



GAIL (India) Limited

Energizing Possibilities



**Energizing
Growth**

GAIL Sustainability Glimpses Report

2020-21

“We have to move towards ‘zero-defect and zero effect’. Zero defect in production with no adverse effect on the environment.”

Shri Narendra Modi
Prime Minister of India

Energizing Growth

We as a Business grow when the air around is fresh, when the flora is abundant, when the local community is empowered, when the avian soar high in the sky, when the sound of cicadas and birds hum along with the sound of development, and when the water is clean and blue.

Biodiversity is a very important element of sustainable development. It impacts the quality of human life and is an essential part to the sustainability of all human activity, including business.

Sustainable development is all about meeting the needs of present generations while safeguarding the ecosystems, species, and genetic components that make up biodiversity, a crucial factor in meeting the needs of future generations.

We at GAIL, believe Biodiversity is everyone’s responsibility; definitely ours as a responsible corporate entity.

The theme of the report is “**Energizing Growth**” because we are the catalyst to sustainable growth and believe growth is achieved when various ecosystems are in harmony with each-other.

This report carries images of various Flora, Fauna and Avian species shot at our facilities at Pata, Gandhar, Vijaypur, and Hazira showcasing GAIL’s commitment to coexist and grow along with its rich ecosystem.

जीवेषु करुणा चापि मैत्री तेषु विधीयताम्।
Be compassionate and friendly to all living beings

Buddhacharitam 23.53



Message from CMD

The threats of climate change are evident ever than before. It has become imperative now to reduce our carbon emissions for a cleaner environment.

Dear Stakeholders,

With the advent of the COVID-19 pandemic, the situation around the world continues to affect the economy with respect to global supply chains, wages, and productivity. The year tested the resilience of the organizations in managing the relationship between the employees and employers. Organizations whose foundations are built on strong values, trust, and a shared vision of serving the nation survived during this pandemic. In this regard; I would like to salute all the COVID warriors whose sacrifice for the safety and welfare

of humanity is priceless and deserves lifelong gratitude on our end. I appreciate the commitment and hard work of GAIL employees also, who despite the challenges, maintained uninterrupted operations of its Petrochemical plant, LPG Plants, pipelines, and other facilities to ensure delivery of essential products such as polymers (for PPE kits manufacturing) PNG, CNG, LPG, and other hydrocarbons products to the customers.

I would like to present GAIL's 11th Sustainability report 'Energizing Growth', which shows our efforts towards improving Environmental, Social, and Governance (ESG) performance. Our report is aligned with the Global Reporting standards of "Comprehensive" reporting. Additionally, it is also compliant with the updated IPIECA 2020, Sustainability Accounting Standards Board (SASB) requirements, and the Ministry of Corporate Affairs' National Guidelines on Responsible Business

Conduct. This year, we have also published our first integrated report, on which I would like to congratulate all GAIL employees.

The threats of climate change are evident and it is imperative to reduce carbon emissions for a cleaner environment. At GAIL, we are committed to reduce our carbon footprint by foraying into the Renewable Energy Sector through organic and inorganic routes. We understand that tackling climate change requires a multifaceted approach; thus, our focus is not only limited to renewable energy but also extended to promote compressed biogas (CBG), thereby making the GoI SATAT initiative a success. CBG is aimed at replacing fossil fuel as well as reducing waste and related emissions, thus contributing to a Swachh Bharat. To reduce import bills to the exchequer, carbon footprint & emissions further, GAIL is working on Ethanol and Hydrogen. GAIL values continuous improvement which is reflected in our best-in-sector operational efficiency.

Our business has a direct positive impact on environmental and social parameters and our company's role in energy security is unparalleled. Natural gas, the lifeline of the country, is a key raw material for fertilizer and the CGD sector. In the industrial sector, apart from giant enterprises, medium and small-scale enterprises are also shifting to natural gas to minimize their environmental and GHG impact. We are committed to fulfil the GoI's vision of 'One Nation One Grid'. GAIL is presently constructing the 'Pradhan Mantri Urja Ganga' pipeline project and 'North East Gas Grid' in Joint Venture mode to promote a gas-based economy.

At GAIL, we stand focused to maintain world-class standards for ensuring operational safety, performance, and growth. We take various measures to ensure the health and well-being of our employees as well as for the community. We strive to enrich the lives of thousands of underprivileged people by creating social capital across our CSR focus areas of education, healthcare, skill development, women empowerment, environment protection, etc under the GAIL Hridaya program.

Apart from providing medical consultations in the remotest places across the country, GAIL's Arogya initiative has also contributed crucially to serve the community by distributing much-needed personal protective equipment and oximeters. We are also supporting vaccination drives through cold chain refrigerator trucks.

During the pandemic, to ensure the well-being of all employees, including superannuated employees

and their family members, GAIL team interacted with and remained in constant contact with all the employees and seniors under the initiative 'Sparsh' aimed at 'bridging the physical distance to let the employees feel GAIL's Sparsh with our kind words and care'. As a special measure, GAIL has decided to take care of the education, housing, and medical requirements of the dependent family members of the deceased employees.

As a responsible organization, we are trying to contribute our best in taking GoI COVID-related initiatives to the public. Under the aegis of MoPNG, GAIL has set up and commissioned PSA oxygen plants in 12 government hospitals across 4 states namely, Uttar Pradesh, Madhya Pradesh, Karnataka, and Rajasthan. GAIL, on behalf of Oil and Gas PSUs, has placed an order for the supply of 25,000 Oxygen cylinders. Further, along with other Oil and Gas PSUs, GAIL is also contributing toward the procurement of 10,000 Oxygen concentrators. However, we should not be complacent and continue taking necessary precautions to beat the next surge.

Covid-19 pandemic has taught us the importance of local vendors and suppliers. Aligning with the PM's vision of 'Vocal for Local', we are also committed to increase the presence of local vendors and suppliers in our supply chain. It will not only reduce environmental impact but also create a positive social impact through our operations in the long term.

GAIL has added another Landmark in its Sustainability Journey this year. GAIL Vaghodia and GAIL Vijapur have been awarded GreenCO "Silver" Rating by CII which reflects how sustainability is deeply ingrained in our working.

I am happy to announce that GAIL has been included in the FTSE4Good Index Series (FTSE ESG Rating) as part of the London Stock Exchange Group Sustainability Index 5th year in a row for demonstrating strong environmental, social, and governance practices of international standards. GAIL has been featured in the Forbes list of World's Best Employers 2020, and GAIL remains committed to do better for its people and society.

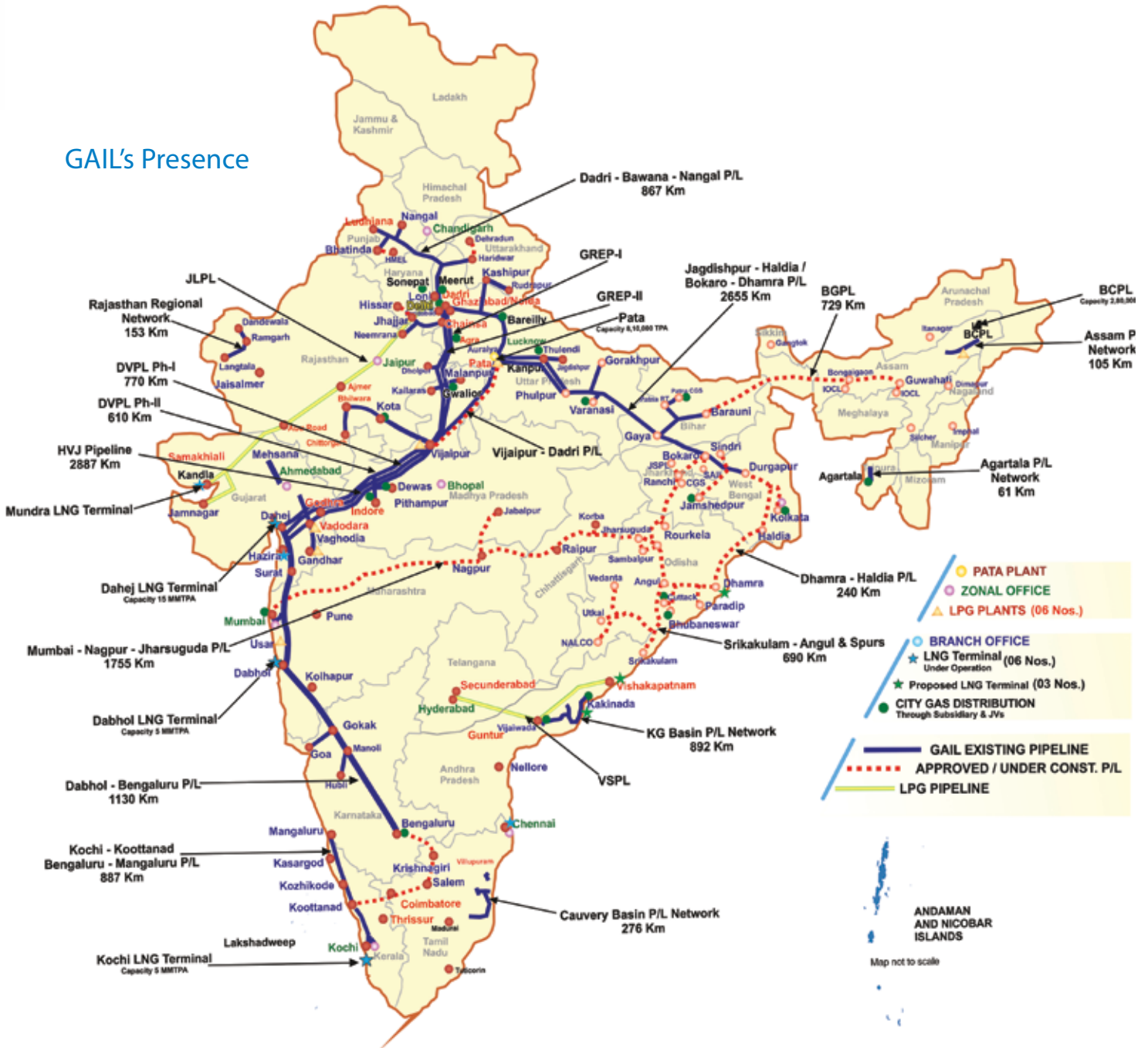


Manoj Jain

Chairman & Managing Director

National Gas Grid (NGG)

GAIL's Presence

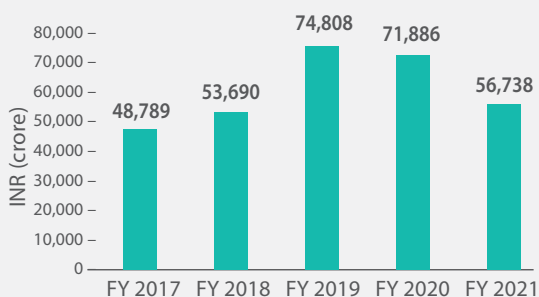


A gas-based economy is crucial for India and work is being done in the direction of One Nation, One Gas Grid! One Nation, One Gas Grid refers to the integration of various regional grids thus establishing a National Grid for providing energy produced by natural gas to various stakeholders like the central government, the state governments, the public and the private sectors.

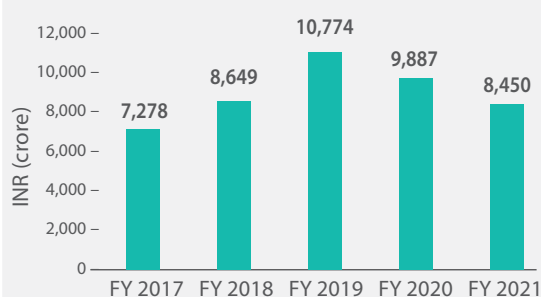
GAIL is executing projects to lay around 6,000 km of gas pipelines across India and another 2,000 km pipelines through its two JVs to develop National Gas Grid. Despite the COVID-19 pandemic and related disruptions, 1000 km of pipeline has been commissioned in FY 20-21.

Financial Performance

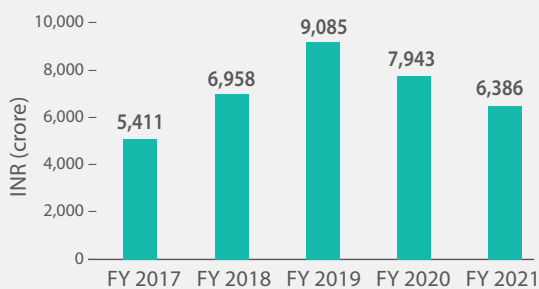
Turnover (Gross)*



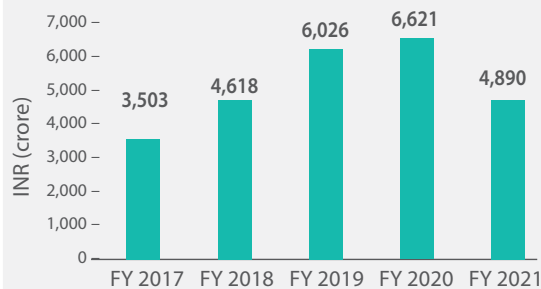
Gross Margin (EBIDTA)*



Profit Before Tax (PBT)*



Profit After Tax (PAT)*

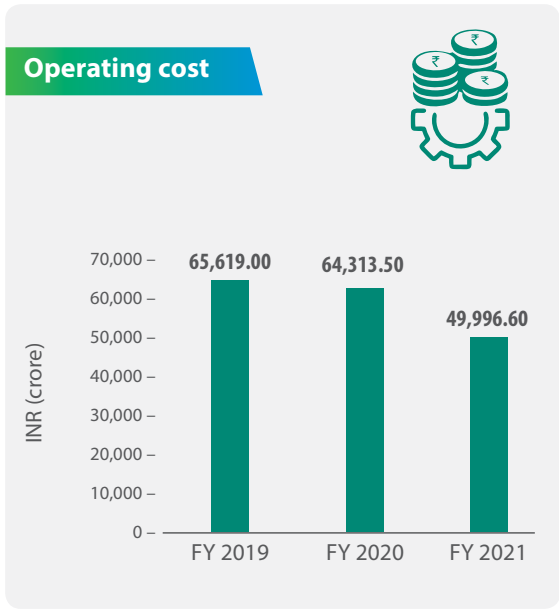
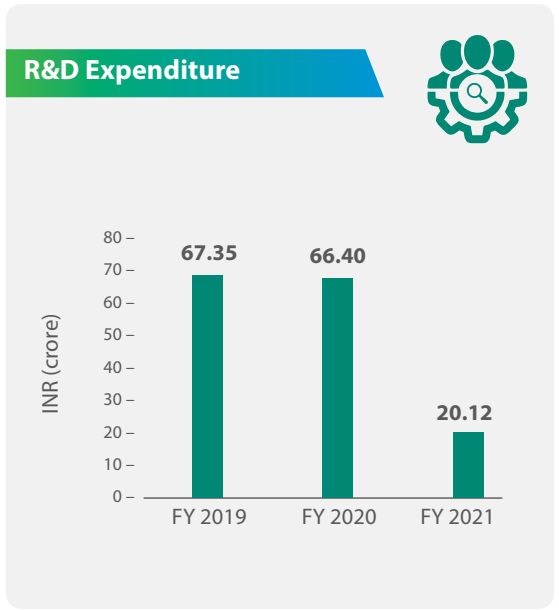
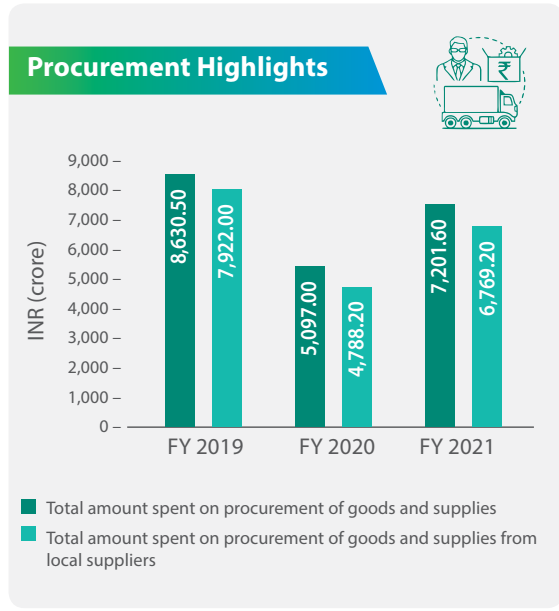
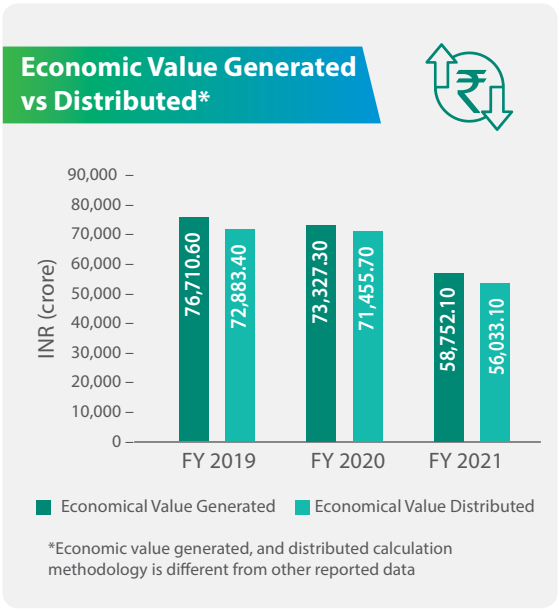


GAIL witnessed a decline in the financial performance with respect to previous years:

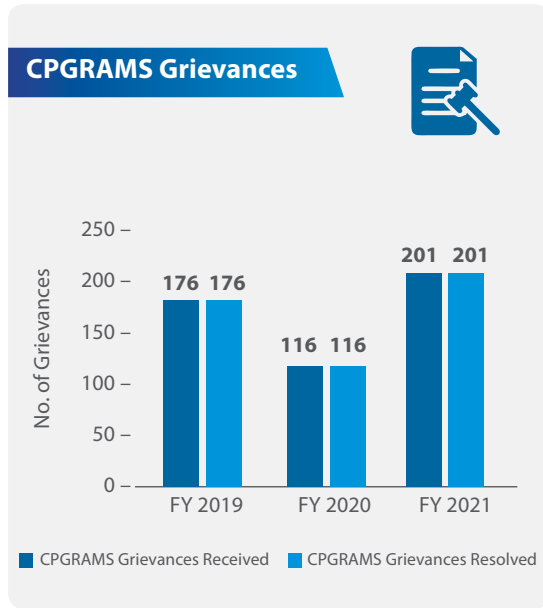
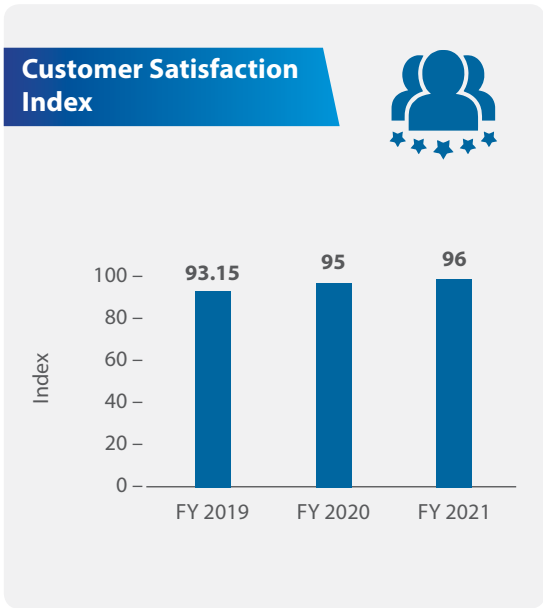
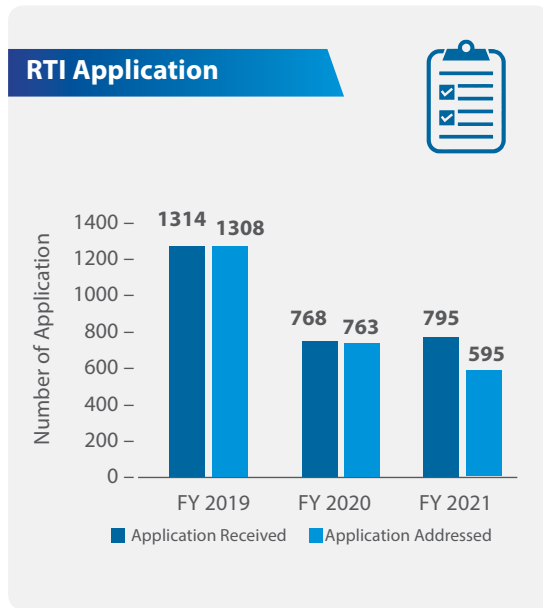
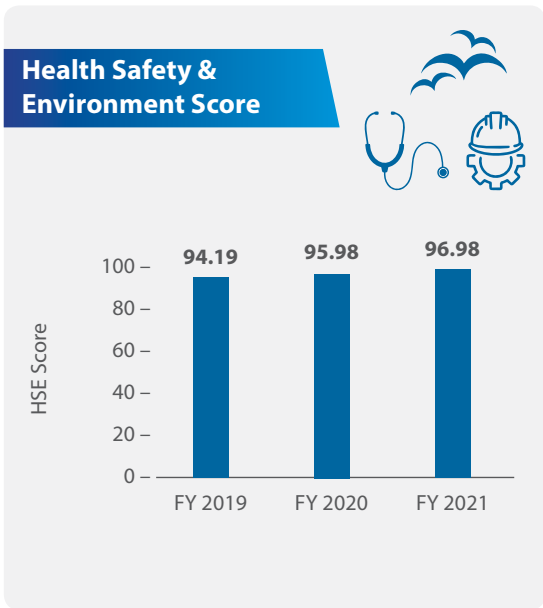
- In FY 2021, with gross turnover declining by 21% due to the decline in natural gas marketing and transmission volume
- The PAT has shown a decrease of 26% while PBT has registered a decrease of 20% because of lower gas marketing spread

*Financial performance of standalone GAIL

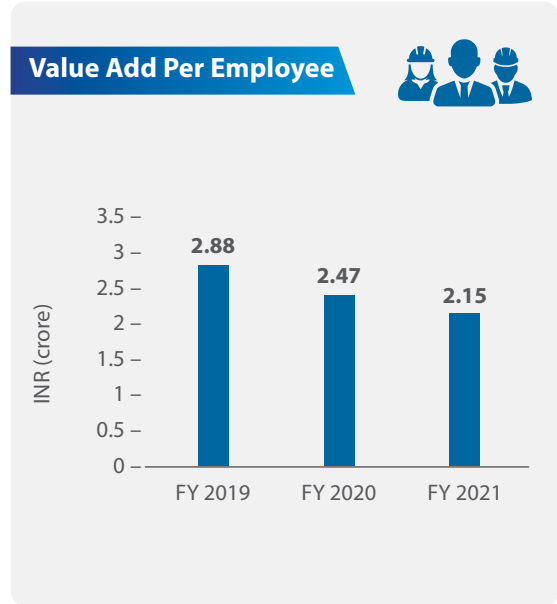
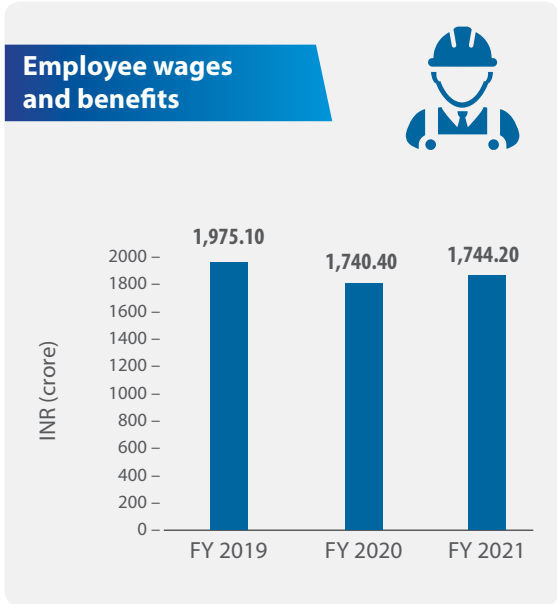
Economic, Social & Environmental Performance



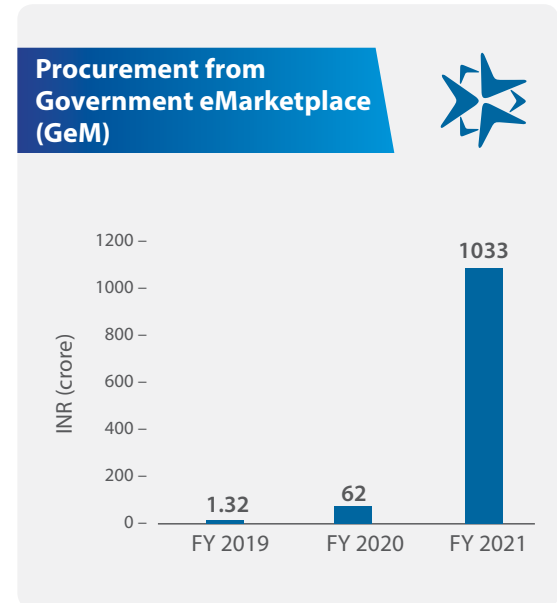
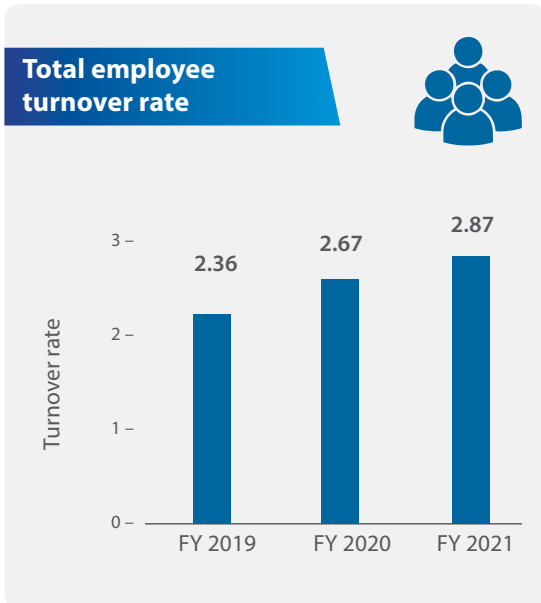
Economic, Social & Environmental Performance



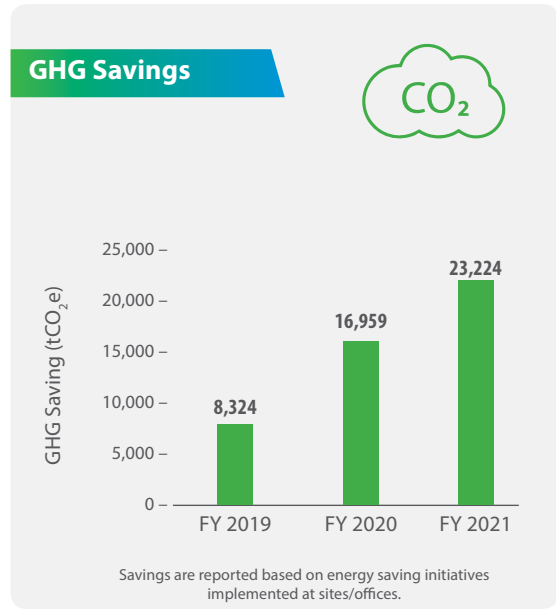
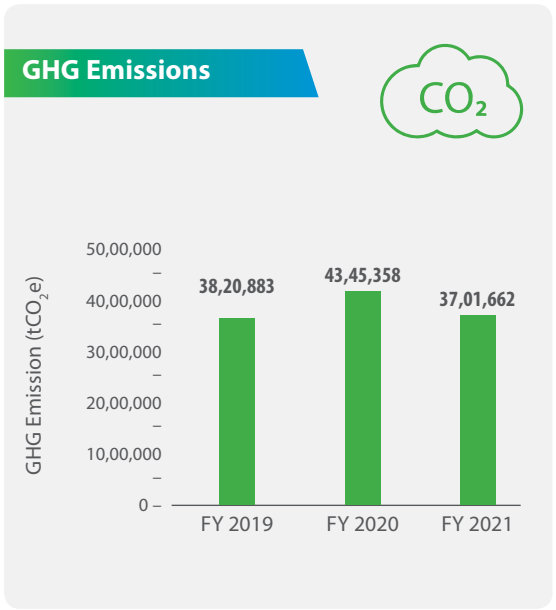
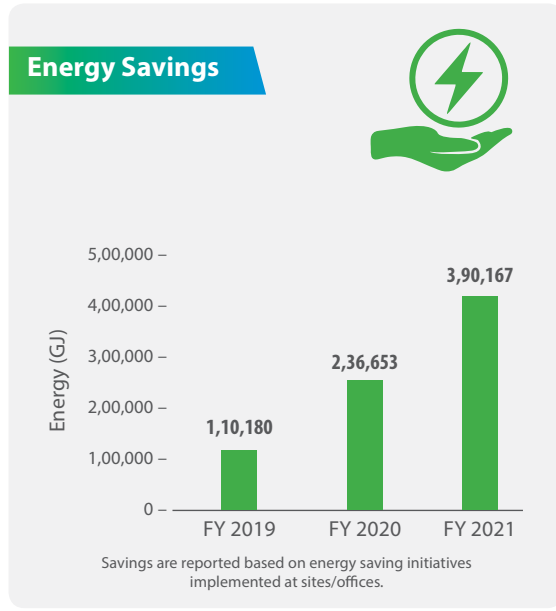
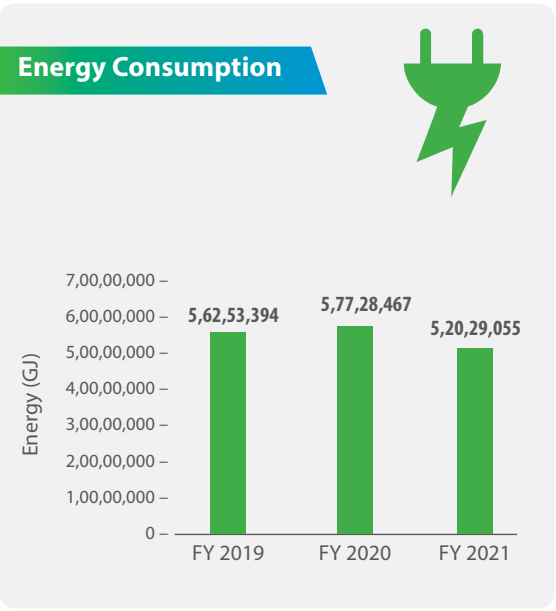
Economic, Social & Environmental Performance



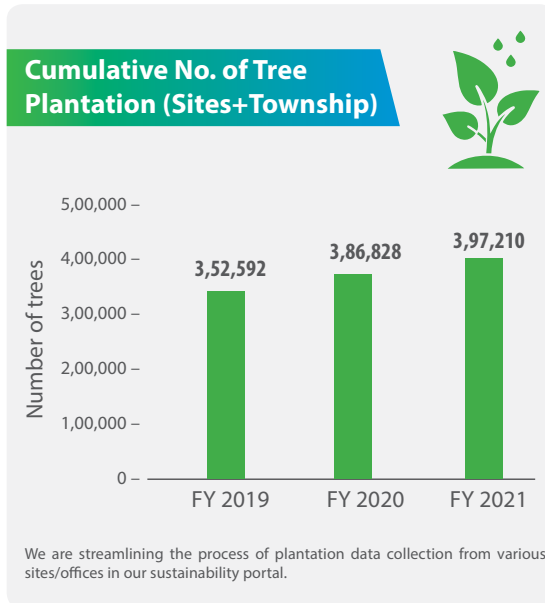
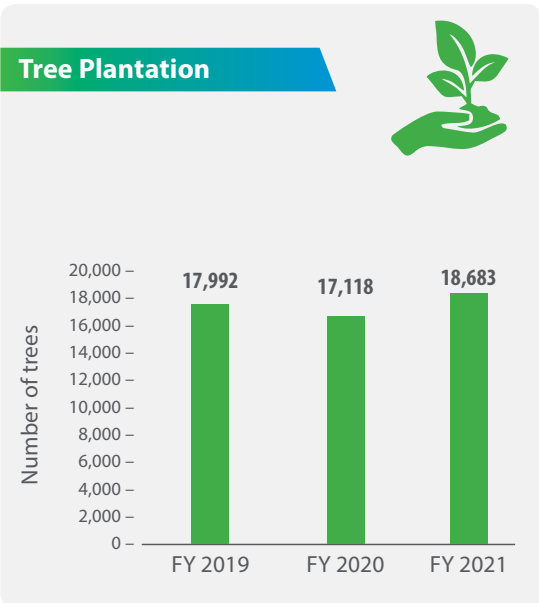
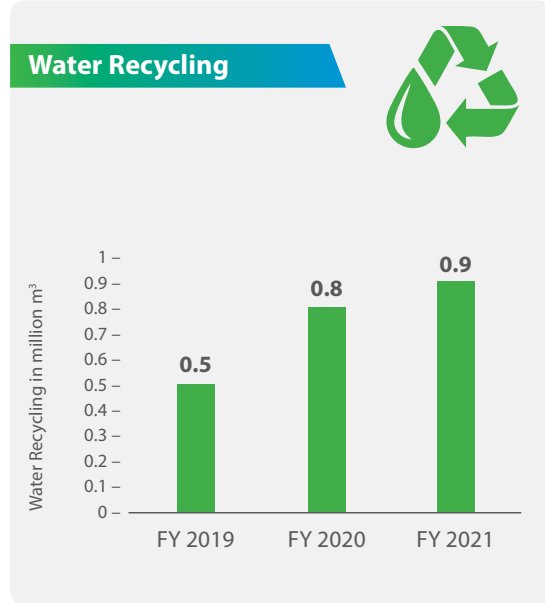
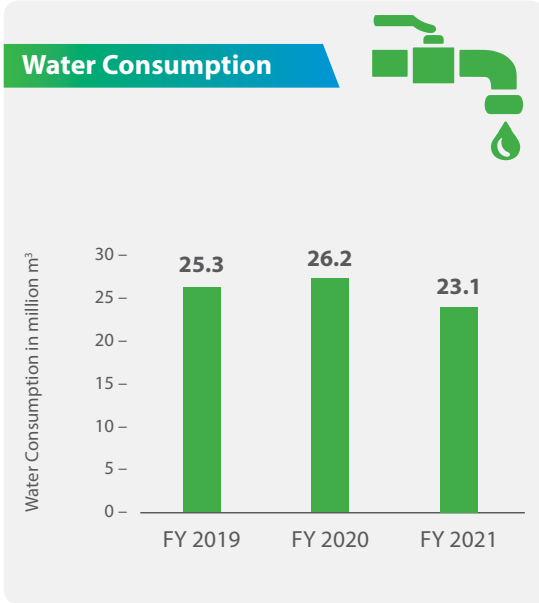
*Employee wages and benefits incl. t/f to CWIP+ contribution to PF & Other fund (Prior Period) & Welfare+ Other income from deputation



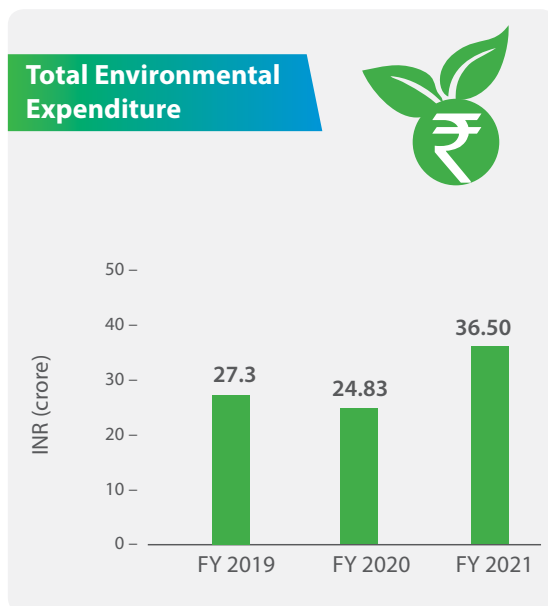
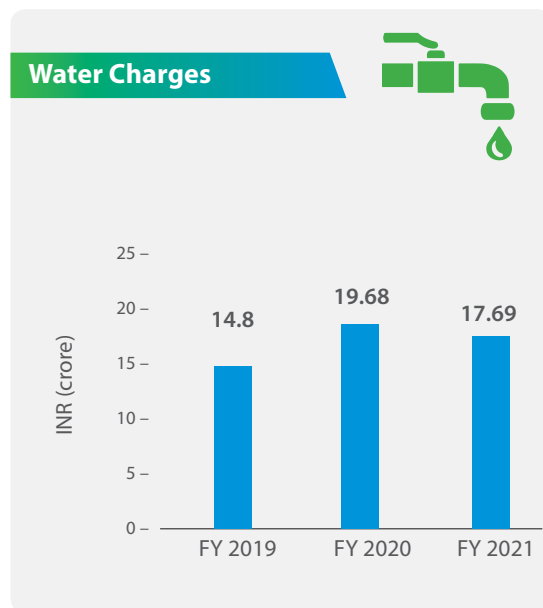
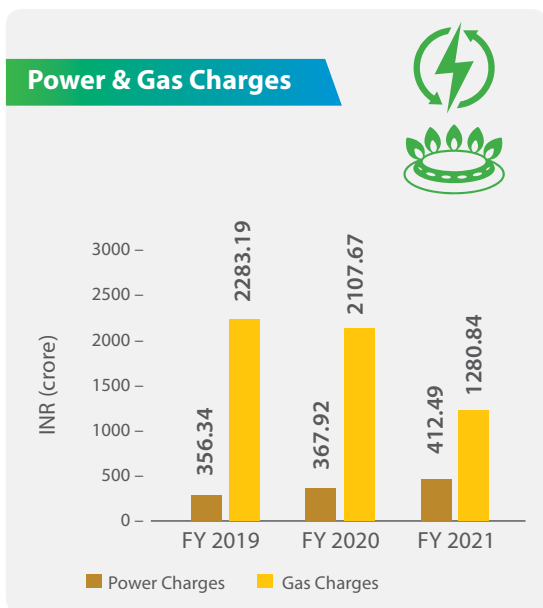
Economic, Social & Environmental Performance



Economic, Social & Environmental Performance



Economic, Social & Environmental Performance



Health and Safety at GAIL



SAFETY AND PERFORMANCE

The health, safety and environmental management performance of GAIL's Operation & maintenance installations are measured through the "HSE score", which is evaluated every month, considering the key elements of HSE Management System. GAIL achieved "HSE Score" of 96.98 average achieved for the FY 21 against the internal target of 94.50 in the FY 21.

CORPORATE HSE POLICY

GAIL endeavors to generate value through sustainable development by placing commitment to occupational health, safety and environment of its plants, pipelines including CGDs and personnel, and these beliefs are embedded within our core organizational values.



SAFETY AND TRAINING AWARENESS

"Safety Day" is observed on the 10th of every month at each O&M site of GAIL. Short film on the HSE Management system has been developed to enhance awareness among GAIL employees about the HSE management system implemented in GAIL.



OCCUPATIONAL HEALTH

In the current scenario of COVID-19 pandemic, awareness sessions and multiple motivational programs were conducted with proper protocols for employees and their family members at GAIL different sites.

GAIL has implemented occupational hygiene measures and medical surveillance progress to monitor and control the occupational health of its employees based on defined guidelines.



SAFETY AUDITS

Audits are performed by PNGRB accredited third-party inspection agencies, other external agencies and our experienced in-house team, in accordance with the applicable national codes and standards.

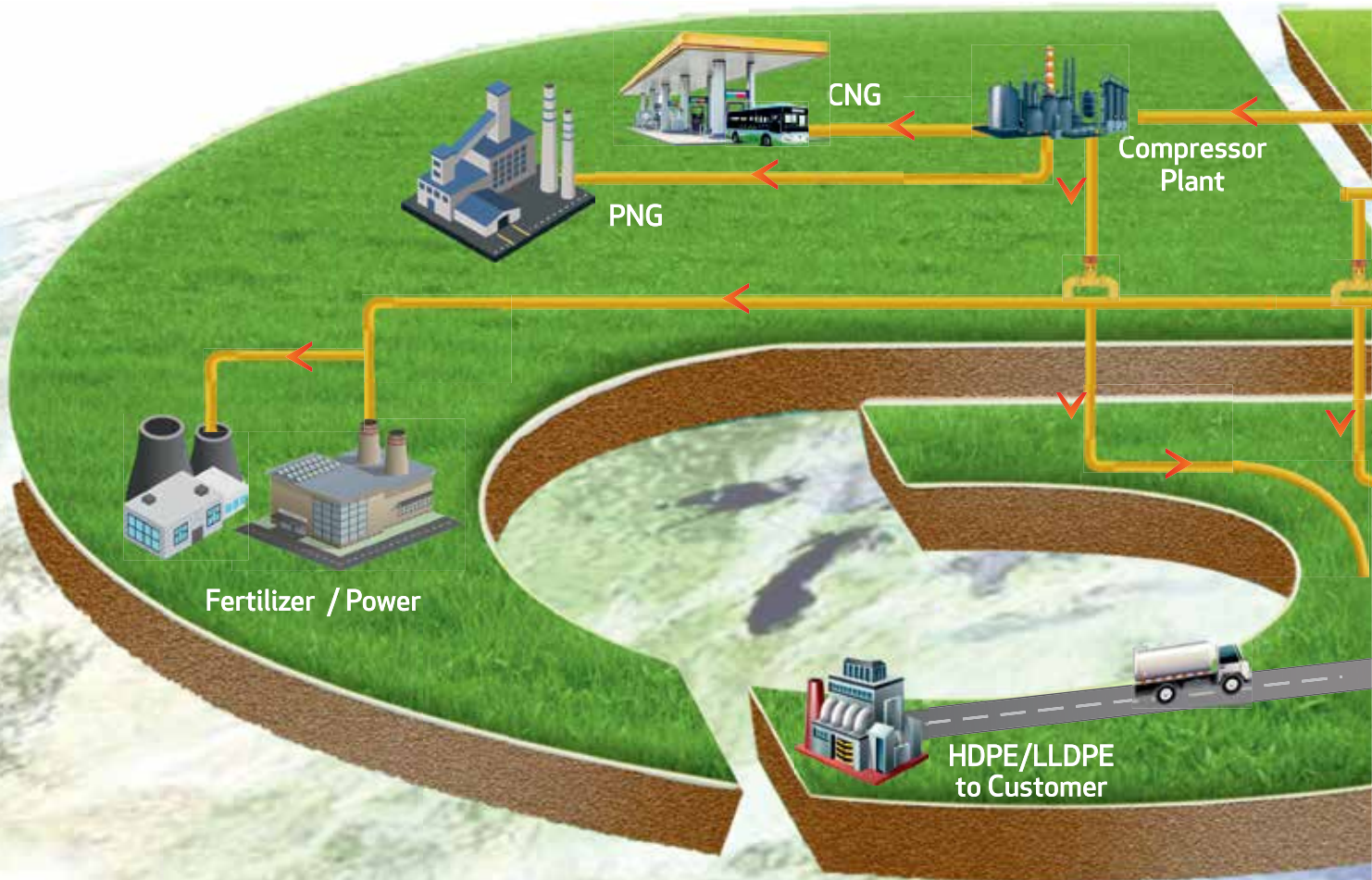
Internal safety audit is being conducted by an in-house team to identify the improvement areas with respect to PNGRB and other regulations, OISD standards, management governance.

VISION

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

MISSION

Enhancing quality of life through clean energy and beyond



55%

Operates more than 55% of India's total CNG stations

65%

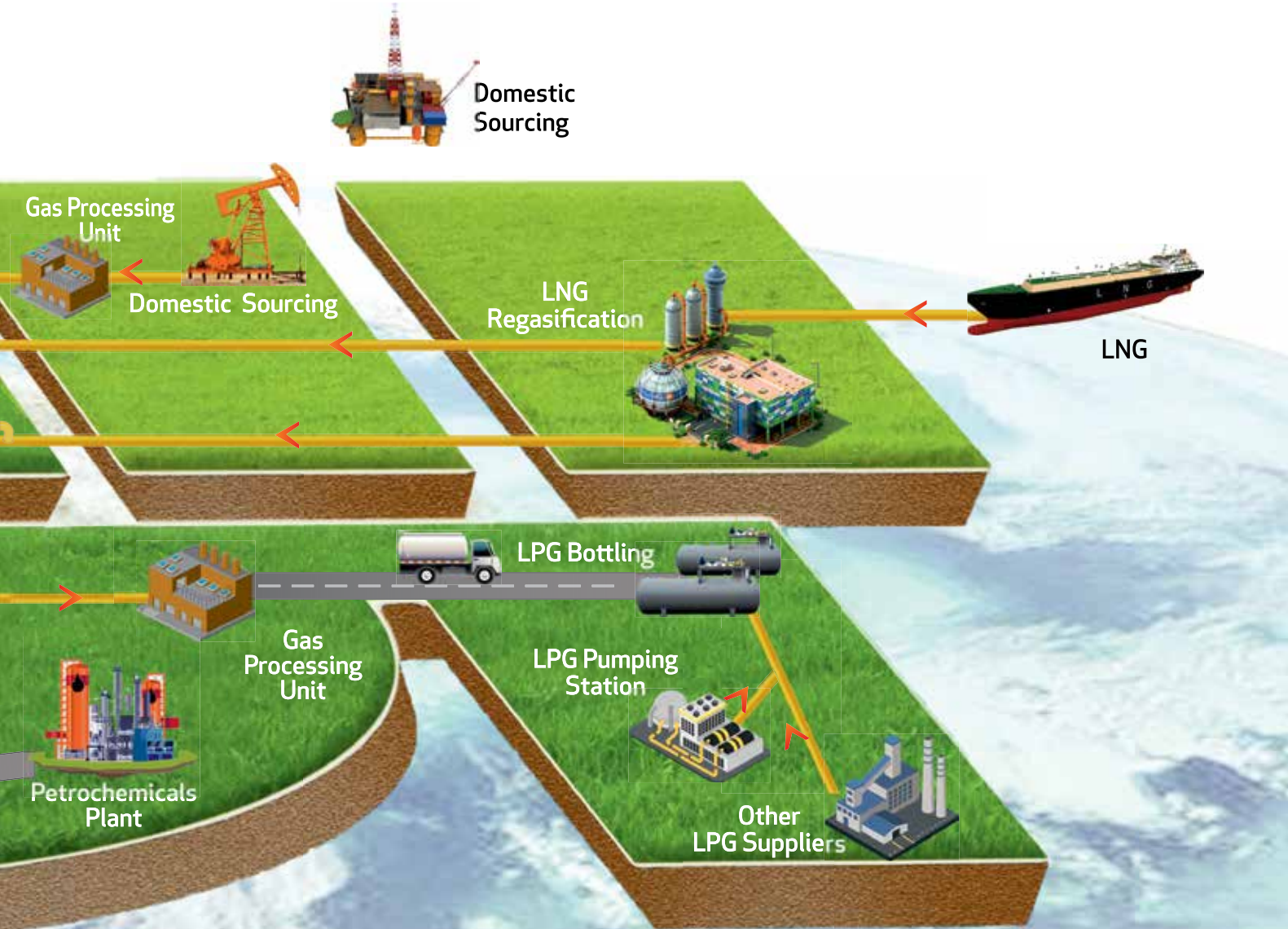
Operates 65% of PNG connections in India

2nd

2nd largest player in Indian polyethylene portfolio market

GAIL's Supply Chain

India's Natural Gas Leader



61

Authorized to operate in 61 geographical areas throughout India including the metro cities

55%

Supplies gas for about 55% of India's gas-based power

73%

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

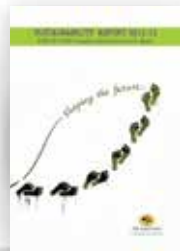
Our Sustainability Reports (SRs)

2011



SR FY 2010-2011
Value Beyond Business

2012



SR FY 2011-2012
Shaping the Future

2013



SR FY 2012-2013
Energising 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

2020



SR FY 2019-2020
Energizing Possibilities

2021



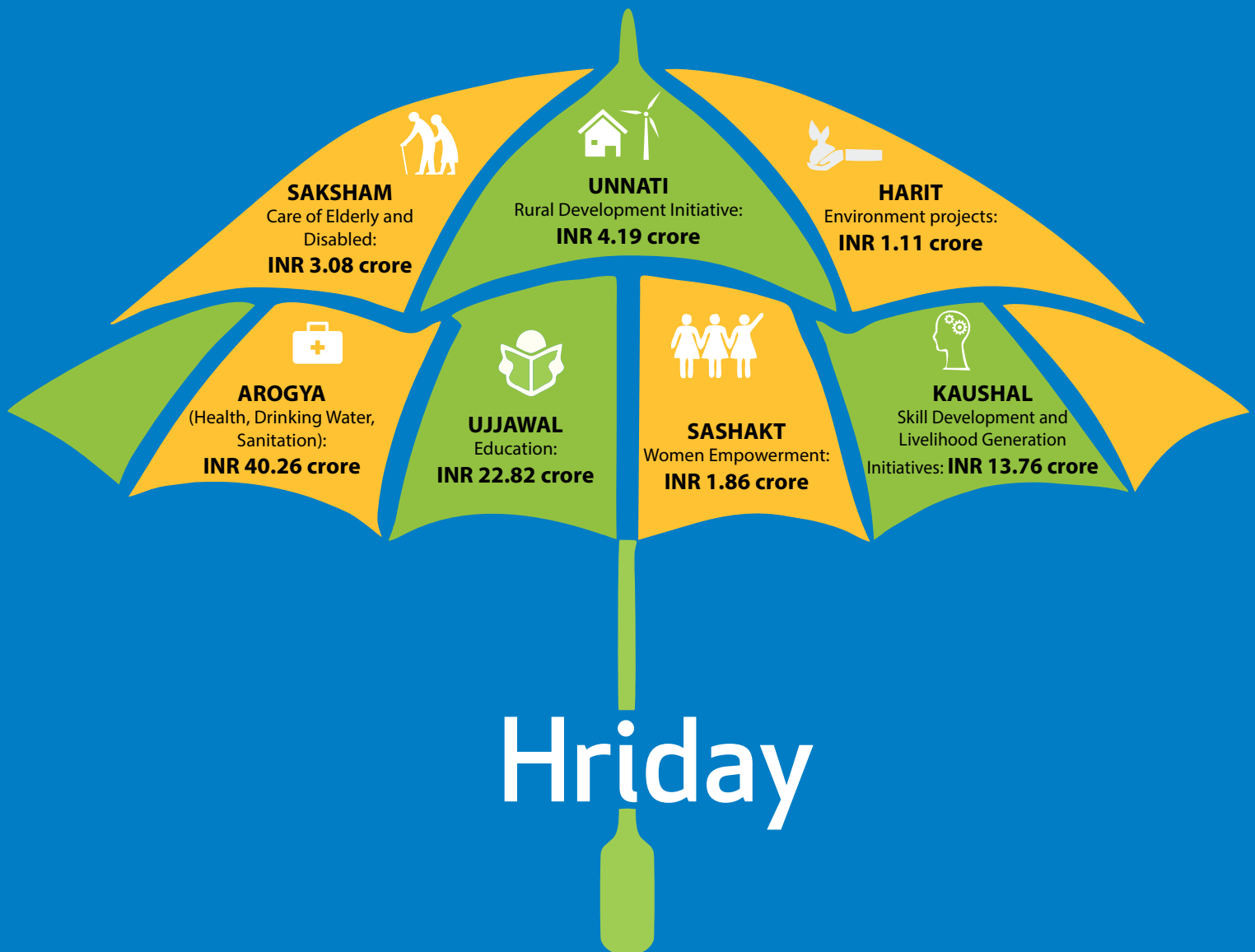
SR FY 2020-2021
Energizing Growth

CURRENT REPORT

Our Social Outreach

During this reporting year, GAIL has taken up several projects to meet its commitment towards its society. GAIL has spent INR 147.67 crore in FY 21, exceeding the mandated 2% of INR 141.91 crore.

7 major focus areas of our CSR program- Hriday



Others (disaster management activities, promotion of sports, etc.): **INR 60.60 crore**

Sustainability Outlook 2020-21

ECONOMIC

- **INR 4,890 crore** - (Profit After Tax)
- **INR 56,738 crore** - Revenue (Gross sales)
- Over **13,718 km** of natural gas pipeline network
- Total petrochemical production capacity **1090 KTA**



SOCIAL

- CSR projects- Expenditure of **INR 147.67 crore**
- GAIL achieved an "HSE Score" of **96.98** against the internal target of **94.5** in FY 21
- The customer satisfaction index stood at a remarkable **96** in FY 21
- GAIL has signed **5** investment agreements worth **INR 15.30 crore** with start-ups focused on CBG
- Received 'NIL' comments from Comptroller and Auditor General (CAG)
- **78.2 lakh** domestic PNG connections in the country
- GAIL has contributed **INR 50 crore** to the PM funds and **INR 30 crore** on acquiring medical equipment, oxygen etc to help in the fight against COVID 19



ENVIRONMENT

- 130 MW – Renewable energy portfolio (118 MW– Wind and 12.26 MW - Solar)
- 40% – Landholding covered by green belt and water bodies
- INR 64.9 crore spent on energy conservation equipment
- 64 Sustainability projects registered
- Renewable energy generation– 151354 MWh of electricity has been generated
- GAIL has commissioned its first FGRU project that reduces emissions of 11100 tCO₂
- Engaged in collaboration with RMC to setup compressed biogas plant capacity of 150 tonnes/day
- Installations of HRSG to utilize heat from gas turbines exhaust expected to save 1171kg/hr fuel



Towards New Horizon



→ Hon'ble Minister Shri Dharmendra Pradhan, Hon'ble Minister of Petroleum and Natural Gas and Steel press interaction and launch of Catalytic Iso-Dewaxing Unit at Halida Refinery, Dhobi, Durgapur dedicated to Nation.



→ The signing of the agreement between GAIL Gas Limited and Confidence Petroleum India Limited for CNG stations in Bengaluru on full DODO model

Excellence in Corporate Governance



→ GAIL received the 'Golden Peacock Award for Excellence in Corporate Governance - National category' in Gas



Network India

GAIL has been adjudged as
WINNER (PSU category) in
United Nations Global Compact Network India
(UNGCNI) **Sustainable & Innovative**
HR Practices - Case Study Contest.

GAIL team presented on the topic of "Ensuring Flow through HR Gateway - HR as a Business Partner."

CII GreenCo Rating Implementation



→ GreenCo Rating is the “first of its kind in the world” holistic framework that evaluates companies on the environmental friendliness of their activities using the life cycle approach. In FY 20 and FY 21 Vaghodia and Vijaipur respectively have received a silver rating for its exceptional performance. Further implementation of the GreenCo rating is under progress at different operational sites

GAIL's Efforts on COVID-19 Pandemic



This global COVID-19 health emergency had a serious impact on our lives, business and the economy. The GAIL team has been diligently responding to the COVID-19 outbreak from the last year onwards. GAIL's dedicated working groups and the management has been tirelessly working to ensure business continuity, the safety of its people and society responsibly.

As a responsible corporate citizen, GAIL has pledged to utilize and allocate its resources to improve community well-being as a part of its CSR agenda. GAIL has partnered with several government bodies in conducting vaccination drives, set up PSA oxygen plants in 12 government hospitals and provided several pieces of medical equipment across the nation.

GAIL's efforts reflect on its duty to its people and the nation. GAIL has taken utmost care of its employees to keep them safe from the outbreak. The necessary safety precautions were implemented at the workplace to maintain a good hygiene workplace environment. Awareness sessions on COVID-19 precautions were carried

out for employees and workers at all levels. GAIL also implemented a weekly roster for employees at offices/plants on 50% rotational attendance based on work exigencies; work-from-home was granted to employees on a rotational basis.

In addition, GAIL provided resources to address the social, physical and mental wellbeing of the employees. Well-equipped occupational health centres, ambulances were kept ready for employees with the full-time medical officer. It was ensured that all employees and workers are going through necessary occupational health check-ups at regular intervals.

During the initial phase of the pandemic, operations were significantly impacted. As a resilient company, within a short period, GAIL has bounced back to normalcy. To achieve business continuity, GAIL has deployed emergency measures and organisational instructions to ensure continuity of operations according to the level of risk identified. With improved digital and technological solutions such as the introduction of virtual meeting platform, e-note-sheet, secure access of systems for remote working, online transactions, mobile apps, etc, GAIL ensured business continuity and provided uninterrupted services to its customers.

As a response to mitigate the COVID-19 challenges, GAIL has spent INR 80 crore to help its people and society. GAIL has contributed INR 50 crore towards PM CARES Fund, INR 30 crore on projects to provide oxygen cylinders, concentrators, PSA plants, set up super-speciality ICU unit in Dakshina Kannada, Karnataka and supported in setting up quarantine ward in Rajahmundry, Andhra Pradesh.

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 2021

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. S K Agarwal, GM (SD) skagarwal@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.



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