

## Deki CSR Report for 2013-15

For a business entity, **Corporate Social Responsibility (CSR)** connotes a path through which it forges a balance between its economic interests, the preservation of the environment, and its relationship with society at large. It is not about occasional philanthropic acts but rather it is a way of conducting commercial activity on a consistent basis that is both strategic as well as mutually beneficial for all stakeholders.

As the **ISO 26000:2010** suggests, CSR reports should “present the organization’s goals, operational performance, products and services in the context of sustainable development.” We at Deki agree with the ISO 26000 guidance and believe that the goal of CSR is to promote and contribute to the sustainability for society as a whole and the planet and not just our concern. Deki strives to achieve sustainable resource use, attempts to provide sustainable livelihoods for our employees, and recognize the importance of efforts made to attain the sustainability of society as a whole.

Deki is also ensuring that its CSR activities are consistent with the guidance provided by **Schedule VII of the Companies Act of 2013** regarding CSR.

Deki understands that the CSR benefits the company and the society at large. Through our corporate governance, employee relations, consumer interactions, increasingly environmentally conscious activities, and involvement in the community outside the business we respect the interests of our stakeholders and work towards becoming a better partner in promoting sustainability. (See attached Deki’s CSR Policy)

The company has several ongoing CSR initiatives that signal its commitment towards the goal of becoming a model corporate citizen that values its relationships with all of its stakeholders and works toward the ultimate objective of sustainability. With progress in this area, Deki’s CSR activities have tangible activity in all seven Core Subjects/Issues outlined in the ISO 26000 charter.

### Organizational Governance

The management team of Deki is committed to provide a stimulating, learning-oriented, transparent and professional environment wherein total involvement of each and every member is encouraged. Deki understands all aspects of its organizational affairs embody the guiding principles ISO 26000 of accountability and transparency that the CSR benefits the company and the society at large.

In order to pursue our CSR mission seriously, our CSR Director obtained a executive certification in **Global CSR** in November 2014 from the Thunderbird School of Global Management located in Glendale, AZ, USA. She has conducted training sessions for employees and management of the company to bring more clarity regarding CSR and to encourage them for employee volunteering programs as well as sustainability.

## Human Rights

Deki promotes respect for employee human rights. We provide safe, fair, and favorable working conditions. We do not allow forced labor, there is no child labor in our organization, and we ensure that there is no discrimination based on social background, ethnicity, and gender.

## Labour Practices

**Employment relationships:** Deki conducts an employee satisfaction survey every six months in which all direct employees provide feedback pertaining to the work environment, salary, job-satisfaction, growth opportunity, and knowledge of targets, standard specifications, operating procedures, etc. Survey results are compiled into a report that tracks the results of the most recent survey with that of the previous months. The report, along with the action points for improvement, is discussed with all the employees in an “Open House”. In addition, employees are invited to offer suggestions for improving processes and/or reduce costs and are rewarded if a particular idea is implemented. This provides employee motivation by encouraging a sense of ownership in the company. Several hundred suggestions have been approved and implemented.

**Health and safety at work:** Deki routinely invites medical personnel from area hospitals to provide employee workshops on detection and diagnosis of diseases as well as lectures on awareness regarding disease prevention and healthy lifestyle choices. Employees are also familiarized with fire-fighting equipment and emergency procedures.

**Human development and training in the workplace:** Deki treats its employees as a valuable asset and as a source competitive advantage as it is key to producing extraordinary results for its customers and stakeholders. Therefore, a lot of emphasis is laid on the training and skill development of employees to improve employees’ facility with equipment and to increase productivity. Training needs are identified through training needs assessment, performance appraisals, road map reviews and shop floor meetings. Accordingly, training schedules are drawn up and followed up through coordination to ensure that the identified needs are effectively addressed. The technical & functional skills for new and existing production staff are administered through on-the-job and classroom methods. Currently around 3% of working time is spent on it training and skill improvement.

## The environment

- **Prevention of pollution & environmental protection:** (a) Environmental and emissions testing is carried out periodically at the in-house test laboratory and reports are reviewed for trends; (b) Deki is reviewing its practice regarding storage of Xylene and developing a safety and emergency handling protocol for it.
- **Energy Conservation:** Deki has undertaken a programme to reduce energy cost per unit of production for two years with economically beneficial results. The company has ISO

14001 certification and intends to become EICC compliant with zero gap and aims for OHSAS 18001 certification

- As is shown in the company newsletter, there is employee awareness and advocacy for the Reduce-Reuse-Recycle campaign.
- Deki regularly recycles or reuses packing materials from shipments received
- There is an initiative to begin composting organic waste from the cafeteria.
- Deki has been following the practice of harvesting rain-water for irrigation purposes and has recently completed an assessment of fixtures to prevent water wastage.

### *Fair operating practices*

- **Promoting social responsibility in the value chain:** (a) The management of Deki is committed to provide a stimulating, learning-oriented, transparent and professional environment that encourages total involvement of each employee, (b) The work culture is oriented towards arriving at decisions by consensus, and (c) The Company was declared a “Model Industry” by HLPPT & ESIC for implementing the social project “SANKALP.”
- **Fair Competition:** (a) Deki has already committed itself to compliance of EICC code as Industry mandate. Moreover, Deki committed itself to CII’s Code of Ethics & COCAA (Code of Conduct on Affirmative Action), (b) we intend to be compliant in all statutory and legal requirements, and (c) we will develop a protocol for anti bribery and fraud, and communicate it to internal and external stakeholders.

### *Consumer issues*

- Companies in developing countries who integrate CSR into their business can create a better competitive position for their businesses and products in global markets and become a preferred supplier in the MNC Supply Chain. (Deki’s large international buyers have mandated that the company comply with social accountability requirements and EICC norms.) Commitment to sustainability and accountability for the impact if its actions are good for a firm’s corporate reputation and the basis for a mutually beneficial relationship with its stakeholders that includes its customers.
- CSR compliance is one of the market access requirements in the EU; *e.g., Phillips Supplier Sustainability Involvement Programme* is designed to engage its suppliers on a shared journey towards leadership in sustainability, and thus is an important process in supplier selection.
- Every 6 months external- and internal-customer satisfaction surveys are conducted and the results are used to initiate improvement plans which are shared with the customers and employees

- As part of its quality improvement process, Deki has launched a PPM reduction program involving customers. Deki's quality assurance system, certified in accordance with ISO 9002 since November 1994, was upgraded to ISO 9001:2000 in December 2003 is based international performance standards and covers functional performance, delivery performance, price / performance ratio, and overall service satisfaction; (b) Quality assurance applies to raw material vendor selection, sourcing, incoming inspection through process inspection to final inspection and storage/ dispatch; (c) Modern quality tools such as the 7 QC tools, Statistical Process Controls (SPC) and Failure Mode and Effects Analysis (FMEA) are used regularly to ensure continual improvement in quality and reliability.; and (d) AQL (Acceptable quality level): All outgoing inspection is carried out as per Inspection Standard ISO 2859 / IS 2500 or IEC 410. AQL for all electrical properties is 0.1; this ensures that not even a single failure is acceptable.

## **Community involvement and development**

### **A. Our projects with Akhil Bharatiya Mahila Ashram, Dehradun**

- *Training programme in Retail Management in conjunction with NIIT for 10 girls*

During the year 2014-15, the company has completed a pilot project focused on fostering self-reliance and economic independence for girls from impoverished and marginalized backgrounds residing at the Akhil Bharatiya Mahila Ashram in Dehradun. In this pilot project, we provided instructors in English and Computer skills and arranged for the enrollment of ten girls in a three month vocational training course in retail management under the NIIT's Nav Yuva Jyoti Programme. All girls have successfully completed the skill development programme and the six who were graduating high school were placed in jobs in the retail sector in Dehradun. Their jobs now enable them to earn a decent wage to not only become self-reliant but to also assist their families financially. As role models, they inspire others at the ashram to follow in their footsteps. Deki staff makes routine visits to the Ashram to observe progress and to assess future involvement

- *Certification in Conversational English*

Current 11<sup>th</sup> and 12<sup>th</sup> graders at the Ashram are receiving instruction in conversational English through an instructor

- ***Solar Panel Installation***

Deki also provided the necessary funding (Rs. 5 lakhs) for the installation of **Solar Photovoltaic Panels** on the premises of Akhil Bharatiya Mahila Ashram, Dehradun. This will help reduce the ashram's electricity bills while contributing to environmentally sound energy practices. The Solar system is now functional.

## **B. Skill Training Programme in Delhi**

We are eager to start a CSR project, focusing the skill-development programme for impoverished section's girls and boys from surrounding area in NOIDA. We were hoping to offer a sewing and tailoring program for the women of neighboring villages in NOIDA however in spite of visiting the villages and publicizing our initiative, we were unable to get participants due to transportation issues. We are now in the process of offering short term course on basic electronics and computers considering the interest of the young generation and employment opportunity. We are in dialogue with NGOs, exploring the possibilities and prospect for enrollment under the programmes of Skill Development Mission of Govt. of India. Through an NGO we hosted 30 kids from marginalized families to visit our factory, get a tour of the shop floor and the kind of opportunities available.

## **C. CSR Roundtable**

Deki is also attempting to convene a CSR round-table discussion with other businesses in NOIDA to explore potential cooperation and possible joint CSR projects.

## **Employee Volunteering Initiative:**

We have created an employee volunteering programme in our company. Volunteering is one of the core human resource strengths at Deki. We encourage our employees to volunteer in CSR activities. Such an effort is intended to foster a socially – sensitive workforce that recognizes its responsibility toward society at large. This will create goodwill, engender a mutually beneficial community spirit, and enhance Deki's corporate reputation.

- A. Our first effort has been “**SWACHH BHARAT, SWACHH DEKI**” on the occasion of launch of Prime Minister's campaign “**SWACHH BHARAT MISSION**” on 2<sup>nd</sup> Oct' 14. Deki's staff joined to participate in a companywide effort in line with the Swachh Bharat campaign. On Oct. 2, 2014 one hundred and six employees of our company collaborated to clean both the factory premises as well as the surrounding area including the neighborhood park by picking up garbage and disposing of litter and waste. This event

was complemented by another companywide effort during Jun. 16 – Jun. 30, 2015 whose focus was to inculcate a hygienic lifestyle, recycling, and minimizing waste like scrap paper, plastic products, etc.

- B. Further, we are planning to educate and sensitize employees on cleanliness and environmental issues. We will discuss these issues with the employees, choose few volunteers and start the campaign of *Clean India* within their own colony & locality.
- C. We are planning to tie up with NOIDA Authority and NOIDA Entrepreneurs Association for tree planting and other volunteering opportunities involving *Deki Volunteers*.
- D. This company-wide volunteering effort may involve events like a **Good Deed Day** held once or twice year. Some ideas that we are exploring are clothing drives to collect unwanted garments for distribution among poor residents in the vicinity of the factory and distribution of Divali fire-crackers among children of poor people in the area. We can also explore the possibility of arrange for a mobile medical facility to visit area shantytowns and migrant construction workers living in temporary dwellings to provide first-aid, general medical counseling, and information regarding healthy habits.

**As can be seen, we have achieved all but one of our goals for 2014-15:**

1. Ensuring that 10 girls from the Ashram complete their training at NIIT and 6 obtain gainful employment (**Done**)
2. Plan capital expenditures for improvement of the Ashram infrastructure and facilities (**Done**)
3. Planning an employee-driven volunteer event that involves staff from all levels of the company (**Done**)
4. Attending a Jaipur Foot camp as a volunteer/observer and arrange a camp in Uttarakhand (**Incomplete**)

We were in discussion with Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) – the organization behind the Jaipur Foot. This NGO is involved in rehabilitating amputees and polio patients by fitting artificial limbs), calipers, and other aids at camps held throughout India as well as in other countries. (<http://jaipurfoot.org/>)

For these camps, the technicians either transport equipment and materials or arrange visits of mobile workshops and set up temporary workshops at the camp sites where the patients turn up with the support of local organizers. Apart from artificial limbs/calipers, hand-pedaled tricycles, wheelchairs and crutches may also be distributed at these camps based on the requirements of the

private grantees/donors. Normally, limbs/calipers are given the same day or in the next one or two days unless the cases are complicated

We were unable to do this as we did not have the resources to find people in need of limbs in Uttarakhand. We realized in our discussions with BMVSS that offering to hold a camp required us to find the participants and that was not feasible for us. At the moment we have dropped the idea for this project.

Deki strives to be a responsible corporate citizen by demonstrating a CSR profile that can be a model for similar businesses in India. We wish to adopt the true CSR model in which we are conscious of maintaining a prudent mix of people, planet, and profits. We recognize that making changes to prevailing attitudes and incorporating new aspects into an existing paradigm are necessarily disruptive and may lead to unforeseen consequences. However, our current policies and practices have put us in a sound position to further our CSR pursuits. We are committed to managing our carbon footprint, ensuring a mutually advantageous relationship with the community at large, and respecting the interests of all our stakeholders.

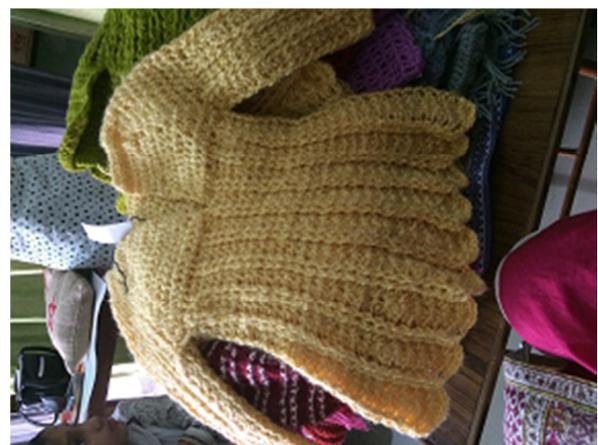
Our Work at Akhil Bharatiya Mahila Ashram, Dehradun



5 of the girls who completed vocational training at NIIT



Our Chairman with the girls at the Ashram



Some of the items made by the girls at the Ashram through vocational training



Solar Photovoltaic System installed at the Ashram in 2015

## Our CSR Efforts in Delhi/NOIDA



Publicity of skill-development training programme in Noida



Orientation visit to Deki visit by students from area school to learn about the company



Swachh Deki – Swachh Bharat event at Deki