



Sustainability Glimpses 2023



GAIL's **NET-ZERO** Mission

will be the **NET-GAIN** for India

GAIL is well-placed to play an important role in promoting use of natural gas with an existing LNG (liquefied natural gas) portfolio of more than 14 million tonnes per annum, diversity in supply sources and price indices as well as a wide pipeline network. In line with India's vision to achieve net-zero by 2070, it has completed a comprehensive study on science-based net-zero ambition and intends to achieve 100 percent reduction in Scope 1 and 2 emissions and a 35 percent reduction in scope 3 emissions by 2040. To cut its carbon footprints, it is venturing into green hydrogen production and aims to set up 3 gigawatts of renewable energy capacity by 2030.

Towards NET ZERO

VISION

Be the leader in the natural gas value chain and beyond, with a global presence.

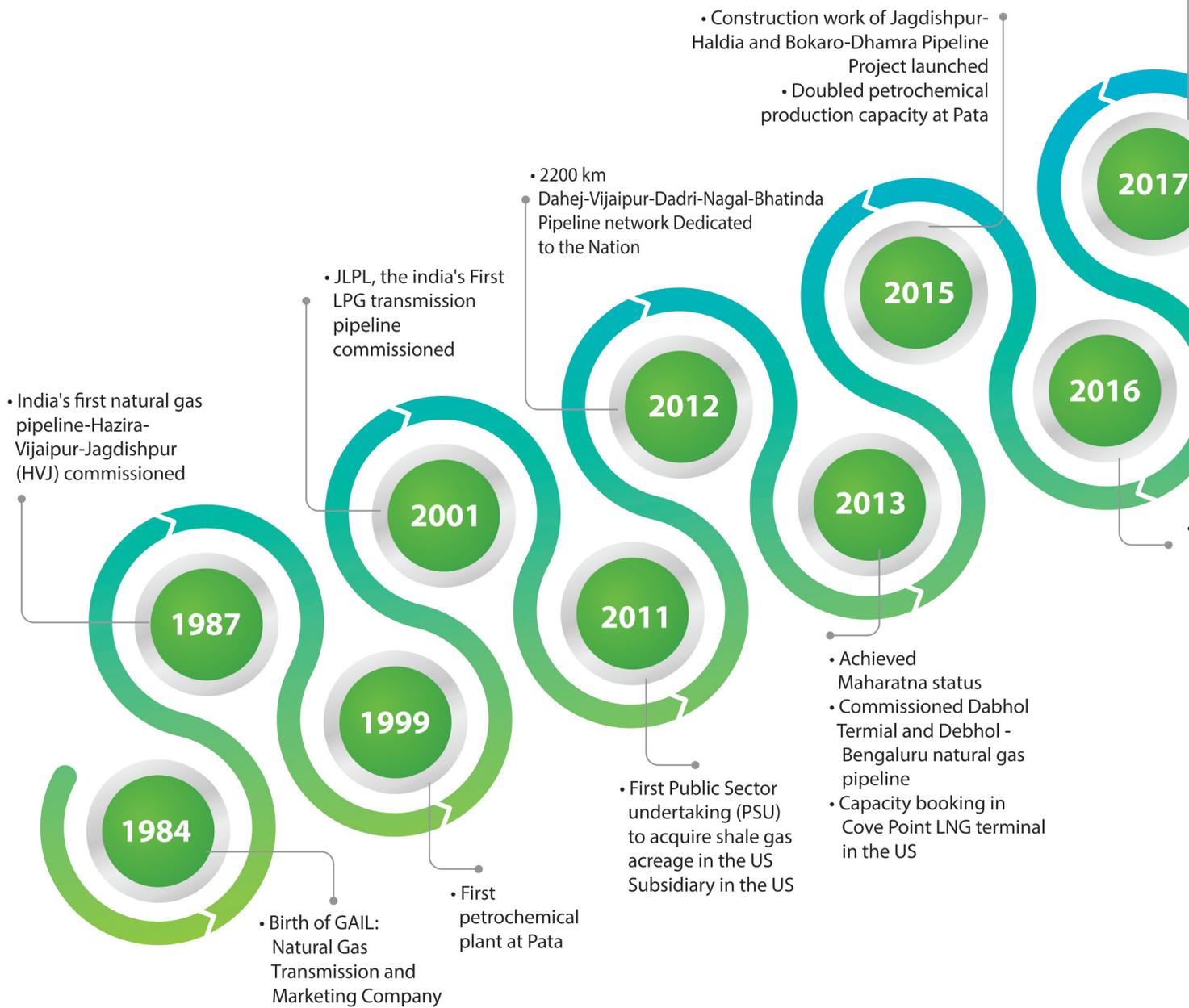
Creating value for stakeholders with environmental responsibility.

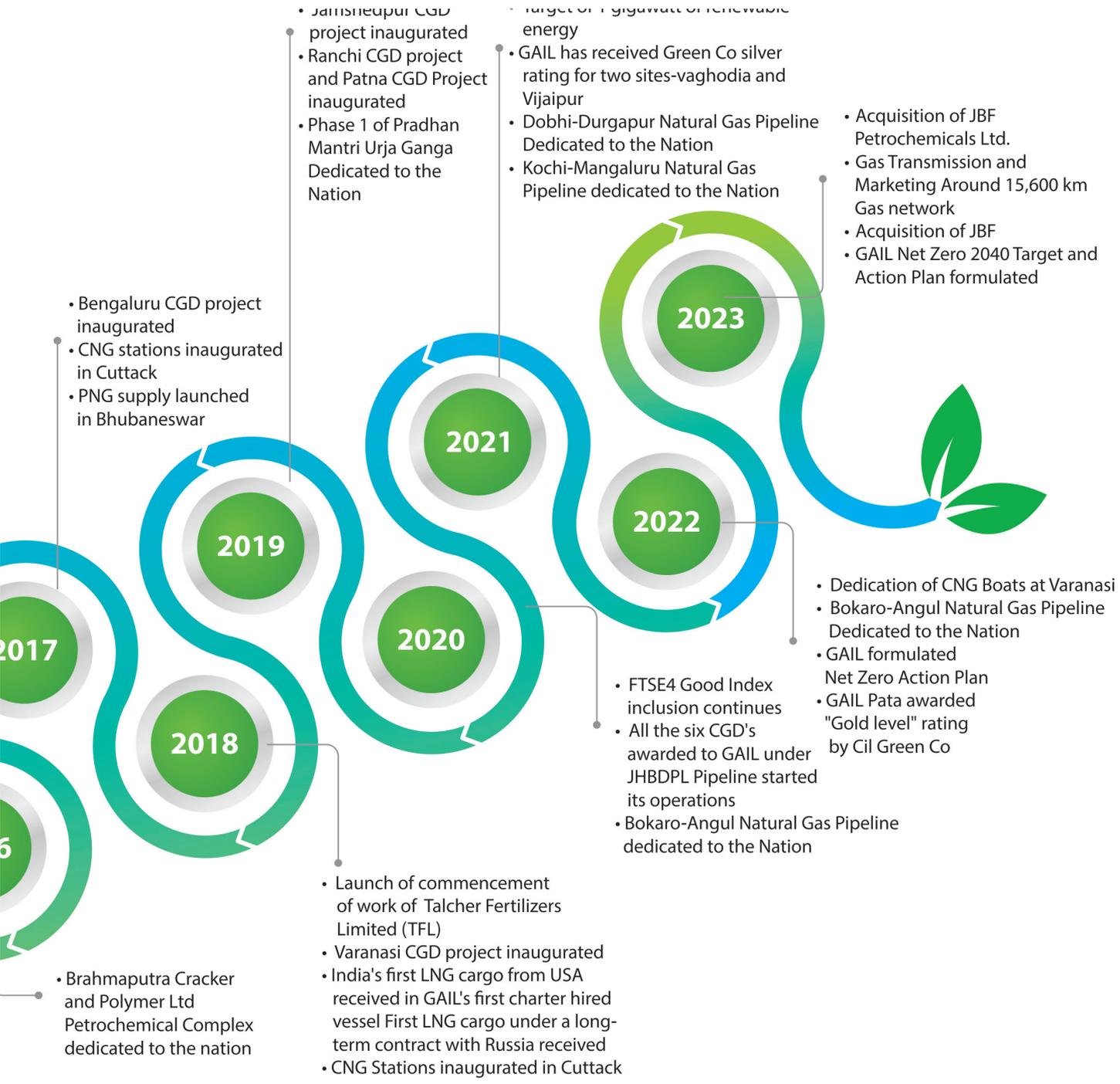
MISSION

Enhancing quality of life through clean energy and beyond



39 Years of Energizing Possibilities





Message from CMD

“To fulfill our Net Zero Commitments, GAIL has started rolling out decarbonization initiatives, with an impetus towards energy transition.”



Dear Stakeholders,

I am happy to share the 13th edition of GAIL's Sustainability Report- Towards Net Zero. This report stands as a testimony of our efforts in this domain while measuring our progress in sustainable development.

As we embark on the implementation of our Net Zero roadmap, the Sustainability Report for FY 2022-23 shares the initiatives and future outlook with the stakeholders as our strong commitment to Environmental, Social, and Governance (ESG) practices in the business value chain of the company.

The year 2022 has been a year of volatility for global energy markets. GAIL too had to bear the brunt of it and through its sustained efforts could sail through it with the support of all stakeholders.

I am glad to share that with the true spirit of resilience, strength and perseverance GAIL has recorded sustained performance in key physical and financial parameters during the financial year. For FY 2023, GAIL achieved the highest-ever Gross turnover and for the first time,

the turnover has surpassed the Rs.1,00,000 Cr. mark in its history while upholding world-class standards to ensure operational safety, performance, and growth.

As the country's flagship natural gas Maharatna Company, GAIL has given impetus to energy transition and decarbonization. Your Company while furthering the Government's vision of low-carbon energy access and security at the pan-India level in the form of natural gas, is operating around 15600 km of natural gas pipeline and plans to add another 4200 km of natural gas pipelines by the end of next year. Several initiatives are being taken to promote gas markets in new cities and create new market opportunities. We have also acquired 26% equity in the LNG Japonica vessel of Mitsui OSK Lines, Japan. Furthermore, at our petrochemical plant, we have commissioned a pilot-scale project on "CO₂ capture through the Microbial route" and are also setting up India's first Small Scale LNG plant at Vijaipur, MP.

To fulfil its net zero commitments, your Company has started rolling out its decarbonization initiatives, while also exploring energy transition



and green financing options. Given the framework for a decarbonised company, the key drivers for energy transition have been the penetration of renewable energy into the energy supply mix, adoption of electrification measures and new energy forms- hydrogen, CBG, and Biofuels, while also deep diving for the development of CO2 valorisation and energy storage. The ESG governance structure stands at the core of our commitments to future growth strategies, catering as a responsible business entity to all.

Sustainability is deeply ingrained in our operations and continuing on this path, in FY 2022-23, GAIL made significant progress in adopting Sustainable Factory GreenCo Rating. Six GAIL sites have achieved the feat of GreenCo silver rating. With these firm actions in place, we aim at creating a better world for the next generations and a valuable asset for investors. As part of the circular economy and value creation from waste, GAIL is also actively involved in installing Compressed Bio Gas (CBG) plants at Ranchi recently awarded Bengaluru and facilitating the CBG Scheme in total through Synchro & SATAT Schemes. Further, GAIL's pilot project of hydrogen blending in CGD Network is now blending 5% v/v hydrogen in AGL's PNG network and we are also setting up a 10 MW electrolyzer for green hydrogen production in Vijaipur, Madhya Pradesh, as we march towards establishing a hydrogen economy in India.

GAIL as Part of its societal responsibilities for social and economic parameters is committed to the upliftment of the social and economic conditions of designated Aspirational districts. We have gone over and beyond by implementing strategic CSR projects in 20 aspirational districts with an amount spent of INR 12.54 Crore. while incurring an expenditure of ₹99.10 Crore. as part of CSR.

Digitization today has emerged as a tool for leapfrogging businesses and improving efficiencies while reducing carbon footprints. GAIL takes pride in being at the forefront of the adoption of the latest technological advancements and has inaugurated first state-of-the-art centre for Vendor Invoice Management (VIM) - Shared Service Centre (SSC) called SARATHI, which centralizes and automates the payment processes.

I take pride in sharing with you all that your Company has been the recipient of prestigious awards and accolades on the basis of its sustainable business practices. GAIL was accorded 'Green Ribbon Champions' by CNBC, Network18 Media & Investments Limited for the decarbonization initiatives taken by the organisation, stands first among other PSUs (Public Sector Undertakings) to achieve "A" grade rating, India's Most Sustainable Companies 2022 by Business world Magazine and ranks 1st among PSUs in the Climate Leadership Report-2022 by Futurescape and Economic Times (ET) Edge. GAIL has again been included in FTSE4Good Index Series for affirming its strong commitment towards Environmental, Social and Governance (ESG) practices in the Oil & Gas Sector.

We at GAIL, as responsible corporate remain committed towards climate change mitigations as ever to secure the country's present & future energy needs in a sustainable way. We are sure of your support in GAIL's energy transition journey towards its Net Zero endeavours.

Sandeep Kumar Gupta

Chairman & Managing Director





GAIL (India) Limited



Existing Gas Pipeline Network of **15,600 km** and additional **4,200 km** under construction

Total **42%** shares of CNG station operated by GAIL

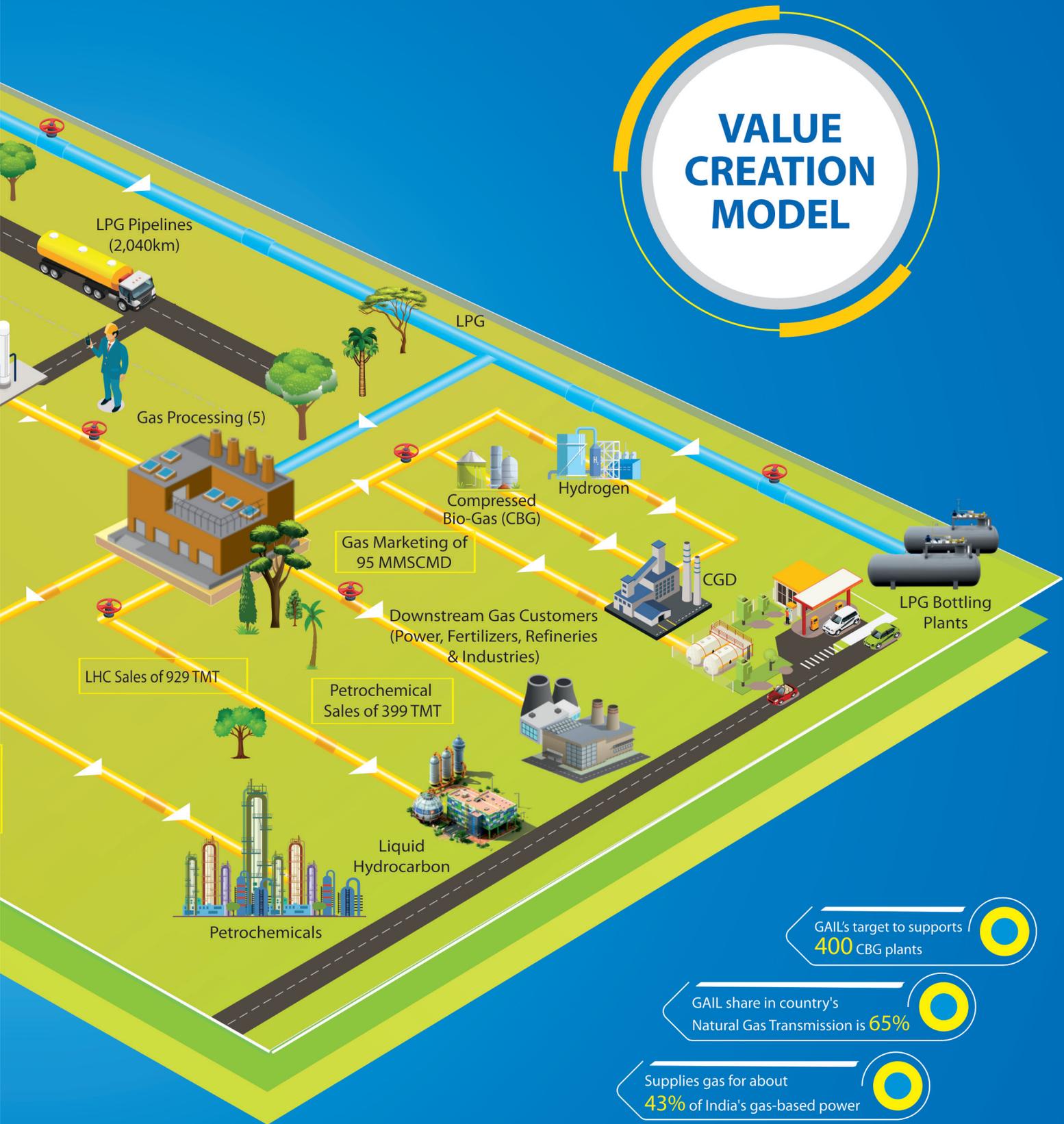
Total **66%** of domestic PNG connection in India supplied by GAIL with 10 lakhs new connections in FY 2022

2nd largest player in polyethylene portfolio

Authorized to operate in **67** geographical areas throughout India

15% domestic market share in Petrochemicals

VALUE CREATION MODEL



GAIL's target to supports **400** CBG plants

GAIL share in country's Natural Gas Transmission is **65%**

Supplies gas for about **43%** of India's gas-based power

Setting up the largest PEM Electrolyser for producing **4.3 TPD** Green Hydrogen.

GAIL Supplied around **67%** of the gas consumed in the Fertilizer Sector in the country in FY 2023.

GAIL Greening Efforts



Shri Sandeep Kumar, CMD, GAIL watering the sapling planted at GAIL Pata
Tree Plantation Drives & other related events are organized and celebrated at GAIL locations



Sapling Planted by Shri Deepak Gupta, Director Projects, GAIL during visit at Vizag with
Shri Sandeep Kumar Gupta, CMD, GAIL



GAIL Greening Efforts



On the occasion of World Environment Day Shri R K Jain Director (Finance), GAIL (on right side) promoting tree plantation



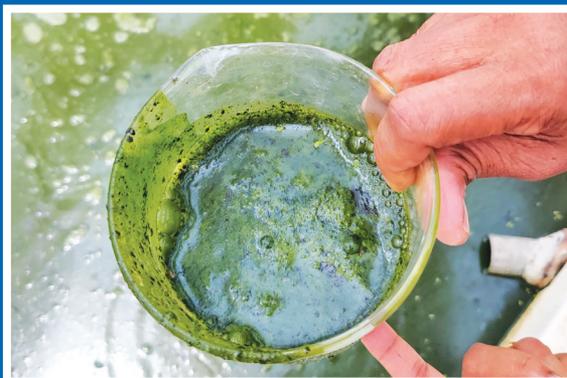
GAIL employees undertook a nationwide cleanliness drive and tree plantation across GAIL locations during Swachhta Pakhwada

GAIL Committed towards Renewable Energy



Initiatives like Rooftop Solar Installation at various locations have been taken by GAIL as per its Renewable Energy Vision

Carbon Utilisation Pilot Project Snapshot



CO₂ fixation using Microalgae : GAIL implemented a pilot project for fixing CO₂ (1TPD) using Microalgae in an Open Raceway Ponds at the Pata petrochemical complex in association with CIMFER, Dhanbad.



Deepening efforts towards Energy Security and Decarbonisation



Shri Sandeep Kumar Gupta, Chairman and Managing Director, GAIL (India) Limited and Ms Fatema Al Nuaimi, CEO ADNOC LNG exchanged Memorandum of Understanding in the presence of Shri Hardeep Singh Puri, Hon'ble Minister of Petroleum & Natural Gas and Minister of Housing & Urban Affairs, India and His Excellency Dr. Sultan Ahmed Al Jaber, Hon'ble Minister of Industry and Advanced Technology, UAE Special Envoy for Climate Change and ADNOC Managing Director and Group CEO at ADIPEC

National Award for Excellence in Cost Management from ICAI



GAIL wins National Award for Excellence in Cost Management from ICAI



Shri Sandeep Kumar Gupta, CMD, GAIL received India's 'Best CEO' award for Oil and Gas Sector from Shri Jyotiraditya Scindia, Hon'ble Union Minister of Civil Aviation and Steel, Government of India at the BT Mindrush programme organised by India Today group on the basis of company's performance for the FY 2022-23



CMD, GAIL and Chairman GAIL Gas Limited, Shri Sandeep Kumar Gupta inaugurated the Industrial PNG supply for Fuel Cell installed at Data Centre of Nxtra Data Limited (a subsidiary of Bharti Airtel) by Bloom Energy in Whitefield, Bengaluru





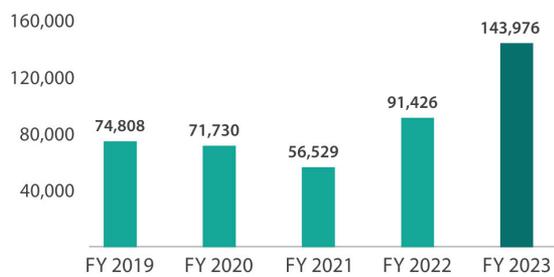
GAIL has been awarded the prestigious 'Best Natural Gas Pipeline Transportation Company of the Year Award' and 'Best Managed Project of the Year Award' for the Vijaipur-Auraiya Pipeline Project at the Oil & Gas Awards 2022, by the Federation of Indian Petroleum Industry (FIPI). The award was received by Shri Sandeep Kumar Gupta, CMD, GAIL along with Shri M V Iyer, Director (Business Development), GAIL, and Shri Deepak Gupta, Director (Projects), GAIL from Shri Hardeep Singh Puri, Hon'ble Minister of Petroleum & Natural Gas and Housing and Urban Affairs, and Shri Rameswar Teli, Hon'ble State Minister of Petroleum and Natural Gas & Labour and Employment, in the presence of Shri Pankaj Jain, Secretary, Ministry of Petroleum and Natural Gas.



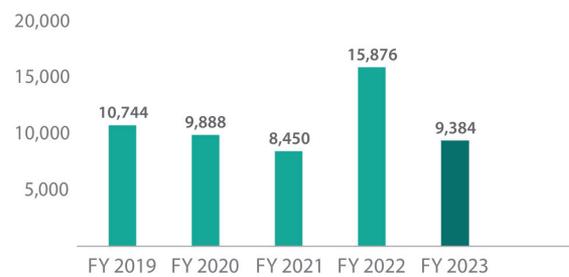
GAIL Management felicitating Quality Circle Project Winners to promote culture of excellence in operations and maintenance

Performance Highlights Financial Performance - Standalone

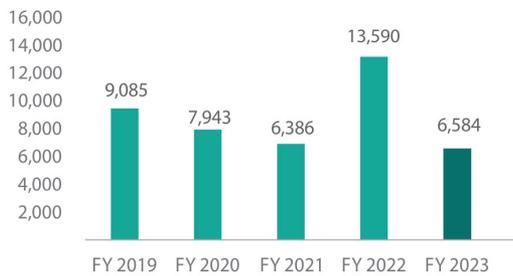
Turnover (Gross) (INR crore)



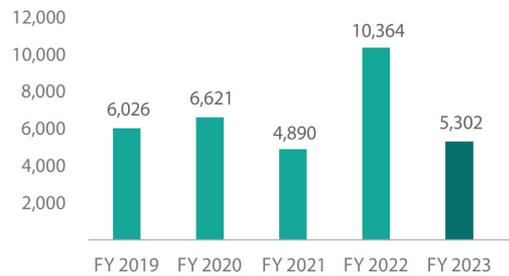
Gross Margin EBITDA (INR Crore)



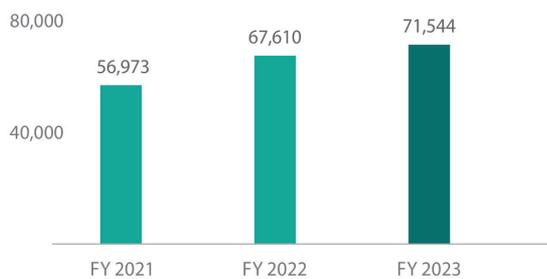
Profit Before Tax (PBT) (INR crore)



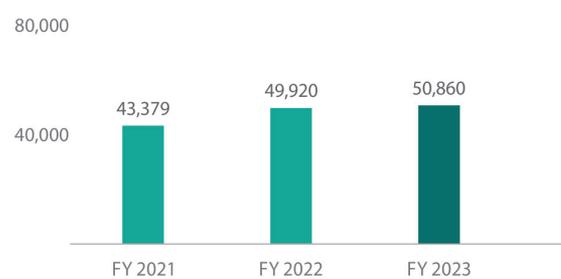
Profit After Tax (PAT) (INR crore)



Capital Employed (INR crore)

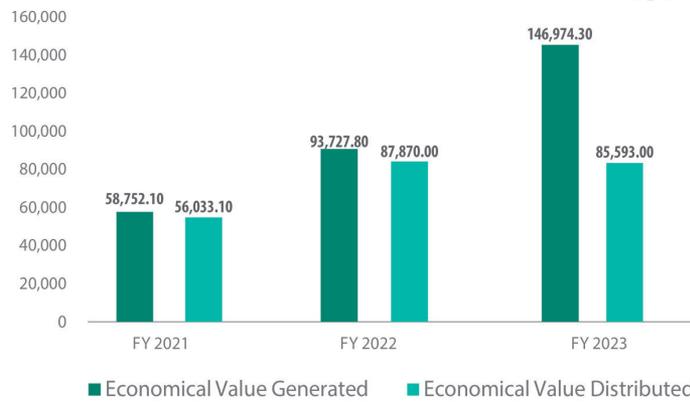


Net Worth (INR crore)



Economics, Social & Environmental Performance

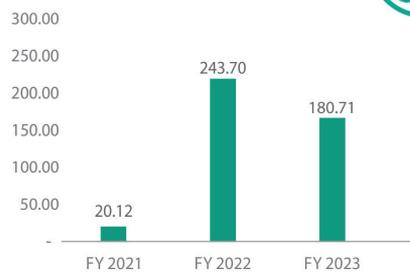
Economic Value Generated vs Distributed (INR crore)



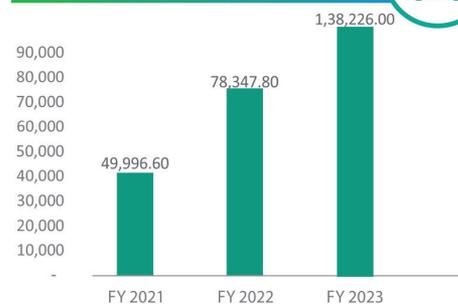
Procurement Highlights (INR crore)



R&D Expenditure (INR crore)

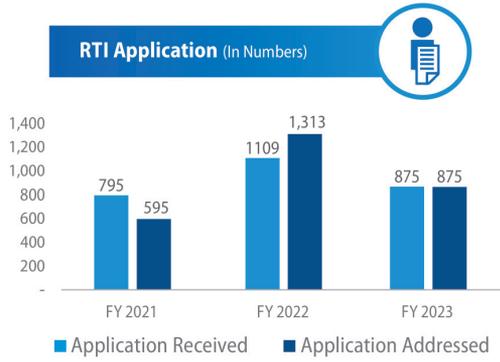


Operating Cost (INR crore)



Economics, Social & Environmental Performance

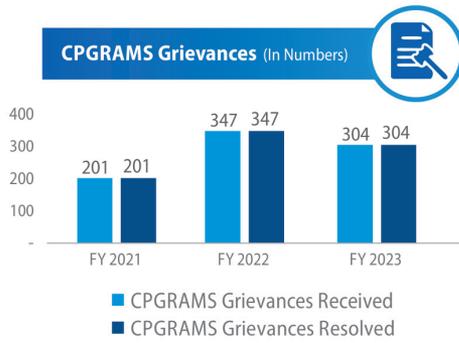
RTI Application (In Numbers)



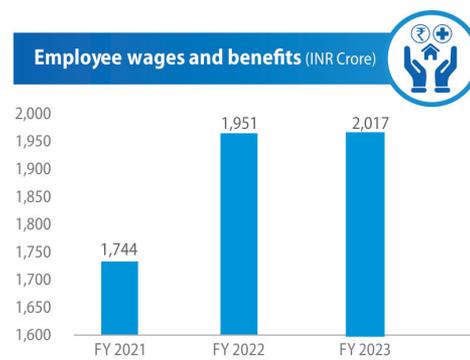
Customer Satisfaction Index (Score)



CPGRAMS Grievances (In Numbers)



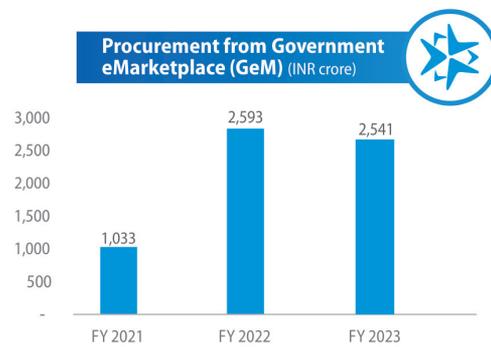
Employee wages and benefits (INR Crore)



Loan Outstanding (INR crore)



Procurement from Government eMarketplace (GeM) (INR crore)

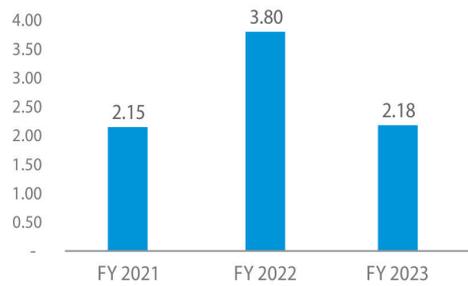


*Excluding lease liability

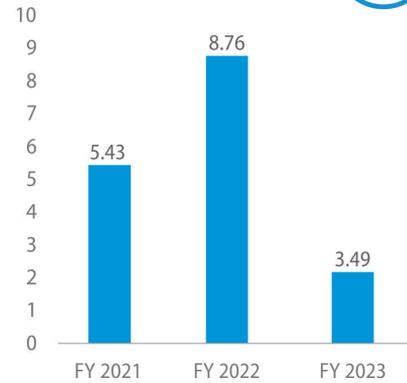


Economics, Social & Environmental Performance

Value Add Per Employee (INR crore)



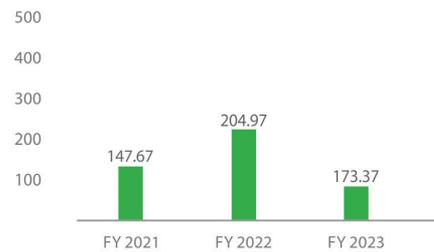
Human Capital Return on Investment



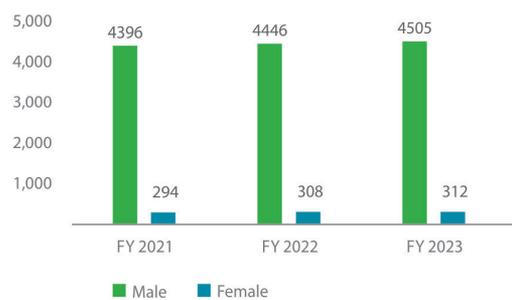
Total employee turnover rate (In %)



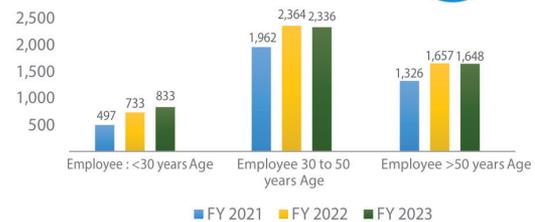
CSR Expenditure (In Crore)



Permanent Employee Distribution (In Numbers)



Permanent Employee Distribution (Age) (In Numbers)

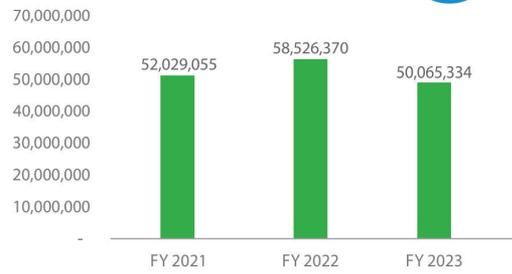


Economics, Social & Environmental Performance

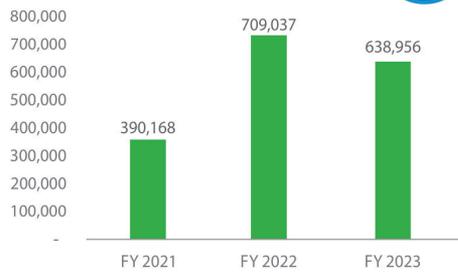
New Permanent Employee (In Numbers)



Energy Consumption (In GJ)

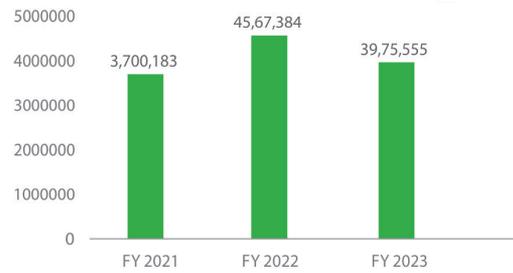


Energy Savings (In GJ)



Savings are reported based on energy saving initiatives implemented as sites/offices

GHG Emissions (in tCO₂e)



GHG Savings (in tCO₂e)



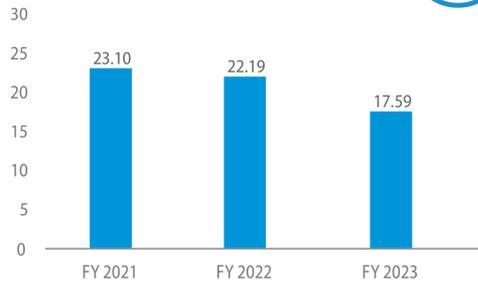
Savings are reported based on energy saving initiatives implemented as sites/offices

GHG Intensity (Scope 1+2) (in tCO₂e / turnover in INR Crore)

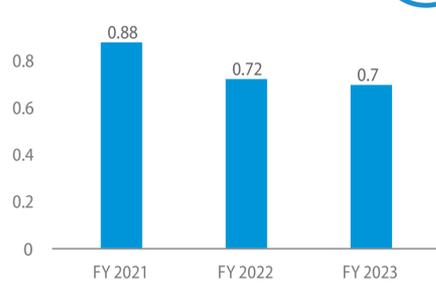


Economics, Social & Environmental Performance

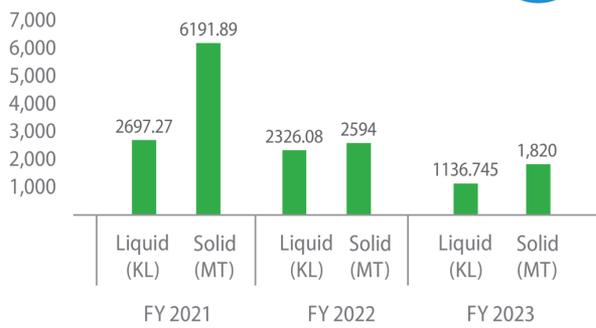
Water Consumption
(in million m³)



Water Recycling
(in million m³)

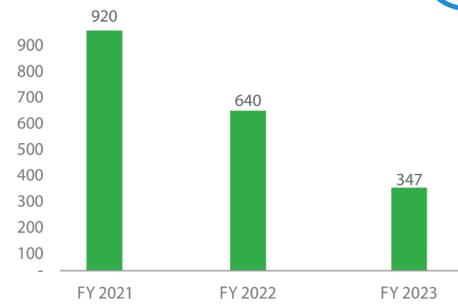


Waste Recycling
(Including Hazardous and Non-Hazardous)



Total Energy Intensity

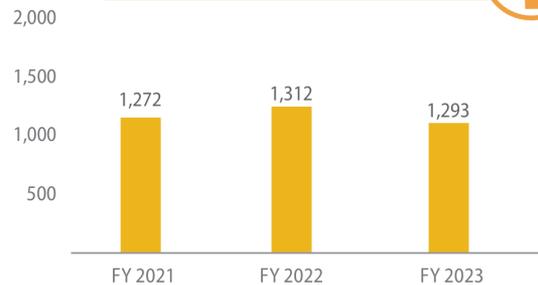
(Energy Consumption/Total Annual Turnover) (GJ/INR Crore)



Health Safety & Environment Score

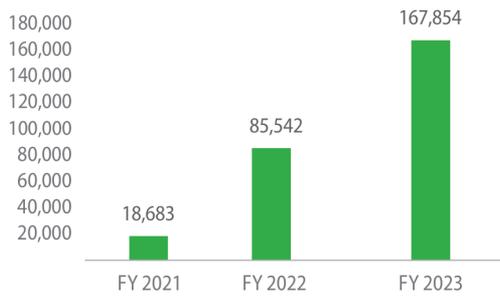


Total Near Miss cases (In Numbers)



Economics, Social & Environmental Performance

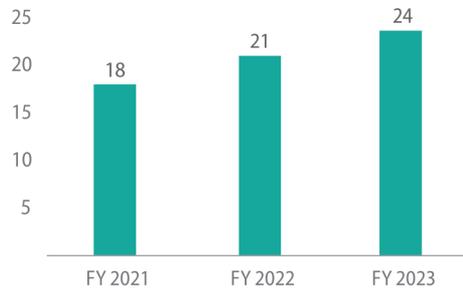
Tree Plantation (in Numbers)



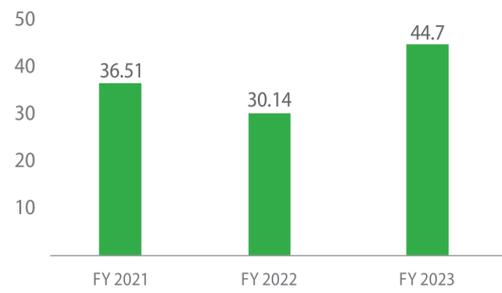
Cumulative No. of tree Plantation (Sites+Township) (In Numbers)



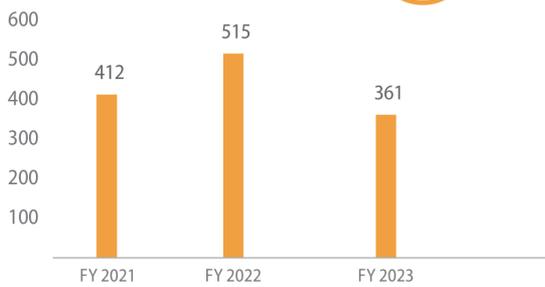
Water Charges (INR Crore)



Total Environmental Expenditure (INR Crore)



Power Charges (INR Crore)



Gas Charges (INR Crore)



Operational Performance

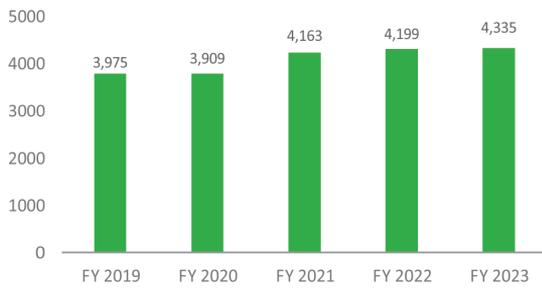
Liquid Hydrocarbons Sales (TMT)



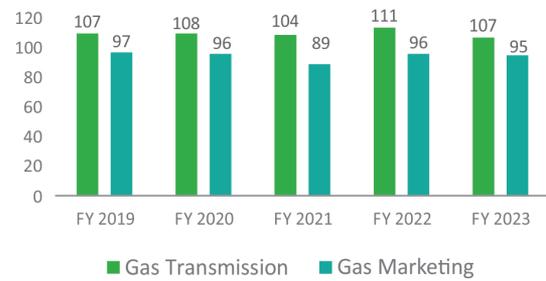
Petrochemicals Sales (TMT)



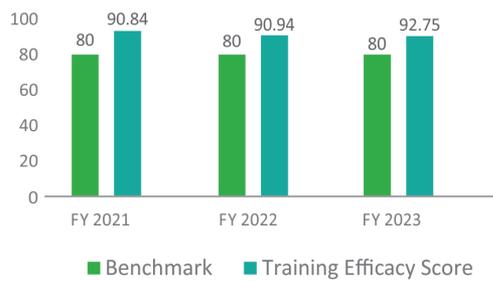
LPG Transmission (TMT)



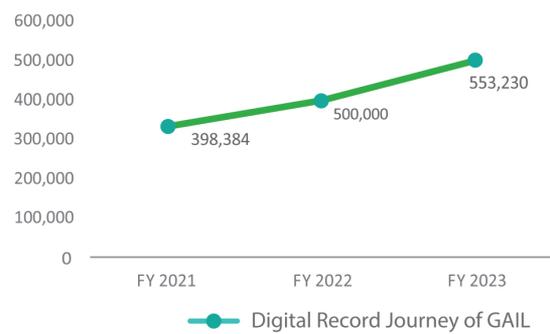
Gas Volume Trend (MMSCMD)



Training Efficacy Score



Digital Record Journey of GAIL (in Numbers)



Gas Sourcing & Sector Wise Supply (FY 2022-23)

(TOTAL 94.91 MMSCMD, % SHARE)

Overseas: 11.88 MMSCMD

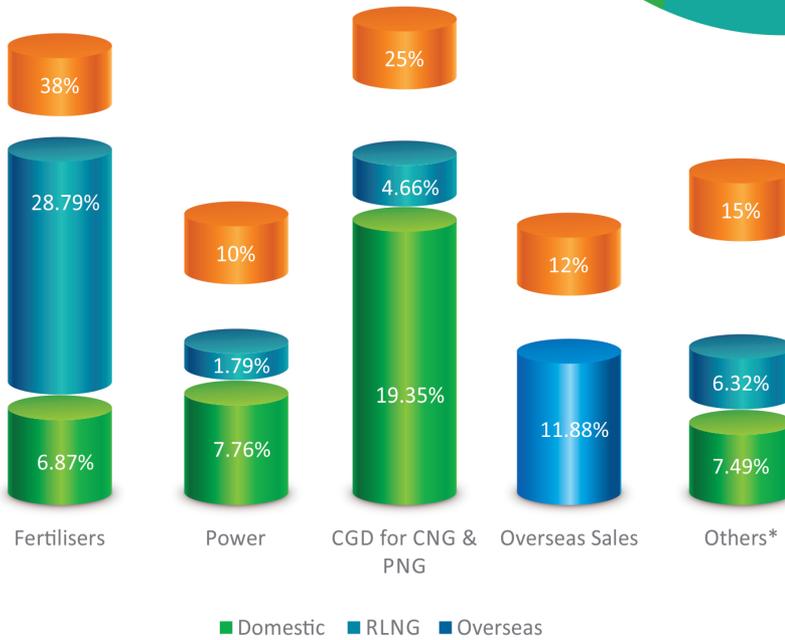
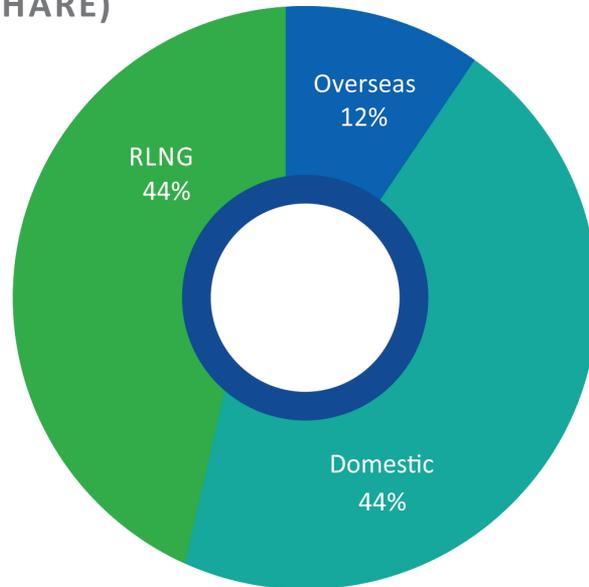
Overseas

Domestic Gas: 41.47 MMSCMD

Domestic Gas

RLNG: 41.56 MMSCMD

RLNG

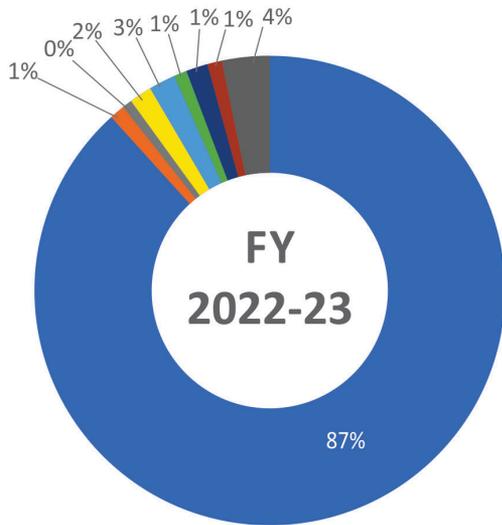


- Imported Gas primarily consists of Long Term RLNG and Spot
- Major sources for domestic gas are ONGC (APM & MDP), Ravva, Ravva satellite, CBM etc.
- Highest demand of Natural Gas from Fertilizer, Power & CGD companies

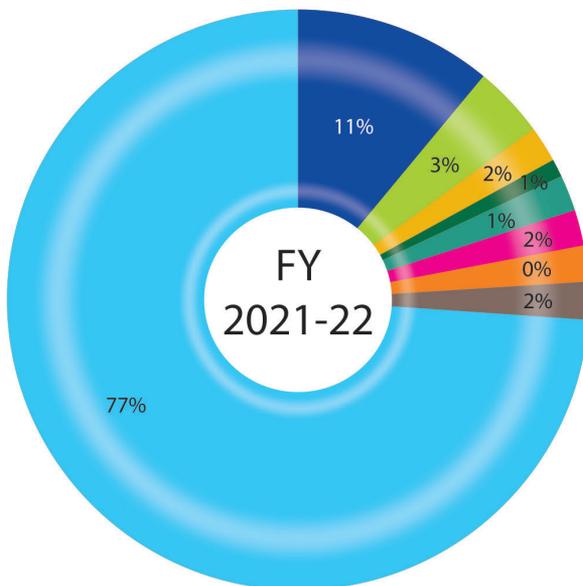
* Others include Steel, Refineries, Sponge Iron, Petrochemicals, GAIL Internal consumption etc.



Cost & Profit as a Percentage of Total Income (INR Crore, %)



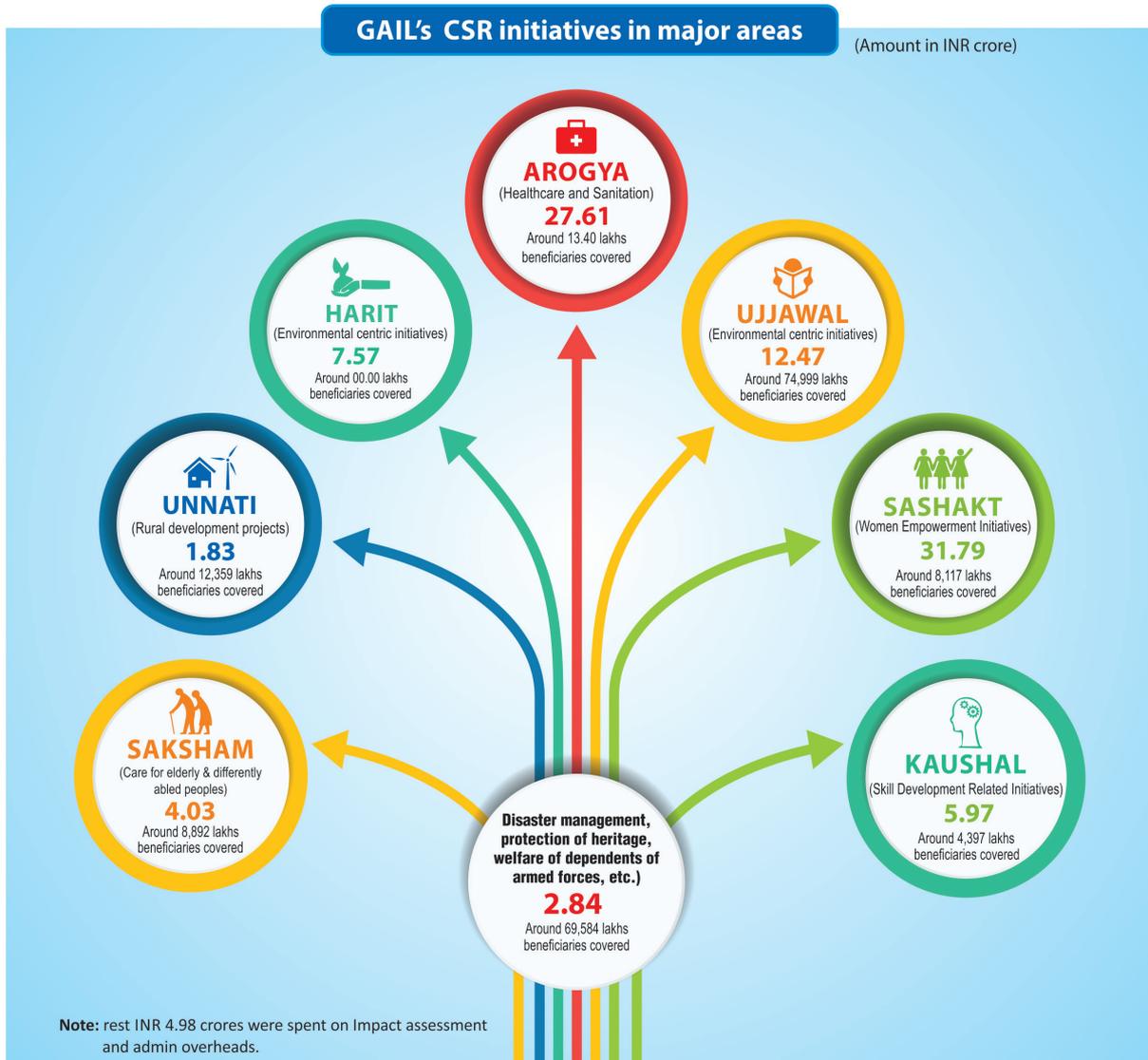
- Profit After Tax, 5301.51, 4%
- Tax Expenses, 1282.3, 1%
- Other Expenses & Exceptional Items, 1890, 1%
- Stores & Spares (incl.R&M expense), 1071.21, 1%
- Power, Fuel & Water Charges, 3991.79, 3%
- Depreciation & Amortization, 2488.07, 2%
- Finance Cost, 311.72, 0%
- Employee Benefit Expenses, 1773.77, 1%
- Purchase & Cost of Material Consumed, 128875.94, 87%



- Profit After Tax, 10363.97, 11%
- Tax Expenses, 3226.32, 3%
- Other Expenses & Exceptional Items, 2136.33, 2%
- Stores & Spares (incl.R&M expense), 1018.12, 1%
- Power, Fuel & Water Charges, 2168.89, 2%
- Depreciation & Amortization, 2111.17, 2%
- Finance Cost, 174.43, 0%
- Employee Benefit Expenses, 1711.17, 2%
- Purchase & Cost of Material Consumed, 70782.18, 77%



Our CSR programmes are carried out by designated implementation agencies. GAIL’s CSR project implementation agencies keep open a channel of communication with the identified beneficiaries. Through site visits, our nodal officers contact with beneficiaries/communities on a regular basis. These discussions aim to promote community engagement by identifying genuine needs and bridging last-mile delivery gaps.



Details of GAIL Initiatives

16.4.1 GAIL Arogya:

GAIL is taking proactive steps to address health and sanitation issues by implementing initiatives that make primary health care facilities accessible and affordable to rural and vulnerable areas. These efforts are being undertaken through GAIL’s flagship project, Arogya.

Objectives of GAIL Arogya:

- Improve the local communities’ health and sanitation facilities and increase their awareness on various health diseases
- Support low-income residents and increasing their accessibility of healthcare services through various healthcare initiatives



Towards Sustainable Factories



GAIL Jhabua has been certified CII-GreenCo SILVER rating at “GreenCo Summit -2023” organised by CII at Westin, Pune b/w 12 to 13th July 2023 for the financial year 2022-23.

The GreenCo Silver Rating is valid Upto 24.04.2026.

This is the first standalone compressor station to achieve “Silver” rating in its first attempt and a significant step towards net zero achievement of GAIL on its way to Net Zero-2040.

The award received by OIC/GM(O&M) of Jhabua compressor station Shri. Shashank Shawrikar, Shri. Prabuddha Majumdar, DGM (O&M) and Shri. Yedukondalu. M, SM (O&M).

FTSE
Russell

CERTIFICATE OF MEMBERSHIP

This is to certify that

Gail India

is a constituent company in the FTSE4Good Index Series



FTSE4Good

June 2023

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

V3.0





GAIL's **NET-ZERO** Mission
will be the **NET-GAIN** for India

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