



**Indian Farmers Fertiliser Cooperative Limited
New Delhi**

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**COMMUNICATION ON PROGRESS ON GLOBAL COMPACT
PRINCIPLES FOR THE FINANCIAL YEAR 2010-11**

The Indian Farmers Fertiliser Cooperative Limited (IFFCO) is a national level multi-state cooperative society engaged in manufacturing and marketing of chemical fertilisers. The Society was registered in 1967 and presently having a membership of 39,877 cooperatives as shareholders. IFFCO is presently operating five factories located at Aonla and Phulpur in Uttar Pradesh, Kalol and Kandla in Gujarat and Paradeep in Orissa. IFFCO produced over 8.58 million tonnes of fertilizers in 2010-11 and contributed about 21.5% to the total Nitrogen and 29.6% to the total P_2O_5 produced in India. IFFCO markets its fertilisers through Cooperative Agencies and Member Cooperative Societies.

IFFCO supports Global Compact Principles of United Nation and believes in philosophy of trusteeship and strives for sustainable development. It always emphasizes on the need to protect the environment, human rights, health and safety of its employees, strengthening the cooperative structure in India, improving the living standard of farmers who are the backbone of Indian economy etc. A detailed report on progress of various Community Development initiatives taken by IFFCO is included in its Annual Report which is posted on its website www.iffco.in and www.iffco.coop.

IFFCO has published its maiden B+ level [Sustainable report for the financial year 2008-09](#) following Global Reporting Initiative (GRI) guideline. The report was assured by M/s Ernst & Young Pvt. Limited. The report reflects IFFCO's vision & mission towards responsible business as well as principle of Global Compact.

The brief report on various activities undertaken by IFFCO showing its commitment towards Global Compact Principles, as per the suggested proforma, is as under:

I. HUMAN RIGHTS

Principle 1: Business should support and respect the protection of international human rights within their sphere of influence; and

Principle 2: make sure they are not complicit in human right abuses.

COMMITMENT

- Towards making the cooperative societies economically and democratically strong for professionalized services to the farming community to ensure an empowered rural India;
- Towards farmers for their welfare, prosperity and growth;
- Towards social responsibilities for a strong social fabric;
- Towards fostering cooperative movement in the country;
- Towards abolition of child labour;
- Towards indiscrimination on the basis of gender in employment; and
- Towards providing employment opportunity to weaker sections.

SYSTEMS

- Cooperative Development Programs through marketing Field Officers;
- Rural and Agricultural Development Programs through marketing Field Officers;
- Service through Cooperative and Rural Development Trust (CORDET) promoted by IFFCO;
- Services through IFFCO Kisan Sewa Trust promoted by IFFCO;
- Services through IFFCO Foundation a Trust promoted by IFFCO;
- Services through Indian Farm Forestry Development Cooperative Ltd. (IFFDC) a Multi State Cooperative Society promoted by IFFCO;
- Ban on recruitment of child labour and policy towards employment opportunity to weaker sections; and
- Equality of opportunity in employment for both genders.

ACTIONS

- No individual can become member of IFFCO. Only Cooperative Societies can become members. All the member Cooperative Societies exercise their right in electing the Representative General Body of IFFCO consisting of about 1000 members;
- Member Cooperative Societies elect 11 directors on the Board of Directors of IFFCO;
- Member Apex Cooperative Federations of States nominate upto 10 directors on the Board of IFFCO;
- Member Cooperative Societies get good return on their investment in the shares of IFFCO by way of dividend. This helps in their economic betterment;
- Striving for the prosperity and growth of farmers, IFFCO emphasises on educating them about balanced and integrated use of fertilizers. For this purpose mobile soil testing vans of IFFCO move around in villages and conduct soil tests. Based on the test reports, farmers are advised about the correct doses of fertilizers and crops suitable for the type of soil;
- IFFCO adopts villages with an objective of bringing about over all economic development and improvement in living standards of rural community through integrated rural development with particular emphasis on agricultural development;
- To make Cooperative societies economically viable, IFFCO adopt them and provide infrastructure and financial support, for their revival, through sale of IFFCO fertilizers;
- In order to strengthen Cooperative societies, IFFCO appoints some of them as Franchisees for storage and handling of fertilizers which includes warehousing, transportation and rake handling;
- Organize programs viz; Farmers Meeting, Crop Seminars, Field Demonstration, Sale Point Personnel Training, Agricultural and Social



- Campaigns, Demonstrations etc. to educate farmers and cooperative societies to enhance crop productivity through balanced use of nutrients;
- Organize community based programs viz; Women Training, Medical / Veterinary check up, etc. for farming community;
 - IFFCO promoted Indian Farm Forestry Development Cooperative Ltd. (IFFDC) with the prime objective of development of wasteland and to enhance the socio-economic status of the rural poor. IFFDC helps in formation of Self Help Groups (SHGs) in villages for unity, fulfilling need of loan, saving and improvement in livelihood assets. Emphasis is laid on formation of women SHGs;
 - Promoted a Charitable Trust known as “IFFCO KISAN SEWA TRUST” to provide relief and rehabilitation to victims in the event of natural calamities.
 - Promoted a Trust “IFFCO Foundation” with an objective to promote cooperative development;
 - The Cooperative Rural Development Trust (CORDET) promoted by IFFCO provides training to farmers to improve their skills in agricultural production, horticulture, dairy, poultry, professional leadership at village level, management of cooperatives and several other activities; and
 - IFFCO promoted IFFCO Kisan Sanchar Limited (IKSL) with objective of empowering the Indian farmers by providing them Value Added Services through mobile phones, which include disseminating five free voice messages of relevance to farmers daily, providing a dedicated Helpline to resolve their queries and conducting special programmes such as quizzes and phone-in programmes.

PERFORMANCE DURING 2010-11

- Various promotional, social and community development programmes based on specific needs were organized and infrastructure were provided in around 411 adopted villages;
- Conducted various social and promotional programs as under:
 - 4,984 field programs

- 130 health checkup camps
 - 140 veterinary checkup camp
 - 1033 sale point personnel training programmes
 - 155 crop seminars
 - 892 agricultural campaigns
 - Distributed 10,929 critical input package (CIP) kits to farmers
 - Analyzed 1,23,277 soil samples in different states;
- Undertaken 44 special projects on agricultural, social and community development such as Watershed Management, Agricultural Development and Micro Enterprises, assisting Self Help Groups in earning livelihood etc in the various States. The thrust of these special projects was on increasing productivity of crops with efficient use of various resources;
 - Through institution of 18 IFFCO Chair in the disciplines of Agronomy, Soil Science, Agricultural Extension & Cooperation, Agro economics and Fertilizer Technology in the areas of Research Education and Extension, IFFCO is continuing to work in collaboration with State Agricultural Universities / National Institutes/ Cooperative Institutions;
 - IFFCO KISAN SEWA TRUST undertakes programs for the welfare and critical medical attention of needy farmers including projects aimed at improving their quality of life. The Trust undertakes a variety of activities to assist needy farmers in getting medical assistance, organizing Eye Camps, Health Camps, Cancer detection Camps, providing medical equipments, arranging for blood through Red Cross Society and financial assistance to various hospitals for the treatment of farmers. During the year, the Trust spent ₹.57.84 lakh towards its activities for providing medical relief to needy ones;
 - IFFDC has done afforestation in 27,600 hectare wasteland by promoting 147 village level Primary Farm Forestry Cooperative Societies covering about 28,500 members which include 38% landless and 51% small/ marginal farmers;



- CORDET organized 235 training programs to benefit 12,276 farmers including women from various states and analyzed 80,266 soil samples free of charge. In addition, 5,096 soil samples were analysed for micro nutrients and 16 samples for irrigation water. CORDET is also manufacturing bio-fertilisers which is marketed through IFFCO's Farmers Service Center and Cooperatives;
- IFFCO Foundation, a brain trust of IFFCO, had undertaken several research and development activities for economic upliftment of weak cooperative societies. With its major role as a brain trust and channel for informed policy advocacy, the Foundation organized various seminars, conferences and brain storming sessions. A series of workshops on "Strengthening of agricultural Cooperatives" were organized in different States in which about 700 delegates participated. Issues like diversification of cooperative business, climate change, drinking and irrigation water, horticulture, national food security mission were dealt with by specialists and experts;
- IFFCO Foundation supported establishment of 70 nurseries and provided training of Gardeners including study visit of over 15,000 farmers to Universities and demonstration farms. It also continued to help farmers in generating additional income through grassroots level farm-based programs such as diary, goatery, bee-keeping and agro-processing. The Foundation catalyzed skills development and vocational training for unemployed rural youth by supporting micro-enterprises in rural areas through self-help groups especially women. Around 2500 groups have so far been trained and micro-enterprises established with about 70,000 Members in farm as well as non-farm segments;
- The financial year 2010-11, IKSL has demonstrated the success of the initiative with the enrolment of around 45 lakh Subscribers of which an estimated 11 lakh actively use the voice messaging services being provided by IKSL. During 2010-11, IKSL had marketed talk time of around ` 1350 million (US\$ 30 million at US\$: ` 45) for normal communication

needs of the Subscribers. IKSL is providing its Value Added Services in eighteen States. To provide such information, the country has been divided into 60 agro-climatic zones. During the year, IKSL delivered 50,000 voice messages, answered 35,000 queries on Helpline and documented around 650 success stories. In order to provide more intensive location-specific services, IKSL has promoted 10 Focused Communities;

- IKSL developed 280 Fact Sheets, which provide comprehensive background information on seven crops. Exercise to develop well classified information for additional 10 crops is under way. A comprehensive content management system 'Integrated Information Management System (IIMS)' for improving the information services was developed and launched with effect from 1st January, 2011;
- On an invitation from United Nations Global Alliance for ICT and Development (UN-GAID), IKSL participated in their Consultative Meeting at UN Head Quarters in New York and conveyed its whole hearted support to further the cause of Millennium Development Goals (MDG);
- The Honorable President of U.S.A., Mr. Barack Obama visited the Agriculture Expo at St.Xavier's College , Mumbai, India on Nov 7, 2010 and was appreciative of IKSL's initiative, which he also referred to subsequently in his address to Indian Parliament;
- IKSL has bagged the 'Business in the Community's (BITC) Award for Excellence 2011 – 'Coffey International Award' for its nomination in "mPower: a unique mobile service empowering farmers through timely information delivery" under the international category; and
- IFFDC has bagged "Times Social Impact Award" under Livelihood as Corporate for its contribution towards improving livelihood in Villages throughout the country and especially in Rajasthan, UP and MP.

II. LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

COMMITMENT

- Towards institutionalizing the core values and creating a culture of team building, empowerment and innovation which would help in incremental growth of employees and enable achievement of strategic objectives;
- Towards fostering a culture of trust, openness and mutual concern to make working a stimulating and challenging experience for stakeholders;
- Towards ban on child labour;
- Towards indiscriminate on gender basis;
- Towards upliftment of weaker section;
- Towards Health and Safety of employees; and
- Towards upgradation of knowledge & skills of employees.

SYSTEMS

- Ban on employment of child labour;
- No discrimination on gender basis;
- Policy on employment opportunity to weaker section by granting relaxation in recruitment stage;
- Programs for Human Resource Development;
- Recognized Employee Union in all the operating plant, Head Office and Marketing Division; and
- Preference in employment to persons having rural background.

ACTION

- Computerised Human Resource Management System implemented across the organisation provides better management control, manpower planning, succession planning, employees welfare and transparency etc.;
- Upgrading the skills of manpower through training and development programmes with a view to improve the productivity of employees and to enable them to shoulder more responsibilities; and
- Constructive dialogue between management and union to take care the interest of employees.

PERFORMANCE DURING 2010-11

- No child labour employed;
- Various in-house programs on agriculture, marketing, general management, finance, technical, information technology, cooperative management, material management, workers development etc. have been conducted for employees;
- As on March 31, 2011, the society had 575 employees belonging to Schedule Caste, 51 belonging to Schedule Tribe and 695 belonging to other Backward Classes on its rolls; and
- Out of total employee strength of 6,492 as on March 31, 2011, Society had 175 women employees out of which 118 are in executive cadre.

III. ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

COMMITMENT

- Towards maintaining the global ecology & environmental health;
- Towards environment and forestry development to enrich the quality of human life;
- Towards making the plants energy efficient which in turn reduces the green house gases (GHG) emission to the atmosphere; and
- Towards acquirement, assimilation and adoption of reliable, efficient and cost – effective technologies for a greener environment.

SYSTEMS

- ISO 14001 certification
- Tree plantation and green belt development
- Treatment of effluent/sewage water
- Rain water harvesting
- Implementation of various schemes to reduce energy consumption for production of Ammonia & Urea.
- Reduction of CO₂ Emission
- Compliance of the Environment management norms.

ACTION

- A systematically designed green belt has been developed all around the operating plant complexes and on vacant land inside the factory premises and townships to keep the environment clean and natural;
- Effluent treatment plants had been installed;
- Sewage treatment plants had been installed to treat domestic sewage and use treated water for horticultural purpose;
- Installed eco-friendly vermi-culture system for treatment of solid waste of township;
- Rainwater recharging pond/well has been installed for rain harvesting to increase the water table of ground water;
- Reduction in CO₂ emission through following schemes:



- Various measures are being implemented in Ammonia & Urea plants at Kalol, Aonla and Phulpur units to reduce consumption of Natural Gas/Naphtha;
 - Fuel and Feed switch from Naphta to NG at Phulpur unit; and
 - Carbon Di-oxide recovery from flue gases at Aonla and Phulpur units.
- IFFCO promoted Indian Farm Forestry Development Cooperative Ltd. (IFFDC) with the objective of development of wasteland and to enhance the socio-economic status of the rural poor. IFFDC has transformed wasteland into forests in Uttar Pradesh, Rajasthan and Madhya Pradesh;
 - All the five operating plants of IFFCO (Kalol, Phulpur, Kandla, Aonla & Paradeep) have been awarded ISO-14001 certification for their Environmental Management System including Township of Kalol, Aonla and Phulpur units, CORDET and Hospital at Phulpur unit. IFFCO Phulpur, Aonla, Kalol & Paradeep are OSHAS certified;
 - The Energy Efficiency Improvement Schemes have been implemented in all the Ammonia plants located at Aonla, Phulpur & Kalol. This will reduce the consumption of steam per tonne of Ammonia and thus will reduce the emission of Green House Gas (GHG) emissions in the atmosphere by around 0.3 million ton CO₂ per annum and has been consider under Clean Development Mechanism project of Kyoto Protocol of United Nations; and
 - The scheme to change over from high carbon intensive feed & fuel to Natural Gas has been implemented at Phulpur plant to reduce Green House Gas (GHG) emissions in the atmosphere by around 0.5 million ton CO₂ per annum and has been consider under Clean Development Mechanism project of Kyoto Protocol of United Nations.

PERFORMANCE DURING 2010-11

- IFFCO Aonla bagged the Green Leaf SHE Award for excellence & innovation in Safety, Health & Environment in Production by International Fertiliser Industry Association (IFA);



- Gold and Silver in “Greentech Environmental Excellence Award-2010” in the fertilizer sector for outstanding achievement in Environment Management were bagged by Aonla and Paradeep unit respectively;
- “Most Innovative Environmental Project Award” and “Most Useful Environmental Project Award” were awarded by Confederation of Indian Industry (CII) to Aonla Unit;
- Kalol Unit bagged the award for “Best Overall Performance of an Operating Fertiliser Unit for Nitrogen (Ammonia and Urea)” for the year 2009-10 by Fertiliser Association of India (FAI);
- Phulpur Unit bagged the runner-up trophy FAI Award for “Best Production Performance Award for Nitrogenous Fertiliser Plant” for the year 2009-10;
- Paradeep Unit was awarded “Excellent Energy Efficient Unit” under “National Energy Management Award – 2011” by Confederation of Indian Industry (CII);
- Phulpur Unit and Paradeep Unit bagged 1st Prize and Certificate of Merit respectively of the prestigious “ National Energy Conservation Award 2010” from Government of India;
- Kalol Unit was awarded “Certificate of Appreciation” by National Safety Council of India –Safety Award 2009 in recognition of Appreciable achievement in occupational Safety & Health during assessment period of three year from 2006 to 2008;
- Kalol Unit has bagged “Gujarat State Safety Award” by the Gujarat Safety Council and Directorate of Safety and Health, Gujarat in recognition of the lowest Disable Injury Index for the fifth consecutive year to Kalol Unit;
- Aonla Unit was awarded “TERI Corporate Environmental Award 2009” for excellence in Environment management. The Unit has also awarded National Award for Prevention of Pollution’ under fertilizer category by Government of India;

- Greenbelt development in and around the factory and township premises are as under:
 - Kalol Unit: 54.69 acres area is covered under greenbelt which is 18.78% of the total plant area. IFFCO has assisted development of surrounding villages by distributing 1086 horticulture and 4000 forest trees.
 - Phulpur Unit: 304.17 acres is covered under greenbelt of which 34.61% is owned by industry.
 - Aonla Unit: 452 acres is covered under greenbelt of which is 35% of the total area owned by industry. Every year 10,000 to 12,000 saplings are being planted to fill the gap and replacement of dead wood trees.
 - Kandla Unit: 15 acres is covered under greenbelt which is 9.20% of total plant area while additional 58.50 acre land has been covered out side plant area.
 - Paradeep Unit: 50 acres is covered under greenbelt which is 3.22% of the total area owned by industry.
- IFFDC have transformed around 27,600 hectare wasteland area into forests by promoting 147 village level Primary Farm Forestry Cooperative Societies (PFFCS). These PFFCS cover about 25,500 members, out of which about 38% are land-less and 51% small/marginal Farmers; and
- IFFDC in association with National Bank for Agriculture and Rural Development (NABARD) and concerned State Governments has also been implementing Wadi Projects (Small Orchards) in Rajasthan, Chhattisgarh, Madhya Pradesh, West Bengal and Andhra Pradesh to ensure economic and nutritional security in trival area. About 1,29,260 plants of Mango, Aonla, Custard Apple and Cashew nut have been planted. Further, to develop ecological resilience, 16 Watershed Development Projects in collaboration with NABARD and State



Governments are being implemented to cover 54,061 hectare land in Madhya Pradesh, Chhattisgarh, Andhra Pradesh and Rajasthan.

I V. ANTI - CORRUPTION

Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

COMMITMENT

- Towards transparency, accountability and integrity in principle and practice;
- Towards fostering a culture of trust, openness and mutual concern; and
- Stressing on preventive vigilance to curb corruption by increasing awareness about the system prevailing.

SYSTEMS

- Full fledged Vigilance department in each factory and marketing division directly reporting to Chief Vigilance Officer (CVO) posted at Head office.

ACTION

- Vigilance division headed by Chief Vigilance Officer ensures the transparency in various functions viz; procurement, contracts, discipline etc. and directly report to the Chief Executive of the Society.

PERFORMANCE

- The procurement files are reviewed / audited and examined on random basis;
- All officers are required to submit return annually on the immovable properties in their possession; and
- All officers are required to submit information on purchase of movable property exceeding Rs.15,000/- to the vigilance department within one month from date of such transaction.