

ESG NEWSLETTER



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Extended Producer Responsibility ('EPR') for non-ferrous metal scrap

Effective:
April 1, 2026

Regulation:
Hazardous and Other
Wastes (*Management and
Transboundary Movement*)
Amendment Rules, 2025

Objective

- Shift from disposal to cradle-to-cradle stewardship for products containing aluminium, copper, zinc & their alloys.
- Mandates collection, recycling and Environmentally Sound Management across the supply chain.

Key definitions

- Non-Ferrous Metals:** Al, Cu, Zn & alloys (*excludes ferrous metals*).
- Scrap:** Post-consumer/post-industrial fractions requiring processing.
- ESM:** Standards for safe collection, storage, transport, processing.
- End-of-Life ('EoL')**: Based on functional cessation, not age.

Who must comply

- Manufacturers:** Manufacturing and selling products under own brand.
- Producer:** Any person or entity that manufactures, sells under its own or another brand
- Refurbishers:** Person or entity that repairs or assembles used non-ferrous metal products
- Recycler:** Person or entity engaged in recycling scrap or end-of-life non-ferrous metal products to produce recycled metals or value-added products
- Collection agent:** A person or entity that collects scrap or end of life non-ferrous metal products and supplies them to registered recyclers.

EPR recycling targets

2026–2027

10% of the quantity of products made of non-ferrous metals

Importers

100% of previous year imports.

New Units

2-year grace period.

Covered products: 18 categories



Consumer
 Beverage cans, foils, utensils, apparel accessories, toys.



Construction
 Doors, windows, panels, partitions, roofing, sanitary ware.



Furniture
 Tables, chairs, ladders, hardware.



Industrial/Electrical:
 Motors, pumps, cables, fittings, transformers, generators, AC plants, bicycles.

Refurbishment allowed for: 11 categories

Doors/windows

Panels

Partitions

Furniture

Motor/pumps

Sanitary fittings

Electrical fittings

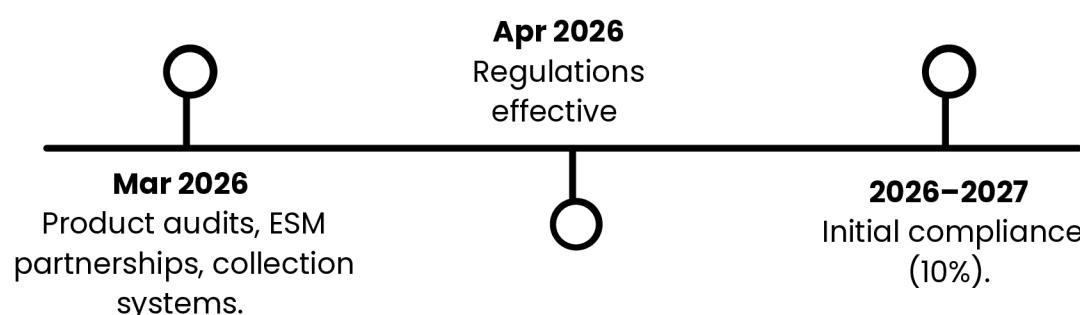
Bicycles

Transformers

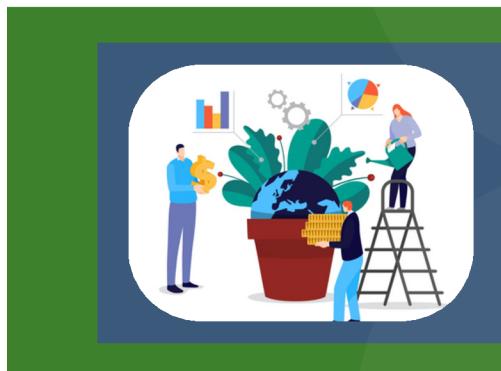
Generators

AC plants

Compliance roadmap



Possible impact



- Enhanced circularity
- New compliance requirements
- Cost and operational impact
- Stronger ESG alignment

CBAM 2026 update: new timelines, thresholds and compliance impacts

CBAM is no longer a future consideration, it is actively reshaping EU trade today.



Effective January 1, 2026, the policy enters its full operational phase, significantly transforming the carbon cost structure for goods entering the European Union.



Ensures a level **playing field** by applying a carbon price on imports equivalent to that borne by EU-produced goods.



Core pillar of the EU climate strategy, aimed at preventing carbon leakage and strengthening climate ambition.



Accelerates global industrial decarbonization by incentivizing cleaner production across international supply chains.

Essential updates you need to know



1. Revised financial timeline:

The commencement of CBAM certificate sales has been deferred to February 1, 2027 to facilitate a smoother transition.



2. Coverage of emissions

Certificates purchased in 2027 will account for the embedded emissions of imports made in 2026.



3. Extended reporting deadline

The deadline for submitting the annual CBAM declaration has been extended to 30 September of the following year.



4. *De minimis* threshold:

Introduction of *de minimis* threshold

A key simplification under the updated CBAM rules aimed at easing compliance requirements.

Reduced administrative burden

Designed to lower reporting and compliance obligations for smaller importers.

The table summarizes its key characteristics based on the latest EU regulation (Regulation (EU) 2025/2083).

	Purpose	To exempt the vast majority of small-scale importers (mainly SMEs) from CBAM compliance costs, while keeping nearly all emissions covered.
	Threshold	A 50-tonne annual cumulative net mass limit per EU importer (<i>based on their Economic Operators Registration and Identification ('EORI' number)</i>).
	Applicable Sectors	Iron & steel, aluminium, cement and fertilizers.
	Excluded Sectors	Electricity and hydrogen, which are not eligible regardless of quantity.
	Application Principle	"All or Nothing" – If the total mass of imports from the covered sectors exceeds 50 tonnes at any point in a calendar year, the importer is subject to full CBAM obligations for all imports of those goods from January 1 of that year.

Possible impact



- Reduced burden for small importers
- Stronger cost and compliance pressure on large importers
- Early data and supplier readiness needed from 2026
- Continued push for global supply chain decarbonization

CSRD and CSDDD: Understanding the EU's sustainability frameworks

CSRD and CSDDD are two key European Union sustainability regulations that shape how companies report on sustainability and manage their environmental and social impacts. Both are key pillars of the EU Green Deal, with increasing extraterritorial reach for non-EU companies.

		
Primary objective	Improve sustainability reporting quality, consistency and transparency	Improve sustainability reporting quality, consistency and transparency
Focus area	Disclosure & reporting of ESG impacts, risks and opportunities	Risk prevention, mitigation, and remediation of adverse impacts
Who it applies to	Broader scope: Large EU companies, listed SMEs, and non-EU companies with significant EU operations	Narrower scope: Very large EU companies and certain non-EU companies operating in the EU
Key requirement	Reporting as per ESRS standards under double materiality	Conducting due diligence across own operations, subsidiaries and value chain
Value chain coverage	Disclosure of impacts, risks, and opportunities across the value chain	Active identification, prevention, and mitigation of value-chain impacts
Enforcement & liability	Regulatory supervision and penalties for non-compliance	Civil liability, penalties, and mandatory remediation obligations

Implications for India

- Indian exporters and suppliers face stricter ESG data and due-diligence demands from EU customers.
- Higher expectations on labour, human rights and environmental compliance across value chains.
- Risk of losing EU business for non-compliant firms; ESG-ready companies gain advantage.
- Accelerates ESG maturity in India, including BRSR alignment, emissions tracking and due diligence systems.

DID YOU KNOW?

1

How EPR was born: The evolution of producer responsibility

EPR was born in Sweden back in the late 1980s!

Swedish researcher Thomas Lindhqvist coined the term in a 1990 report, arguing that if companies are responsible for their product's "death," they'd design it for an epic "rebirth" through reuse and recycling. It's the original "cradle-to-grave" idea that's now gone global!

2

RECs: "The green energy VIP pass you can buy without owning a single solar panel!"

One Renewable Energy Certificates ('REC') in India equals 1 megawatt-hour (MWh) of renewable electricity (solar, wind, hydro, biomass)

India's REC market has exploded – trading volumes hit massive highs, with over 1.7 million RECs issued in early 2026 alone, and the market size is growing at 15–26% CAGR, projected to reach ₹3,000-4,000 crore+ by 2030–2033.

From a slow start with low prices, it's now a booming way for companies to meet Renewable Purchase Obligation ('RPO') targets!



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