish trust amongst our employees and the stakeholders in our value chain. We believe that transparency is the key to building trust and we strive to incorporate it into our company's work culture.

I believe that this report serves to be an interesting read and provides you with a glimpse of our efforts taken in FY 19-20. I look forward to your valuable comments and feedback on our work to further fuel a sustainable future.



Manoj Jain
Chairman & Managing Director





GAIL's Commitment to 'AatmaNirbhar Bharat Abhiyan'

#IndiaFightsCorona

आत्मनिर्भर भारत अभियान

नरेंद्र मोदी



GAIL is committed towards Government of India's vision of making India a self-reliant nation (AatmaNirbhar Bharat Abhiyan). This movement was set in motion by Honorable Prime Minister of India Narendra Modi during the announcement of economic assistance provided for the ongoing COVID-19 pandemic. As a part of AatmaNirbhar Bharat Abhiyan movement, GOI is executing reforms in the areas of the economy, infrastructure development, technological systems, demography, the cycle of demand and supply chain in the economy.

GAIL (India) Limited, as India's flagship Maharatna company dealing in hydrocarbons, integrating all aspects of the natural gas value chain is augmenting the countrywide City Gas Distribution infrastructure for providing an uninterrupted supply of Natural Gas, Piped Natural Gas and Compressed Natural Gas to the nation. Our vision of a self-reliant India is fueled by clean energy. To achieve that we are strengthening our efforts to promote and develop the country's clean gas infrastructure while generating employment and creating entrepreneurship opportunities. In addition to that, we are also focusing on the continuous creation of job opportunities for unskilled, skilled and local workers.

To accelerate the efforts to build a new nation, GAIL is committed to the Government of India's Swachh Bharat, Digital India, Make in India, Start up India, Skill India and Pradhan Mantri Ujjwala Yojana missions.



Energising India Through National Gas Grid (NGG)



Towards realizing vision of National Gas Grid (NGG), GAIL is currently executing around 7,500 km of gas pipelines across India and another 1,800 km pipelines through its two Joint Ventures.

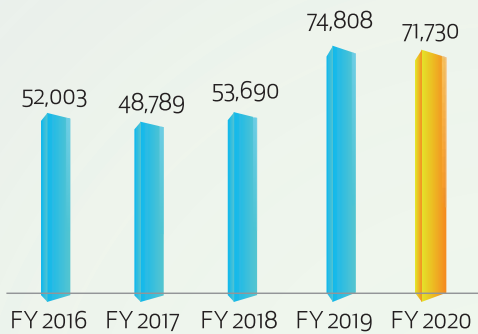




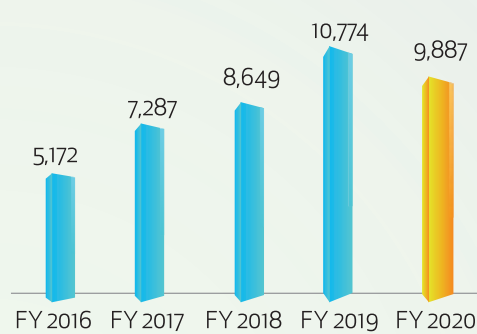
Financial Performance

INR Crore

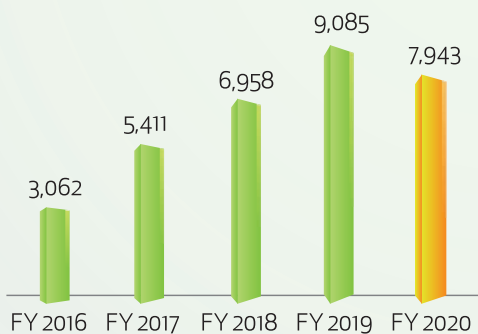
Turnover (Gross)*



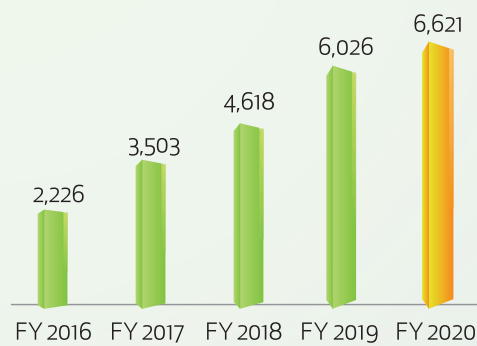
Gross Margin (EBIDTA)*



Profit Before Tax (PBT)*



Profit After Tax (PAT)*



GAIL witnessed a significant improvement in financial performance in the last five years

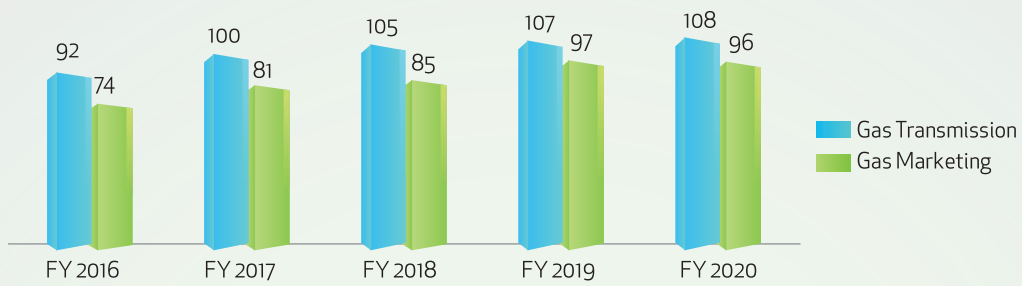
- With Gross Turnover has grown by 37.93%, the Gross Margin has increased by 91.16%
- The PAT has shown an increase of over 197.43% while PBT has registered growth of over 159.40%

*Financial performance of standalone GAIL

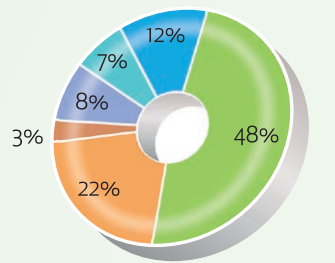


Operational Performance

Gas Volume Trends (MMSCMD)

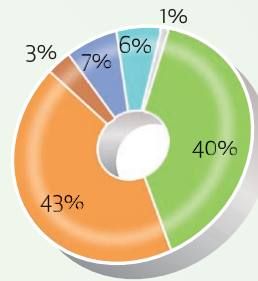


Gas Marketing Mix



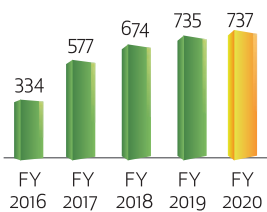
■ APM/NAPM
 ■ RLNG
 ■ PMT
■ Spot
 ■ Mid-Term
 ■ Others

Gas Transmission Mix

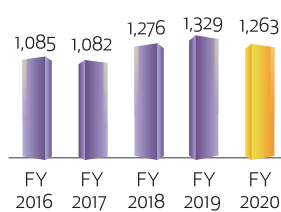


■ APM/NAPM
 ■ RLNG
 ■ PMT
■ Spot
 ■ Mid-Term
 ■ Overseas Sales

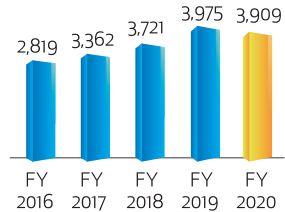
Petrochemical Sales (TMT)



Liquid Hydrocarbon Sales (TMT)



LPG Transmission (TMT)



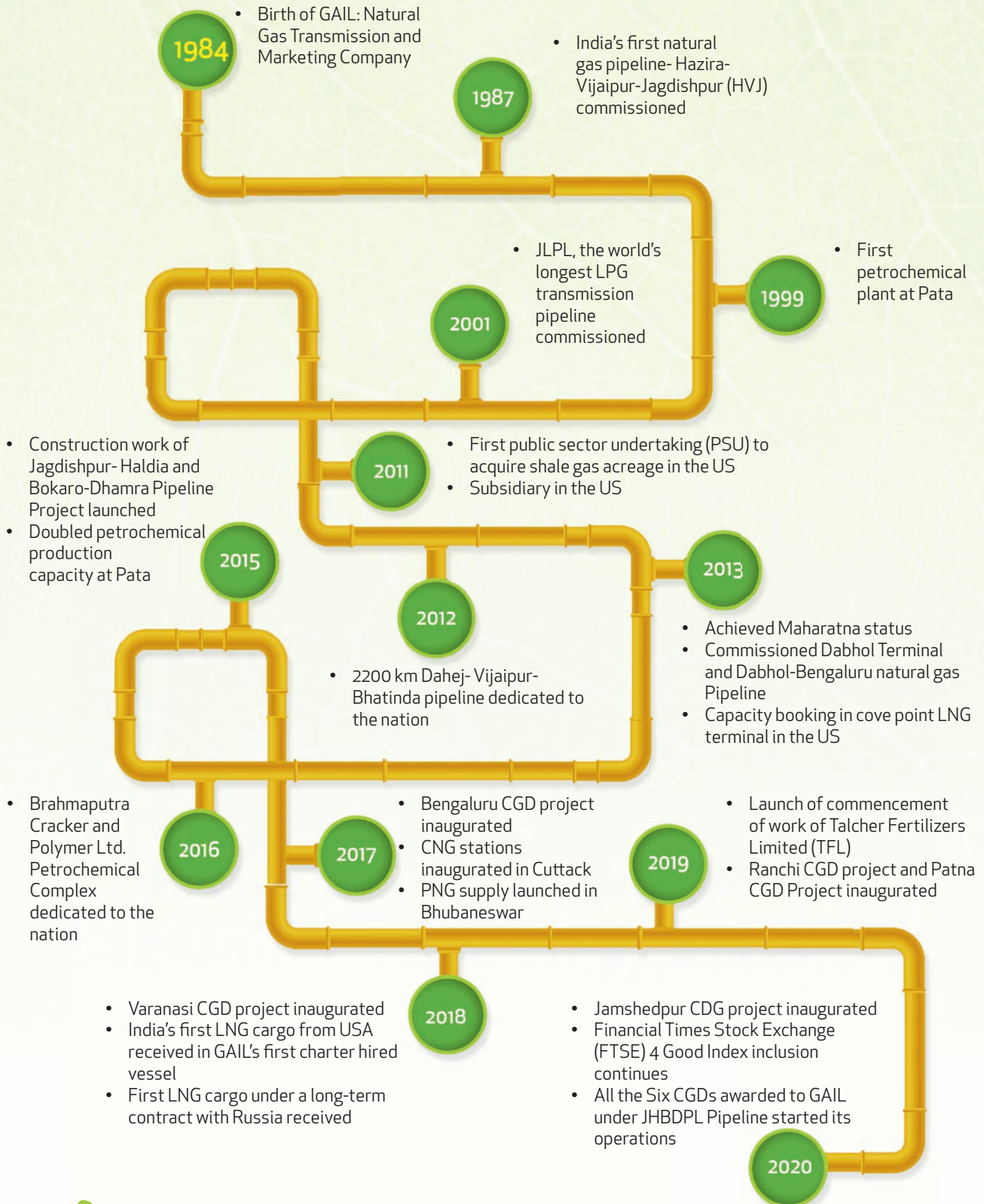
GAIL has made significant progress in its operational performance in the last five years

- Gas volume has increased by 17.39% while gas marketing has grown by 29.72%
- The Petrochemical sales has grown by 120.65%
- Liquid hydrocarbon sales has shown an increase of 16.41% while LPG transmission increased by 38.67%





36 Years of Vibrant GAIL



Business Portfolio

City Gas Distribution

- Serving over 2.1 million vehicles and 6 million households
- Operates more than 65% CNG stations through alliances
- Sectorial gas sales of around 67% in CGD
- Authorized to operate in 61 geographical areas throughout India including the metro cities
- Supplies natural gas to around 66% of the country's piped natural gas (PNG) connections

Petrochemicals

- Has a domestic market share of 17.5%
- Petrochemical plant at Pata, Uttar Pradesh and BCPL plant at Lepetkata, Assam with a capacity of 0.81 MMTPA and 0.28 MMTPA respectively
- Combined production share of 21.4% of the high density and linear low-density polyethylene (LLDPE) market in the country
- First ever producer of metallocene catalyst based LLDPE film grade polymer in India

Overseas Presence

- Set up wholly owned subsidiaries - GAIL Global (USA) Inc. and GAIL Global (Singapore) Pte. Ltd.
- Acquired 20% interest in Carrizo's Eagle Ford Shale acreage in the USA
- Participation in the Myanmar-China gas pipeline project
- Investment in 2 City Gas Distribution (CGD) companies in Egypt and 1 CDG company in China

Natural Gas

- Over 12,400 km of network and made an additional of 9,000 km (108.37 MMSCMD)
- Long-term import portfolio: 14 MMTPA

LPG & Liquid Hydrocarbons

- 5 Gas Processing Plants producing LPG, Propane, Pentane, Naphtha, etc. (13 TMT)
- LPG transport capacity 3.8 MMTPA (2,000 Km)

Power & Renewables

- 118 MW Wind power capacity
- 12.26 MW Solar power capacity

Exploration & Production

- Participating interest in 11 E&P blocks, and presence in Myanmar and the USA
- A new gas discovery was made in A-3 Myanmar offshore block in the 2nd exploratory well (Mahar-1)
- Revenue of INR 968 crore has been generated from E&P activities during FY 19-20
- GAIL's E&P share of average oil production from Cambay blocks is 182 BOPD and gas production is 1.45 MMSCMD from Myanmar blocks (A1 and A3) during this reporting year





GAIL's Supply Chain



55%

Contributes more than 55% of the NG sold in India

63%

Supplies gas for about 63% of India's gas-based power

65%

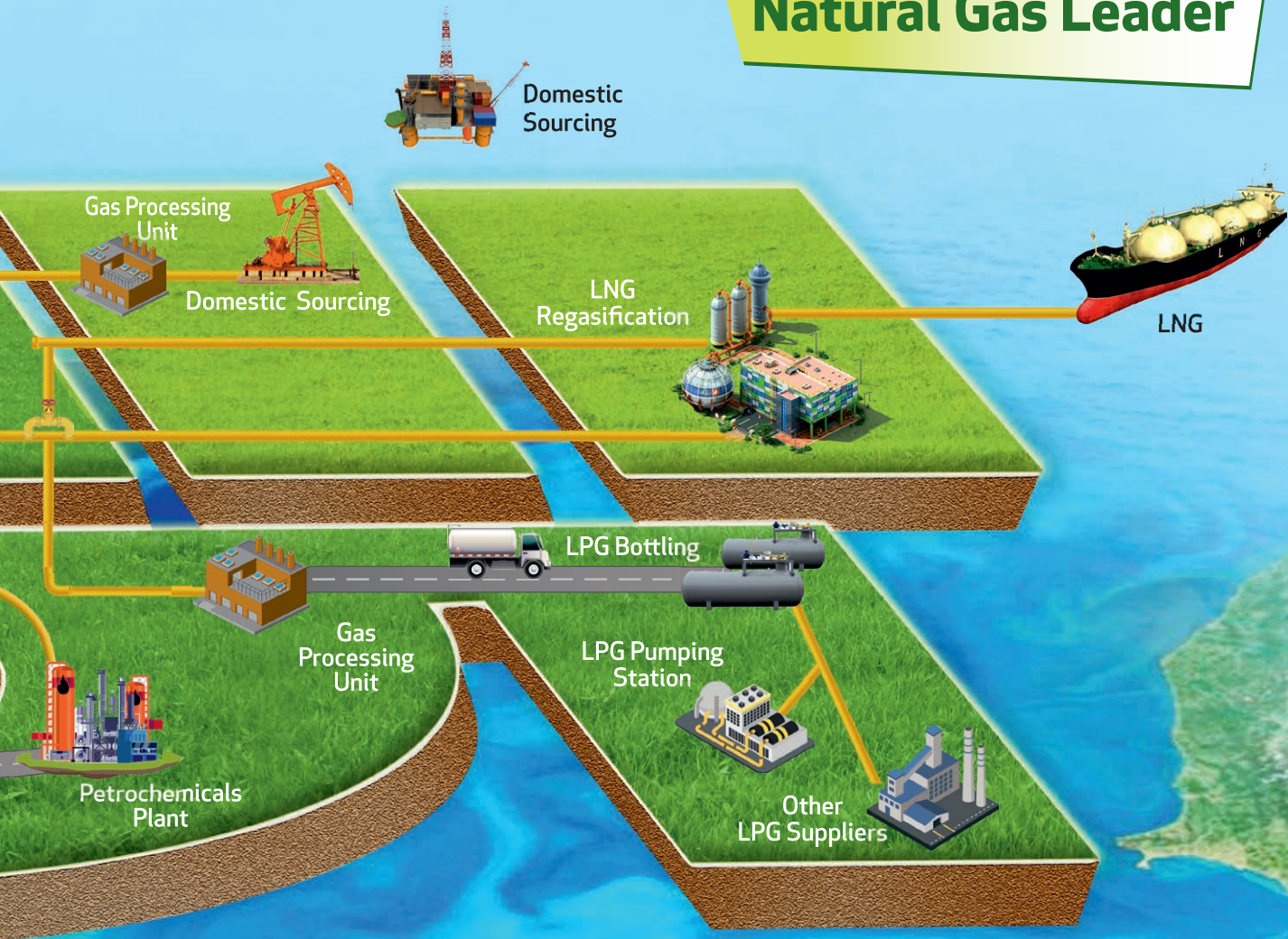
Operates more than 65% of India's total CNG stations

2nd

2nd largest player in Indian Polyethylene Portfolio Market



India's Natural Gas Leader



25th Produces every 25th LPG cylinder in India

67% Responsible for 67% of PNG connections in India

72% Operates 72% of total Natural Gas transmission in India

73% Supplies gas for about 73% of India's total fertilizers produced












Our Social Outreach

In the financial year 2019-20, GAIL has taken up a total of 231 projects. GAIL has spent INR 125.30 crore, exceeding the mandated 2% of INR 124.79 crore. Major CSR initiatives are given below.

7 Major Focus Areas of our CSR Program- Hriday

						
<p>Arogya (Wellness) - Nutrition, health and sanitation and drinking water projects - INR 43.81 crore</p>	<p>Ujjwal (Towards a bright future) - Education centric initiatives- INR 31.17 crore</p>	<p>Kaushal (Skill) - Livelihood generation and skill development initiatives- INR 30.57 crore</p>	<p>Unnati (Progress)- Rural development and infrastructure initiatives- INR 4.56 crore</p>	<p>Saksham (Capable) - Care of the elderly and differently-abled- INR 2.96 crore</p>	<p>Harit (Green) - Environment related initiatives- INR 1.85 crore</p>	<p>Others - Expenses incurred on Capacity Building, focus area 'Sashakt' (Women Empowerment programs) and other areas as included under Schedule VII: INR 10.38 crore</p>



Sustainability Outlook 2019-20

ECONOMIC



- **INR 6,621 crore** - (Profit After Tax)
- **INR 71,730 crore** - Revenue (Gross Sales)
- Over **12,400 km** of Natural gas pipeline network
- Total petrochemical production capacity **1,000 KTA** (PATA & BCPL combined)

SOCIAL



- **231 CSR Projects**- Expenditure of **INR 125.30 crore**
- GAIL achieved an "HSE Score" of **95.98** against the internal target of 94.5 in FY 19-20
- The Customer Satisfaction Index stood at a remarkable **95** in FY 19-20
- GAIL has signed investment agreements worth **INR 22 crore** with 9 Start-Ups in FY 19-20
- Received '**NIL**' comments from Comptroller and Auditor General (CAG) for **11th year in a row** in FY 19-20
- **60.61 lakh** domestic PNG connections in the country
- GAIL's Hawa Badlo campaign reached more than **100 million** Indians

ENVIRONMENT



- **130 MW** – Renewable energy portfolio (**118 MW**– Wind and **12.26 MW** - Solar)
- **40%** – Landholding covered by green belt
- **120** Sustainability projects – Investment of **INR 80 crore**
- Renewable energy generation– **1,76,200 MWh** (Moving towards renewable energy)





Stakeholder Engagement



Hon'ble Chief Minister, Jharkhand, Hon'ble Union Minister of Tribal Affairs and Hon'ble Union Minister of P&NG and Steel launch CNG supply, CNG-run vehicles and D-PNG supply in Ranchi



NCR Gas (O&M) Stakeholder's Conclave 2019



Towards New Horizon



Phase 1 of 'Pradhan Mantri Urja Ganga' pipeline was dedicated to the nation by the Hon'ble Prime Minister on February 17, 2019. The prestigious 2655 km long JHBDPL project covers Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal and is being further extended to other regions also.

Transmission Company Award 2019

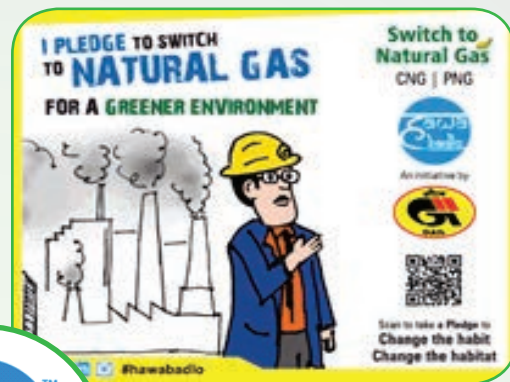


GAIL (India) Limited has been awarded as the top Indian company in the Gas - Transmission Sector at the Dun & Bradstreet Infra Awards 2019 at New Delhi. This is the second time that GAIL has received this award.





Hawa Badlo Campaign



Hawa Badlo (Change the Air) is a one-of-a-kind initiative by GAIL. It is a campaign to drive behavioural changes in making our cities air pollution-free. The campaign has digitally touched more than 100 million lives, enabling people to make a direct link between their energy consumption patterns and the impact on their health and environment. The goal is to motivate people to voluntarily switch to more economic and environmentally friendly 'natural gas'.



Health and Safety at GAIL

Safety Performance

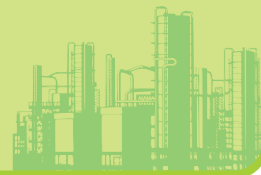
Safety Performance is measured at GAIL through the "HSE Score". GAIL achieved an "HSE Score" of 95.98 against the internal target of 94.5 in the FY 19-20.

Corporate HSE Policy

GAIL endeavor to generate value through sustainable development by placing commitment to Occupational Health, Safety and Environment of plants, pipelines including CGDs and personnel by implementing HSE best practices.



SAFETY FIRST



Safety Training & Awareness

GAIL's training institute at Noida and Jaipur, impart regular operational and safety training to the employees. Internal Safety System is also in place at O&M installations where structured HSE trainings including Behavior Based Safety etc. are being imparted to employees and contract workers

Occupational Health

GAIL has implemented occupational hygiene measures and medical surveillance programs to monitor and control the occupational health of its employees, based on defined guidelines. All employees at various work centers undertake periodic medical examination as per these guidelines.

Safety Audits

Safety Audits are regularly conducted to ensure the implementation of the HSE Management System Guidelines and Emergency Preparedness. Audits are performed by OISD, PNGRB accredited 3rd Party inspection agencies and experienced in-house team, in accordance with the applicable national codes and standards.





Major Sustainability Initiatives



GAIL's Efforts on COVID-19 Pandemic

We are currently battling the COVID-19 global health emergency, and its economic and social ramifications. GAIL management team, as well as dedicated working groups, are proactively assessing and responding to the COVID-19 outbreak. As it evolves, we are making sure that we maintain our business continuity and support the safety and health of our people.

Despite the pandemic situation, GAIL has maintained uninterrupted and safe operations of pipeline systems and has ensured uninterrupted gas supply to all the key customers including the fertilizer and power sector. We are committed to providing an uninterrupted supply of natural gas even in the times of crisis. More than 40 Lacs households, connected to GAIL and its CGD JV's were supplied uninterrupted piped natural gas. Besides, during the lockdown period, bills to vendors, contractors etc. were paid smoothly through digital mode.

GAIL and its employees have contributed around INR 54 crore to PM-CARES Fund. In addition, several CSR measures such as the distribution of PPE kits, masks, food and ration etc. were arranged as a relief measure worth INR 4.8 crore.





Our Sustainability Reports (SRs)

2011



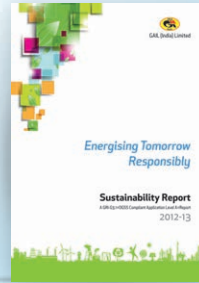
SR FY 2010-2011
Value Beyond Business

2012



SR FY 2011-2012
Shaping the Future

2013



SR FY 2012-2013
Engerizing Tomorrow Responsibly

2014



SR FY 2013-2014
Care Share Grow

2015



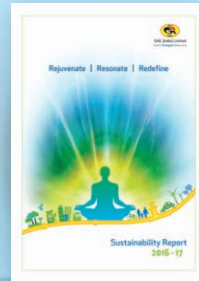
SR FY 2014-2015
Fostering Responsible Growth

2016



SR FY 2015-2016
Nurturing Resilient Eco-system

2017



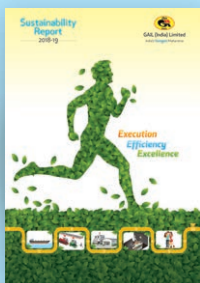
SR FY 2016-2017
Rejuvenate | Resonate | Redefine

2018



SR FY 2017-2018
Execution | Efficiency | Excellence

2019



SR FY 2018-2019
Execution | Efficiency | Excellence



GAIL has published externally assured Annual Sustainability Reports based on the GRI Sustainability Reporting Standards now for over a decade.

2020



SR FY 2019-2020
Engerizing Possibilities



Global Recognition - GAIL & FTSE

FTSE
Russell

CERTIFICATE OF MEMBERSHIP

This is to certify that

Gail India

is a constituent company in the FTSE4Good Index Series



FTSE4Good

June 2020

The FTSE4Good Index Series is designed to identify companies that demonstrate strong environmental, social and governance practices measured against globally recognised standards.

Any feedback or query related to this report can be communicated to Mr. R K Mittal, CGM (SD) rk.mittal@GAIL.co.in, Mr. Arvind Kumar Namdeo, GM (SD) at arvind.namdeo@GAIL.co.in. Readers can also reach out to us at sustainability@GAIL.co.in to provide feedback on improving our performance and sustainability disclosures.





GAIL (India) Limited

Regd Off.: 16, Bhikaji Cama Place, R.K. Puram, New Delhi-110066

Website : www.gailonline.com