

# GAIL Sustainability Glimpses 2019



GAIL (India) Limited  
India's **Youngest** Maharatna



**Execution**  
**Efficiency**  
**Excellence**





**Execution Efficiency Excellence**

# Vision

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

# Mission

Enhancing quality of life through clean energy and beyond.



## CMD Message

**GAIL through its consistent endeavors in the field of Sustainability, been included for third year in a row in the FTSE4 Good Index Series.**

**D**ear Stakeholders,  
Presenting the 9th Edition of GAIL's Sustainability Report for the financial year 2018-19, is a matter of privilege and pride. The report is compliant with the GRI Standards and aims to showcase our efforts towards enhanced value delivery to our stakeholders even also our

earnest engagement with the planet in making it a better place for the citizens.

**Energy plays a key role in driving India's economic growth and social progress.** GAIL, as a pioneer in providing clean energy is reshaping the natural gas industry in India and is also striving to establish sustainable

practices in every facet of its business verticals. Sustainable efforts towards conservation of Energy, Resource and Environment are some of the key parameters for overall growth and development of an organization and nation as a whole.

GAIL is committed to play its part efficiently and effectively to





achieve the above along with continual improvement in its performance and progress as a company. GAIL achieved historic growth during the reported period by clocking its **highest ever Turnover of INR 74,808 crore and Profit after Tax of INR 6,026 crore in its journey of over three decades**

As an organization, we are dedicated and focused towards expanding our core business segments of natural gas transmission and trading. GAIL is rapidly scaling up its City Gas distribution and Petrochemicals verticals to leverage upon the core strengths across the natural gas value chain. Within the next five years, GAIL is planning to invest over INR 45,000 Crore in developing mid-stream pipeline assets as well as in the expansion of Petrochemicals and downstream City Gas distribution projects.

GAIL has made rapid progress in the execution of the "Pradhan Mantri Urja Ganga" natural gas pipeline project spanning over 2600 Km from Jagdishpur-Haldia-Bokaro up to Dhamra. The first

phase of the project is commissioned with Varanasi and Patna being now connected to the gas grid. Further to this, As an integral part of JHBDPL Pipeline, GAIL has been authorized by PNGRB to provide connectivity to the North eastern region of India through Barauni —Guwahati Pipeline (730 Km); project work is underway and this crucial stretch is expected for commissioning by 2021-22 paving the way for being the definitive feeder link to around 1600 Km North Eastern Gas grid- 'Indradhanush'.

**GAIL remains actively engaged with the Government in shaping**

**policy contours for expanding gas markets in India.** GAIL's investments are aligned with the government's objective of raising natural gas consumption share in India's energy basket to 15% by 2025 (currently at 6.2%) addressing climate change imperatives. Our recently finalized 'Strategy 2030' recommends pursuing expansionary and a diversification path by capturing the exciting and challenging scenarios in an unfolding era of changing consumer expectations and environmental consciousness.

At GAIL, we are cognizant of climate change and sustainable development initiatives taking the center-stage at the global platforms. It is now imperative for the oil and gas sector to adopt innovative and newer technologies and solutions to make an impactful presence. Through this report we share our





## प्रधानमंत्री उर्जा गंगा

GAIL is supporting GoI in strengthening gas infrastructure under Pradhan Mantri Urja Ganga Yojna

sustainability strategy as well as our performance report on environmental, social and corporate governance. We have achieved a significant improvement in this area through energy saving initiatives at various process plants and also through increased use of renewable energy at our plants. Our consistent efforts in making our operations increasingly sustainable and environment friendly have led to GAIL being included in the FTSE4 Good Index Series for third year in a row.

We believe in building trust amongst our stakeholders and assure them transparent, responsive and efficient services. We work towards ensuring our employees' safety, satisfaction and happiness and keep our communication channels open to all our stakeholders. We respect the natural habitats and the local communities in the areas we operate in and work towards

nurturing its flora and fauna. GAIL's CSR projects/activities continue to reshape sustenance and livelihood of over 3 million underprivileged people.

In FY 2018-19, the expenditure under the Corporate Social Responsibility recorded an expenditure of 2.74% of the average profits against the mandated norm of 2% by the central government. These sustained initiatives have led to GAIL's CSR winning many accolades during the year such as '2Good 4 Good' award. GAIL has been spreading environmental awareness and responsiveness through the 'Hawa Badlo' campaign series and has garnered an outreach of over 60 million viewers in a short span and was awarded 'The Kaleido

Award 2019' adjudged by The Economic Times.

Our philosophy of creating value beyond business and keeping sustainable development at the heart of business is embodied in this report aptly titled "Execution Efficiency Excellence" and reasserts our resolve to create a sustainable future for our stakeholders. I look forward to your valuable comments and feedback on our initiatives so as to enhance the delivery in all our sustainable engagements.



**Dr. Ashutosh Karnatak**  
CMD & Director (Projects)  
GAIL (India) Limited



GAIL's HawaBadlo initiative was shortlisted as one of the best campaigns in Public/ Government Category and has received The Kaleido Award 2019 for its HawaBadlo Campaign.





## Our Commitment to Sustainable Development Goals

*"For the people of India, it is a matter of satisfaction that there are many similarities between the path India has chosen for development and the UN goals for sustainable development*

*- Shri Narendra Modi, Prime Minister of India.*





**1** **1 NO POVERTY**

- GAIL Ujjwal
- GAIL Kaushal

**2** **2 ZERO HUNGER**

- GAIL Ujjwal
- GAIL Kaushal

**3** **3 GOOD HEALTH AND WELL-BEING**

- Functional excellence framework
- Legal Compliance Management System
- Waste Management
- HSE Management System
- HawaBadlo
- Labour Practices
- GAIL Arogya

**4** **4 QUALITY EDUCATION**

- GAIL Ujjwal
- GAIL Kaushal
- GAIL Shashakt

**5** **5 GENDER EQUALITY**

- Hiring Process
- GAIL Kaushal
- GAIL Shashakt

**6** **6 CLEAN WATER AND SANITATION**

- Water Management
- Waste Management
- GAIL Arogya

**7** **7 AFFORDABLE AND CLEAN ENERGY**

- Partnership with BHEL for Solar-based power project
- Energy Management System
- Solar Power System commissioned at Mumbai Pipeline Network
- Development of National Gas Grid

**8** **8 DECENT WORK AND ECONOMIC GROWTH**

- Functional excellence framework
- GAIL's contribution to Start-Up India
- Transparency in Doing Business
- Workforce Management
- GAIL Kaushal

**9** **9 INDUSTRY INNOVATION AND INFRASTRUCTURE**

- E-Pragati for Sustainability
- Functional excellence framework
- GAIL's contribution to Start-Up India
- Meter Calibration Facility at GAIL-Hazira
- Digital Transformation

**10** **10 REDUCED INEQUALITIES**

- Workforce Management
- GAIL Ujjwal
- GAIL Unnati
- GAIL Shashakt
- GAIL Saksham
- General Conditions of Contract

**11** **11 SUSTAINABLE CITIES AND COMMUNITIES**

- GAIL's contribution to Start-Up India
- GAIL Arogya
- GAIL Unnati

**12** **12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

- Implementation of rich lean corridor
- Energy Management System
- Energy saving initiatives at Vaghodia
- Water Management
- Waste Management
- Contribution to Start-Up India

**13** **13 CLIMATE ACTION**

- Partnership with BHEL for Solar-based power project
- Functional excellence framework
- Implementation of rich lean corridor
- Environment Management System
- Energy Management System
- Biodiversity Management
- Emission Management
- GAIL's contribution to Start-Up India
- Combating Climate Change Risk
- Green Procurement

**14** **14 LIFE BELOW WATER**

- Functional excellence framework
- Biodiversity Management
- Water Management
- GAIL Harit
- Green Procurement

**15** **15 LIFE ON LAND**

- Environment Management System
- Biodiversity Management
- Waste Management
- GAIL Harit
- Green Procurement

**16** **16 PEACE, JUSTICE AND STRONG INSTITUTIONS**

- Ethics and Integrity
- Transparency in Doing Business
- Labour Practices
- General Conditions of Contract

**17** **17 PARTNERSHIPS FOR THE GOALS**

- GAIL's contribution to Start-Up India
- Partnership with TERI





## Financial Performance



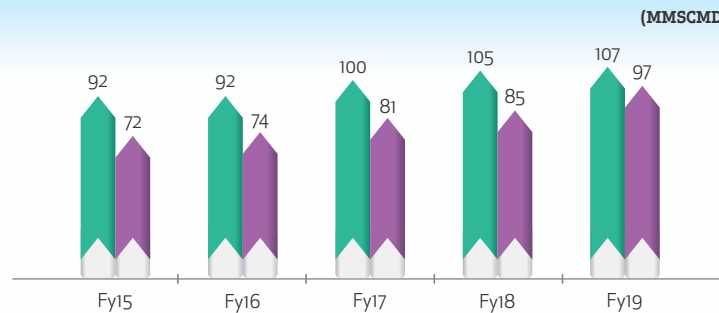
Over the last 5 years GAIL has considerably improved its financial performance

- With Gross Turnover has grown by 30.5%, the Gross Margin has increased by 91.7%
- The PAT has shown an increase of over 98% while the PBT has registered a growth over 100%
- \*Financial performance of standalone GAIL.

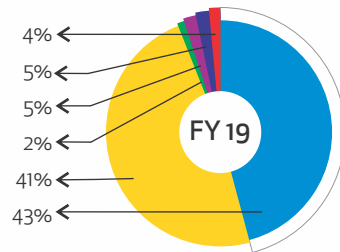


## Operational Performance

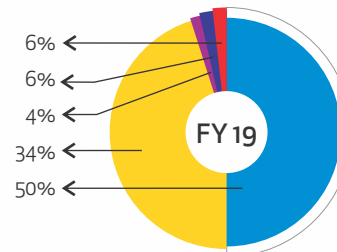
### Gas Volume Trend



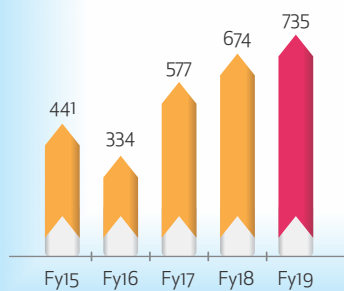
### Gas Transmission Mix



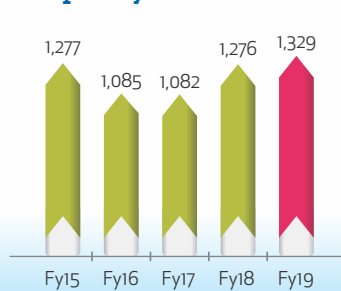
### Gas Marketing Mix



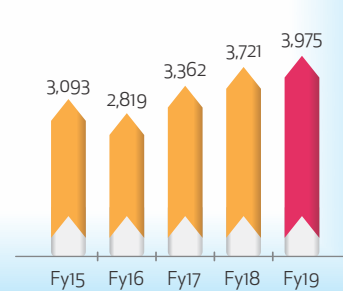
### Petrochemicals Sales



### Liquid Hydrocarbons Sales



### LPG Transmission



**GAIL has made significant progress in its operational performance.**

Over the last 5 years;

- Gas volume has increased by 16.31% while gas marketing has grown by 34.7%
- The Petrochemical Sales has grown by 66.67%
- Liquid hydrocarbon has registered a growth of 4.1% while LPG Transmission increased by 28.5%





## GAIL's Supply Chain

60%

Contributes more than 60% of the NG sold in India

67%

Supplies gas for about 67% of India's gas based power

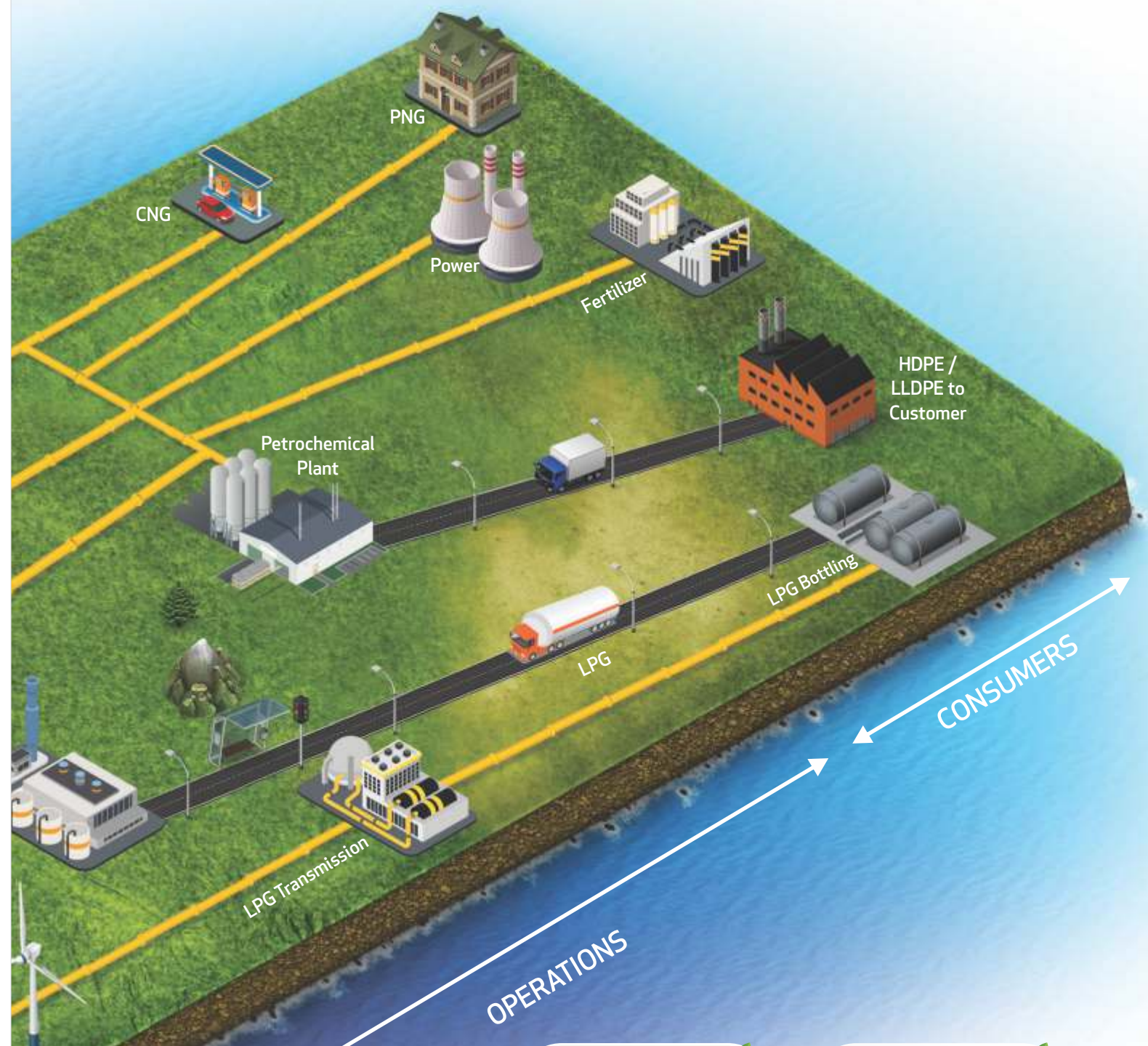
67%

Operates more than 67% of India's total CNG stations

2<sup>nd</sup>

2<sup>nd</sup> largest player in Indian Polyethylene portfolio Market





Produces every 25th LPG cylinder in india **25<sup>th</sup>**

Responsible for pipeline transmission of 1/6 of Total India's LPG Consumption **1/6**

Operates 75% of total Natural Gas transmission in India **75%**

Supplies gas for about 75% of India's total fertilizers produced **75%**





# Pradhan Mantri Urja Ganga Yojna

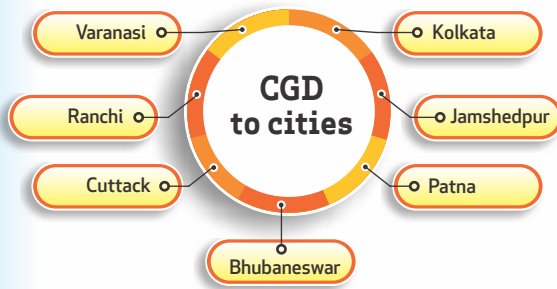


## प्रधानमंत्री ऊर्जा गंगा

 3400 Km Pipeline

 Investment ₹12,500 crores

 Spread Across 5 States



PNG connections



CNG Supply for Vehicles



Gas Station to be commissioned



People to get employment

### Project Detail

The Pradhan Mantri Urja Ganga project is a 3400 km long integrated piped supply and pipeline network development project and is also known as Jagdishpur-Haldia & Bokaro-Dhamra (JHBDPL) project from Barauni-Guwahati through 729 km pipeline.

### Project Updates

- The pipeline has reached Barauni and is ready to supply gas to refinery and upcoming fertilizer plant
- Completed awards for all major contracts worth 10,500 INR crores for pipe supply and laying.
- Laid Gas Distribution Network (GCD) that supplies Natural Gas for Patna city is started and has commissioned 165 km Gorakhpur spur line of PMUG project on 30th June 2019.
- Placed order worth 475 INR crores, for steel pipelines (~280 km) providing connectivity from Durgapur to Haldia including spur line to Kolkata in West Bengal.

## Towards New Horizon



Hon'ble Minister Shri Dharmendra Pradhan, Minister of Petroleum & Natural Gas and Skill Development & Entrepreneurship at City Gate Station, Varanasi on 3rd May 2018 with GAIL CMD & team.



Open Acreage Licensing Programme Bid Round-1, Signing of Contact.





## Swachh Bharat Mission



Swachh Bharat Fortnight is an awareness drive with the objective of bringing a fortnight of intense focus on the issues and practices of Swachhata or cleanliness.

## Hawa Badlo



GAIL Launched an initiative campaign – Hawa Badlo to theme idea is to promote behavior based changes in making Air Pollution-Free. It is also launched digitally to maximize its outreach.

## Utkarsh - Meritorious Students Empowerment



100 % students from 'GAIL Utkarsh' Kanpur centre & 50 out of 60 from Uttarakhand centres cleared JEE Mains

## Kaushal - Skill Development



- Skill Development Training extended to over 1500 individuals, including over 200 women
- 230 candidates trained in Plastic Product Manufacturing at 07 centres of Central Institute of Plastic Engineering & Technology (CIPET).
- 300 candidates trained at GAIL Institute of Skills in skill trades related to Hydrocarbon sector
- Total expenditure incurred in FY 18-19 – INR 41.47 crore





## Unnati - Rural Development



- Initiatives focus on developing rural infrastructure, reaching to 1.5 lakh beneficiaries
- Project Neer Nidhi, conceived with the objective of implementing water management, covers a population of over 21,000 residing in 17 villages
- 750 Solar Street lights installed in interiors of UP, Uttarakhand, Bihar, Jharkhand, Andhra Pradesh & Telangana.
- Total expenditure incurred in FY 18-19 – INR 13.60 crore

## Arogya - Health, Nutrition and Water



- Initiatives focus on Health, Nutrition, Sanitation and Drinking Water
- 56 Mobile Medical Units serving to nearly 11.28 lakh people living in 2331 villages spread across 40 districts in 12 states. Drinking Water Facilities extended to over 3.7 lakh people
- Sanitation facilities being extended to more than 10,000 people
- Total expenditure incurred in FY 18-19 – INR 44.84 crore



## Saksham - Care for Elderly & Differently Abled



- Initiatives focus on addressing the need of PwDs and elderly
- 250 divyangyodhas of BSF being trained in Computer Laboratory
- More than 470 Persons with Disabilities (PwDs) provided with assistive aids and equipment
- 310 elderly and destitute supported through provision of wheelchairs and adult diapers
- Total expenditure incurred in FY 18-19 – INR 1.08 crore

## Sashakt - Women Empowerment

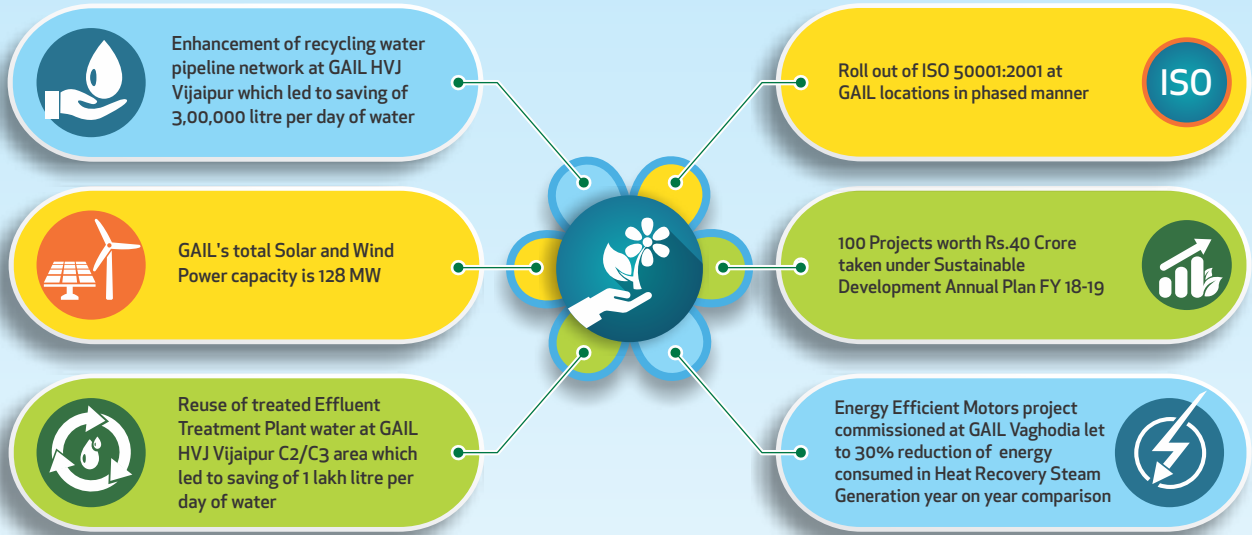


- Initiatives focus on Women Empowerment
- 165 females are trained in skills like- stitching, tailoring, beauty therapy and basic computers
- 70 female students are being given self-defence training
- Total expenditure incurred in FY 18-19 – INR 0.54 crore





## Major Sustainability Initiative



## FTSE Award - 3<sup>rd</sup> year in a row



GAIL included in the Global Sustainability Index "FTSE4GOOD Index Series" for 3rd Year in a Row. On being included in the global ESG Index, Dr Ashutosh Karnatak, CMD, GAIL (India) Limited said, "GAIL is committed towards achievement of Sustainable Development Goals. GAIL is implementing Sustainability initiatives at each and every plant and functions of the company.

## Global Recognition- 3rd Year in a Row

FTSE  
Russell

# CERTIFICATE OF MEMBERSHIP

This is to certify that

**Gail India**

is a constituent company in the FTSE4Good Index Series



## FTSE4Good

June 2019

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

Our stakeholders can share their constructive feedbacks or queries about the report at Shri R K Choubey, CGM (SD) at [choubeyrk@gail.co.in](mailto:choubeyrk@gail.co.in), Shri Arvind Kumar Namdeo, GM (SD) at [arvind.namdeo@gail.co.in](mailto:arvind.namdeo@gail.co.in) and also reach us at [sustainability@gail.co.in](mailto:sustainability@gail.co.in) in order to consistently improve GAIL's reporting performance.





## GAIL (India) Limited

India's Youngest Maharatna

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