

MCX:MD:23:2012

June 6, 2012

Mr. H. E. Ban Ki-moon
Secretary – General,
United Nations,
New York, 10017
USA

Dear Mr. Secretary – General,

Multi Commodity Exchange of India Limited (MCX) became a signatory to the UN Global Compact in the year 2007. Five years on we reaffirm our commitment to support the ten Principles of the UN Global Compact. MCX has been a votary of the voluntary adoption and advancement of these Principles. We believe that these Principles foster an understanding of the need to protect human rights, international labour standards, protect the environment and prevent corruption.

MCX has since made a clear statement of this commitment to its stakeholders and the general public. We have made steady progress in amalgamating these Principles with our culture and day to day operations. We have also been engaging in collaborative projects aimed at advancing the broader development goals of the UN, particularly the MDGs. These activities have also enabled us in contributing to India's development and prosperity.

We support public accountability and transparency and therefore, commit to report on progress adhering to the UN Global Compact COP Policy. In continuation of this commitment, we are submitting the Communication on Progress (COP) document.

Please find attached some general information regarding our company as well as the coordinates of the single point of contact with the office of the UN Global Compact.

Sincerely yours,



L. Rutten
Managing Director & CEO

Period covered by MCX Communication on Progress (COP): 6/2011 to 6/2012

PROFILE

Headquartered in Mumbai, the Multi Commodity Exchange of India Ltd (MCX) is a state-of-the-art electronic commodity futures exchange. The demutualised Exchange set up by Financial Technologies (India) Ltd (FTIL) has permanent recognition from the Government of India to facilitate online trading, and clearing and settlement operations for commodity futures across the country.

Having started operations in November 2003, MCX had a market share of 87.3 per cent of the Indian commodity futures industry in terms of the value of commodity futures contracts traded in the nine months ended December 31, 2011. The Exchange has more than 2153 registered members operating through over 296,000 trading terminals, across India. The Exchange was the third largest[#] commodity futures exchange in the world, in terms of the number of contracts traded in CY2011.

MCX offers trading on more than 40 commodities from a diverse range of classes including bullion, ferrous and non-ferrous metals, energy and agriculture on its platform. The Exchange is the world's largest exchange in Silver, the second largest in Gold, Copper and Natural Gas and the third largest in Crude Oil futures, with respect to the number of futures contracts traded.

MCX has been certified to three ISO standards including ISO 9001:2008 Quality Management System standard, ISO 14001:2004 Environmental Management System standard and ISO 27001:2005 Information Security Management System standard. The Exchange's platform enables anonymous trades, leading to efficient price discovery. Moreover, for globally-traded commodities, MCX's platform enables domestic participants to trade in Indian currency.

MCX has brought about a paradigm shift in the Indian commodities market through its innovative technology, path-breaking ideas and novel products as well as by forging national and international strategic alliances. The Exchange strives to be at the forefront of developments in the commodities futures industry and has forged strategic alliances with various leading International Exchanges, including London Metal Exchange, New York Mercantile Exchange, Shanghai Futures Exchange, LIFFE Administration and Management, The Baltic Exchange Limited (BEL), Taiwan Futures Exchange, among others. For MCX, staying connected to the grassroots is imperative. Its domestic alliances aid in improving ethical standards and providing services and facilities for overall improvement of the commodity futures market.

MCX recognizes its Corporate Social Responsibility (CSR) commitments in its various roles, and reaches out to cover both - its employees and the stakeholders. In line with best international practices, MCX through its CSR programmes aims to respond to public expectations on how a well-managed company should interact with its environment. MCX has been recognized as "India's First Green Exchange" for its various environment-friendly initiatives. It has also won fifth Indy's Award 2011 under the category 'Best in Corporate Social Responsibility Practice', Skoch Financial Inclusion Award 2011, Golden Peacock Award, NASSCOM 'Social Innovation Honors', 'Businessworld FICCI SEDF CSR Award' for its CSR initiatives. MCX is also part of the UN Global Compact movement that supports universal environmental and social principles.

MCX is helping develop a nationwide manpower pool for the commodity ecosystem through training courses for rewarding careers in commodities. Most of the training events organised by us are conducted by our associate company – FT Knowledge Management Company Ltd (FTKMC). Such events are conducted in both rural and urban areas, in association with leading institutions such as:

- IIT Madras and its Rural Technology Business Incubator (RTBI) wing
- Indian Society of Agribusiness Professionals
- G.B. Pant University of Agriculture and Technology
- Indian Institute of Management, Lucknow
- The Institute of Financial Markets (IFM), Washington, DC
- University of Petroleum & Energy Studies (UPES), New Delhi
- Indian Institute of Finance (IIF), New Delhi
- International College of Financial Planning (IFCP), New Delhi
- National Centre for Cooperative Training (NCCT), New Delhi
- Symbiosis Centre for International Business, Pune
- Welingkar Institute of Management Development and Research, Mumbai

MCX is an environment-conscious organisation. It is the first exchange in India to receive the ISO 14001:2004 certification for Environment Management Systems. The standard defines steps taken by the organization to minimize harmful effects on the environment, caused by its activities, and to achieve continual improvement of its environmental performance. This certification also provides assurance on environmental issues to external stakeholders such as customers, the community and regulatory agencies.

We believe that consideration of Environmental, Social and Governance (ESG) issues work best when integrated with business decisions. MCX has made headway in embedding sustainability into its business decisions and processes. Our goal is to mobilise our people and partners to integrate sustainability as a core business asset in order to combine profitability and sustainability. Though we have a long way to go, we are resolute in our goal of sustainable development. MCX has been reporting its sustainability performance since two years. In 2011 it became India's first exchange to report its sustainability.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Farmer Awareness Programs

Creating awareness on commodity markets and making farmers awareness of price signals and its benefits is an important activity at MCX and the GSK platform is utilized for the same. Each GSK centre has a series of programs conducted year round that not only focuses on prices and GSK offerings, but also gives information of best sowing practices, use of pesticides and fertilizers, government schemes on agriculture, NABARD scheme, etc. GSK partners participate in the programs along with officials from NABARD, KVK and India Post officials.



GSK coordinator briefing farmers on futures market



Farmer Awareness programme at Jalgaon

Computer Education and Adult Literacy Programs

In association with Pratham Books, Gramin Suvidha Kendra (GSK) creates awareness on education by availing various books and products, along with services for educational books among rural community children.

GSK has tied up with Tata Consultancy Services Limited (TCS) for the purpose of "Creating education and adult literacy" on the GSK platform. The first Adult Literacy initiative (Proudh Shiksha Abhiyan in Marathi) was initiated on 30th April 2010 at Fuknagari village under the Jalgaon GSK centre in Maharashtra. The Computer Based Functional Literacy (CBFL) program (CBFL Program/Program) run across at its various GSK centres through its existing GSK coordinators.

Recently, GSK has partnered with Intel for 'Unnati' initiative at Jalgaon (Maharashtra) and Unjha (Gujarat) GSK centres. 4 villages at each location have been identified wherein children, women and men will be given hands on experience on basics of computer literacy. It is a six month project and more than 1000 beneficiaries will be computer literate.

SMS based service

SMS Based Crop advisory services help farmers with information in vernacular language on:

- Local crop disease updates and pest management
- Local spot mandi rates for agri commodities grown in the region
- Local weather updates and forecast

Principle 2: Businesses should make sure that they are not complicit in human rights abuses

Equal rights for the disabled

As part of its CSO activities, MCX under the aegis of its Center of Academia in association with NASSCOM Foundation organized a 3 day MCX Certified Commodity Professional (MCCP) class room training course for the specially challenged candidates. The MCCP is a certification exam conducted by Training department of MCX that helps to develop Commodity Professionals. The MCCP program was conducted gratis on three consecutive Saturdays and held at the NASSCOM office at Andheri.

The first of its kind, this program was aimed at making the specially challenged gain skills in the area of commodity trading. The batch had 12 candidates having different levels of disability ranging from Muscle Dystrophy, Polio, Neurological Disability, or Cerebral palsy. Candidates came from MBA foundation and the Spastic Society, both of which are NGOs working for the disabled. The MCCP course was followed by an online examination that was conducted after the completion of the course. It is aspired that through this course, the specially challenged acquired skills that enhanced their employment status.



Specially challenged students undergoing MCCP training

The CSO training policy is based on the scenario wherein there is a huge market demand for trained professionals in the field of commodity markets and wherein MCX is determined to provide equal opportunities to the economically disadvantaged/weaker sections with the belief and understanding of inclusive and healthy growth in the society. This policy is applicable to all the economically disadvantaged/weaker sections of society who would otherwise fulfil all the other criteria for admission to various domestic training courses run by its training division: Financial Technologies Knowledge Management Company (FTKMC). The company will allocate two seats in each of its domestic training programs for the economically disadvantaged/weaker section of society. Candidates eligible for these two seats will be offered the respective course free of cost.

LABOUR

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

Using its domain strengths to make India's process of economic growth more inclusive, in particular, by providing farmers with a level playing field and new opportunities in the domain of agricultural marketing, risk management and finance, MCX has initiated a unique Public Private Partnership (PPP) project with India Post to demonstrate sustainable business models that focus on the "middle-to-bottom of the socio-economic pyramid". This project is named 'Gramin Suvidha Kendra' (GSK). By providing farmers future price signals, MCX is spearheading a 'silent revolution' wherein farmers become better informed and are able to make sound business decisions. This model works on the principle and belief of shifting farmers from being mere 'producers' to now becoming 'marketers.'

To ensure commodity exchanges benefits reach the recesses of rural India, GSK has been designed as a single-window service for all pre-harvest and post-harvest requirements of farmers. Thanks to India Post's ubiquitous network of over 155,000 post offices across the country, MCX's potential to reach out to farmers through GSK has grown exponentially, enabling it to cater to the marketing, warehousing and advisory needs of farmers across India.

Conceptualised in June 2006, the model was first launched at Jalgaon (Maharashtra) and later replicated in other states. As on 29th February 2012, 'Gramin Suvidha Kendra' operates through 38 centres spread across 6 states, reached out to more than 21000 farmers through over 575 branch post offices of India Post.

GSK provides farmers with facilities such as:

- MCX spot and futures prices for their produce
- Quality agri inputs
- Expert advice on farming problems
- Better warehousing, quality testing
- Finance against warehouse receipts
- Weather insurance
- Intensive awareness on price trends and futures market
- Non agri products
- Education
- Adult Literacy

To facilitate the GSK initiative, MCX supplies ICT infrastructure at the sub post office level of each centre. The village/branch post master is an important link in this model who helps reach out to farmers with price information and other advisory services. The project also acts as a source of livelihood for rural youths who act as Coordinators.

While the unique partnership with India Post takes care of the scalability and replicability aspects, sale of agri inputs like seeds, pesticides and fertilizers on the platform helps generate revenues.

MCX partners in this include credible agri input and non-agri input companies like Mahyco, Syngenta, Bayer Crop Science, Krishidhan Seeds, PHI Seeds, Aries Agro Ltd and many more.



UPL GROUP OF COMPANIES



The build up of revenues at each and every step ensures that the model is a win-win with each stakeholder. Weather insurance is provided through our partnership with Weather Risk Management Services. NABARD and Forward Market Commission (FMC) join hands to ensure that numerous farmer training awareness programs are conducted across all GSK locations. GSK has also bought in non-agri products like rural water purifiers, education and adult literacy through partnership.

To read more about GSK, visit <http://gsk.mcxindia.com>



Village postmaster writing MCX commodity prices on black board



Need assessment programme in Jalgaon, Kinod Village Meet



GSK centre at Salon Sub Post Office, UP

Farmers' Testimonials

Surendra Singh | Age 45 years | Post: Masuda, Kusalpura, Ajmer, Rajasthan



"I heard about Gramin Suvidha Kendra from our Branch Post Master. I became its registered member last year, as the centre at my village was offering quality agri inputs to farmers.

I benefitted from the purchase of 80 kgs of wheat from the centre during 2010-11. The wheat production of my farm increased from 30-32 quintals per hectare in 2009-10 to 40-45 quintals per hectare in 2010-11. This was unexpected for me.

Thanks to Gramin Suvidha Kendra for providing the best quality seeds."

Akhilesh Kumar Shukla | Age: 45 years | Post: Maharajganj, Garhi Pokhanni, Rae Bareli, UP



"Gramin Suvidha Kendra project started in our village 2 years back. I heard about it first from our Branch Post Master and became a registered member.

Over the last one and half years the project has offered me various services like spot and futures market prices of agricultural commodities, quality agri inputs, weather insurance, and most importantly farmer awareness programmes and advice by agriculture experts, who solve all our field and crop related problems on the spot. These services offered save the time and resources considerably.

I have earned on an average Rs. 700 more per kg of mentha produce as compared to last year."

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

MCX Sustainability Report



MCX strive to provide a level-playing field for people at the bottom of the socio-economic pyramid who are unviable by traditional economic considerations. Our maiden sustainability report describes MCX's approach to sustainability in its business. Globally we are the only commodity exchange to have come out with a sustainability report.

The report has been prepared in accordance with the level A+ of Global Reporting Initiative's (GRI) G3 Guidelines (2006) for Sustainability Reporting. As we are in the business of providing financial services, we have also used GRI's Financial Sector's Sector Supplement for developing the report. Through this annual sustainability report, we seek to initiate an annual dialogue with our stakeholders on our non-financial performance. The report presents MCX's triple bottom line performance for the financial year 2009-10.

Sustainability report is accessible at <http://sustainability.mcxindia.com>

MCX Sustainability Report 2009-10 cover page



MCX has come up with 2nd Sustainability Report Summary for the year 2010-11. 'Transparent, Transform, Translate, Treasure' being its theme, it describes MCX's commitment to sustainability through its business adhering to the four principles. First is 'transparency' in the business for winning the trust of the stakeholders, second is striving for 'transformation' in the commodity value chain. The next principle is of 'translation' of market lexicon for the masses to reach out to more people. Last but the most important is the 'treasuring' the talent, diversity and integrity of our people who ultimately drive our success.

Summary of MCX Sustainability Report 2010-11 cover page

Employee Volunteerism Policy

The MCX employee volunteerism policy gives opportunity to its employees to get directly involved with the society through various activities/donations. This involvement also gives employees a sense of pride for the company they work with. Employees are encouraged to volunteer in terms of time, money, energy, skill and leadership. MCX as a company is supportive of its employees' involvement and has put in place a company recognition system for employees who do their bit for the society.

Employee volunteerism events

World Environment Day

Employee volunteered at Ashadeep Association NGO where they discussed on environmental conservation. Around 30 teenagers participated in the session.



Employee volunteering on World Environment Day 2011

Employee Testimonies

The pleasure was fully mine to volunteer at Ashadeep. It was simply an indulgence on my part because I thoroughly enjoyed my interactions with the bright and responsive children there.

Debojyoti Dey, Research and Strategy

NGO Testimonial

The session was inspiring for the children of Ashadeep Association. Kids got very good inputs through volunteer's interactions. The point wise understanding of the various factors of Environment was interesting. Also the Computer Presentation on Water provided the children with in-depth understanding on the conservation of water. We wish to have more such effective interactions in future on varied topics which will prepare the children or their future.

Santosh Panigrahi, Ashadeep Association.

Joy of Giving Week

Employee participated in the nation wide movement “Joy of Giving Week” by spending time with the children of Mumbai Mobile Crèches in the workshop of toy-making.



Employee participating in Joy of Giving week

Employee Testimonial

Kudos to CSO Team for arranging visit to Mumbai Mobile Crèche! Such events provide us a platform to go beyond our operational duties and make us realize that with our time and efforts, no matter how small they may be, can certainly make a difference in the society. We look forward to more such initiatives.

Abhya Juneja, Human Resources

'Reach Out' - the pay roll donation scheme

'Reach Out' – the Pay Roll Giving or 'Give As You Earn' scheme was launched in the month of May 2009. This initiative lets an employee donate a sum of money from his/her monthly salary to the charity of his/her choice.

'Reach Out' gives employees the choice of contributing to five NGOs, whose activities benefit children, women, visually impaired and the terminally ill. Based on their decision, every month, a specified sum is deducted from employee salary and handed over to the organization for disbursement to the designated charity. All donations are completely voluntary and employees have full control over the amount they wish to donate.

Employees are provided with regular updates on how their money has been spent and the impact that their contribution has made. For instance, if an employee sponsors a child's education, Group CSO will inform of his or her school progress. Besides the feedback, the accountability and transparency (not to mention the tax benefits depending on the NGO chosen) makes the whole process actually so simple and attractive!!

As on 29th February 2012, the payroll contribution programme continues with 58 employees donating more than 18,000 INR monthly to five NGOs.

Employee Testimonial

“I think it's a brilliant initiative. It feels good that I am able to do this bit from my side to put a smile on someone's face. Like you always said it's an opportunity to give back to society. I have always wanted to do something like this but never got a chance to do it. So thank you and your team for providing me with this opportunity”.

Litty Mathew, Group HR.

"I am honoured to work in an organization which takes various steps towards helping various NGOs through various new steps,"

Bhavesh Morjaria, Mumbai.

NGO Testimonial

"Thank you very much for all the support and co - operation at your end to make this partnership materialize. FT Group employees believe in paying their dues to society. We at NAB thank all of them for their kind gesture. We would be looking forward to having all your employees at our unit for a better understanding and insight into the world of the visually impaired. This is only the beginning of a long journey ahead."

Yashoda Karigar, National Association for the Blind

"A Big Thank You to you for being so wonderful and for all your effort in making this happen. It feels great to receive the first cheque for the Payroll Giving Program."

Natasha Sehgal, Resource Mobilization Officer, Save The Children India



Vocational training for women at Save the Children India

Mumbai Marathon 2012

FT Group Employees regularly participate in the Mumbai Marathon. It was the third consecutive year of participation. Aditya Jyot Foundation - an organisation providing free consultation and care to the economically challenged people with vision problems – was our beneficiary this year. Employees participating in the Marathon visited AJF's office in Dharavi to understand their work. The involvement of the employees in the cause for which FT Group had donated was important for boosting up AJF's moral.



FT Group Employees visiting Aditya Jyot Foundation in Dharavi, Mumbai



Mumbai Marathon 2012 participants

Employee testimonial

Truly a very spectacular event held at the dawn of the New Year! An awesome treat to the citizens of the city! People from diverse races, different creeds, age and beliefs participated. It is an event which displays the spirit solidarity and equality. A must for everyone to be a participant and not a spectator....

Vishal Nagraj
Managed Services, FTIL

Of Women - By Women - For Women: Women's Day 2012

Gender sensitivity is one of the important aspects of company's decorum. Keeping in line with the United Nation's theme for Women's Day 2012: 'Empower Women, End Hunger and Poverty', we joined hands with IDOBRO for this activity. IDOBRO is a platform where for the small scale artisans, NGOs and small entrepreneurs meet the potential markets. Employees purchased the best quality handmade artefacts and personal care products made by women entrepreneurs via an online shoppy designed specifically for this purpose. This has proved as an impetus for the women artisans.



Some of the products available for online sale made by women artisans

Principle 5: Businesses should uphold the elimination of discrimination in respect of employment and occupation

MCX does not believe in child labour.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

MCX has well defined code of conduct and ethics that ensures there is no discrimination in respect of employment and occupation. The 'Affirmative Action' Policy clearly states that the company shall not support conscious discrimination in any form. The policy also reaffirms that equal opportunity in employment for all sections of society is a component of its growth and competitiveness. It further believes that inclusive growth is a component of growth and development of the country. MCX has also put in place the following:

- Provide equal opportunities to all employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or colour, merit being the sole differentiating factor.
- Encourage employees to acquire skills, knowledge and training to expand / enhance their professional and specialized knowledge. This is done through AIMS (Acquire, Improve & Maximise - Skills) which is in-house learning and development initiative at MCX which makes every effort to enrich the company's human resource with knowledge and skills. The objective of AIMS is to motivate and provide resources to MCX employees to keep them abreast of emerging industry and technology trends. Our Training Programs are categorised as:
 - * Induction programmes
 - * Functional trainings– role and responsibility based
 - * Technical trainings
 - * Non Technical trainings
 - * Product trainings
 - * Enrichment Programmes (these are the soft skills development programmes which value-add a person and make him/her more effective. It comprises training in communication skills, presentation skills, leadership skills, time management, team management, etc.

Training is also provided in issues concerning national interest like HIV/AIDS. As a conscientious Corporate, Financial Technologies Group of which MCX is a part, has put in place a comprehensive HIV/AIDS policy, which is displayed outside the office. We have also launched the in house peer educator program on HIV/AIDS called 'Jagrut'. The aim of the program is to spread awareness and dispel myths and misconceptions associated with HIV/AIDS. During each induction programs, new joinee's are covered under the Jagrut initiative.

HIV AIDS Day 2011: 'Be Aware, Live Longer' Quiz

Continuing the tradition of spreading awareness about HIV AIDS hazards and risks among employees, through innovative ways, this year an online quiz competition was held. The questions in the quiz were pertaining to awareness, prevention and treatments of HIV AIDS. The quiz winners were felicitated. Red ribbons were also distributed to employees and awareness on HIV Prevention done through company websites.



Mr. Avinash Sampgaonkar receiving 1st winner prize for the HIV AIDS Awareness Quiz from Mr. Rutten, MD and CEO, MCX

Employee Testimonial

It was indeed a great pleasure in participating in the quiz. I would like to thank CSO who has always been striving to make people like us socially active and responsible. Sensitizing employees on critical epidemics like HIV would certainly enhance social acumen of oneself. Thank you once again for giving us such platform to explore.

Avinash Sampgaonkar, MCX –SX

A very good initiative by CSO! This quiz created an awareness, by virtue of which we gained knowledge about this deadly virus particularly how it spreads, prevention etc. Awareness is good as you pass it on to others and every small step in this direction helps. It is bad if people are dying of AIDS but worse if they die of ignorance.

Anju Bahlani, MCX



Jagrut Poster

ENVIRONMENT

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

Reiterating our commitment to Mother Earth, World Environment Day (WED) 2011-June 5th was celebrated in full swing at MCX. With an aim to sensitize on Environment Conservation, series of activities were organized for employee to participate. These are mentioned below....

VOLUNTEER: At Ashadeep Association, NGO a session on environmental conservation was taken by Mr. Debojyoti Dey, MCX. Around 30 teenagers from less privileged background participated in the session. Presentation on water conservation was also screened giving an overview of importance of water and its usage.

GREEN MESSAGE: Encouraging eco-friendly practice, in the office websites WED 2011 banner was displayed. Also in different significant location in the office premise posters and presentation was screened to create awareness on environment conservation.

CONTEST: Slogan and Image writing contest on environmental preservation was announced for employee. Environment conservation and its beauty was the theme of the contest. Internal jury members selected the winners of the contest. Winners were awarded with special gift by Mr. Lamon Rutten, MD & CEO, MCX. The award winning slogan is as below.

Be selfish....

Help yourself, plant a tree & save your future...

Tushar Ibhad, Market Communications



Mr. Tushar Ibhad rewarded by Mr. Rutten, MD and CEO, MCX for the best slogan entry on World Environment Day 2011



Mr. Harish Kumar is rewarded by Mr. Lamon Rutten, MD & CEO, MCX for the best image entry on World Environment Day 2011



The best image entry on World Environment Day 2011

MCX has a well defined **Environment Policy** and **E waste policy** wherein it has tied up with two certified E waste recycler plants for disposal of its office E waste in a safe and environment friendly manner. Around 1600 asset count of e waste disposed through E waste recyclers in the financial year 2010-11.



ATTERO Recycling certificate



Ecoreco recognises MCX for eco- friendly practices. Ecoreco membership certificate for the year 2010-11

MCX has also developed Green Exchange micro site (<http://greenexchange.mcxindia.com>) to help users by providing sustainable living ideas, tips, messages, glossary, articles etc. Idea is to sensitize people on different ways to be environment friendly.



Green Exchange Micro Site

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

MCX recognizes that business activities have direct and indirect impacts on the societies in which they operate. At MCX a conscious effort is undertaken to minimize the negative effects of its footprint on the environment in which it operates. In the environmental domain, the organization strives to reduce energy usage and wastage and have adopted safe recycling mechanisms. The new MCX building is equipped with the best global practices for conserving energy. Glass windows that are double vacuumed are put in place so that they conserve energy. There is a complete glass facade that allows more of natural light to flow in. Water conservation systems through efficient plumbing means and rainwater harvesting are part of the architecture. Special washroom facilities for the disabled along with a ramp at the entrance reflect the values of MCX that strive to embrace all strata of society.

Green messages have been displayed at strategic locations at Exchange Square, the headquarters of MCX at Mumbai. These messages also extol employees to join the organization in ensuring a cleaner and greener future. Messages are displayed in the lifts, meeting rooms, next to printers, the cafeteria and car parking lot.



Increasing environmental awareness among employees

Owing to MCX's emphasis on reducing its environmental footprint, management systems for maintaining information pertaining to MCX's environmental performance were reviewed and enhanced as part of the ISO 14001 exercise. ISO 14001 trainings are held for all employees to accrue maximum benefits in our operations from implementation of this initiative. The rigorous training program focuses on the benefits of certification, aspects of environmental performance and the roles and potential contribution of employees in making it a success.

<p>Environment Policy and objectives</p>	<ul style="list-style-type: none"> • Company-wide environmental policy to guide employees on energy use, e-waste, awareness training • Setting up MCX's Environmental Objectives and actions with regard to various aspects like resource use, energy efficiency, and environmental awareness
<p>ISO 14001</p>	<ul style="list-style-type: none"> • Creating and maintaining environmental management system at MCX • Awareness training to employees on various aspects of ISO14001 – details, internal and external benefits, environmental initiatives at MCX, potential contribution of employees
<p>'Go Green' notices at our office</p>	<ul style="list-style-type: none"> • Use of notices at relevant places to increase employee awareness and encourage voluntary steps to reduce environmental footprint • Notices at various places like toilets, lifts, meeting rooms etc., guiding employees on use of toilet paper, saving paper, carpooling, 3 Rs (reduce, reuse, recycling), optimum air conditioning
<p>Disseminating information through website</p>	<ul style="list-style-type: none"> • Presentations available on the Green Exchange website (greenexchange.mcxindia.com), increasing awareness by providing facts related to environmental degradation caused the world over, • Presentations available on e-waste, water scarcity and 3 Rs • Articles available on the website provide information on the benefits to go green, basic eco-friendly steps that an individual can take. Guidance is also available on buying eco-friendly products and trusting marketing claims

Various initiatives taken by MCX to increase environmental awareness

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

In an effort to play a pioneering role in emissions markets, MCX had extended its transparent platform to emissions contracts with underlying carbon credits to its existing basket of commodities with regard to futures trading.

To ensure the same, MCX entered into a strategic alliance with Chicago Climate Exchange in September 2005 to help the Indian producers of carbon credits with benchmark prices as it prevails in the buyer's markets. With India supposed to be one of the major suppliers of carbon credits, the tie-up between the two exchanges is expected to ensure the sellers with better price discovery of carbon credits besides helping them cover risks associated with buying and selling. Hence by enabling a transparent platform for carbon credit futures trading, MCX has opened up immense scope and opportunity for domestic producers of carbon credits to realise fair prices for their carbon credits with no counterparty party credit risk besides national capacity building by slowly percolating the awareness. Availability of future price signals also enables clean technology development and transfer besides helping the policy makers to better develop the markets to address the issue of climate change.

Thus, emission futures at MCX acts as a catalyst in generating more and more carbon credits by the stakeholders in India and thereby helping the noble cause of addressing the global issue of climate change.

MCX's servers, data centres and other IT infrastructure are significant consumers of energy. Over the years, IT equipments have undergone major upgrades, resulting in reduced space, decreased energy consumption, and more efficient systems. Some of the major steps taken in this regard are:

- Replacement of conventional rack servers by new blade servers
- Virtualization of 80 servers on 2 physical servers using the VMWARE software.
- Installation of APC air conditioning mechanism, which closely couples the air conditioner with heat source to produce a more efficient direct return air path to the system

Significant reduction in power consumption and space occupation have achieved through above initiatives. However, currently monitor the amount of energy saved through this initiative is not calculated. This exercise will be taken up in future to quantify the benefits accrued.

In recognition of the environment-friendliness of its operations and the launch of carbon credit futures, MCX has been honoured with the title of **India's First Green Exchange**. The honour was conferred on MCX by Dr. Michael Nobel, executive chairman, Nobel Charitable Trust, on behalf of the well-known NGO, Priyadarshini Academy.

Striving to reduce resource consumption

Apart from greening data centres, several initiatives are taken to reduce resource consumption at the offices. Through several IT initiatives, MCX try to realise the vision of a 'paper-less' operation – Travel4U (for online travel requisitions), online procurement database, OGC (for online setting of KRAs), online performance management systems, System vendor billing (through SAP), teleconferencing, help desks, ROTs (for online employee reimbursements)etc.

The prime motive behind these applications was to automate the existing manual processes and ensure quick and transparent solutions.

ANTI-CORRUPTION

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

MCX mission statement says the following, " We will continue to enforce a zero-tolerance policy toward unethical trade practices, attempted or real, by any participant/s". MCX has in place a code of ethics that is applicable to all employees.

This Code of Ethics ("Code") for the Executives of MCX seeks to establish a minimum level of business / professional ethics to be followed by the Executives, towards establishing a fair and transparent market place.

The code of ethics is based on the following fundamental principles:

- Fairness and transparency in dealing with matters relating to the Exchange and the investors.
- Compliance with all Laws/Rules/Regulations laid down by Regulatory Agencies/Exchange.
- Exercising due diligence in the in the performance of duties.
- Avoidance of conflict of interest between self-interest of the Executives and interests of Exchange and investors.

MCX has Vigilance Committee whose responsibility is to set out the procedure relating to checks, inspections, enquiries and to monitor / prevent / thwart any attempt by participants to manipulate / distort prices and/or to indulge in trading malpractices. The Committee also performs such duties and responsibilities as may be assigned to it by the Board from time to time in connection with ensuring that the MCX trading platform is not misused by anybody to indulge in unfair or unethical market practices. The Committee is comprised of four members including the managing director. Members are also familiarised with various compliance parameters, and provided with a list of "Do's and Don'ts, which are also available on our website.

MCX operates under the regulatory authority of the Forward Markets Commission (FMC), Union Ministry of Consumer Affairs, Food and Public Distribution, which sets up legal parameters within which MCX operates.