LDS SUSTAINABILITY REPORT-2024-2025

LDS/SR/01

SUSTAINABILITY REPORT

1. ABOUT THIS REPORT

1.1 Reporting Scope

This Sustainability Report presents a comprehensive and data-driven overview of the Environmental, Social, and Governance (ESG) performance of **LDS Rubber Tech (Chennai) Pvt. Ltd.**, a manufacturing organization specializing in plastic and rubber injection moulding for automotive and consumer component applications.

The scope includes all direct manufacturing activities, associated utilities, and support functions that contribute significantly to environmental footprint and social impact. Particular emphasis is placed on energy-intensive processes, material utilization efficiency, waste generation, and occupational health and safety performance.

1.2 Reporting Period

This report covers the period from **1st April 2024 to 31st March 2025**, aligning with the financial year of the organization.

1.3 Reporting Frameworks and Standards

The report has been prepared in alignment with internationally recognized sustainability reporting frameworks and standards to ensure consistency, comparability, and credibility of disclosed information.

- **Global Reporting Initiative (GRI Standards)**: Adopted as the primary framework for structuring disclosures related to environmental, social, and governance performance.
- **Business Responsibility and Sustainability Reporting (BRSR – India)**: Incorporated to align with regulatory expectations and national-level disclosure requirements applicable to Indian enterprises.
- **Greenhouse Gas (GHG) Protocol**: Utilized for the quantification and reporting of greenhouse gas emissions, including Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity).
- **ISO Management System Standards**:
    - **ISO 14001** (Environmental Management Systems): Guiding environmental risk identification and control measures
    - **ISO 45001** (Occupational Health & Safety Management Systems): Supporting workplace safety and risk mitigation frameworks

1.4 Reporting Boundary

The organizational and operational boundary of this report includes all facilities and activities under the direct operational control of LDS Rubber Tech Chennai Pvt. Ltd. at its primary manufacturing location.

Operational Coverage Includes:

- **Injection Moulding Shop**
- **Raw Material Storage & Handling**
- **Utilities and Infrastructure**

Data presented in this report has been collected through internal monitoring systems, utility records, production logs, and safety documentation.

2. DIRECTOR MESSAGE

At LDS Rubber Tech Chennai Pvt. Ltd**.**, we recognize that sustainability is no longer a parallel initiative but a fundamental driver of long-term business resilience and operational excellence. As a plastic and rubber injection moulding manufacturer serving the automotive and consumer sectors, we are acutely aware of the environmental and social responsibilities associated with our operations.

During the financial year **2024–2025**, we made measurable progress in strengthening our sustainability performance across key areas.

Equally important is our commitment to the safety and well-being of our workforce. We are proud to report **zero fatal incidents** during the reporting period.

Looking ahead, our priorities are clear:

- Further reduction in energy consumption through adoption of energy-efficient technologies
- Strengthening water management practices and improving reuse efficiency
- Enhancing data systems for more accurate tracking and reporting of ESG performance

MANUEL / DIRECTOR

3. ORGANIZATIONAL PROFILE

LDS RUBBER TECH Pvt. Ltd. is a specialized manufacturing organization operating in the **plastic and rubber injection moulding industry**, catering primarily to the automotive and consumer goods sectors.

The product portfolio includes:

- **Automotive plastic components** such as interior trims, housings, and functional parts
- Custom-moulded components developed based on client specifications and engineering requirements

The organization operates with a workforce of **150 employees**, comprising skilled machine operators, quality engineers, maintenance personnel, and support staff.

4. BUSINESS & MANUFACTURING OVERVIEW

4.1 Manufacturing Process Flow

1. Raw Material Drying

Raw polymer granules are subjected to controlled drying processes prior to moulding.

2. Injection Moulding

The dried raw material is fed into injection moulding machines.

3. Trimming & Finishing

After demoulding, components undergo:

- Removal of excess material (flash trimming)
- Surface finishing where required
- Minor corrections to ensure adherence to specifications

4. Inspection & Quality Control

Final products are subjected to inspection processes including:

- Visual inspection
- Dimensional verification
- Functional checks (where applicable)

4.2 Utilities and Infrastructure

The manufacturing operations are supported by essential utilities that enable continuous production while contributing to the overall environmental footprint.

1. Electrical Energy

- Primary source: Grid electricity
- Used for: Injection moulding machines, dryers, compressors, lighting, and auxiliary systems

2. Diesel Generator (DG) Backup

- Provides backup power during grid outages
- Diesel consumption contributes to **Scope 1 greenhouse gas emissions**

3. Air Compressors

- Supply compressed air required for machine operations and automation systems
- Continuous operation makes compressors a **significant indirect energy consumer**
- Leak detection and pressure optimization are implemented to improve efficiency

4. Cooling Systems

- Water-based cooling systems are used for mould temperature regulation
- Cooling efficiency directly impacts cycle time, product quality, and water consumption

5. SUSTAINABILITY GOVERNANCE

5.1 ESG Governance Structure

LDS Rubber Tech (c) Pvt. Ltd. has established a defined governance structure to ensure accountability, compliance, and continuous improvement in Environmental, Social, and Governance (ESG) performance.

5.2 POLICY FRAMEWORK

A. ENVIRONMENTAL POLICIES

1. Environmental Policy

- Compliance with all applicable environmental laws, regulations, and standards
- Reduction of energy consumption and improvement in energy efficiency
- Monitoring and reduction of greenhouse gas emissions
- Efficient utilization of natural resources, including water and raw materials
- Minimization of waste generation through reuse, recycling, and recovery practices
- Prevention of pollution across air, water, and land
- Continuous improvement through environmental performance monitoring and audits

2. Energy Management Policy

- Optimize energy consumption across all manufacturing operations
- Promote use of energy-efficient machinery and technologies
- Monitor energy usage and identify reduction opportunities
- Gradually increase the share of renewable energy sources

3. Water Management Policy

- Ensure responsible use of water resources
- Promote water conservation and recycling practices
- Monitor water consumption and reduce wastage
- Prevent contamination of water sources

4. Waste Management Policy

- Segregate waste at source into hazardous and non-hazardous categories
- Promote recycling and reuse of plastic scrap (regrind usage)
- Ensure safe disposal of non-recyclable and hazardous waste through authorized vendors
- Reduce landfill dependency

B. SOCIAL POLICIES

5. Occupational Health & Safety (OH&S) Policy

The organization is committed to providing a safe and healthy workplace for all employees and stakeholders.

- Identification and control of workplace hazards through risk assessments (HIRA)
- Prevention of work-related injuries, illnesses, and incidents
- Promotion of a strong safety culture through training and awareness
- Mandatory use of personal protective equipment (PPE)
- Continuous monitoring of safety performance (near misses, incidents, LTIFR)
- Compliance with all applicable safety regulations and standards

6. Human Rights Policy

- Zero tolerance for child labor and forced labor
- Equal opportunity and non-discrimination in employment
- Respect for employee dignity and rights
- Fair wages and working conditions

7. Employee Welfare & Well-being Policy

- Provide safe working conditions and hygienic facilities
- Support employee health, including periodic medical check-ups
- Encourage work-life balance and mental well-being

8. Training & Development Policy

- Continuous skill development for employees
- Safety and technical training programs
- Leadership and behavioral training initiatives

9. Community Engagement Policy

- Support local community development initiatives
- Promote local employment opportunities
- Participate in social and environmental awareness programs

C. GOVERNANCE POLICIES

10. Code of Conduct & Ethics Policy

- Maintain integrity and transparency in all business dealings
- Prohibit unethical practices including fraud and bribery
- Ensure responsible decision-making

11. Anti-Corruption & Anti-Bribery Policy

- Zero tolerance for bribery and corruption
- Transparent procurement and vendor selection processes
- Compliance with applicable anti-corruption laws

12. Whistleblower Policy

- Provide a secure and confidential mechanism to report unethical practices
- Protection against retaliation for whistleblowers
- Timely investigation and resolution of complaints

13. Supplier Code of Conduct

- Ensure suppliers adhere to environmental and social standards
- Encourage ethical sourcing and sustainable practices
- Monitor supplier compliance periodically

14. Risk Management Policy

- Identify, assess, and mitigate business and ESG risks
- Integrate sustainability risks into business strategy
- Ensure business continuity planning

Policy Governance and Implementation

All policies are:

- Approved by top management
- Communicated to employees and stakeholders
- Reviewed periodically for effectiveness and relevance

Implementation is supported through:

- Training programs
- Internal audits
- Performance monitoring and corrective actions

6. ENVIRONMENTAL PERFORMANCE

LDS RUBBER TECH(CHENNAI)Pvt. Ltd. recognizes that its environmental impact is closely linked to energy-intensive manufacturing processes, material usage, and waste generation inherent in plastic injection moulding operations. The organization adopts a structured approach to monitor, manage, and continuously improve its environmental performance through data-driven decision-making and operational controls.

6.1 Energy Management

Energy consumption remains the most significant environmental aspect of the company's operations, primarily driven by injection moulding machines, material drying systems, and compressed air infrastructure.

Performance Overview

- **Total Energy Consumption:** 20676 kWh/year
- **Energy Intensity:** 440 kWh per ton of production
- **Year-on-Year Reduction:** 5% decrease compared to previous year

Analysis

The reduction in energy intensity reflects improved process efficiency and better machine utilization. Given that injection moulding is inherently energy-intensive, even marginal improvements contribute significantly to cost savings and emission reduction.

Key Initiatives

- Optimization of machine cycle times
- Reduction of idle machine operation
- Preventive maintenance of high-energy equipment
- Monitoring of energy consumption trends at plant level

Strategic Focus

Future efforts will focus on:

- Machine-level energy monitoring systems
- Adoption of energy-efficient equipment
- Exploration of renewable energy integration

6.2 Water Management

Water is primarily used for cooling processes in moulding operations and for domestic purposes within the facility.

Performance Overview

- **Total Water Consumption:**773 KL/year

Analysis

Water usage is moderate compared to other manufacturing sectors; however, efficient cooling remains critical for maintaining process stability and product quality. Increasing recycled water usage reduces dependency on fresh water sources.

Key Initiatives

- Implementation of water recirculation systems in cooling processes
- Periodic monitoring of water usage
- Leak detection and corrective maintenance

Strategic Focus

- Increase water recycling efficiency
- Improve water usage tracking by process
- Reduce freshwater dependency

6.3 Emissions Management

Greenhouse gas (GHG) emissions are primarily associated with electricity consumption and diesel usage for backup power generation.

Performance Overview

- **Scope 1 Emissions (Direct):** 58.73 tCO_2e (Diesel Generator usage)
- **Scope 2 Emissions (Indirect):** 17.07 tCO_2e (Grid electricity consumption)

Analysis

Scope 2 emissions constitute the majority of the company's carbon footprint, indicating strong dependence on grid electricity. Scope 1 emissions remain relatively low due to limited diesel generator usage.

Key Initiatives

- Reduction in DG usage through operational planning
- Monitoring of fuel consumption
- Optimization of electricity consumption

Strategic Focus

- Reduction of carbon intensity per unit production
- Transition toward cleaner and renewable energy sources
- Development of baseline for Scope 3 emissions

6.4 Waste Management

Plastic waste generation is an inherent aspect of injection moulding processes due to trimming, rejection, and process inefficiencies.

Performance Overview

- **Total Waste Generated:** 28 tons/year
- **Recycled Waste:** 7208(25%)

Analysis

A significant portion of plastic waste is recovered and reused, reflecting effective waste segregation and recycling practices. However, landfill disposal still represents an opportunity for improvement.

Key Initiatives

- Segregation of plastic scrap at source
- Reuse of regrind material in production (where feasible)
- Collaboration with authorized recyclers

Strategic Focus

- Increase recycling rate beyond current levels
- Reduce rejection rates through process optimization
- Move toward zero waste to landfill

6.5 Resource Efficiency

Resource efficiency focuses on optimizing raw material utilization and reducing process losses.

Performance Overview

- **Scrap Reduction:** 9% improvement compared to previous year

Analysis

Reduction in scrap generation indicates improved process control, better mould performance, and enhanced operator efficiency. This directly contributes to cost savings and environmental benefits.

Key Initiatives

- Process parameter optimization
- Quality control improvements
- Training of operators to reduce handling errors

Strategic Focus

- Further reduction in rejection rates
- Improved tracking of material losses at process level
- Integration of data-driven monitoring systems

6.6 Integrated Environmental Perspective

The company's environmental performance is driven by interconnected factors:

- **Energy consumption → Emissions impact**
- **Water usage → Operational efficiency**
- **Material efficiency → Waste generation**

By addressing these areas collectively, XYZ Plastics aims to improve overall sustainability performance rather than optimizing individual parameters in isolation.

6.7 Continuous Improvement Commitment

LDS RUBBER TECH (CHENNAI) Pvt. Ltd. is committed to:

- Strengthening data collection and monitoring systems
- Setting measurable environmental targets
- Enhancing transparency in reporting
- Aligning operations with evolving environmental standards

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7. SOCIAL PERFORMANCE

LDS Rubber Tech Chennai Pvt Ltd. recognizes that sustainable business performance is not limited to environmental efficiency but is equally dependent on the well-being, safety, and development of its workforce and the communities in which it operates. The organization adopts a structured approach to managing social aspects, focusing on occupational safety, employee development, ethical practices, and community engagement.

7.1 Occupational Health & Safety (OH&S)

Ensuring a safe and healthy workplace is a top priority, particularly in a manufacturing environment involving high-temperature machinery, moving equipment, and material handling risks.

Performance Overview

- **Lost Time Injury Frequency Rate (LTIFR):** 0
- **Near Miss Reports:** 5 cases

- **Fatalities:** Zero

7.2 Workforce Profile and Diversity

The organization maintains a structured workforce comprising skilled and semi-skilled personnel essential for manufacturing operations.

Workforce Composition

- **Total Employees:** 150
  - Male: 110
  - Female: 40

7.3 Training and Development

Continuous skill development is essential for maintaining operational efficiency, improving safety, and enhancing employee engagement.

Performance Overview

- **Average Training Hours:** 16 hours per employee per year

7.4 Human Rights and Employee Relations

The organization is committed to upholding fundamental human rights and maintaining ethical workplace practices.

Performance Overview

- **Child Labor:** Zero cases reported
- **Grievance Mechanism:** Active and accessible

7.5 Community Engagement and Development

LDS Rubber Tech Chennai Pvt Ltd. acknowledges its responsibility toward the local community and aims to contribute positively to its socio-economic development.

Performance Overview

- **Local Hiring:** 40% of workforce sourced from nearby communities

7.6 Integrated Social Perspective

The organization's social performance is built on three interconnected pillars:

- **Safety → Protecting employees from harm**
- **Development → Enhancing skills and capabilities**
- **Responsibility → Supporting communities and ethical practices**

By aligning these elements, ensures that workforce well-being and community impact are integrated into its overall business strategy.

7.7 Continuous Improvement Commitment

The company remains committed to:

- Strengthening safety culture across all levels
- Enhancing employee engagement and satisfaction
- Improving diversity and inclusivity
- Expanding community-focused initiatives

8. GOVERNANCE

LDS Rubber Tech Chennai Pvt Ltd. maintains a governance framework designed to ensure ethical conduct, regulatory compliance, transparency, and accountability across all levels of the organization. Governance practices are integrated into daily operations to support responsible decision-making and long-term business sustainability.

8.1 Business Ethics and Code of Conduct

The organization has implemented a formal **Code of Conduct** that defines expected standards of behaviour for all employees, management, and associated stakeholders.

Key Principles

- Integrity and honesty in all business dealings
- Compliance with applicable laws and regulations
- Fair treatment of employees, suppliers, and customers
- Avoidance of conflicts of interest
- Protection of company assets and confidential information

Implementation Mechanism

- Code of Conduct communicated to all employees during induction and periodic training
- Mandatory adherence for all levels of staff
- Monitoring through internal audits and management oversight

Analysis

The existence of a structured Code of Conduct establishes a baseline for ethical behavior and reduces operational and reputational risks.

8.2 Anti-Corruption and Anti-Bribery Practices

LDS Rubber Tech Chennai Pvt Ltd. follows a zero-tolerance approach toward corruption, bribery, and unethical business practices.

Performance Overview

- **Reported Incidents of Corruption/Bribery:** Zero

8.3 Whistleblower and Grievance Mechanism

The company provides a mechanism for reporting unethical practices, misconduct, or violations of company policies.

Key Features

- Confidential reporting channels
- Protection against retaliation
- Structured investigation and resolution process

Objective

To encourage transparency and ensure that issues are identified and addressed proactively.

8.4 Governance Oversight

Governance responsibilities are distributed across key roles:

- **Top Management:** Strategic oversight and policy approval
- **Plant Head:** Operational governance and compliance
- **EHS Officer:** Monitoring of environmental and safety compliance
- **Department Heads:** Implementation and adherence at functional level

Regular reviews and internal audits ensure that governance systems remain effective and aligned with business objectives.

9. ESG KPI DASHBOARD

The company tracks key sustainability performance indicators to monitor progress, identify improvement opportunities, and align operational performance with long-term environmental goals.

Performance Overview

Metric	FY 2023–24	FY 2024–25	Target FY 2025–26
Energy Consumption (kWh)	26400.19	20676	24000
Water Consumption (KL)	699	773	700
Waste Recycling (%)	20	20	20

9.1 Performance Analysis

Energy

The reduction in energy consumption reflects improved machine efficiency, optimized production scheduling, and reduced idle time. The target for FY 2024–25 is aligned with continued efficiency improvements and potential integration of energy-saving technologies.

Water

Water consumption has decreased due to improved process control and partial recycling. The target reflects further optimization in cooling systems and reduction in water losses.

Waste Recycling

The increase in recycling rate indicates improved segregation and reuse of plastic scrap. The organization aims to further reduce landfill dependency by enhancing recycling systems and process efficiency.

9.2 KPI Governance

- KPIs are reviewed periodically by management
- Performance deviations trigger corrective actions
- Data is tracked through operational and utility records

10. FUTURE SUSTAINABILITY ROADMAP

LDS Rubber Tech Chennai Pvt Ltd. has defined a forward-looking sustainability roadmap aligned with operational efficiency, regulatory expectations, and long-term environmental responsibility.

10.1 Strategic Priorities

1. Renewable Energy Transition

- **Target:** Achieve **20% renewable energy usage by 2028**
- **Approach:**
  - Evaluation of rooftop solar installations
  - Exploration of green power procurement options
- **Expected Impact:**
  - Reduction in Scope 2 emissions
  - Lower long-term energy costs

2. Zero Waste to Landfill

- **Target:** Achieve **zero waste to landfill by 2028**
- **Approach:**
  - Increase internal reuse of plastic scrap
  - Strengthen partnerships with recyclers
  - Improve process efficiency to reduce rejection rates
- **Expected Impact:**
  - Reduced environmental impact
  - Improved material utilization

3. Water Recycling and Conservation

- **Target:** Increase **water recycling to 60% by 2028**

Approach:

- Expansion of closed-loop cooling systems
- Installation of water recirculation and filtration units
- Identification and elimination of leakages
- Segregation of process water and domestic water streams

Expected Impact:

- Reduced dependency on freshwater sources
- Improved water efficiency per unit production
- Enhanced resilience against water availability risks

10.2 Implementation Strategy

To achieve the above targets, the organization will focus on:

- Investment in efficient technologies and infrastructure
- Strengthening monitoring and data collection systems
- Employee awareness and operational discipline
- Periodic review of progress against defined targets

10.3 Long-Term Vision

LDS Rubber Tech Chennai Pvt Ltd. aims to transition toward a more sustainable manufacturing model by:

- Reducing environmental footprint
- Improving resource efficiency
- Aligning operations with evolving ESG expectations

11. ASSURANCE AND VERIFICATION

LDS Rubber Tech Chennai Pvt Ltd. is committed to ensuring the accuracy, reliability, and transparency of the information presented in this Sustainability Report. The organization has established internal verification mechanisms and is progressively moving toward independent external assurance to enhance credibility.

11.1 Internal Assurance

An internal audit process has been conducted to review the data, systems, and disclosures presented in this report.

Scope of Internal Audit

The internal assurance covered:

- Verification of environmental data (energy, water, emissions, waste)
- Review of safety records, including incident and near-miss reporting
- Validation of operational data such as production volumes and resource usage
- Assessment of compliance with internal policies and procedures

Methodology

- Cross-verification of data with source records (utility bills, logs, registers)
- Review of documentation and reporting systems
- Discussions with responsible personnel across departments

Outcome

- No major discrepancies were identified in reported data
- Minor gaps in data tracking and documentation were noted and addressed through corrective actions
- Overall, the data presented is considered **reasonably accurate and reliable for reporting purposes**

11.2 External Assurance (Planned)

To enhance transparency and stakeholder confidence, the organization plans to undertake **independent third-party assurance** of its sustainability disclosures in the upcoming financial year **(FY 2025–26)**.

Scope of Planned External Assurance

- Verification of ESG performance indicators
- Validation of GHG emissions calculations (Scope 1 and Scope 2)
- Review of sustainability governance and reporting processes
- Alignment with GRI/BRSR disclosure requirements

Objective

- Strengthen credibility of reported information
- Ensure alignment with global best practices
- Identify opportunities for improvement in data management and reporting systems

11.3 Data Management and Control Systems

The organization maintains structured data collection and reporting mechanisms to ensure consistency and traceability.

Key Practices

- Maintenance of utility consumption records (electricity, water, fuel)
- Recording of waste generation and disposal data

- Documentation of safety incidents and training activities
- Periodic review of data by responsible departments

Limitations

While efforts have been made to ensure data accuracy:

- Certain estimates, particularly in emissions calculations, are based on standard conversion factors
- Scope 3 emissions data is currently limited and will be expanded in future reporting cycles

12. CONCLUSION AND WAY FORWARD

The company has made measurable progress in integrating sustainability into its core operations during the reporting period. Improvements in energy efficiency, waste recycling, and safety performance reflect the organization's commitment to responsible manufacturing practices.

The company recognizes that sustainability is an ongoing journey requiring continuous evaluation, adaptation, and improvement. While significant progress has been achieved, key challenges remain, particularly in areas such as increasing recycling efficiency, reducing emissions, and enhancing resource optimization.

THANK YOU

APPROVED BY: