

JM/2009/104  
June 20, 2009

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

Dear Mr. Secretary-General,

Multi Commodity Exchange of India Limited (MCX) became signatory to the Global Compact in the year 2007. Two years on we reaffirm our commitment to support the ten principles of the Global Compact. MCX believes the voluntary adoption and advancement of the 10 Principles of the UN Global Compact is vital to promoting understanding and action to ensure human rights are protected, to support international labour standards, protect the environment and to prevent corruption.

MCX will make a clear statement of this commitment to its stakeholders and the general public. MCX will also work towards infusing the 10 principles of the Global Compact as part of its culture, day-to-day operations and will engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals, thereby leading to India's development and prosperity.

MCX recognizes that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within two years of joining the Global Compact, and every year thereafter according to the Global Compact COP policy.

Please find attached some general information regarding our company as well as the contact person responsible for contacts with the office of the Global Compact.

Sincerely yours,



Joseph Massey  
Managing Director & CEO

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## PROFILE

Multi Commodity Exchange of India Ltd. (MCX), India's No 1 commodity exchange, is a de-mutualized, state of the art electronic commodity derivatives exchange that enjoys permanent recognition from the Government of India and operates within the regulatory framework of the Forward Contracts (Regulation) Act, 1952 (FCRA, 1952) and regulations there under.

Having started operations in November 2003, today MCX holds over 85% market share of the Indian commodity futures market and has more than 2000 registered members operating through over 65,000 trading terminals spread across India. MCX is a classic case of Public Private Partnership. Promoted by Financial Technologies (India) Ltd., stake holders of MCX include top Institutional Investors and exchanges from across the globe as well as leading Financial Institutions, Public and Private Banks of India. The shareholders list consists of reputed names such as: NYSE Euronext, Citigroup, Merrill Lynch, Fidelity, State Bank of India, ICICI Group, NABARD etc.

MCX is the world's first multi-commodity exchange to have achieved dual ISO certification (ISO 9001:2000 for quality management and ISO 27001:2005 - for information security management systems). MCX has established India's first composite commodity futures price index –MCX COMDEX -- a benchmark of activity in the commodity futures market in the country symbolizing MCX's research capabilities. MCX has also pioneered several initiatives in the Indian Commodity Futures markets such as providing price updates on cell phones, introducing futures trading in commodities such as electricity, heating oil, steel, potato, mentha oil, natural gas and crude oil.

MCX has emerged as a leading metal and mercantile exchange within 5 years of operations and is amongst the TOP eight global exchanges in terms of number of contracts traded. MCX's strategy since it went live was to focus on trading in globally-benchmarked commodity contracts such as bullion (gold & silver), base metals such as copper, nickel, zinc, lead, aluminium and tin and energy products such as crude oil, heating oil, CER, natural gas and others, tailor made to suit the Indian market conditions. MCX has successfully launched mini version of bullion and metal contracts which are reference with the international contracts.

Data up to December 2008 shows that MCX has emerged as world's largest exchange in Silver, 2<sup>nd</sup> largest exchange in gold and 3<sup>rd</sup> largest exchange in crude oil, copper and natural gas (in terms of number of contracts traded).

MCX offers futures trading in 62 commodities across various segments such as bullion, energy, ferrous and non-ferrous metals, oils and oil seeds, cereals, pulses, plantations, spices, plastics and fibres.

MCX has strategic alliances with several domestic trade associations to ensure that large liquidity pools partner and trade on its nationwide electronic trading platform. At a global level, it has signed various strategic alliances with leading international exchanges like Tokyo Commodity Exchange (TOCOM); The Baltic Exchange, London; Chicago Climate Exchange (CCX); New York Mercantile Exchange (NYMEX), London Metal Exchange (LME); Dubai Multi Commodities Centre (DMCC), Bursa Malaysia Derivatives, Berhad (BMD), Euronext.liffe, Zhengzhou Commodity Exchange, Agricultural Futures Exchange of Thailand (AFET), Shanghai Futures Exchange (SHFE) and others.

MCX recognizes its corporate social responsibility commitments in its various roles, and reaches out to cover both - its employees and the stakeholders. In line with best international practice, MCX aims through its CSR programs 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 “Golden Peacock Award” for its CSR initiatives. MCX is also part of the UN Global Compact movement that supports universal environmental and social principles.

MCX has brought about a paradigm shift in the Indian commodities market during the five years of its operations through innovative technology, path-breaking ideas and novel products as well as by forging national and international strategic alliances. As recognition of its success, it has been invited to partner with Government and Regulators of various emerging economies to set up electronic trading platforms in those countries.

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 organized 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 also the first exchange in India to receive the ISO 14001:2004 certification for Environment Management Systems. The ISO 14001:2004 is an internationally accepted Environment Management Standard, and re-affirms MCX’s commitment towards being an Environment conscious organization. “The ISO 14001:2004 standard addresses “Environmental management “. It 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.”

MCX is the first commodity exchange in India to achieve this landmark.

This certification also provides assurance on environmental issues to external stakeholders – such as customers, the community and regulatory agencies.

## HUMAN RIGHTS

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

#### **Pragati – partnership with Rotary International**

At MCX, we envisage creating empowerment through knowledge dissemination. Our involvement in sharing this wider responsibility is in pursuance of our philosophy, "to give back to the society/community our best". We aim to help people enrich their lives whether they are in the commodity ecosystem or society at large."

Rotary International and MCX launched 'Pragati' - a joint CSR project on January 13, 2007. 'Pragati' was envisioned for creating empowerment through education and awareness, thereby achieving economic growth in the rural strata. Rotarians have been exposed to commodity markets through various workshops. This initiative drove awareness on opportunities in the agri-segment, economic significance of futures trading, dissemination of futures prices, scientific warehousing, warehouse receipts, warehouse receipt financing, grading, good agricultural practices and quality standards.

"Rotary International Corporate Social Responsibility Award" was presented to MCX for integrating Rural India with Global Markets. The award was presented by Hon'ble Civil Aviation Minister Mr. Praful Patel on 13th Jan 2007 at Hotel Leela, Mumbai.



Mr Lamon Rutten, Joint MD, MCX, receiving the Rotary International CSR Award



Pragati Session with Rotary

**Future plan:** partnering with Rotary DISHA – a vocational training program for rural youths wherein MCX will impart training on financial and commodity markets. Through this initiative MCX aim to further the development rights of underprivileged sections of our wider stakeholder group.

#### **M S Swaminathan Research Foundation (MSSRF)**

MCX recognizes that one of the best ways to reach out to farmers across the vast geographies of the nation is to partner with existing models and extend its expertise on price information and technology. MCX has joined hands with MSSRF, a not for profit trust based at Chennai. Combining science with technology, the MCX - MSSRF partnership reaches out to farmers across the Southern region of India through the MSSRF network of 38 Village Resource Centres (VRC)/ Village Knowledge Centres (VKC). The premise of the VRC is to harness local knowledge in an interactive media and reach out to farmers. MCX has committed to providing these centres with future and spot price information.

MCX has partnered with MSSRF in farmer training programs to help farmers understand how futures markets can benefit them. MCX has also partnered with MSSRF in its Mission 2007 program that aims to make every village a knowledge centre. Rechristened as the Grameen Gyaan Abhiyan, a national movement for knowledge empowerment of rural families, it is hoped that by 2010, the Grameen Gyaan Abhiyan will cover every village and home or hut in the country. The last mile and last person connectivity in this mission will be achieved through an integrated internet-community radio or internet-cell phone synergy.

#### **The Energy Resources Institute (TERI)**

In 2007, MCX has partnered with TERI with the objective of drawing on the expertise of TERI and being a partner in their experimental initiatives. TERI is experimenting on ICT inclusion of remote



areas. To achieve this, it came up with the concept of village level kiosks, aimed at facilitating services that are very local in nature. In this unique partnership, MCX has partnered with TERI to set up the kiosks at Supi (Mukteshwar) and Sahiya (Dehradun). Both the places are hilly, remote areas with not even landline phone connections. The idea behind these kiosks is to equip a person with all the ICT equipments and to help him to run this center in a self sustainable manner. Along with this other objectives are to give computer education to the local people and children, and give framers suggestions regarding their queries related to crops. MCX has contributed with financial and commodity domain knowledge and TERI has arranged for the infrastructure, systems and processes for using them. In addition, MCX has also financed the development of a web-portal [www.k4rd.org](http://www.k4rd.org), which acts as the single window for the vast range of services to be offered through these kiosks. These kiosks help the rural population living in remote areas to know the latest developments, along with future price information so that they can use it to their benefit.



MCX – TERI Kiosk at Supi

### **Farmer Aggregation Model**

MCX has partnered with Cardinal Edge (CE), a Management Consulting Organization to explore ways to establish linkages and demonstrate ways in which farmers can participate on the futures exchange.

A pilot project on farmer aggregation was carried out with Aga Khan Rural Support Program India (AKRSP- I) with CE acting as the consultancy firm. Other than doing research and anglicizing existing contracts and identifying relevant changes based on field inputs, CE also interfaced between farmers and NGOs AKSRP - I to facilitate linkages between aggregator, farmers and exchange.

The partnership with CE helped facilitate convergence among farmers and the exchange resulting in a win-win situation because of price risk management through commodity derivatives trading.



Farmers gathering to understand aggregation

### **Toll free IVR number**

Mobile is all set to define the business in future for India. Rural India is the seat for Indian agriculture, as such, farmers reaching out with mobiles, will be soon able to reach out to the world. The mobile phone will fill the gap that exists in areas of health and education and agriculture. The key to socio-economic development in these areas is thus going to be a leap in telecommunications.

TTSL and MCX have joined hands together with intention of developing a special relationship to enable both these organizations disseminate spot and future prices of commodities through the mobile network. By making innovative usage of voice and data connectivity for agriculture and allied rural sectors, with technical know how and network provided by TTSL, MCX disseminates spot and future prices of commodities. This strategic alliance for joint initiatives in information and communication technology (ICT) based extension services, benefits the farmers and other participants in the rural ecosystem. The toll free number 126565 can be accessed from any Tata Indicom number. MCX has received more than 1000 hits since the launch of this service. The future plan includes expanding the number of commodities price information available on the IVR and spreading the reach of the service across the country.

### **Price Dissemination through mobile van**

In 2007, MCX partnered with Speck Systems under the CII – Durgapur project to disseminate futures price information to farmers in Durgapur, one of the 50 backward regions as notified by the Government of India. The price information has been integrated via web based URL of Speck Systems, which operates the mobile van, named 'Grameen Vikas Rath'. Other than price information, the van also promotes integrated pest management practices and educates farmers about efficient irrigation through training in use and maintenance of pipe and sprinklers. Around 350 farmers bargained with local trader over commodity pricing after visiting GVR and gaining knowledge of market price of MCX.

**Future plan:** to spread price information through GVRs coming up at Yavatmal and Mehboob Nagar district in Maharashtra and Andhra Pradesh respectively. To link up sales of quality agri inputs on the GVR with the partnerships that MCX has on their Gramin Suvidha Kendra project.



'Grameen Vikas Rath'

### **Disseminating price information via rural petrol pumps**

In this endeavour MCX seeks to improve awareness of futures trading, price risk management and facilitate better access to markets for the farming community through partnerships with IOC.

Kisan Seva Kendra (KSKs) run by IOC carry on research, develop, pilot and run sustainable business models by using ICT (Information and Communication Technology). IOC has agreed to place boards that contain price and other information about commodities traded on MCX at its petrol pumps to benefit farmers. Black boards have been put up at 3 rural petrol pumps around Jalgaon region.

According to Mr. Kumar, GM, IOC, "As part of our group strategy to enable farmers to take informed decisions, we have decided to alliance with MCX's GSK to beef up information base to benefit farmers through IOC's petrol pumps in these rural areas. Most of the pumps are also geographically close to GSK locations so that these Kendra coordinators can send in the price information by post."

For MCX it is another way of ensuring that it reaches out to as many farmers as possible. While price information spread is one part of the strategy of MCX; to strengthen awareness about various aspects of agricultural economy is another. The most critical consideration is to follow it up with farmer awareness camps, to be organized by the KSKs operators of IOC. Needless to add such follow-up will add value by way of updating of information including price information through GSK.



In keeping up with its objective to strengthen its corporate social responsibility (CSR) activities, Multi Commodity Exchange (MCX) and Indian Oil Corporation (IOC) on 27th of March 2008 entered into an agreement to disseminate price information about commodities among farmers. The MoU was signed by Mr. Lamon Rutten, JMD, MCX and Mr. K. R. Suresh Kumar, GM – Retail, IOC.



MOU signed between IOC & MCX: In the picture (I to R): Mr Suresh Kumar, GM (Retail) IOC, Mr Lamon Rutten, Joint MD, MCX, Mr Jignesh Shah, Vice Chairman, MCX

**Future plan:** To expand the reach of price information via rural petrol pumps in different states and areas.

### **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 program at Jalgaon

**Future plan:** Around 100 farmer awareness programs are being planned for the year 2009-10 at various locations across the country. These programs have the support of NABARD and FMC.

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

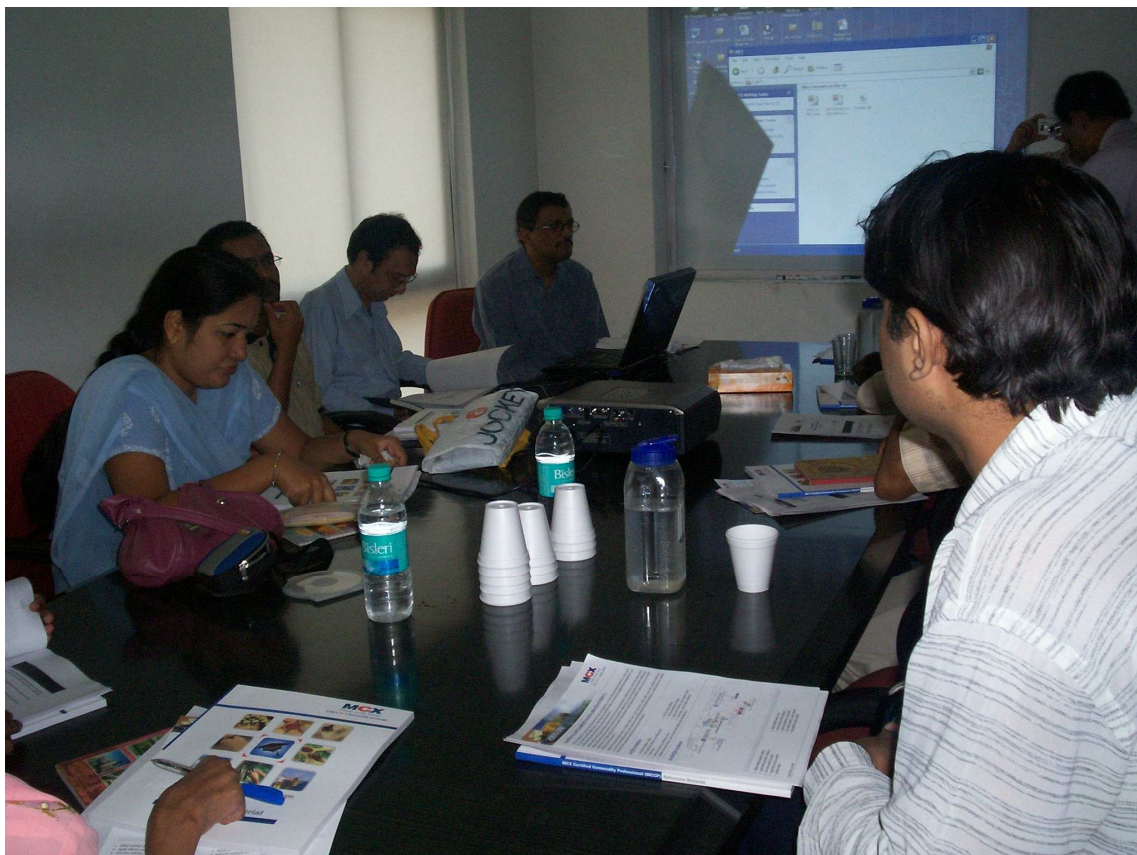
### **Equal rights for the disabled:**

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

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## 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. GSK currently operates across five states and 11 locations, reaching out to more than 4,000 farmers and touching lives across 768 villages, through 160 branch post offices.

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 like rural water purifiers

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 companies like Mahyco, Syngenta, Bayer CropScience, Dhanuka Agritech, DSCL Shriram, PHI Seeds, Aries Agro Ltd and Mahindra Shubllabh.





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 through partnership with Eureka Forbes Limited.

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







Need assessment Program at Jalgaon – Kinod Village Meet



GSK Centre at Salon Sub Post Office, UP

### Farmer Testimonials



- Farmer : Sarveshkumar Singh
- Village/So/District : Revhara/Salon/Rae Bareilly
- GSK services utilized : Bought 230 kg wheat seeds from GSK
- Quote : “I bought wheat seeds from GSK which gave me double return.  
Even GSK coordinator visits us and constantly provides vital information which has helped us a lot.”



- Farmer : Patel Pankaj Kashiram
- Village/So/District : Aithor/Unjha/Maheshana
- GSK services utilized : Utilised GSK platform to buy seeds and day to day price information.
- Quote : “I am benefited from GSK by buying seeds at cheaper rate than market. The daily price information helped me to get good return.

**Future plan:** 8 new GSK centres have been planned for the year 2009-10. The Ministry of Panchayati Raj under its ‘Rural Business Hub’ has extended funding to GSK for setting up 4 new Centres. GSK is also to be part of CII Young India (CII Yi) platform, wherein GSK has the potential to create for companies that partner with MCX to position, promote and sell their products through the unmatched India Post office network.

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

### **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.

### **"Khushi Ki Kiran"**

'Khushi Ki Kiran' is the outcome of the Group's concern and philosophy of contributing towards society with skills and time. The in-house CSO Committee members coined the term 'Khushi Ki Kiran', which means spreading a ray of sunshine in the lives of people. This truly exemplifies the spirit with which the employees work towards giving back to society.

Group CSO has identified suitable NGOs located close to the office. The idea is to make the drive successful and that can be achieved only if we zero on to the right NGO located close by so that employees need not commute for long.

Due diligence is done of NGOs to ensure that they were authentic, genuine and have the required infrastructure and the need for such a movement. It is vital that we build in a comfort level with both – the NGOs and the employees. Hence the type of work done and the infrastructure facilities available with the NGOs is a key criterion for moving ahead in the selection process.

Employee volunteerism movement is associated with the following NGOs.

- Ashadeep – working with slum children of single domestic/maidservant mothers. The children attend school and later stay at this home till their mothers come back to take them home. Ashadeep provides free school uniforms and meals for these children.
- Snehasadan – residential home for street children. Children are sent to nearby municipal schools and all their needs are taken care of. Mumbai Police sends in children they pick from the streets and brings them to Snehasadan
- Home for the Aged – a residential facility for senior citizens above the age group of 65 years.
- Teach India initiative – with the Times of India group; across NGOs around Andheri East.

More than 100 employees have signed up for Khushi ki Kiran.

### **Employee Speak:**

"Such initiative by CSO would bring a desirable completeness to the personality of our employees which would be in the interest of the employees, the organization and the society." **Parag Jain, Chief, Membership and Compliance, MCX.**

'My main motivation was an urge and eagerness to participate in an initiative that can make a change (even if it is a slight one) in people's lives, contribute a bit to the society (people around us) in my own small yet selfless way. I hadn't participated in any such activity in a long time (basically ever since I passed out of college), so was all the more enthusiastic about it and did not want to miss this opportunity. It doesn't ask for much of an effort and yet can make a huge difference through cumulative effort. Thanks and regards.' **Prachi Garg, Manager – Group HR**

'I liked the idea because we do not get the time to go out on our own and if company is organizing and taking care, why should we not participate? It is after all a noble idea.' **Daxa Jani, Executive, Economic Analysis and Publication, MCX.**

'I was always looking forward to this sort of activity. I myself have gone thru lot of hardships since I lost my father when I was in 10th standard. Since then I have been working and have completed my studies. There are so many children who do not have enough opportunities to educate themselves because of various issues. If I can change the life of at least 1 child it will give me great amount of satisfaction. It's the time that I need to give it back to the society who has given me so much. I was an active member of Rotract International and have participated in various awareness programs at District level. Of late I am not able to devote my time to the social causes because of various reasons. I feel "Khushi ki Kiran" can in turn give me a satisfaction and belongingness to the society which I belong to.' **Pravin Sawant, AVP. Group HR.**



Children being thought by MCX volunteer at Ashadeep Association (NGO)



MCX volunteer serving food at Home For Aged NGO

### **'Reach Out' - the pay roll deduction 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. Employees can also track how your money has been utilized - that too from their desk.

'Reach Out' gives employees the choice of contributing to five NGOs, whose activities benefit children, women, disabled 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!!

#### **Employee quotes:**

"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.**

"It is a great opportunity for us to help Cancer Patients. It's my great pleasure if I can contribute to save their lives." **Manish K Jain from Baran**

"I have been provided with an opportunity to spend a little amount for a noble cause."



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**Kinkar Gupta Bakshi from Burdwan**

“I am honoured to work in an organization which takes various steps towards helping various NGOs through various new steps,” **Bhavesh Morjaria, from Mumbai.**

Quotes from NGO Beneficiaries:

“Thanks for adding Akshayapatra foundation as one of the beneficiaries on PRG Front. It will not only inculcate the habits to contribute but help the disadvantage at large. A Big thank you to all of your team members for making this happen.”

**Pawan Singh Raghuvanshi, DGM & Programme Head, Akshaya Patra Foundation**

“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**

“We are thankful to all the Employees and the CSO dept for their kind contribution and sincere efforts for the children of Ashadeep. We assure you that the contribution will be used in the best interest of the children.” **Santosh Panigrahi, Ashadeep Association.**



Vocation Training Being Given to Women at Save The Children India NGO

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## 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.

So far, more than 18 programs have already been held and around 300 employees have been trained on HIV/AIDS. This is continuous programme and all employees of MCX are to be covered.

**Future plan:** to extend special HIV/AIDS awareness programs for the drivers of the company and housekeeping staff.



‘Jagrut Poster’

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.

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## ENVIRONMENT

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

World Environment Day is celebrated within the organization to create a pool of aware and sensitive employees with the overall objective of propagating a greener environment. 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.

An employee driven E waste drive was conducted on the occasion of World Environment Day 2009 to create a sensitization and awareness on the important issue of E waste.



E-Waste Drive At MCX



Date: 30/06/2009

To,  
Ms. Sarita Bhal,  
Multi Commodity Exchange of India Ltd.  
Andheri (East), Mumbai

Subject: Confirmation letter for E-waste picked up on June 1<sup>st</sup> week

Dear Madam,

This is pertaining to the E-waste drive held in MCX/FT offices on June 5th 2009 on World Environment Day. Please find below materials details collected from all your branches.

- 1) Nafin Point -1 box
- 2) Andheri-1 box
- 3) Chennai - 1 box
- 4) Hyderabad -1 Box
- 5) Kolkata - 1 Box

Thanking you and assuring you our best service all the time.

For **ATTERO RECYCLING PVT. LTD.**

A handwritten signature in blue ink, appearing to read "Vishal", is written over a purple stamp that says "Manager".

Manager

Thanks & Warm Regards,  
Vishal Chomal  
Regional Head-West  
Attero Recycling Pvt. Ltd.

Mob. 9819047956  
E-mail: vishal@attero.co.in  
Lanline: 022-40167986

**ATTERO RECYCLING PVT. LTD.**

Email: info@attero.co.in, Address : B-92, Sec 63, Noida, U.P. 201301  
Web Address : www.attero.co.in, Tel.: +91 120 408 7100, Fax : +91 120 408 7101



## **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 head quarters 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.



## **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.

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.

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## 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't's", 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.