

**Indian Farmers Fertiliser Cooperative Limited
New Delhi**

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**COMMUNICATION ON PROGRESS ON GLOBAL COMPACT
PRINCIPLES FOR THE FINANCIAL YEAR 2005-06**

The Indian Farmers Fertiliser Cooperative Limited (IFFCO) is a national level multi-unit cooperative society engaged in manufacturing and marketing of chemical fertilisers. The Society was registered in 1967 and presently having a membership of over 37,424 cooperatives as shareholders. IFFCO is presently operating four factories located at Aonla and Phulpur in Uttar Pradesh, Kalol and Kandla in Gujarat and Paradeep in Orissa. IFFCO produced over 6.4 million tonnes of fertilizers in 2005-06 and contributed about 18.4% to the total Nitrogen and 23.4% 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 trusty ship 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 backbones 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.nic.in.

The brief report on various activities undertaken by IFFCO showing its commitment towards Global Compact Principles, as per the suggested proforma, are 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.
- Towards providing employment opportunity to weaker sections.

SYSTEMS

- Cooperative Development Programmes through marketing Field Officers.
- Rural and Agricultural Development Programmes through marketing Field Officers.
- 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 Cooperative Society promoted by IFFCO.
- Ban on recruitment of child labor and policy towards employment opportunity to weaker sections.

ACTIONS

- 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 practical 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.

PERFORMANCE DURING 2005-06

- Social and community development programmes were organized and infrastructure were provided in around 405 adopted villages.
- Conducted various social and promotional programmes as under:

- 5910 field programmes
 - 105 health checkup camps
 - 124 veterinary checkup camp
 - 1116 sale point personnel training programmes
 - 157 crop seminars
 - 1401 agricultural campaigns
 - Distributed 8257 critical input package (CIP) kits to farmers.
 - Analyzed 1,19,054 soil samples in different states.
- IFFCO KISAN SEWA TRUST organized Mega Health Check-up camps and Eye Check-up Camps for the farmers of Rajasthan. The trust distributed woolen pullovers to the earthquake affected people in J & K. It also extended financial assistance for construction of water pipelines, Gaushalas and “Adhar Sankaul” – the home for orphans, widows and old persons under rehabilitation programme for the earthquake affected people of Gujarat. The trust also supported the rehabilitation and welfare activities for the Tsunami affected people by constructing community centres in the states of Kerala & Andhra Pradesh and for bore wells with water storage facilities in the state of Pondicherry.
 - Warehousing of IFFCO fertilizer were awarded to 345 cooperative societies while 317 cooperative societies were awarded transportation work and 51 cooperative societies were awarded rake handling & transportation of fertilizers to increase their income.
 - Under the project ‘Western India Rainfed Farming’ (WIRF), being implemented in 78 villages of India, IFFDC has so far formed 939 Self Help Groups (SHGs). Under the Watershed Management Plan, IFFDC constructed 50 Earthen Dams and 93 Anicuts (stop Dam) in addition to 240 kilometres of Stone Bunds and Earthen Bunds to store the water.
 - IFFDC undertook Poverty Elimination Project in Jhalawar and Baran District of Rajasthan.
 - CORDET organized 237 training programmes to benefit 34004 farmers from various states and analyzed 89,610 soil samples free of charge.

- IFFCO Foundation had undertaken several research and development activities for economic up-liftment of weak cooperative societies.

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.
- 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.
- Programs for Human Resource Development.
- Recognized Employee Union in all the operating plant, Head Office and Marketing Division.

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.
- Constructive dialogue between management and union to take care the interest of employees.

PERFORMANCE DURING 2005-06

- No child labour employed.
- More than 204 in-house programmes on agriculture, marketing, general management, finance, technical, information technology, cooperatives management, material management, workers development etc. have been conducted for employees spread over 749 training days.
- Out of total employee strength of 6573 as on 28th February, 2006, 491 employees belong to Schedule Caste, 37 belong to Schedule Tribe, 488 belong to other Backward Classes.
- Out of total employee strength of 6573 as on 28th February, 2006, 165 employees are women out of which 103 are in key positions. They are placed in engineering, chartered accountancy, medical etc. fields depending upon their qualification and work experience. Women employees are also associated with recruitment committees.
- Kalol unit received “Rotating Shield (Winner Award)” with certificate for the Lowest Disability Injury Index (DIL) from Gujarat Safety Council. Got “National Safety Award” for Aonla unit as Runner-up based on largest Accident Free Year.

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.
- 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

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 is 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 LNG at Phulpur unit
 - Carbon Di-oxide recovery from flue gases at Aonla and Phulpur units.
- 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 has transformed wasteland into forests in Uttar Pradesh, Rajasthan and Madhya Pradesh.

PERFORMANCE DURING 2005-06

- The four operating plants of IFFCO (Kalol, Phulpur, Kandla & Aonla) have been awarded ISO – 1400 certification for their Environmental Management System in addition Township of Kalol, Aonla and Phulpur units, CORDET and Hospital at Phulpur unit have acquired ISO–14001 certification for their Environmental Management System.
- The Energy Efficiency Improvement Schemes at Ammonia plant located at Aonla, Phulpur & Kalol have been completed and commissioned except S-50 converter at Aonla which is expected to be commissioned by April, 2007.
- Switchover from Naphtha to Natural Gas at Phulpur plant is commissioned.
- Carbon Di-Oxide recovery plant is expected to be commissioned by January, 2007.

- All the above three scheme would reduce Green House Gas (GHG) emissions in the atmosphere by around 1 million ton CO₂ per annum which will be traded under Clean Development Mechanism of Kyoto Protocol of United Nations.
- Phulpur Unit was awarded the prestigious “Rajiv Ratna National Award – 2005” for Excellence in Indian Industries – “Best Pollution Control Gold Award” and prestigious “National Energy Conservation Award – 2005” Certificate of Merit in the Ferti
- Greenbelt development in and around the factory and township premises are as under:
 - Kalol Unit: 28.5 acres area is covered under greenbelt which is 30.5% of the total area.
 - Phulpur Unit: 294 acres is covered under greenbelt which is 33.45% of the total area.
 - Aonla Unit: 440 acres is covered under greenbelt which is 29% of the total area.
 - Kandla Unit: 13.65 acres is covered under greenbelt which is 7.845% of the total area.
- In addition, Kalol unit planted around 20000 plants in vicinity of the factory, township and distributed around 6000 plants in adjoining villages, Phulpur unit planted 5750 trees for maintaining eco-balance not only within the premises but also all around the plant.
- IFFDC have transformed around 65,000 acre wasteland area into forests. The Primary Farm Forestry Development Cooperative Societies (PFFCS), promoted by IFFDC are managing the total tree inventory of around 7.45 million trees.

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.

SYSTEMS

- Full fledged Vigilance department in each factory and marketing division directly reporting to Chief Vigilance Officer (CVO) a Director ranked officer.

ACTION

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

PERFORMANCE

- The procurement files are reviewed/audited and examined on random basis.
- All employees are required to submit return annually on the immovable properties in their possession.