

ESG NEWSLETTER

December 2025 Edition



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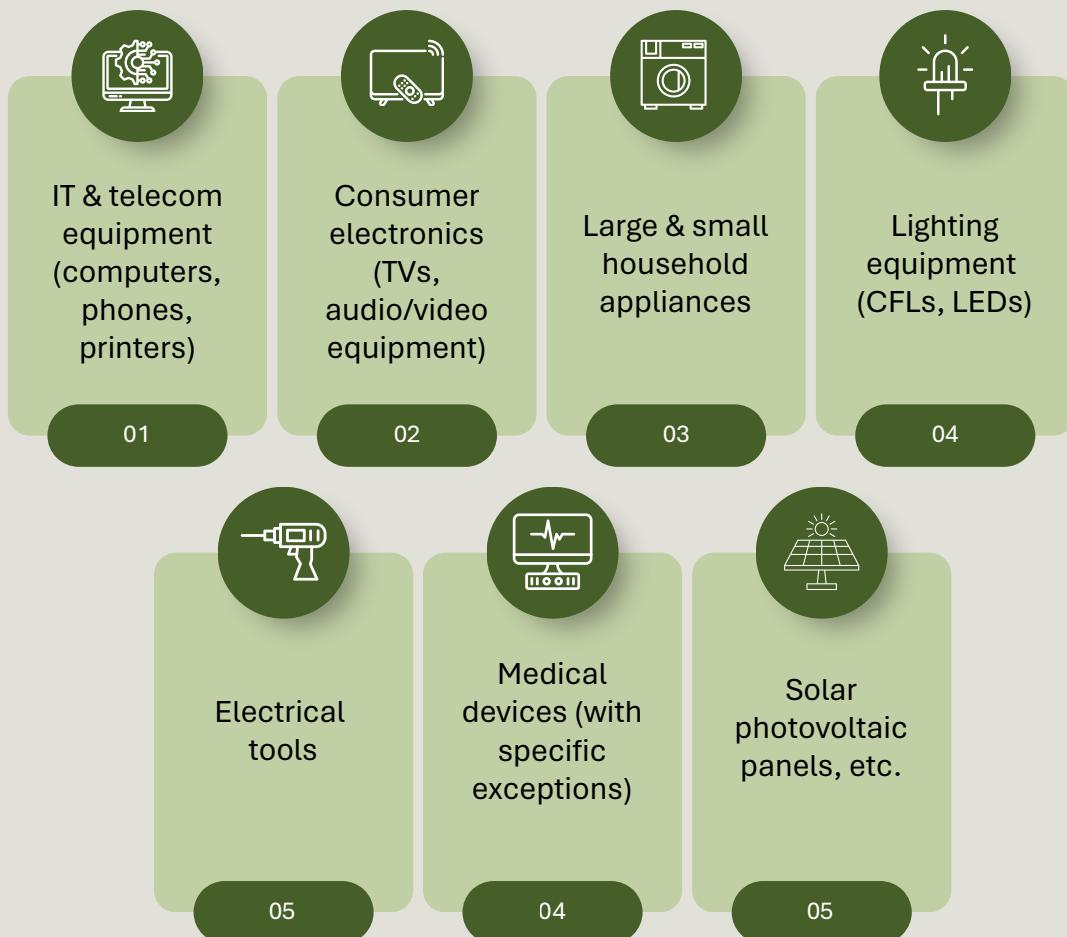




What is considered E-waste?

E-waste refers to all items of Electrical and Electronic Equipment (EEE) and its components, consumables, and parts which have been discarded as waste. 106 equipments are listed in Central Pollution Control Board ('CPCB').

Included categories



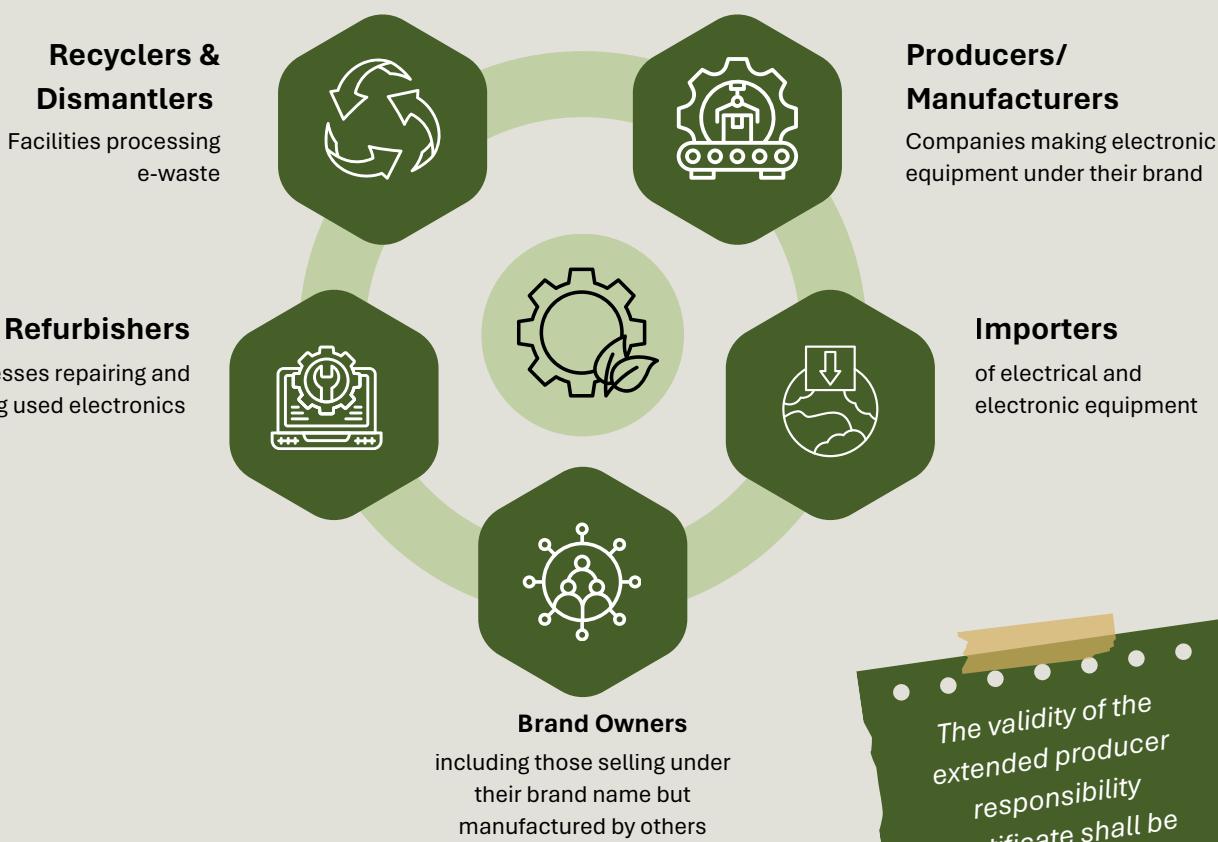
What is EPR for E-waste?

Extended Producer Responsibility is an environmental policy that makes Producers, manufacturers, importers and brand owners responsible for the entire lifecycle of their electronic products, especially for managing the end-of-life disposal and recycling.



Who is covered?

The rules mandate compliance from the following entities:



The validity of the extended producer responsibility certificate shall be two years from the end of the financial year in which it was generated.



EPR liability & fulfilment mechanism

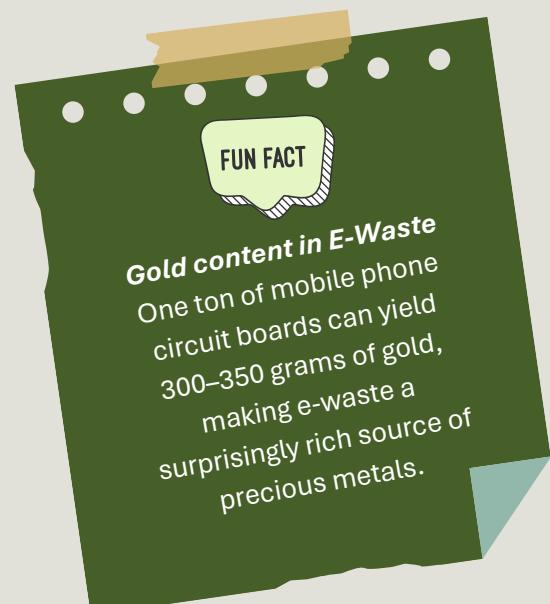
Recycling target is based on E-Waste generated, which comes from past sales and product life.

EPR Target = % recycle (as per CPCB) × E-Waste generated for that year.

Penalties for non-compliance

Violations are penalized under the Environment (Protection) Act, 1986.

Type of violation	Potential penalty (environmental compensation)
Procedural (e.g., late filing)	₹1 lakh to ₹10 lakh
Failing to meet EPR targets	₹10,000 to ₹50,000 per tonne of shortfall
Serious (e.g., fake certificates, no registration)	Up to ₹1 crore



What is CBAM?

CBAM is designed to address carbon leakage, which happens when companies move production to countries with weaker climate policies to avoid carbon costs.

Key timelines

- Transitional phase: Oct 2023 – Dec 2025 (reporting only)
- Full financial phase: From 1 Jan 2026
- CBAM certificates: Purchase & surrender begins for 2026 imports
- Compliance deadline: Certificates surrendered by Sept 2027

Scope Coverage

- Current sectors: Iron & steel, aluminium, cement, fertilizers, electricity, hydrogen
- Proposed expansion: ~180 downstream steel & aluminium-intensive products

What It Means for Businesses

- Carbon data will become a mandatory requirement for market access.
- Businesses need robust Monitoring, Reporting and Verification ('MRV') systems and active supplier engagement.
- Early decarbonization provides both cost savings and a competitive advantage.

Why act now?

- From 2026 CBAM will become a compulsion for exporting in EU
- Contractual, supply-chain and pricing strategies need alignment
- CBAM readiness = trade resilience + ESG credibility

Recent Updates

- Clearer rules on verified emissions data and use of default values
- Simplification measures to reduce administrative burden especially for SMEs
- Stronger anti-circumvention and enforcement provisions
- Ongoing discussions on expansion to downstream products in aluminium and steel sector

Possible Impact: Higher cost of exports, Data-driven trade, Supply-chain pressure, Competitive reshuffle, Acceleration of decarbonization



Employee well-being & human capital

- Promote the well-being of all employees, including permanent, contractual and value-chain workers
- Ensure safe, healthy and humane working conditions
- Enable skill development, training and career growth
- Foster diversity, equity and inclusion with equal opportunity and non-discrimination
- Uphold fair wages, social security and employee benefits
- Encourage employee engagement, dialogue and grievance redressal

BRSR Principle 3 focus areas and their relevant SDGs



Why it matters for businesses



Impact on the social pillars of ESG



Footnote: Aligned with UN SDGs to strengthen human capital, workforce resilience and inclusive growth. Directly reinforces the “S” in ESG by embedding people-centric, responsible business practices across operations and the value chain



DID YOU KNOW ?

1. Unusual, ambitious and a first for a religious mass gathering in India. *Simhastha Kumbh 2028: Madhya Pradesh eyes carbon credits*



MP government is exploring making Simhastha Kumbh 2028 (Ujjain) a carbon-credit-eligible mega event



Focus areas include carbon accounting, waste-to-energy, plastic recycling, clean ghats and river rejuvenation



Initiative builds on Indore's municipal carbon credit experience (bio-CNG, waste management)



Aim: reduce environmental footprint of a large-scale religious event and monetise verified emission reductions

Possible Impact:
Mainstreaming climate action, Policy precedent, Carbon market awareness, Reputational gains for the state

2. Beyond Boilerplate: ESG and data protection clauses that will define commercial contracts in 2026 - *The Economic Times*



ESG clauses now contract essentials:

Companies worldwide are moving beyond generic ESG language to meaningful, enforceable ESG and data protection clauses in commercial contracts, reflecting evolving stakeholder and legal expectations for 2026.



As organisations prepare for 2026 compliance and disclosure requirements, contracts are becoming a key tool to drive accountability, traceability and real ESG performance across value chains.

Possible Impact: Higher compliance accountability, Stronger value-chain governance, Increased contracting complexity, Greater due diligence costs, Competitive differentiation



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