



Rashtriya Chemicals & Fertilizers Limited (RCF)
An overview of Corporate Social Responsibility
2005-06

I. THE COMPANY'S APPROACH TO CSR

- a) In the past, a company's merit was solely based on its financial performance. As we move into the new millennium, there is increased pressure from investors, consumers, and employees to consider social and environmental criteria in the way a company carries out its business. This has created momentum for using a "triple bottom line" or "sustainable" approach - social, environmental, and financial data for evaluating the performance of a company. Increasingly, stakeholders are concerned that the company they support has business practices that positively impact society while achieving financial success. Corporate Social Responsibility embraces two main concepts - accountability and transparency.
- b) Today, financial success is no longer the sole measure by which corporations are judged by their stakeholders, primarily investors, consumers, employees, and communities in which they operate. Companies are now expected to perform well in non-financial arenas such as human rights, business ethics, environmental policies, corporate contributions, community development, corporate governance, and workplace issues. Social and environmental performances are considered side by side with financial performance. From local economic development concerns to international human rights policies, companies are being held accountable for their actions and their impact.
- c) Companies are also expected to be more transparent in disclosing and communicating their policies and practices as these impact employees, communities, and the environment. In the new global economy, companies that are responsive to the demands of all of their stakeholders are arguably better positioned to achieve long-term financial success. It is no longer optional for a company to communicate its environmental and social impacts; such information is demanded by stakeholders, regulators, and NGOs in an information-driven economy and improved communication has become critical for sustainable business growth.
- d) Many companies are making significant efforts to decrease their environmental footprint and better serve their various stakeholder constituencies. Investors, consumers, and employees are more sophisticated than ever before. While they understand that every company can do more to be more socially and environmentally accountable, they are rewarding companies who are making strides to improve their performance in these areas.
- e) CSR can involve almost any aspect of a company's operations. Every company has a story to tell that sets it apart. It is important for every company to find its story and to tell it. A company that is considered a good corporate citizen is one that demonstrates a commitment to its stakeholders through socially responsible business practices and transparent operations.



II. RCF's ROLE IN CSR:

a. RCF has been shouldering the social responsibility right from its inception, being a Government of India Company with majority holding of 92.5% of paid-up capital (public sector undertaking) with total social accountability. Apart from a manufacturing unit in Mumbai, we have set up a large manufacturing unit in rural area. This was done with a view to ensure economic development of a backward area. Besides our business interests, we have also contributed directly and indirectly to the development of infrastructure in the area. Construction of jetty, roads, bridges, supply of potable water to neighboring villages, construction/ financial assistance to Primary and Secondary level schools etc. are some of the examples. This has resulted in alleviation of poverty, enhanced entrepreneurship skills of the inhabitants of the surrounding villages, and growth of allied businesses in the area. RCF's commitment to its obligation and responsibility is reflected in its statement of objectives which inter alia, states as under:

- To help increase the national agricultural productivity by providing agricultural inputs and services.
- To provide the above inputs and services with least consumption of real resources and at least cost.
- To obtain for it's employees as decent a standard of living and as good a quality of life as possible, consistent with the general socio-economic conditions in the country.
- To secure as high a return on the rate of investment as possible, keeping in view the requirements of other competing objectives.
- To promote self-reliance in all activities in relation to company's operations including process know-how, design and engineering, erection, commissioning, operations, maintenance of plants and marketing of products.
- To manufacture and market industrial chemicals related to agricultural inputs and also others based on similar technology and intermediates, by-products, co-products and waste from the main operations.
- To promote, organize, and perform research and development in products, technology, engineering, soil science and agronomy in furtherance of various corporate objectives.
- To improve the environment and minimize to the maximum extent technologically possible, the harmful emissions, atmospheric discharges and effluents.
- To continuously upgrade the quality of human resources and promote organizational and management development.
- To co-operate nationally and internationally in exchange of information and services of personnel.



- To have corporate growth at a pace consistent with availability of resources and developmental needs of the economy.
- To promote specific social objectives such as development of entrepreneurs, ancillary industries, special assistance to SC/ST and other backward classes.

III. BENEFICIARIES OF CSR COMMITMENT:

Our commitment to social responsibilities is broadly classified under the following heads:

- a. CONCERN FOR ENVIRONMENT
- b. CONCERN FOR THE SOCIETY
- c. CUSTOMER CARE

a. CONCERN FOR ENVIRONMENT

Protection of the fragile environment has always been our priority. Our compliance with the ISO 14000 standards reflects our commitment to eco-friendly manufacturing systems and practices. Through continuous and proactive modernization of plants and upgradation technology, we are committed to follow the latest environmental norms stipulated by the various regulatory bodies thereby setting an example as an eco-friendly, caring organization.

Besides upgrading the plants to bring down emission levels, RCF believes in the balancing the eco system by ensuring plantation of a large number of trees and recycling industrial waste.

i) Chembur Green:

Under the banner of Chembur Green project, RCF distributes free saplings in and around Chembur and organizes plantations at various social and educational institutes and housing societies. Efforts in this direction have helped in keeping the environment clean and green.

ii) Sewage water treatment:

RCF commissioned India's largest sewage water treatment plant at its Trombay unit. Called Sujala, the plant is set up at a cost of nearly Rs 400 million and has a capacity to treat 5 million gallons of raw sewage water per day.

iii) Display of emissions:

RCF has been a pioneer in sharing vital information with the society with frequent interaction with various sections of the society. Daily emission



figures are prominently displayed at public places to give information on the emission levels.

- iv) The company has recently got studied the requirements of Solid Waste Management of the waste generated from Company's township through a reputed environmental consultant. The main recommendation is segregation of organic and inert waste and aerobic composting of organic waste for its stabilization. Inter waste will be sent for scientific landfill. The recommendations of the consultant will be implemented in phases.
- v) The Company has planned to undertake a project on utilization of waste gypsum for manufacturing load bearing wall panels. A model house has been constructed in the township using these panels. By making use of these panels, use of bricks will be eliminated and thus the environmental pollution during preparation of bricks will be controlled.
- vi) The company has undertaken revamp measures for bringing down emission of Green House Gases like Carbon Di Oxide, Nitrous Oxide (N₂O). Specific Clean Development Mechanism (CDM) projects are under progress.
- vii) The company is also studying the viability of project for manufacturing fuel grade bio-ethanol. Since ethanol is environmental friendly fuel, its blending with gasoline will bring down pollution levels.

b. CONCERN FOR THE SOCIETY

i. Integrated Rural Development Programme (IRDP):

In addition to making quality products and services available to farmers, the Company is committed to improving their socio-economic conditions. The Integrated Rural Development Programme flows out of this objective. As part of the programme, 10 to 15 tribal & backward villages are adopted each year from different states in the Company's marketing territories for all round development. Several programmes are carried out in association with Zilla Parishads (District level Government), district rural development financial institutions and voluntary organizations (NGOs). The major activities normally covered under the IRDP include:

» Basic Needs Development Programme:

This includes providing for basic needs of the community like construction of community halls, library buildings, drinking water facilities, lift irrigation facilities for small/marginal farmers, bus shelters, etc. We plan to actively participate in watershed development programme particularly for development of new cropping patterns which will be economically beneficial to farmers.



» **Public Health & Village Sanitation Programme:**

Under this programme, medical camps, veterinary camps, vaccinations etc are organized. Stress is also laid on use of latrines with biogas systems, compost piles, etc. Use of smokeless Stoves (chullahs) is also encouraged.

» **Agriculture Need Development Programme :**

This programme aims at supporting the farmers to increase their productivity by providing them with know-how on new package of practices, as well as provide necessary inputs like improved seeds, fertilizers, as well as agricultural implements like spray pumps and ploughs in the adopted villages. In addition, fertilizer/crop demonstrations are conducted to show the effectiveness of scientific package of practices to the farmers.

» **Subsidiary Occupation Development Programme:**

Under this scheme, training and support is given to farmers to develop subsidiary occupations to augment their income. Some of the areas where training has been imparted are : weaving, bee keeping, tailoring, dairy & poultry development, flour mill operations, etc. We also provide modern tools to village artisans to enable them to produce quality products.

» **Farm Labour Training:**

Labour plays an important role in farm productivity. They are also required to be informed about the different techniques available to improve effectiveness of operations through training programmes which are being conducted regularly.

» **Social Forestry & Waste land development:**

Denudation of forests is posing a serious ecological threat to the country. Afforestation of waste-land and horticulture are propagated through distribution of saplings in different areas.

» **Youth and Women Development Programme:**

This programme facilitates the formation of youth and Mahila Mandals at village level. Different competitions are organized periodically. The youth are also imparted training in rural sports, cottage industry, etc.

» **Social & Cultural Activities :**

Along with economic development, the Company encourages the organization of social/cultural activities in the adopted villages.

**c. CUSTOMER CARE:**

Maximum customer satisfaction and an integrated network of factory to farm services is the backbone of RCF's marketing strategy. The company provides a full range of marketing services including sales, fertilizer promotion, agricultural research and free agronomical services.

i. Soil Testing and farm services:

In order to help the farmers choose the best possible fertilizer for their crops, soil testing is carried out in our mobile and static labs. Agronomical advice on efficient use of resources is provided to the farmers free of cost. The company also provides a full range of marketing services including sales, fertilizer promotion, and agricultural research. RCF makes available, quality balanced fertilizers through efficient farm services comprising of direct farm activities, dealer development and support services, fertilizer logistics, warehousing and transportation.

ii. Experimental Farms:

In order to ensure smooth transfer of technology from lab to field RCF has a well developed experimental farm. A plot of land admeasuring 15 hectares has been developed at Thal to provide modern and scientific agricultural services to the farmers. New high yielding varieties of crops are demonstrated to them for easy acceptability. Modern techniques of agriculture and irrigation like drip irrigation, energy saving devices etc are also demonstrated. Experiments on the use of factory effluents for irrigation with different crops have yielded encouraging results. The farm provides excellent scope for the testing of new products like Ammonium Polyphosphate and urea nitric phosphate.

iii. Farmers' Training & association with Agricultural Universities

Another striking feature of our marketing services is the establishing of the Farmers Training Institute at Nagpur in collaboration with the Punjabrao Krishi Vidya Peeth, Nagpur. The main aim of this institute is to provide scientific training to small and marginal farmers (particularly with small holdings) and also to impart training to women farm labourers. It also provides a package of modern farm practices developed by RCF and the University, towards quick transfer of technology at the village level. Another Farmers training institute has been set up Thal for the benefit of farmers in Maharashtra, especially from the Konkan region.

In the coming years these activities will be further strengthened and new avenues will be explored.
