Embedding Responsibility in the
Plastics Value Chain

Outcome Document from the Roundtable on Responsible Sourcing of Recycled Plastic

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Organized by **UNDP India** and **FICCI** under the **RECEIC Knowledge Series**

1. Background and Context

On the eve of World Environment Day 2025, UNDP India and FICCI convened a roundtable on Responsible Sourcing of Recycled Plastic. Held under the RECEIC Knowledge Series, the roundtable served as a platform for dialogue and exchange among stakeholders from government, private sector, civil society, and informal waste sector collectives. The session focused on the growing importance of responsible sourcing in India's evolving circular economy landscape, particularly in the plastics value chain.

As global attention intensifies on plastic pollution, regulatory frameworks are increasingly mandating recycled content in packaging and products. At the same time, there is rising awareness about the need for transparent, inclusive, and ethical supply chains. In India, plastic recycling is largely driven by the informal sector, where social protections and environmental safeguards are often lacking. This creates risks—ranging from child labour and low wages to toxic exposure and quality lapses.

Against this backdrop, the roundtable aimed to explore practical strategies and shared frameworks to embed responsible sourcing principles into India's plastic value chains. It also sought to support the ongoing work of RECEIC working groups, particularly those focused on packaging standards and informal sector integration.

2. Objectives

The roundtable was convened to gather actionable recommendations for shaping a future roadmap on responsible sourcing and circular value chains, anchored around four key pivots:
- Build a shared understanding of responsible sourcing and its relevance for recycled plastics such as identifying common principles, benchmarks, and indicators that can guide cross-sectoral stakeholders;
- Discuss traceability, transparency, and inclusion gaps in existing plastic supply chains that can enhance traceability, verify recycled content, ensure quality assurance, and uphold ethical and inclusive sourcing practices;
- Examine financial enablers and considerations for adopting responsible sourcing, including incentives, investments, and market mechanisms that can support sustainable practices, particularly for informal and small-scale actors;
- Identify skill gaps and institutional needs for responsible sourcing and design inclusive capacity-building strategies that promote consistent, ethical practices across all stakeholder groups

3. Setting the Context

Opening Insights

Sudhir Kumar, Advisor to FICCI and RECEIC, reflected on the genesis of the Resource Efficiency and Circular Economy Industry Coalition (RECEIC), emphasizing its foundation during India's G20 presidency. He highlighted that the coalition was conceptualized to plug regulatory and operational gaps in promoting circularity across value chains. Sudhir Kumar reiterated RECEIC's three guiding principles —partnerships for impact, technology cooperation and finance for scale. —as central to enhance resource efficiency and accelerate circular economy transition enabling large-scale, cross-sectoral transformation. Noting the coalition's past workstreams on packaging, material transition in chemical sector and used oil management, he expressed the need for sustained stakeholder engagement to co-create impactful, policy-aligned solutions.

Amit Verma, Director at NITI Aayog, underscored the importance of responsible sourcing within India's broader circular economy agenda. He emphasized that EPR in India has evolved into a context-specific and potentially effective model—distinct from the PRO-driven models in Europe or the U.S. While acknowledging current implementation challenges, he affirmed that improved enforcement could unlock the system's full potential. Mr. Verma noted that EPR is no longer limited to bridging economic viability gaps, but is increasingly about traceability, sourcing transparency, and data-driven monitoring. He called attention to the ethics of recycled use, raising concerns over health and safety, especially in food-grade applications. He also warned that overregulation or externally imposed standards could risk becoming non-tariff barriers for developing economies like India. Lastly, he highlighted the need to balance environmental ambition with socioeconomic equity, especially in the context of informal workers and consumer affordability.

4. Presentations

The discussion was framed by two expert presentations:

- ***Integrating Human Rights in Responsible Sourcing: UN Guiding Principles (Nusrat Khan, UNDP India)***

Nusrat Khan provided a perspective grounded in the UN Guiding Principles on Business and Human Rights (UNGPs) highlighting their central role in shaping corporate accountability within supply chains. She highlighted how poor social safeguards—such as child labour, occupational safety risks, and informal exclusion—are prevalent across the plastic waste value chain. She explained that businesses are no longer only economic actors—they are also social and environmental agents whose operations can have significant impacts on human rights. Key messages from her talk included:

- Three Core Elements of Corporate Responsibility under the UNGPs:
  (1) Avoiding causing or contributing to adverse human rights impacts,
  (2) Preventing or mitigating human rights impacts linked to their operations, even if they are not directly responsible, and
  (3) Addressing adverse impacts through remediation.

- She emphasized that responsible sourcing should not be treated as a compliance checklist or isolated audits but as part of a continuous process of engagement—a mindset embedded in the DNA of the business.
- She called for the adoption of robust human rights due diligence (HRDD) mechanisms and stakeholder engagement frameworks that include informal actors, such as waste workers, and align with global standards like the ILO Core Conventions and the International Bill of Human Rights.
- Importantly, Nusrat highlighted emerging regulatory drivers, such as the EU's Corporate Sustainability Due Diligence Directive (CSDDD), and India's BRSR requirements, that are beginning to demand transparency on human rights across supply chains.
  Her presentation made a strong case that ignoring the "people" side of recycled plastic sourcing creates business risks—legal, reputational, and operational—and that respecting human rights must become a strategic business priority.

- *The Responsible Sourcing Initiative (RSI): A Systems-Based Approach (Madhushree Narayan, The Circulate Initiative)*

Madhushree Narayan presented findings from the Recycled Sourcing Initiative (RSI), which is piloting models to strengthen supply chain traceability, ensure safe and decent work conditions, and encourage environmental safeguards. She underscored that responsible sourcing goes beyond material procurement—it encompasses human rights due diligence, supplier validation, and disclosure of sourcing practices.

- Madhushree highlighted the systemic barriers to responsible sourcing—lack of traceability, inadequate social protection for informal workers, and fragmentation across the supply chain.
- She introduced the Harmonized Responsible Sourcing Framework, the first global effort of its kind to establish actionable guidelines for integrating responsible sourcing into the recycled plastics value chain. This framework is built around four phases:
  a) Engage – stakeholder mobilization,
  b) Assess – baseline and risk diagnostics,
  c) Plan – co-creation of remediation pathways,
  d) Remediate – implementation and monitoring of social and environmental improvements.
- She stressed that responsible sourcing goes beyond procurement—it must result in positive outcomes for waste-pickers and recyclers, especially those in the informal sector.
- Notably, Madhushree showcased real-world pilots that have engaged brands, recyclers, civil society, and informal sector organizations to test and scale this framework. The RSI aims to be replicable and adaptable, supporting efforts in India, Indonesia, Vietnam, Kenya, and Ethiopia.

She concluded her presentation by posing critical questions around cost sharing, financing models, and whether certifications or standards are needed to sustain market-wide adoption of responsible sourcing.

5. Thematic Discussions and Emerging Insights

5.1 Traceability and Material Quality

Participants acknowledged that traceability remains one of the weakest links in the current recycled plastics value chain. Information about the origin, type, and treatment of plastic is rarely available, leading to uncertainties in both quality and compliance. The lack of design for circularity and poor disclosure of recycled content pose serious barriers to safe reuse and scaling of recycling systems.

Discussions emphasised that traceability is not only a material issue—it's also a mechanism for accountability. Strengthening transparency in sourcing will help companies make more informed decisions and build confidence in the credibility of recycled content. Digital tools, certification schemes, and standardised documentation were suggested as enablers.

Mr. Rajesh Ayapilla from Coca-Cola India shared how their operations are increasingly relying on digital verification tools and third-party audits to ensure the integrity of recycled content in their supply chains. He noted that building long-term trust with suppliers—especially in multi-tiered ecosystems—requires alignment not only on data protocols but also on ethical procurement standards.

Similarly, representative from Tetra Pak described how they work with certified recyclers and engage in ecosystem-level partnerships to ensure end-of-life processing aligns with material traceability, recyclability, and safety requirements.

Participants from Recircle and Karo Sambhav raised important questions around how traceability frameworks could be harmonized and made interoperable across companies and regions. They emphasized that for traceability to truly support responsible sourcing, it must go beyond reporting volume recovery and also embed visibility into labour conditions, processing technologies, and material handling practices.

5.2 Social Safeguards and Informal Sector Inclusion

Multiple participants pointed to the urgent need to integrate informal waste workers—who collect and sort the majority of recyclable plastics in India—into responsible sourcing frameworks. Despite their essential role, informal workers remain largely excluded from formal systems, face occupational hazards, and lack social security.

Speakers called for innovative models that blend informal sector strengths with formal oversight. Examples included cooperative models, municipal-authorised collection centres, and supplier assessment systems that account for working conditions. It was emphasised that social safeguards such as fair wages, child labour prevention, and health protections must be embedded into any responsible sourcing policy.

Ms. Lubna from SWaCH offered a crucial reminder that plastic is just one of many material streams handled by waste-pickers daily. She emphasized the importance of designing

responsible sourcing frameworks that adopt a holistic material perspective—including paper, multilayered packaging, metals, and organics—so that social protections and traceability apply comprehensively. Participants supported this viewpoint, noting that verticalized procurement systems can unintentionally leave informal workers vulnerable to exploitation in other unregulated streams. There was a strong consensus that decent work standards, fair pricing mechanisms, and access to welfare schemes should apply across the board.

5.3 Financial Considerations

Participants noted that transitioning to responsible sourcing models could bring additional financial burden, especially for small and medium enterprises (SMEs) and decentralised recyclers. The cost of traceability audits, quality control, and infrastructure upgrades often disincentivises early adoption.

Suggestions included pooled financing models, targeted green subsidies linked to EPR performance, and voluntary sustainability premiums. Greater support was also called for to de-risk investments in informal sector upgrading and cooperative integration. Ms. Juhi Gupta from Tetra Pak noted that unless buyers are willing to pay a "responsibility premium," most recyclers will find it difficult to internalize the additional costs associated with audits, data collection, or inclusive sourcing.

Other participants raised the idea of green procurement incentives and reverse EPR pooling mechanisms to offset traceability and certification costs. Suggestions also included structured price guarantees for certified recyclers and blended finance options for informal integration pilots.

5.4 Capacity Building and Monitoring Systems

A clear theme was the need for both institutional and on-ground capacity building. On one hand, buyers and procurement teams need training on how to integrate ESG and BHR principles into sourcing decisions. On the other, local recyclers and aggregators need access to tools that simplify compliance, traceability, and reporting.

The roundtable called for co-creation of monitoring frameworks, adapted to the diversity of actors across the recycling chain. These could include self-assessment scorecards, low-cost tracking dashboards, and third-party audits tailored to the Indian context. SriChakra emphasized that building trust across multiple supply chain tiers requires consistent documentation, data transparency, and the ability to track social and environmental parameters—not just material flows.

Social Lab highlighted the need to include sustainability literacy as part of value chain capacity building—targeting not only recyclers and brands but also municipal agencies and community-based organizations. Several participants emphasized the opportunity to leverage India's digital infrastructure (such as ONDC and e-marketplace models) to develop interoperable, real-time traceability and sustainability dashboards.

6. Cross-Cutting Reflections

The roundtable reaffirmed that responsible sourcing is not just about risk mitigation—it is a lever for long-term trust, inclusion, and system resilience. Several insights emerged across thematic areas:

- Responsible sourcing offers a framework to rebuild trust among producers, recyclers, and workers by anchoring transparency and shared goals.
- Incorporating social and environmental traceability improves not only compliance but also resilience to reputational and operational risks.
- There is a pressing need to harmonise regulatory expectations (EPR, BRSR) with voluntary frameworks (ESG, UNGPs) to create a common language for industry.
- A systems approach, linking material flow data with labour rights, is needed to elevate India's recycled plastic ecosystem as both high-quality and socially just.

7. Recommendations and Way Forward

The roundtable served as a launchpad for more sustained, cross-sector collaboration on responsible sourcing. The following areas were identified for further development through RECEIC working groups and partner dialogues:

1. Policy & Standards

- Develop a voluntary framework or checklist on responsible sourcing for recycled plastics, incorporating principles of traceability, environmental safeguards, and social inclusion.
- Align responsible sourcing indicators with existing national policies such as Extended Producer Responsibility (EPR), State Action Plans on Plastic Waste, and India's ESG and Business & Human Rights (BHR) agendas.
- Advocate for fiscal and regulatory reforms—such as rationalising GST rates and enabling reverse charge mechanisms—to reduce disincentives for the informal sector and enhance traceability in recycled plastic transactions.

2. Pilots & Models

- Pilot traceability and worker integration models through implementation of "Responsible Sourcing Models" in collaboration with government bodies, industry partners, and waste-picker collectives—drawing from successful national and international practices.
- Facilitate linkages with existing government welfare schemes, such as the NAMASTE programme for sanitation workers, e-Shram Card benefits, and MSME credit mechanisms, to improve social protection and access to benefits for informal sector workers engaged in plastic waste recovery.

3. **Capacity & Finance**
   - Co-create capacity-building tools with industry associations such as FICCI—these may include sourcing guides, training modules, audit templates, and monitoring dashboards tailored for different stakeholders across the value chain.
   - Facilitate platforms for knowledge exchange, such as peer learning sessions, voluntary reporting pilots, and matchmaking events to connect brands, recyclers, and ethical suppliers.
   - Explore blended finance and incentive models, including green subsidies and responsibility premiums, to support the adoption of responsible sourcing practices by MSMEs and decentralized recycling units.

UNDP India and FICCI will synthesise these inputs to shape upcoming RECEIC engagements and inform national and state-level efforts to advance a just, inclusive, and circular plastic economy.

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