

**Indian Farmers Fertiliser Cooperative Limited  
New Delhi**

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**COMMUNICATION ON PROGRESS ON GLOBAL COMPACT  
PRINCIPLES FOR THE FINANCIAL YEAR 2007-08**

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 39,564 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 6.8 million tonnes of fertilizers in 2007-08 and contributed about 20.0% to the total Nitrogen and 25.0% 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 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](http://www.iffco.nic.in).

The brief report on various activities undertaken by IFFCO showing its commitment towards Global Compact Principles, as per the suggested proforma, are as under:

**I. HUMAN RIGHTS**

**Principle 1:** Business should support and respect the protection of international human rights within their sphere of influence; and

**Principle 2:** make sure they are not complicit in human right abuses.

## **COMMITMENT**

- Towards making the cooperative societies economically and democratically strong for professionalized services to the farming community to ensure an empowered rural India.
- Towards farmers for their welfare, prosperity and growth.
- Towards social responsibilities for a strong social fabric.
- Towards fostering cooperative movement in the country.
- Towards abolition of child labour.
- Towards indiscrimination on the basis of gender in employment.
- Towards providing employment opportunity to weaker sections.

## **SYSTEMS**

- Cooperative Development Programmes through marketing Field Officers.
- Rural and Agricultural Development Programmes through marketing Field Officers.
- Cooperative and Rural Development Trust (CORDET) promoted by IFFCO.
- Services through IFFCO Kisan Sewa Trust promoted by IFFCO;
- Services through IFFCO Foundation a Trust promoted by IFFCO;
- Services through Indian Farm Forestry Development Cooperative Ltd. (IFFDC) a Cooperative Society promoted by IFFCO.
- Ban on recruitment of child labor and policy towards employment opportunity to weaker sections.

## **ACTIONS**

- IFFCO adopts villages with an objective of bringing about over all economic development and improvement in living standards of rural community through integrated rural development with particular emphasis on agricultural development.

- To make Cooperative societies economically viable, IFFCO adopt them and provide infrastructure and financial support, for their revival, through sale of IFFCO fertilizers.
- In order to strengthen Cooperative societies, IFFCO appoints some of them as Franchisees for storage and handling of fertilizers which includes warehousing, transportation and rake handling;
- Organize programs viz; Farmers Meeting, Crop Seminars, Field Demonstration, Sale Point Personnel Training, Agricultural and Social Campaigns, Demonstrations etc. to educate farmers and cooperative societies to enhance crop productivity through balanced use of nutrients;
- Organize community based programs viz; Women Training, Medical / Veterinary check up, etc. for farming community;
- IFFCO promoted Indian Farm Forestry Development Cooperative Ltd. (IFFDC) with the prime objective of development of wasteland and to enhance the socio-economic status of the rural poor. IFFDC helps in formation of Self Help Groups (SHGs) in villages for unity, fulfilling need of loan, saving and improvement in livelihood assets. Emphasis is laid on formation of women SHGs.
- Promoted a Charitable Trust known as “IFFCO KISAN SEWA TRUST” to provide relief and rehabilitation to victims in the event of natural calamities.
- Promoted a Trust “IFFCO Foundation” with an objective to promote cooperative development.
- The Cooperative Rural Development Trust (CORDET) promoted by IFFCO provides practical training to farmers to improve their skills in agricultural production, horticulture, dairy, poultry, professional leadership at village level, management of cooperatives and several other activities.

#### **PERFORMANCE DURING 2007-08**

- Social and community development programmes were organized and infrastructure were provided in around 431 adopted villages.
- Conducted various social and promotional programmes as under:

- 4212 field programmes
  - 108 health checkup camps
  - 165 veterinary checkup camp
  - 1111 sale point personnel training programmes
  - 169 crop seminars
  - 952 agricultural campaigns
  - Distributed 6519 critical input package (CIP) kits to farmers.
  - Analyzed 1,24,641 soil samples in different states.
- 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.60 lakh towards its activities for providing medical relief to needy ones.
  - During the year 2007-08, the society has undertaken 23 special projects on agricultural, social and community development such as Watershed Management, Agricultural Development and Micro Enterprises etc in the various States for assisting Self Help Groups in earning livelihood etc..
  - IFFDC is implementing Livelihood Improvement through Integrated Rural Development (LIIRD) Project since April 2006 in 30 villages of 5 clusters in Orissa. IFFDC has done afforestation in 26,190 hectare wasteland by promoting 145 village level Primary Farm Forestry Cooperative Societies. IFFDC has also undertaken Integrated Watershed Development Projects in the year under report in Madhya Pradesh covering 12700 hectare area under National Rural Employment Guarantee Scheme of the State Government. Another such project has also been undertaken in Chhatisgarh on 3000 hectare area with support from 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 Indian

Rainfed Farming Project in Rajasthan & MP, Rain Water Harvesting Projects, Projects undertaken under GOI schemes etc.

- CORDET organized 229 training programmes to benefit 22,221 farmers from various states and analyzed 77,250 soil samples free of charge.
- IFFCO Foundation had undertaken several research and development activities for economic up-liftment of weak cooperative societies. They have organized an International Conference on “Science-based Agricultural Transformation towards Alleviation of Hunger & Poverty in SAARC Countries” at New Delhi in March, 2008 with the objective to analyse the regional agrarian situation encompassing food insecurity and poverty, generation, sharing and use of new knowledge and technologies and came up with implementable action plans to be operationalised.

## **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 2007-08**

- No child labour employed.
- Various in-house programmes on agriculture, marketing, general management, finance, technical, information technology, cooperatives management, material management, workers development etc. have been conducted for employees.
- As on March 31, 2008, the society had 579 employees belong to Schedule Caste, 48 belong to Schedule Tribe and 676 belong to other Backward Classes on its rolls.

- Out of total employee strength of 6743 as on March 31, 2008 Society had 168 women employees out of which 106 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.
- 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 has been implementing Livelihood Improvement through Integrated Rural Development (LIIRD) project since April 2006 in 30 villages of 5 clusters in Orissa.
- IFFDC was awarded “Certificate of Appreciation” by TERI under its Corporate Social Responsibility Award 2007 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

## **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 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 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 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 2007-08**

- 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.
- A Carbon Di-Oxide recovery plants has been installed at Aonla and Phulpur to recover 450 tonnes per day CO<sub>2</sub> from flue gas for use in production of Urea.

- IFFCO Phulpur unit has won the first prize of prestigious “National Energy Conservation Award” and the second prize of “National Energy Conservation Award” was received by Kalol unit.
- Prestigious FAI Award for “Best Overall Performance of an operating Nitrogenous Fertiliser unit” won by IFFCO Phulpur-I unit.
- 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 outside 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 20,000 plants in vicinity of the factory, township and distributed around 6,000 plants in adjoining villages, Phulpur unit planted 5,750 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.

## **SYSTEMS**

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

## **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 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.