

**Indian Farmers Fertiliser Cooperative Limited  
New Delhi**

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**COMMUNICATION ON PROGRESS ON GLOBAL COMPACT  
PRINCIPLES FOR THE FINANCIAL YEAR 2008-09**

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 39,824 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 7.17 million tonnes of fertilizers in 2008-09 and contributed about 21.4% to the total Nitrogen and 27.0% 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](http://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, 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 labour and policy towards employment opportunity to weaker sections.

## 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.
- 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 2008-09**

- Social and community development programmes were organized and infrastructure were provided in around 439 adopted villages.
- Conducted various social and promotional programmes as under:
  - 4257 field programmes
  - 10 health checkup camps
  - 121 veterinary checkup camp
  - 1070 sale point personnel training programmes
  - 124 crop seminars
  - 948 agricultural campaigns
  - Distributed 6842 critical input package (CIP) kits to farmers.
  - Analyzed 1,22,098 soil samples in different states.

- Undertaken 23 special projects on agricultural, social and community development such as Watershed Management, Integrated Rural Development and Micro Enterprises etc in the various States for assisting Self Help Groups in earning livelihood etc.. 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 and Cooperation, Agroecconomics and Fertilizer Technology in the areas of Research Education and Extension, IFFCO is continuing to work in collaboration with State Agricultural Universities / National Institutes through.
- IFFCO KISAN SEWA TRUST undertakes 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.55 lakh towards its activities for providing medical relief to needy ones and Rs. 15 lakh towards other relief and rehabilitation activities.
- IFFDC has done afforestation in 26,500 hectare wasteland by promoting 145 village level Primary Farm Forestry Cooperative Societies covering about 28,500 members which include 38% landless and 51% small /marginal farmers. IFFDC is implementing Livelihood Improvement through Integrated Rural Development (LIIRD) Project since April 2006 and is presently working in 55 villages of Orissa. IFFDC has undertaken Integrated watershed Development Projects in Madhya Pradesh covering 12700 hectares under National Rural Employment Guarantee Scheme of the State Government. Other such project has also been undertaken in Madhya Pradesh, Andhra Pradesh, Chhattisgarh and Rajasthan on 9000 hector area with financial support from National Bank for Agriculture and Rural Development (NABARD). Work on the ongoing projects by IFFDC in various States continued in the current year viz. Indus Child Labour

Project in district Sagar (MP), Western India Rainfed Farming Project in Rajasthan & MP, Rain Water Harvesting Projects, Projects undertaken under GOI schemes etc.

- CORDET organized 216 training programmes to benefit 13,453 farmers including women from various states and analyzed 71,122 soil samples free of charge. In addition, 1418 soil samples were analysed for micro nutrients and 47 samples for irrigation water. CORDET is also manufacturing biofertilisers which is marketed through IFFCO's Farmers Service Centres and Cooperatives.
- IFFCO Foundation had undertaken several research and development activities for economic up-liftment 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. They have organized an International Conference on "India Africa Cooperation for Sustainable Food Security" at New Delhi in November, 2008 with the objective to prepare an action plan for addressing food security and poverty alleviation issues.

## **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 indiscrimination 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 by granting relaxation in recruitment stage.
- Programs for Human Resource Development.
- Recognized Employee Union in all the operating plant, Head Office and Marketing Division.
- 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.
- Constructive dialogue between management and union to take care the interest of employees.

## **PERFORMANCE DURING 2008-09**

- No child labour employed.

- Various in-house programmes 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, 2009, the society had 650 employees belonging to Schedule Caste, 66 belonging to Schedule Tribe and 761 belonging to other Backward Classes on its rolls.
- Out of total employee strength of 6757 as on March 31, 2009, Society had 177 women employees out of which 118 are in executive cadre.
- IFFDC is continuing its work on “Indus Child Labour Project” in district Sagar (MP) funded by International Labour Organisation (ILO) with main interventions like identification of the child at risks and provision of transitional education to children, income generating alternatives for families of child labour; raising social mobilization awareness and capacity building on child labour.
- IFFDC was awarded “Certificate of Appreciation” by TERI under its Corporate Social Responsibility Award 2008 for its contribution towards good corporate citizenship and sustainable initiatives.

### **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 CO<sub>2</sub> 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 CO<sub>2</sub> 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.

### **PERFORMANCE DURING 2008-09**

- 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 CO<sub>2</sub> per annum and has been consider under Clean Development Mechanism project of Kyoto Protocol of United Nations.
- 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 CO<sub>2</sub> per annum and has been consider under Clean Development Mechanism project of Kyoto Protocol of United Nations.
- 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.
  - Kandla Unit: 15 acres is covered under greenbelt which is 8.62% of total plant area while additional 57.50 acre land has been covered out side plant area.
- 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.
- 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.

#### **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.

- 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.
- 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.