



**Indian Farmers Fertiliser Cooperative Limited
New Delhi**

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**COMMUNICATION ON PROGRESS ON GLOBAL COMPACT
PRINCIPLES FOR THE FINANCIAL YEAR 2009-10**

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 8.20 million tonnes of fertilizers in 2009-10 and contributed about 21.7% to the total Nitrogen and 27.5% 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 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.nic.in.

IFFCO is planning to publish its Global Reporting Initiative (GRI) approved Sustainable report for the financial year 2008-09 shortly which will reflect 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 indiscrimination 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 upto 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 emphasises 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 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; and
- 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.

PERFORMANCE DURING 2009-10

- Various promotional, social and community development programmes based on specific needs were organized and infrastructure were provided in around 434 adopted villages;
- Conducted various social and promotional programs as under:
 - 5,292 field programs
 - 114 health checkup camps
 - 119 veterinary checkup camp
 - 1,118 sale point personnel training programmes
 - 153 crop seminars
 - 910 agricultural campaigns
 - Distributed 8,125 critical input package (CIP) kits to farmers



- Analyzed 1,51,413 soil samples in different states;
- Undertaken 24 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;
- 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 equipments, arranging for blood through Red Cross Society and financial assistance to various hospitals for the treatment of farmers. During the year, the Trust spent Rs.71.33 lakh towards its activities for providing medical relief to needy ones;
- IFFDC has done afforestation in 27,000 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;
- CORDET organized 249 training programs to benefit 14,314 farmers including women from various states and analyzed 99,564 soil samples free of charge. In addition, 481 soil samples were analysed for micro nutrients and 18 samples for irrigation water. CORDET is also manufacturing bio-fertilisers which is marketed through IFFCO's Farmers Service Center and Cooperatives; and

- IFFCO Foundation, a brain trust of IFFCO, had undertaken several research and development activities for economic upliftment of weak cooperative societies. Developing social capital and human resource in rural areas, empowerment of women and youth are the major activities to **realise** this objective. IFFCO Foundation conducted forums on issues relating to food security and agricultural development at the global level especially in SAARC, African and Latin American countries, which has opened avenues for larger cooperation among farmers. Foundation has set up 41 nurseries through self-help groups of farmers. It also continued to help farmers in generating additional income through grassroots level farm-based programs such as diary, goatery, bee-keeping and agro-processing.

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

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

PERFORMANCE DURING 2009-10

- 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, 2010, the society had 585 employees belonging to Schedule Caste, 49 belonging to Schedule Tribe and 706 belonging to other Backward Classes on its rolls; and



- Out of total employee strength of 6,662 as on March 31, 2010, Society had 180 women employees out of which 121 are in executive cadre.

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; 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 CO₂ 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 CO₂ 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;
 - 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;
- The four operating plants of IFFCO (Kalol, Phulpur, Kandla & Aonla) 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 is 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 CO₂ 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 CO₂ per annum and has been consider under Clean Development Mechanism project of Kyoto Protocol of United Nations.

PERFORMANCE DURING 2009-10

- IFFCO Aonla unit bagged “TERI Corporate Environment Award 2009” for its effort towards environmental management and innovative initiative. Aonla unit also have won the “National Award for Prevention of Pollution” under Fertiliser category;
- IFFCO Aonla Unit has won “Greentech Environment Excellence Gold Award 2009” in Fertiliser Sector for outstanding achievement in Environment Management;
- IFFCO Paradeep unit has won award from Fertiliser Association of India (FAI) for “Improvement in Overall Performance” for the year 2008-09;
- IFFCO Phulpur Unit has received the Golden Jubilee award in recognition and appreciation of extraordinary accomplishment and contribution to the nation from Chamber of Commerce & Industry;
- IFFCO Phulpur and Kalol units have won the prestigious “National Energy Conservation Award 2008”. Phulpur unit also bagged the prestigious “Water Efficient Unit” award from Confederation of Indian Industry (CII) for excellence in water management. IFFCO Aonla unit has won National Award for “Excellence in Energy Management – 2008” from CII as “Energy Efficient Unit” and “Innovative Project”;



- 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. Every year 10,000 to 12,000 saplings are being planted to fill the gap and replacement of dead wood trees.
 - Kandla Unit: 16 acres is covered under greenbelt which is 9.20% of total plant area while additional 58.50 acre land has been covered out side plant area.
- IFFDC have transformed around 27,000 hectare 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 has been awarded the “Amity Corporate Excellence Award 2008” by Amity International Business School for its outstanding contribution towards afforestation on wasteland, environment conservation and promoting rural economy; and
- In addition, Kalol unit distributed around 4729 horticulture and 5250 forest trees in adjoining villages. Phulpur unit planted 5750 trees for maintaining eco-balance not only within the premises but also all around the plant.

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.