



**Indian Farmers Fertiliser Cooperative Limited  
New Delhi**

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**COMMUNICATION ON PROGRESS ON GLOBAL COMPACT  
PRINCIPLES FOR THE FINANCIAL YEAR 2011-12**

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 39,862 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 Tonne of fertilizers in 2011-12 and contributed about 22% to the total Nitrogen and 30.8% to the total  $P_2O_5$  produced in India. IFFCO markets its fertilizers 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](http://www.iffco.in) and [www.iffco.coop](http://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 indiscriminate 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 up to 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 emphasizes 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 launched "Save the Soil" campaign with emphasis on Soil Rejuvenation and Crop Productivity Enhancement by undertaking various activities viz. soil testing, reclamation of problematic soils, On FARM preparation of organic manure viz. FYM, Vermicompost, Phospho-Sulpho-Nitro-Compost, crop diversification, introduction of pulses in cropping system etc.;
- IFFCO adopts villages with an objective of bringing about overall 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 checkup, 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 an 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 programs such as quizzes and phone-in programme.

## PERFORMANCE DURING 2011-12

- Various promotional, social and community development programs based on specific needs were organized and infrastructure were provided in around 398 adopted villages;
- Conducted various social and promotional programs as under:
  - 4,840 field programs
  - 138 health checkup camps
  - 146 veterinary checkup camp
  - 1064 sale point personnel training programs
  - 165 crop seminars
  - 837 agricultural campaigns
  - Distributed 27,304 critical input package (CIP) kits to farmers
  - Analyzed 1,38,621 soil samples in different states;
- Undertaken 26 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;
- IFFCO gave thrust on development of water resources by undertaking repair & renovation of water bodies and check dam, lift irrigation, rain water harvesting etc. to bring additional land under irrigation and in improving ground water table. All these efforts will assist to improve soil health and crop yield for Sustainable Agriculture.
- 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 equipment's, arranging for blood through Red Cross Society and financial assistance to various hospitals for the treatment of farmers. The Trust also provide financial assistance of ₹ 50,000 as scholarship to the children of poor Farmers living "Below Poverty Line". The Trust provided financial assistance of US\$ 100,000 to Japan Disaster Recovery Fund in the year 2011-12 for the victims of earthquake and Tsunami in Japan and ₹10 lakh to help the earthquake victims of Sikkim. During the year, the Trust spent ₹ 96.92 lakh towards its activities for providing medical relief to poor farmers and ₹ 54.63 lakh towards other relief and rehabilitation activities;

- IFFDC has done afforestation in 28000 hectare wasteland by promoting 146 village level Primary Farm Forestry Cooperative Societies covering about 28,500 members which include 38% landless and 51% small/marginal farmers. IFFDC undertook the Seed Production Programme (SPP) on farmer's field in the states of Haryana, Uttar Pradesh, Punjab, Rajasthan and Madhya Pradesh on different crops to augment the supply of quality Seeds. During the year, IFFDC bagged the "The Times of India Social Impact Award' for its excellent performance in the field of improving rural livelihoods;
- CORDET organized 230 training programs to benefit 11,743 farmers including women from various states and analyzed 80,238 soil samples free of charge. In addition, 5,357 soil samples were analyzed 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. During the year, CORDET started production of seeds for Paddy and Wheat crops.
- 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. Climate Change is emerging as the biggest challenge to Agriculture, Foundation has taken up establishment of Climate smart villages with adaptation and mitigation strategies for climate resilience. The Foundation continued to pursue skill development and vocational training. Foundation also remained active in promotion and preservation of Indian heritage of Arts and Culture, development of marketing infrastructure and undertook National Horticulture Mission Programmes through various activities such as establishment of nurseries, rejuvenation of senile orchards, training of gardeners, fruit plantations, and study visits to universities and demonstration farms;

- IFFCO Kisan Sanchar Limited 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 68,056 voice messages, answered 56,256 queries on Helpline and promoted 105 Focused Communities in order to provide more intensive location-specific services. The financial year 2011-12, IFFCO Kisan Sanchar Limited continued to receive accolades and appreciation for innovative deployment of mobile phone for providing timely and pertinent information to improve decision making ability of farmers to reduce costs, enhance quality of their produce and increase yield & income. IKSL was conferred with prestigious “Business in the Community’s (BITC) Award for Excellence 2011- Coffey International Award” in United Kingdom IKSL received the award for its nomination: “mPower: a unique mobile service empowering farmers through timely information delivery” under the International category, which is conferred on companies whose activities demonstrate positive impact on one or more of the United Nation’s Millennium Development Goals (MDGs).
- IKSL bagged the Best Jury Award at e-World Forum 2011 during the e-World Forum Awards, SKOCH Digital Inclusion Award 2011 and the Grand Jury Award of the "Manthan Award South Asia"; and

- IKSL has been awarded the work of establishing and operating the Kisan Call Centre (KCC) Service of Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India, which is likely to meet the information needs of around 2 lakh farmers a month.

## **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**

- Computerized Human Resource Management System implemented across the organization to provide better management control, manpower planning, succession planning, employees welfare and transparency etc.;
- Upgrading the skills of manpower through training and development programs 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 2011-12**

- 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, 2012, the society had 617 employees belonging to Schedule Caste, 67 belonging to Schedule Tribe and 772 belonging to other Backward Classes on its rolls; and
- Out of total employee strength of 6,336 as on March 31, 2012, Society had 168 women employees out of which 114 are in executive cadre.
- "AIMA-IOCL award for Best Motivational Practices Award in manufacturing and services" by All India Management Association (AIMA)- Indian Oil Corporation (IOC) was awarded to IFFCO in the year 2011;
- "National Award for Best HR Practices" by National Institute of Personnel Management (NIPM) was awarded to IFFCO for the year 2011;



- IFFCO honoured with the Top Rankers Excellence HR Leadership Award-2011;
- IFFCO bagged the HR Leadership Award 2012 for Global HR excellence in the Individual Category;
- “HR Award 2010” by Federation of Gujarat Industries (FGI) for strengthening HR practices in the Cooperative Sector was awarded to IFFCO;

### **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 greenhouse 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> per annum and has been consider under Clean Development Mechanism project of Kyoto Protocol of United Nations.

## **PERFORMANCE DURING 2011-12**

- India edition of Fortune Magazine placed IFFCO at 1<sup>st</sup> position in the Fertiliser and Agro Chemicals category and 37<sup>th</sup> position in the overall rankings for the year 2011. IFFCO is the only cooperative society amongst the top 50 Indian companies in this ranking;
- "Best overall Performance of an operating Fertiliser Unit for Nitrogen (Ammonia & Urea) Award " by Fertiliser Association of India (FAI) was bagged by Kalol together with Phulpur Unit for the year 2010-11;
- Kalol Unit bagged the "Certification of Appreciation" by National Safety Council of India - Safety Award - 2010 in recognition of Appreciable achievement in occupational Safety & Health during the assessment period of three years from 2007 to 2009;
- "Certificate of Honour" by Gujarat Safety Council & Directorate of Industrial Safety & Health, Government of Gujarat in recognition of working more than three million man-hours without any accident during the year 2010 was awarded to Kalol Unit;



- Kalol Unit bagged many Awards from Gujarat Horticulture Association for remarkable contribution towards Green Environment in Plant and Township;
- "Best Production Performance Award" by Fertiliser Association of India (FAI) was awarded to Phulpur Unit;
- Runner-up Award for "Environment Protection Award" under the Nitrogenous fertiliser plants category for the year 2010-11 by Fertiliser Association of India (FAI) was awarded to Phulpur Unit;
- "Winner Trophy" for National Safety Award – 2009" by Ministry of Labour & Employment, Govt. of India was awarded to Phulpur Unit;
- "Excellence in Energy Management 2011" and "Innovative Environment Protection Award" was awarded by Confederation of Indian Industry (CII) to Phulpur Unit.;
- "IFA Green Leaf Award - 2011" for excellence and innovation in the field of Safety, Health and Environment (SHE) Management by International Fertiliser Industry Association (IFA) was awarded to Aonla Unit;
- Aonla Unit bagged the Runner - up Award for Excellence in Safety for the year 2010-11 by Fertiliser Association of India (FAI);
- "Safety Innovation Award-2011" by Institution of Engineers (India) for implementing Innovative Safety Management Systems was awarded to Aonla Unit;
- Aonla Unit bagged the "Golden Peacock Award for Occupational Health & Safety-2011" for excellence in Occupational Health and Safety Management;
- Gold award for "Excellence in HR & Training Practices – 2011", "10<sup>th</sup> Annual Greentech Safety Award – 2010" and "12<sup>th</sup> Annual Greentech Environment Award – 2011" under platinum category in fertiliser sector from Greentech Foundation was bagged by Aonla Unit;
- "Excellent Energy Efficient Unit" award under "National Energy Management Award – 2011" by Confederation of Indian Industry (CII) was bagged by Paradeep Unit;



- Paradeep Unit clinched the prestigious "Best Technical Innovation actually implemented in the field of Fertilisers Production Technology for the year 2010-11" by Fertiliser Association of India (FAI);
- "12<sup>th</sup> Annual Greentech Environment Award – 2011" in Gold category in Fertilizer sector for outstanding achievement in Environment Management was bagged by Paradeep Unit;
- "National Water Management Award – 2011" and being judged as "Water Efficient Unit" by Confederation of Indian Industry (CII) was awarded to Paradeep Unit;
- "6<sup>th</sup> Annual CIO 100 Award 2011" & "Hall of Fame Award" for highest level of operational and strategic excellence in Information Technology (IT) was awarded to IFFCO;
- IFFCO received Top 100 CISO Award 2011 for IT Security;
- Greenbelt development in and around the factory and township premises are as under:
  - Kalol Unit: 55.78 acres area is covered under greenbelt which is 19.15% of the total plant area. IFFCO has assisted development of surrounding villages by distributing 4000 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 outside plant area.
  - Paradeep Unit: 70 acres is covered under greenbelt which is 4.51% of the total area owned by industry.



- IFFDC have transformed around 28,000 hectare wasteland area into forests by promoting 146 village level Primary Farm Forestry Cooperative Societies (PFFCS). These PFFCS cover about 28,500 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 tribal area. Further, to develop ecological resilience, 18 Watershed Development Projects in collaboration with NABARD and State Governments are being implemented to cover 64,000 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.