

**Indian Farmers Fertiliser Cooperative Limited
New Delhi**

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**COMMUNICATION ON PROGRESS ON GLOBAL COMPACT
PRINCIPLES FOR THE FINANCIAL YEAR 2004-05**

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 37,000 cooperatives as shareholders. IFFCO is presently operating four factories located at Aonla and Phulpur in Uttar Pradesh and Kalol and Kandla in Gujarat. IFFCO produced over 6 million tonnes of fertilizers in 2004-05 and contributed about 18% to the total Nitrogen and 24% to the total P₂O₅ 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. In addition IFFCO's case study on Enhancing Business-Community Relations was prepared and posted by Ms Aparna Mahajan & Mr. Kate Ives, UN Volunteers on www.unv.org in October, 2003.

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 2004-05

- Social and community development programmes were organized and infrastructure were provided in around 400 adopted villages.
- Conducted various social and promotional programmes as under:

- 6384 field programmes
- 106 health checkup camps
- 120 veterinary checkup camp
- 1247 sale point personnel training programmes
- 154 crop seminars
- 1482 agricultural campaigns
- Distributed 6836 critical input package (CIP) kits to farmers.
- Analyzed 1,36,182 soil samples in different states.
- IFFCO KISAN SEWA TRUST contributed Rs. 10 million (US \$ 0.23 million) to Prime Minister's National Relief Fund towards Tsunami Disaster Relief Operation Funds and donated US \$ 35,000 to Tsunami affected people in Indonesia, Sri Lanka and Thailand.
- 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 formed 236 Self Help Groups (SHGs) during 2004-05 with the aim to enhance the livelihood of rural poor. So far 819 SHGs have been formed of which 61% are being run by women.
- Under the Watershed Management Plan, IFFDC has so far constructed 149 Earthen Dams and 88 Anicuts (stop Dam) in addition to number of Stone Bunds and Earthen Bunds to store the water.
- IFFDC undertook Poverty Elimination Project in 75 villages.
- CORDET organized 184 training programmes to benefit 12065 farmers from various states and analyzed 77,777 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 2004-05

- No child labour employed.
- Organized training and development programmes for employees as under:
 - 16 programmes on 'Agricultural Technology' for field staff.
 - 5 programmes on 'Salesmanship' for salesman of IFFCO Farmers Service Centres (FSCs).
 - 8 in-service training programmes for field staff to share, review and plan the suitable marketing strategies.
 - 5 programmes on 'Work Ethics and Work Culture' for workmen.
 - 11 computer appreciation programmes for all categories of field staff.
- 175 employees were sponsored for participation in programmes of reputed management institutions in India and abroad.
- Out of total employee strength of 5752 as on 31st March, 2005, 516 employees belong to Schedule Caste, 32 belong to Schedule Tribe, 545 belong to other Backward Classes.
- Out of total employee strength of 5752 as on 31st March, 2005, 169 employees are women out of which 96 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.

- 4 women candidates were recruited in IFFCO in various disciplines.
- Received the “Best Managed Workforce Award”, instituted by Hewitt Associates and CNBC-TV 18.
- Got Safety Award “Certificate of Honour” to Kalol and Kandla units for 2003 from Gujarat safety Council.

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 2004-05

- All the four operating plants of IFFCO have been awarded ISO – 14001 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 Phase-I of energy efficiency schemes at Aonla, Phulpur & Kalol have been commissioned and Phase-II is expected to be commissioned by June, 2006.
- Switchover from Naphtha to Natural Gas at Phulpur plant is expected to be commissioned by June, 2006.
- Carbon Di-Oxide recovery plant is expected to be commissioned by December, 2006.
- 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.
- 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. IFFDC also planted around 1.25 million plants during 2004-05.

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.