

Mahanagar Gas Limited

ESG FACTBOOK FY 2022-23**

As on 31 March 2023

(**BRSR is available in Annual Report)

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Background/Preamble

Mahanagar Gas Limited (hereinafter referred as “the Company” or “MGL” or “We” or “Our” or “Us”) is one of the India's leading natural gas distribution companies. In adherence to MGL's commitment to transparency and robust reporting on sustainability, the Company strategically leverages the Business Responsibility and Sustainability Reporting (BRSR) framework as prescribed by India's capital market regulator, Securities and Exchange Board of India (SEBI) to disclose essential sustainability information.

In alignment to the company's commitment, this ESG Factbook highlights the supplementary sustainability dimensions that extend beyond the disclosures of the BRSR.

GOVERNANCE

Reporting Boundary

The reporting boundary covers 100% of the operating locations of MGL at the consolidated level, consisting of 5 City Gate stations and 31 working offices. In FY23, we have published the Business Responsibility and Sustainability Report (BRSR), as mandated by the Securities Exchange Board of India (SEBI). MGL, does not have any operating subsidiary companies and does not have any major holding in any of the companies.

(BRSR Reference: <https://www.mahanagargas.com:3000/MGL%20AR2022-23.pdf>)

Section A: questions 13, 16 and 21a (Page numbers: 104, 105 and 106 of the Annual report FY 2022-23)

Board Effectiveness

Board Performance

Annual Performance evaluation of the Board, its committees and of individual Directors

The Board has implemented a comprehensive framework to assess its performance, along with that of its Committees and Individual Directors, including the Chairman. This evaluation process is meticulously conducted through a structured approach, encompassing critical aspects of the Boards' operations, effectiveness & contribution, including but not limited to, the composition of the Board and Committees, the wealth of experience, and the competencies demonstrated by its members.

(Annual report FY 2022-23 reference: Page number: 87)

Board Meeting Attendance

During the fiscal year 2022-23, the Board exhibited an impressive average attendance rate of ~90%. This noteworthy commitment and engagement from Board members underscore their dedication to fulfilling their responsibilities. The consistently high attendance reflects a proactive approach to governance, ensuring robust participation in key decision-making processes. The eligibility for sitting fees in MGL is not contingent upon a minimum number of Board meetings attended, as the fees are paid per meeting attended. However, in the case of the yearly Commission in MGL, the amount is fixed regardless of the number of meetings attended. It's important to note that a Director must participate in at least one meeting during a financial year to avoid disqualification.

Board Election

In accordance with Section 178 of the Companies Act, 2013, and the Listing Regulations, the Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMP), Senior Management, and other employees serves as a comprehensive guide. It delineates criteria such as qualifications, positive attributes, and independence for Directors. Additionally, the policy outlines key considerations related to remuneration, appointment, removal, and performance evaluation of Directors, Key Managerial Personnel, Senior Management, and other employees. This policy, essential for governance, transparency, and accountability,

is easily accessible on the company's website, ensuring stakeholders can stay informed about the principles guiding the organization's leadership and remuneration practices.

(Annual report FY 2022-23 reference: Page number: 87)

Board Tenure: Average tenure of Board members in years: **1.432**

Risk Management

(Risk Management Policy reference available on the company's intranet)

Risk Management

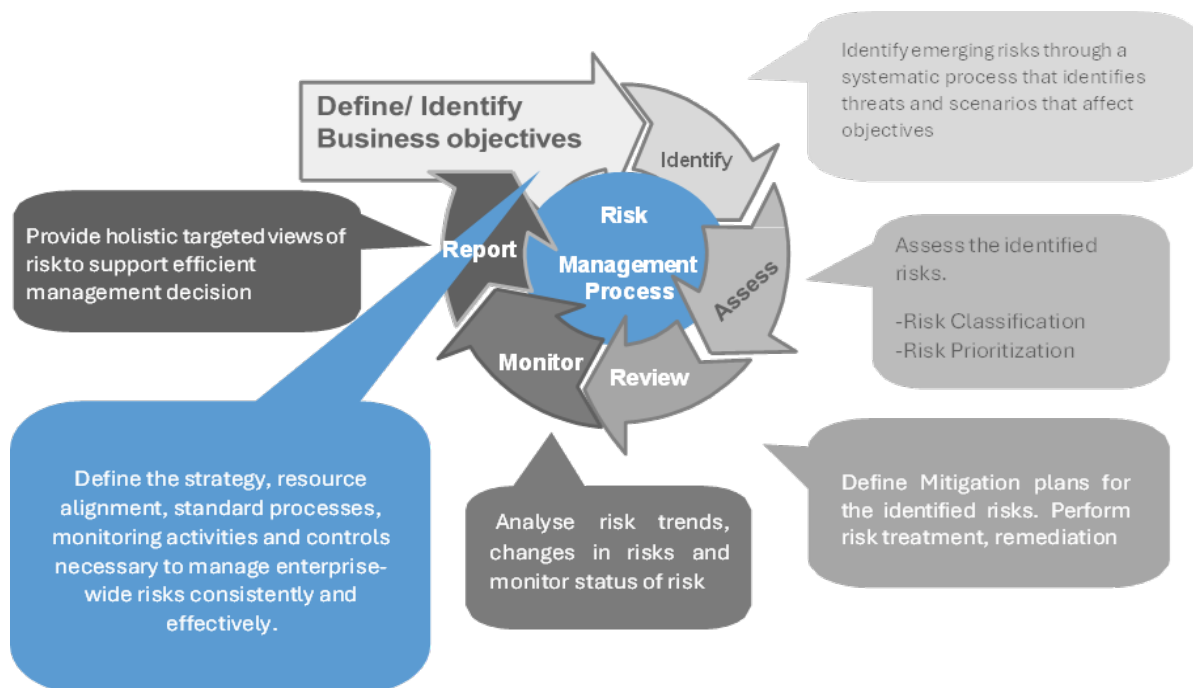
At MGL, we uphold an unwavering commitment to the integrity and autonomy of our Risk Management function. In MGL we have the Risk Management Committee (RMC) that oversees the activities of Risk Management Department. Enterprise Risk Management (ERM) policy of MGL has clearly defined structure of RMC. Our commitment finds expression in a well-structured and credible reporting system. The Risk Management framework has been meticulously crafted to ensure operational independence and impartiality, prioritizing the best interests of both our organization and stakeholders.

In essence, MGL is deeply committed to a risk management approach that not only meets regulatory requirements but also actively contributes to the assurance of our stakeholders, thereby reinforcing our reputation for responsible and transparent business practices. In MGL, Chief Risk Officer (CRO) position is critical for ensuring the effectiveness of risk management practices in an organization. To ensure the CRO's independence, MGL have:

Clear reporting lines: The CRO reports directly to the Managing Director (MD) to ensure functional independence. This ensures that the CRO's decisions are not influenced by other departments or executives.

Autonomy: The CRO have the authority to make decisions and implement risk management policies without interference from other departments or executives.

Risk Management Process



Risk Prioritization

MGL believes in taking practical steps to find and understand the risks in the business. We have thorough talks with our team to figure out which risks are most important, giving us a complete view of possible problems.

This step involves identifying and selecting critical risks from the Risk Register.

An inherent Risk Assessment is performed for the risks i.e., the impact and likelihood of occurrence is evaluated assuming that controls are not in existence. This allows the business to focus on the most important risks, 'Risks That Matter' (RTM). For the RTM's, a separate assessment on effectiveness of risk mitigation is provided as part of risk reporting. Risks assessment is carried out based two criteria:

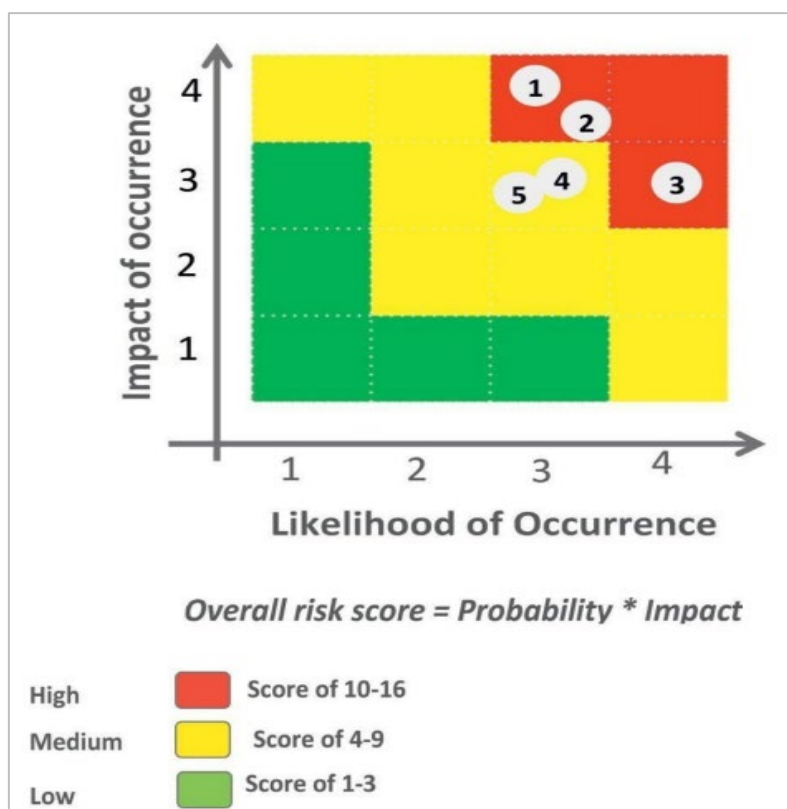
- **Assess the Likelihood of occurrence of the risk event** - An assessment is made on the Likelihood or probability of an event/ risk occurring. A rating of 1 to 4 from Unlikely to Almost Certain is used.
- **Assess the Impact of the risk event** - The impact or consequences on the MGL business if the event was to occur is then assessed. Assuming the risk has materialized an assessment is undertaken as to the impact in terms of: Reduction in profit, Legal, HSSE and Reputation and is rated from 1 to 4 as per the table below for each area.

This approach not only fortifies our standing but also emphasizes our dedication to long-term sustainability, enhancing shareholder value, and ensuring client security and trust.

The accompanying graph illustrates how we strategically assess and categorize risks, considering their likelihood and impact, considering the unique nature of our business and other contextual factors.

Risk Matrix

The risk can be plotted as shown below on a Risk Matrix to show the level of risks and total risk in the company. Risks are classified as being High, Medium or Low as shown, dependent upon their position on the Risk Matrix.



Principle Risks – Risk Classification

Risks are classified to understand their impact on the Company and to assess the level of influence that the Company has on their root causes. The risk classification framework provides a common risk language for articulating risks.



Strategic Risk:

Definition: Managing the organization properly to achieve its short and long-term objectives.

Description: Impact of COVID -19 and similar crisis situations on business operations and continuity.

Given the volatility due to COVID-19, MGL is faced with multiple challenges ranging from health and well-being of employees, corporate governance and additional disclosures, disruptions in supply chain to maintaining operational stability.

Root Cause: Unforeseen pandemics/ crisis events

Impact:

1. Health and well-being of employees
2. Business Disruptions
3. Supply chain disruptions
4. Possibility of major incident due to delay in preventive maintenance
5. Additional regulatory requirements

Mitigation:

- Core Team constituted to closely monitor the dynamic situation and take appropriate business decisions subject to guidelines issued by Government Authorities with respect to pandemic situation from time to time. War room established for continuous monitoring and decision making in order to maintain uninterrupted gas supply.
- WFH (Work from Home) guidelines immediately circulated, resulting in minimum operational disruptions.
- All emergency operations (such as emergency vans and health and safety teams) will continue operations under revised guidelines to ensure customers health and safety

Compliance Risk:

Definition: Maintaining compliance with prescribed organizational policies and procedures and/or relevant external rules and regulations.

Description: Non-compliance to statutory regulations leading to possible inquires/penalties/action against management of the company.

Risk of non-compliance to statutory regulations due to absence of a robust compliance framework to monitor and track various regulations leading to possible inquires/penalties/action against management of the company.

Root Cause: Absence of a robust framework to monitor and track various regulations and compliance to the same.

Impact:

1. Penalties
2. Inquires
3. Action against management (Penalty/Imprisonment)

Mitigation:

- MGL has implemented a compliance management tool wherein all compliances are listed and tagged to "Compliance Owners" in the relevant department.
- Compliance owners update the status of the compliance based on defined frequency.
- Tool is updated by service provider based on changes in any regulations
- Third Party check of the compliance reporting by the Compliance Owners in the Tool on sample basis

EMERGING RISKS

Financial Risk:

Definition: Establish a sound financial control environment to support the business needs, report accurately and timely financial information, and safeguard company assets against misappropriation, investment loss, inaccurate financial report, etc.

Description: Loss of market share due to alternate fuels such as electric vehicles, LNG, hydrogen etc.

Risk that MGL loses existing and future market share to alternate fuels such as electric vehicles, LNG, hydrogen etc. leading to loss of sales volumes and margins.

Root Cause: Introduction of alternative solutions such as electric vehicles, LNG etc.

Impact: Loss of sales volumes and margins.

Mitigation:

- Continuously opening new CNG stations to stimulate CNG demand and capture market share before advent of EV's /alternate fuels (hydrogen) etc.
- Incentivising purchase of new CNG vehicles and retro fitment of existing alternate fuel vehicles (private & commercial segment) by offering various promotional schemes.
- Incentivize dealers to sell and customers to buy / retrofit CNG vehicles in passenger car segments
- Exploring policy advocacy with Government / Policy Makers to give at par treatment to CNG (as a green fuel) by extending similar incentives to CNG car Customers as being offered in case of EVs.

- Maintain the price differential between alternate fuels to delay the adoption of alternate fuel and increase CNG adoption
- Pilot test LNG as alternate fuel for commercial segment and help establish viability of LNG long haul vehicles in the market. Basis pilot study results, increase the MGL fuel portfolio to include LNG as a product.

Operational Risk

Definition: Deviation from established processes.

Description: Loss of data and business disruptions due to intrusions/virus attack/ransomware

Risk that IT windows-based application servers and workstations might get impacted by virus attack, ransomware and intrusion leading to valuable data loss and business disruptions

Root Cause:

- Virus Attack
- Ransomware
- Intrusion

Impact:

1. Loss of Data
2. Business Disruptions

Mitigation Action:

- Every desktop/laptop is installed with Trend Micro end point deep security which prevents virus attacks.
- All the critical servers are protected by Trend Micro deep Security Software to prevent attacks.
- Firewalls are setup for all the incoming network traffic which provides virus and malware protection.
- Firewall - Unified Threat Management (Includes in-built IPS, Anti-Virus, Anti-Malware protection). Advanced Threat Protection system for In-Bound and Out-Bound Mails.
- IT policy is in place which has procedures related to IT security
- Backups are done for all the critical servers.
- Vulnerability Assessment and Penetration Test for Internet facing applications is done on ongoing basis.
- Installation of Network Intrusion and Prevention System is Complete.
- Findings of the review of external and internal threats/factors by Audit to be reviewed and necessary steps post review completed.
- Installation of Web Application Firewall (WAF) is complete

(Risk register reference available for internal use)

Sensitivity Analysis

MGL performs comprehensive sensitivity analyses for the financial risks. These analyses are grounded in financial projections and consider various alternative scenarios. Sensitivity analysis considers multiple variables, including the following points for which the analysis was carried out:

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions considering:

1. Discount rate
2. Expected rate of escalation in salary
3. Attrition rate
4. Medical Cost Inflation

MGL conducts sensitivity assessments for the above by examining the impacts of changes in assumptions, ranging from +/- 1%. Positive figures represent decrease in obligation and negative figures represents increase obligation.

MGL has also conducted the sensitivity of profit or loss and equity to changes in the exchange rates that arise from foreign currency denominated below:

1. USD
2. EUR

The range is between +/- 5%.

Risk Training

At MGL, we recognize the critical importance of fostering a risk-aware culture and ensuring that risk management principles are ingrained throughout the organization. To achieve this, we have implemented a comprehensive and targeted training program designed to educate employees at all levels about risk management. This focused training aims to empower our teams with the knowledge and skills necessary to identify, assess, and mitigate risks effectively.

MGL also provides effective training to the Board members regarding the ERM framework and key risks faced by the organization is crucial for ensuring that the Board can provide effective oversight and make informed decisions to manage those risks. Here are some steps taken to provide this training:

Deliver the training: Scheduling a training session for the Board members to provide an overview of the ERM framework and key risks facing the organization. The training includes presentations, case studies, and interactive discussions to help Board members, Risk owners and Mitigation Plan owners understand the risks and how they can be managed.

Access to Online ERM tool: All Risk Management Committee (RMC) members have been given training on usage of online ERM tool to review and monitor Risk Register on real time basis. In addition to this all the Board members have access to online ERM tool which has an in-built training module.

We have formed cross-functional teams consisting of employees from various departments to conduct comprehensive risk assessments. This approach promotes a diverse range of perspectives and ensures that risks are identified from different vantage points within the organization.

Review of Risk Exposure

At MGL, our operational resilience is anchored in a robust risk management system. We pride ourselves on a proactive approach, identifying and addressing potential threats promptly. This commitment extends organization-wide, involving internal stakeholders in monitoring diverse risk facets.

Quarterly / half yearly reviews, led by the Risk Management Committee, composed of Board members, the Chief Risk Officer, and key stakeholders, ensure a thorough assessment of risk elements. This high-level committee oversees identification, analysis, mitigation, and adaptation.

By fostering an environment of active risk identification and proactive management, MGL remains agile and prepared to navigate business complexities. Our unwavering commitment to robust risk management is a pledge to clients, shareholders, and all who rely on MGL. We recognize that true strength is demonstrated in facing challenges, and we're dedicated to securing the future and upholding trust.

In essence, our vigilant approach to risk management is more than a process—it's a reflection of our values and promise to protect what matters most. MGL stands firm in its mission to secure the future and uphold the trust of those it serves.

Compliance to the Code of Conduct

Adhering to the Code of Conduct (CoC) is a fundamental aspect of the Risk and Compliance function. It serves as a crucial metric for assessing risk in employee performance evaluations during the appraisal cycle.

Materiality Assessment

At MGL, our commitment to sustainability is driven by a comprehensive and structured approach to understanding the most relevant issues that impact our stakeholders and our business.

Conducting a materiality assessment holds paramount significance for a gas utility company as it serves as a strategic compass in navigating the complex landscape of environmental, social, and governance (ESG) considerations. In an industry where operational risks, regulatory compliance, and stakeholder expectations are ever evolving, a materiality assessment provides a systematic framework to identify and prioritize issues that can significantly impact the company's performance and reputation.

By discerning the most relevant and impactful factors, the gas utility company can effectively allocate resources, align sustainability initiatives, and enhance decision-making processes. This proactive approach not only ensures compliance with industry standards but also fosters resilience, stakeholder trust, and long-term sustainability in an environment characterized by dynamic challenges and opportunities.

The formal integration of sustainability parameters as an additional perspective for evaluating our business objectives has prompted self-reflection and the discovery of innovative ways to embed sustainability seamlessly into our daily operations.

While we have consistently incorporated sustainability initiatives since our inception, the materiality assessment conducted this year, along with the development of an ESG roadmap, aims to provide a comprehensive framework for these efforts. Our materiality assessment process for the fiscal year 2022-23 facilitated the identification of crucial sustainability topics through engagement with internal and external stakeholders.

We collaborated with a third-party organization to conduct the Materiality Assessment, and moving forward, we plan to annually review the progress of ESG initiatives within each identified material topic.

The procedure that we followed to conduct the materiality assessment is outlined below:

Step 1: Stakeholder Identification and Engagement

We initiated the materiality assessment by identifying our key internal and external stakeholders. These stakeholders represent a diverse spectrum, including investors, senior management personnel of MGL, permanent employee of MGL, supplier, retailer / distributors, customer, service provider, industry association, bankers, NGO/research institution. engaging these stakeholders is crucial to capturing a comprehensive range of perspectives on sustainability issues that matter most to them and to our business.

Step 2: Questionnaire Creation and Dissemination

In order to establish a structured method for gathering data, we created an extensive survey encompassing diverse dimensions within environmental, social, and governance aspects. This questionnaire was meticulously developed to extract perspectives on possible significant topics, the importance of these matters to various stakeholder groups, and recommendations for enhancing the execution of ESG initiatives on an operational level.

Step 3: Stakeholder Engagement and Data Collection

Through targeted outreach and open communication channels, we reached out to our internal and external stakeholders. The following list of stakeholders were identified for the survey:

- Investors
- Senior Management personnel of MGL
- Permanent Employee of MGL
- Supplier
- Retailer / Distributors
- Customer
- Service provider
- Industry Association
- Bankers
- NGO/Research Institution

Their responses provided valuable insights into their perceptions, concerns, and expectations regarding our sustainability initiatives. In total, we received 224 responses from these stakeholders.

Step 4: Weighted Analysis of Stakeholder Responses

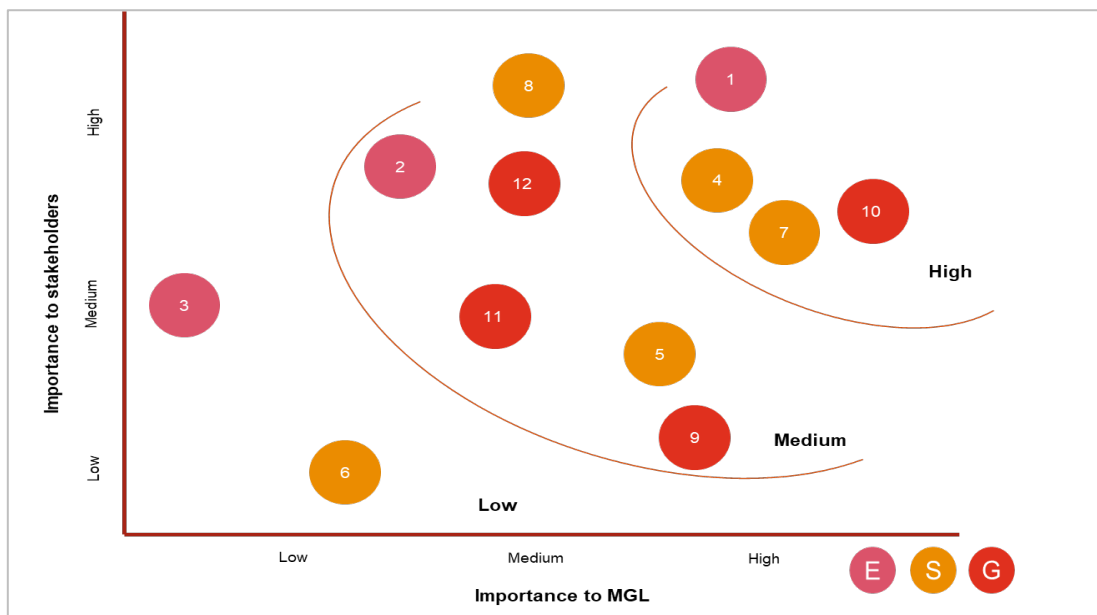
Acknowledging the varying influence of stakeholders within our operational ecosystem, we implemented a weighted approach to their opinions. By assigning importance to each stakeholder group's responses, we could effectively prioritize perspectives from those with significant interests in our operations and outcomes. This strategic weighting mechanism ensures a nuanced consideration of feedback, allowing us to tailor our strategies and decisions to better align with the concerns and priorities of key stakeholders, thereby fostering a more inclusive and impactful decision-making process within the dynamic context of our operational environment.

Step 5: Ranking Material Topics

Utilizing insights and prioritized feedback from stakeholders, we assessed material topics through a high-medium-low scoring system. This ranking considers the potential impact on both stakeholders and business performance. The resulting materiality matrix serves as a valuable tool, guiding our attention to significant topics in the short, medium, and long term. Engaging stakeholders directly ensures our sustainability efforts align with community expectations. This focused sustainability approach, driven by the materiality assessment, strengthens our commitment to responsible business practices, facilitating a more impactful and community-oriented business model.

The results of the Materiality Assessment were reviewed and approved by the members of the Executive Management. The selected material topics are accordingly integrated in-to the Company's Enterprise Risk Management (ERM process)

Materiality Matrix



Material issues for Mahanagar Gas Limited

1. Asset integrity and critical incident management
2. Energy Management
3. GHG emission
4. Occupational health and safety including Employment practices
5. Human Rights
6. Local communities including Corporate Social Investment
7. Customer relationships, experience, and satisfaction
8. End-use Safety
9. Corporate Governance
10. Business Ethics and Compliance
11. Risk Management
12. Data Security

***Note:** The normalization technique was employed to uniformly scale values from 0 to 1.2, with Low ranging from 0 to 0.4, Medium from 0.4 to 0.8, and High from 0.8 to 1.2 on the Low to High scale.

High	Medium	Low
Asset integrity and critical incident management	Energy Management	GHG emission
Occupational health and safety including Employment practices	Human Rights	Local communities including Corporate Social Investment
Customer relationships, experience, and satisfaction	End-use Safety	
Business Ethics and Compliance	Corporate Governance	
	Risk Management	
	Data Security	

Material Issues for Enterprise Value Creation

Material Issue 1	
Material Risk or Opportunity	Energy management
Business Case	Energy management is a pivotal concern for gas utility companies as it holds the key to operational efficiency, cost reduction, and environmental sustainability. In an industry where energy-intensive processes are integral, adopting efficient energy management practices becomes crucial for minimizing operational costs and optimizing critical processes. Compressors are critical equipment in MGL operation which consumes substantial energy to dispense CNG. Inefficient energy management can lead to increase in operational cost.
Business Impact	Risk
Business Strategy	Some of the important initiatives undertaken for energy management at our premises are listed below: <ul style="list-style-type: none"> • Maintaining Electrical power factor of electrical systems at all CNG stations at desired level (close to unity) to operate the system at best efficiency. • Installation of stationary cascades of adequate capacity at every CNG station to provide buffer and reduce number of start/ stops and idle running of CNG compressor. • Installation of solar power panels on MGL offices and gas receiving stations. • Most offices are equipped with LED lights replacing CFL and fluorescent bulbs for energy saving. • Installed automatic auditors and rectifiers for energy management. These fault identification and error diagnostic equipment help them to rectify the issue before any incident and lowering the energy consumption.

Target/Metric	1. Conducting Energy Efficiency Audit for 4 CGS, 3 RO's and 2 Offices in FY 2023-24. 2. Installation of additional Solar Panel at CGS, Retail Outlets (RO's) and Offices summing up to 37 KW in FY 2023-24.
Target Year	FY2023-24
Progress	Progress on this metric has been mentioned in the Environment section of the ESG Databook under "Energy Consumption Table". There has been a reduction in the overall energy consumption in FY 2022-23 compared to FY 2021-22.
Material Issue 2	
Material Risk or Opportunity	GHG emissions
Business Case	Usage of natural gas emits less GHG emissions as compared to coal and liquid fuels, as well as far fewer pollutants, per unit of energy delivered. Also, usage of renewable energy further reduces GHG emission.
Business Impact	Revenue
Business Strategy	Continuous expansion of operations gives an opportunity to MGL to increase gas sales and thereby reduce GHG emissions which could be caused by other energy alternatives. Also, there is reduction in GHG emissions due to various initiatives undertaken by the company such as installation of solar power panels, measures for reduction in energy consumption, usage of higher capacity cascades to reduce the number of trips of CNG transporting vehicles resulting to reduced emissions, transportation cost and dry outs at DB Stations. GHG emissions has a positive impact on our revenue as natural gas is comparatively a cleaner form of fuel compared to diesel and petrol.
Target/Metric	Use of 100% CNG/ LNG powered CTVs/ LCVs for CNG transport by FY 2024-25.
Target Year	FY2024-25
Progress	Progress on this metric has been mentioned in the Environment section of the ESG fact book under "Scope 3 emissions".

Material Issue 3	
Material Risk or Opportunity	Occupational health and safety including Employment practices
Business Case	Ensuring occupational health and safety, coupled with sound employment practices, is paramount for a gas utility company. Given the inherent risks associated with handling potentially hazardous materials, a proactive approach to employee well-being is critical. The employees are the greatest assets and their safety and wellbeing is of paramount importance. Improper handling of health and safety risks can lead to disastrous impacts on both property and humans. Lack of training in technical & behavioural aspects can impact company performance adversely.
Business Impact	Risk
Business Strategy	MGL is ISO 45001:2018 certified and has a HSE policy available at the website which illustrates our commitment towards health and safety. Every person working for MGL gets trained in the required Safety and Technical Competency (STC). Personal protective equipment is distributed to all eligible individuals and usage of the same is ensured. Apart from the mandatory annual health surveillance for all employees, periodic executive health check-up is also carried out to keep track of the health of our employees. Health and term life insurances, financial aids are also part of the benefits provided to the employees.
Target/Metric	1. Lost Time Injury Frequency (LTIF) to be maintained less than 0.5 in FY 2023-24. 2. More than 80% employees to be trained on Health & Safety in FY 2023-24.
Target Year	FY 2023-24
Progress	Progress on this metric has been mentioned in the social section of the ESG Databook under "LTIFR table". The overall LTIFR for employees and contractors has become 0 in FY 2022-23 compared to FY 2021-22

Material Issues for External Stakeholders

Impact 1	
Material Issues for External Stakeholders	Customer relationships, experience, and satisfaction
Cause of the impact	Products/Services
External stakeholders	Consumers/End Users
Topic relevance on external stakeholders	<p>Effective Customer Relationship Management (CRM) is pivotal for bolstering market dominance through enhanced sales performance. By continuously managing customer interactions and fostering positive relationships, we not only retain our existing customer base but also stimulate sales growth.</p> <p>A well-executed CRM strategy ensures a deep understanding of customer needs and preferences, facilitating personalized engagement and targeted marketing efforts. This, in turn, translates to heightened customer satisfaction and loyalty.</p> <p>As we consistently meet and exceed expectations, our brand becomes synonymous with reliability, driving increased sales volume and solidifying our position in the market as a trusted and customer-centric entity.</p>
Output metrics	Increased number of PNG domestic connections
Impact valuation	Customer Satisfaction Survey
Impact metric	<p>Customer Satisfaction Score (CSS)</p> <p>Customer satisfaction score given in the Social Section of the ESG Databook under Customer Satisfaction measurement</p>

Impact 2	
Material Issues for External Stakeholders	GHG emissions
Cause of the impact	Products/Services
External stakeholders	<p>Environment</p> <p>Consumers/End Users</p>
Topic relevance on external stakeholders	Usage of natural gas emits less GHG emissions as compared to coal and liquid fuels, as well as far fewer pollutants, per unit of energy delivered. Also usage of renewable energy further reduces GHG emission.
Output metrics	Scope 3 emissions: Category 11- use of sold products
Impact valuation	Scope 3 Emissions avoided
Impact metric	<p>Greenhouse Gas Emissions Avoided</p> <p>Figures given in the Environment Section of the ESG Databook under Scope 3 data table and comparison of natural gas to petrol and diesel table</p>

Approach towards Double Materiality

In the pursuit of sustainable and responsible business practices, MGL has embraced the concept of 'double materiality' in its materiality assessments. This approach recognizes not only the impacts of MGL's operations on external stakeholders and the environment but also acknowledges the influence of external factors, such as evolving regulatory landscapes, societal expectations, and global trends, on MGL's long-term viability.

Material Topic	Risk or Opportunity	Financial Implication
Asset integrity and critical Incident management	Risk	Negative financial implication would depend upon extent of damage and / or period for which gas supply is discontinued.
Energy management	Risk	Due to various efficiency initiatives undertaken, negative implication is minimal.
GHG emissions	Opportunity	Positive implication because increased geographical coverage & incremental sale of natural gas helps to reduce GHG emissions otherwise caused by other fuels.
Occupational health and safety including Employment practices	Risk & opportunity	Positive implications due to various employee policies and safety practices in place
Human Rights	Risk	Negative implications on case-to-case basis
Local communities including Corporate Social Investment	Opportunity	Positive reputation with community will translate into faster project executions.
Customer relationships, experience, and satisfaction	Risk & Opportunity	There are financial costs involved in running CRM system as a whole but customer satisfaction is a positive outcome of it.
End-use Safety	Risk	Negative implication could lead to consequential costs and reputational damages for the company.
Corporate Governance	Risk	Negative implication either financially, legally, or reputational depending upon the nature of its failure
Business Ethics and Compliance	Risk	Negative implication due to non-compliance. There are no cases reported due to fraud, money laundering or executive misconduct during the year.
Risk Management	Risk	Negative implication. Magnitude of which depends upon incidence, volume of gas, external factors like currency fluctuation etc.
Data Security	Risk	Leakage of personal data can lead to negative implications including penalties, fines and reputational damages.

(BRSR Reference: Section A: questions 24 (Page numbers: 110 - 113 of the Annual report FY 2022-23))

Corruption and Bribery

MGL has a strict code of conduct as well as an Anti-Bribery and Anti – corruption policy in place. We practice the utmost level of transparency when it comes to disclosing our ethical values and actions. At MGL we strictly do not contribute

towards any kind of political contributions or any contribution to charitable trust in the form of monetary or non-monetary benefits. We follow the highest level of discipline when it comes to practicing anti-corruption behaviour.

Fines and Breaches

Fines or Penalties paid for any breach of laws and regulation

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Fine or Penalty paid (Currency INR)	0	0	0	0

Breaches

Type of Breach	Number of Breaches
Corruption or Bribery	0
Discrimination or Harassment	0
Conflict of Interest	0
Money Laundering/Insider Trading	0
Customer Privacy Data	0
Cybersecurity/Information Security	0

Smart Meter Penetration

Our company actively monitors and manages the distribution grid through a comprehensive metering system. As of now, we serve a total of 1,304,100 customers, out of which 7,229 are domestic customers with smart meters (AMR), and 1,193 are non-domestic (industrial and commercial) customers utilizing smart meters (AMR).

Domestic Customers:

Total Domestic Customers: 1,300,000
 Domestic Customers with Smart Meters: 7,229
 Percentage of Domestic Smart Meter Usage - **0.56%**

Non-Domestic (Industrial and Commercial) Customers:

Total Non-Domestic Customers: 4,100
 Non-Domestic Customers with Smart Meters: 1,193
 Percentage of Non-Domestic Smart Meter Usage: **29.10%**

ENVIRONMENT

Emissions

Scope	Unit	FY 2019 - 20	FY 2020 - 21	FY 2021 - 22	FY 2022 - 23
Scope 1	tCO ₂ e	70,166	47,046	1,13,073	2,32,847
Scope 2 Market	tCO ₂ e	78,166	55,617	77,933	91,526
Scope 3 – Category 1: Purchased goods and services	tCO ₂ e	3,22,243	2,78,627	3,79,109	4,33,642
Scope 3 – Category 3: Fuel-and-energy-related activities	tCO ₂ e	16,033	11,408	29,765	34,957
Scope 3 – Category 4: Upstream Transportation and Distribution	tCO ₂ e	2,602	2,232	3,391	2,870
Scope 3 – Category 11: Use of sold products	tCO ₂ e	20,70,619	15,58,646	20,98,824	23,37,377
Total Scope 3 emissions	tCO ₂ e	20,93,612	15,75,984	21,36,652	28,17,372
Total Scope 1,2&3 emissions	tCO ₂ e	22,41,894	16,78,648	23,27,658	31,41,745

Comparison table for calculation of emission generated through other fossil fuel compared to CNG

Fuel Type	Energy in TJ	Emissions (t CO ₂ -e)
Petrol	41,664.47	28,87,348.24
Diesel		30,87,337.73
CNG		23,37,377.15

In the fiscal year 2022-23, the total volume of Compressed Natural Gas (CNG) sold translated into the generation of **41,664.47 terajoules (TJ)** of energy. The cumulative emission of carbon dioxide (CO₂-e) attributable to CNG during this period amounted to **23,37,377 t CO₂-e**. In contrast, generating an equivalent amount of energy from petrol and diesel resulted in overall emissions of **28,87,348 t CO₂-e** (petrol) and **30,87,337 t CO₂-e** (diesel). This signifies a noteworthy **increase** of **23.52%** for petrol and **32.08%** for diesel in terms of **t CO₂-e** emissions when compared to CNG.

In summary, the data underscores CNG as a more environmentally friendly energy source in comparison to petrol and diesel, with significantly lower CO₂ emissions.

Energy Consumption

Energy Consumption	Unit	FY 2019 - 20	FY 2020 - 21	FY 2021 - 22	FY 2022 - 23
Total Non-renewable Energy Consumption	MWh	1,09,127.88	77,622.99	1,91,979.427	1,83,004.238

Total Renewable Energy Consumption	MWh	43.1	54.9	56.175	54.727
Total Energy Consumption	MWh	1,09,170.980	77,677.880	1,92,035.602	1,83,058.965

Waste Management

	Unit	FY 2019 - 20	FY 2020 - 21	FY 2021 - 22	FY 2022 - 23
Waste otherwise disposed, please specify: Through authorized vendors.	Metric tonnes	65.95	35.58	57.89	97.72
Total Waste disposed	Metric tonnes	65.95	35.58	57.89	97.72

Water Management

Water Consumption	Unit	FY 2019 - 20	FY 2020 - 21	FY 2021 - 22	FY 2022 - 23
Withdrawal: Total municipal water supplies (or from other water utilities)	Million cubic meters	0.028985	0.025898	0.031047	0.034187
Total Water Withdrawal	Million cubic meters	0.028985	0.025898	0.031047	0.034187

Gas Leakage Rate

	FY 2020-21	FY 2021-22	FY 2022-23
Transportation Leakage (%)	Nil		
Distribution Leakage (%)	0.012%	0.280%	0.165%
Storage Leakage (%)	Nil		

Type of Leakage: Unburnt Gas Leakage

SOCIAL

Workforce Details

Workforce Breakdown: Gender

Diversity Indicator	Female (%)
Share of women in total workforce (as % of total workforce)	10.18
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	11.79
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	9.09

Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	0
Share of women in management positions in revenue-generating functions (e.g., sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	25
Share of women in STEM-related positions (as % of total STEM positions)	5.33

Workforce Breakdown: Race/Ethnicity or Nationality

All employees at MGL are Indian and belong to the South Asian ethnicity. However, we strictly do not discriminate against any race, caste, gender, or religion within India at any stage - recruitment, hiring, during an employee's time at MGL, or in terms of pay.

Gender Pay Indicators

Employee Level	Average Women Salary	Average Men Salary
Executive level (base salary only)	0	74,21,727
Executive level (base salary + other cash incentives)	0	92,77,159
Management level (base salary only)	20,00,004	21,06,872
Management level (base salary + other cash incentives)	22,25,121	23,61,662
Non-management level (base salary only)	14,29,992	13,67,697

At MGL, we adhere to the Minimum Wages Act of India, ensuring equitable pay without gender discrimination. Compensation differentials are directly influenced by factors such as years of experience, skill set proficiency, and individual behavioural strengths, reflecting our commitment to fair and merit-based remuneration practices.

Employee Satisfaction Score

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY 2022-23 Target
Employee Satisfaction Score (%)	73.4%	79.6%	-	84%	80%
Data Coverage: % of employees who responded to the survey	85%	92%	-	86%	

Long-term incentives for Employees

Long-Term Incentive Program and Description	Time Period after which employees are eligible for the incentive	% of workforce covered under the Senior Management
Long Service award – Minimum 10 years of completion (A gold coin weighing 10 grams along with certificate)	Minimum 10 years of completion	100%

Executive Medical Health Checkup to Retired Employees – Minimum 5-year continuous service with MGL	Retired Employees - 5-year continuous service with MGL	100%
White Goods Policy – Minimum 1 year after completion of probation period (Employees for purchase of white goods/furnishing & Personal computer/Laptop/Tablet)	Minimum 1 year after completion of probation period	100%

Employee Turnover Rate

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Total employee turnover rate	11.17	4.9	9.8	4.57
Voluntary employee turnover rate	9.19	4.05	6.72	3.02
Data coverage (as % of all FTEs globally)	100%	100%	100%	100%
All our employees are of Indian Nationality				

Hiring

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Total number of new employee hires	60	26	39	38
Percentage of open positions filled by internal candidates (Internal hires)	-	-	-	-
Average hiring cost/FTE Currency: INR	Rs. 12,000 (INR)	Rs. 28,000 (INR)	Rs. 28,000 (INR)	Rs. 38,000 (INR)

Hiring on Age and Gender

	FY2019-20		FY2020-21		FY2021-22		FY2022-23	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
<30 years	47	3	10	0	29	0	23	1
30 – 50 years	9	1	12	2	9	1	11	2
>50 years	0	0	2	0	0	0	1	0

Level	FY2019-20	FY2020-21	FY2021-22	FY2022-23
junior/low level	54	20	34	32
Middle level	1	0	3	5
senior/top level	5	6	2	1

Health and Safety

At MGL, fostering safe workplace and environment for all the employees is our topmost priority. Our goal is Zero Injuries because we believe that injuries are preventable. We conduct our business in a responsible manner while adhering to internationally accepted practices.

MGL is proud to be an ISO 45001:2018 certified organisation thus demonstrating its commitment in Safety, Quality and Environmental aspects. MGL is also ISO 9001:2015 & ISO 14001:2015 certified organization.

Work Related Fatalities

	Unit	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Employees	Nos.	0	0	0	0
Contractors	Nos.	0	0	0	0

Lost-Time Injury Frequency Rate (LTIFR) – Employees

	Unit	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Employees	LTIFR (n/million hours worked)	0	0	0	0
Data coverage	%	100	100	100	100

Lost-Time Injury Frequency Rate (LTIFR) – Contractors

	Unit	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Contractors	LTIFR (n/million hours worked)	0	0.11	0.085	0
Data coverage	%	100	100	100	100

Our health and safety data has been verified by external consultants who also audit our internal processes in conjunction with ISO 45001 certification.

Customer Satisfaction Measurement

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY 2022-23 Target
Satisfaction Measurement: Percentage of satisfied customers/tenants	91%	92%	91%	92%	90%
Data Coverage: % Customers	25%	27%	31%	31%	

Training and Development

Training and Development Inputs

	FY2023
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Average hours per FTE of training and development	19 Hours
Average amount spent per FTE on training and development	Rs. 8323.35 (INR)

Human Capital Return on Investment (In Crores)

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
a) Total Revenue, as specified in the "Denominator" question Currency:	3,264.49	2,337.79	3,884.90	6,920.96
b) Total Operating Expenses Currency:	2,299.28	1,497.21	3,081.07	5,869.41
c) Total employee related expenses (salaries + benefits) Currency: INR	80.62	87.50	83.31	107.89
Total Employees, as specified in the "Denominator" question.	493	496	491	509

Privacy Protection

At our company, we have implemented robust mechanisms to ensure the effective implementation of our privacy policy, safeguarding the integrity and safety of data. At MGL we have an IT policy which is available on the company's intrant as well as a cybersecurity policy available on the company's website. Key elements include:

Comprehensive Application of IT and Cybersecurity Policy:

Our policy extends across the entire spectrum of our operations, including our relationships with suppliers. This ensures that the principles of security, integrity, and confidentiality outlined in our Information Technology Policy are consistently applied throughout our business ecosystem. We recognize the importance of a holistic approach to data protection, and our commitment to privacy extends to all parties involved in our operations.

Designated Responsibility - GM (BIS):

To oversee and manage privacy issues, we have a designated person responsible for Business Information Systems (GM - BIS), who also holds the position of Chief Information Officer (CIO). The CIO reports directly to the Vice President of Business Development (VP-BD). This reporting structure aligns with our strategic focus on integrating digital aspects into our business development efforts.

The VP-BD, in turn, reports directly to the Managing Director and CEO. This hierarchical structure ensures that our privacy initiatives are closely aligned with overall business objectives and are given the necessary attention at the executive level.

The GM (BIS) plays a pivotal role in formulating and implementing our Information Technology Policy, collaborating with the VP-BD to address digital aspects of business development. This integrated approach allows us to seamlessly weave privacy considerations into our technological and business strategies.

Customer Privacy Information

Our company takes privacy protection seriously, and we strive to keep our customers informed about the measures we have in place to safeguard their data. One of the ways we communicate our commitment to privacy is by including a confidentiality note at the end of our customer data collection forms. This note explicitly informs customers that the data they provide will be treated with the utmost confidentiality.

Stakeholder Engagement

Stakeholder Engagement Governance

At the group level, our company has established a comprehensive framework for stakeholder engagement, guided by a dedicated Stakeholder Engagement Policy available on the company's website and Communication Plan accessible on the company's intranet.

- Accountability for engaging with major shareholders rests with the CFO, who interacts with them quarterly post-results and periodically.
- Notably, major shareholders such as GAIL and the Government of Maharashtra, with a significant shareholding, have representatives on the Board and receive detailed information through quarterly Management Information Systems (MIS) reports.
- The VP-HR takes charge of employee relations, organizing at least one annual Town Hall meeting for all employees which is addressed by MD, DMD & entire SMG.
- Customer engagement is facilitated through various channels like IVRS, the website, and social media, with the CEO/MD spearheading these efforts.
- The CSR department, headed by the Chief Manager-CSR, reports to the VP-HR, who in turn reports to the CEO/MD, ensuring a holistic approach to community engagement. CSR initiatives involving NGOs are managed by the Chief Manager-CSR.
- Furthermore, media relations are bifurcated, with the General Manager (Corporate Communication) handling non-financial matters, and the MD & CFO overseeing financial media relations.

This structured approach ensures effective and diverse stakeholder engagement across the organization.

Stakeholder Engagement Review

In alignment with our commitment to transparency and continuous improvement, we have implemented robust mechanisms to measure the outcomes of our stakeholder engagement activities. At MGL, we recognize that the true value of engagement lies not only in the initial interaction but also in the insights gained and lessons learned throughout the process.

Measuring KPIs:

1. Number of stakeholder interactions
2. Response rates to communication channels

Lessons Learned

- Following major engagement activities, we conduct comprehensive reviews to identify successes, challenges, and areas for improvement. This post-engagement analysis serves as a foundation for refining our strategies and approaches in future interactions.
- Conducting training programs to enhance the skills of our staff involved in stakeholder engagement. This includes incorporating insights from previous engagements to better equip our teams to navigate diverse stakeholder needs and expectations.