



October 2026

EU Networks Call on the Commission to Ensure Inclusive Extended Producer Responsibility Governance

As the Circular Economy Act (CEA) is expected to harmonise the requirements for Extended Producer Responsibility (EPR), we call on the European Commission to ensure that harmonisation is set at the highest possible common level of ambition. This means that EPR schemes must be driven by the following principles: prioritising waste prevention and preparing for reuse, and fostering cooperation between all value chain operators.

One essential measure to translate these principles into practice is to ensure the design, functioning and governance of EPR schemes reflect the expertise, responsibilities and legitimate interests of all relevant stakeholders. The co-signatories therefore urge the Commission to make inclusive governance of EPR schemes a mandatory requirement under the forthcoming CEA.

What problems arise when producers have exclusive control over EPR governance?

The current practice of exclusive EPR governance by producers subject to EPR obligations creates a conflict of interest. Producers are responsible for financing the schemes, yet they also exercise sole control over decisions concerning the level of fees, the allocation of funding, and the measures to be supported. This situation is well documented by a recent article on the French EPR scheme for textiles, which describes the way it operates as follows: *“[it] raises an obvious issue of conflict of interest: those who pay (the marketers of new products) are also the ones who decide on the level of effort required, the priorities to be funded and the tools intended to bring about change in their own practices.”*¹

Consequently, mainstream producers are encouraged to finance only the cheapest options at the expense of waste prevention and preparing for reuse. A recent report from the European Commission’s Directorate-General for Research and Innovation highlights that Producer Responsibility Organisations (PROs) are often governed solely by producers, resulting in a focus on cost minimisation rather than circular performance. The report notes: *“As evidenced by the financial*

¹ Blast (2026) Textile waste: the State and Refashion against ecology and social economy (Available [here](#)).

struggles of social enterprises in the textile reuse sector, the current fee allocation prioritises low-cost recycling over higher-value prevention and repair.”²

When funding decisions are driven primarily by short-term cost considerations, EPR schemes may fail to finance the infrastructure, services and innovation needed to meet their targets. This can weaken environmental performance, favor lower-value treatment options and marginalise the expertise of repair, reuse, refurbishment and recycling operators. A 2024 information report evaluating the impact of the French Circular Economy Law ('loi AGECE') observes that *“governance [composed exclusively of producers] is sometimes seen as counter-productive to the effectiveness of EPR schemes, particularly in terms of waste prevention.”³*

Why is inclusive governance part of the solution?

Inclusive governance would ensure that decisions are informed by the operational knowledge and experience of the entire circular value chain. Collection, repair, refurbishment, reuse and recycling operators, social enterprises, municipalities and other relevant actors should therefore participate meaningfully in the bodies that determine how EPR schemes operate and how their resources are allocated. A white paper by Utrecht University concludes that involving these actors in decision-making can help counter monopolistic behaviour and improve environmental outcomes.⁴ Their participation would provide a more accurate understanding of the actual costs and conditions associated with reuse and waste-management activities.⁵

Inclusive governance would consequently contribute to achieving the objective of the CEA by supporting better-informed decisions, more effective separate collection and treatment, higher rates of prevention and reuse, and better-quality recycling. Social enterprises and other operators can deliver significant environmental, economic and social value, but to do so, their role and financing needs should be properly recognised. Inclusive governance would therefore help EPR schemes contribute to objectives of general interest, including local employment, skills development and social inclusion. The European Commission report cited above similarly concludes that: *“Inclusive governance that involves recyclers, social enterprises, and NGOs ensures that EPR schemes prioritise high-quality recovery and social inclusion.”⁶*

² European Commission (2026) Research & Innovation Projects supporting the Circular Economy Act Focus Area: Extended producer responsibility (Available [here](#)).

³ Assemblée Nationale (2024), Information report on the assessment of the impact of Law 2020-105 of 10 February 2020 on the fight against waste and the circular economy ('AGECE law') (Available [here](#)).

⁴ Utrecht University (2021), White Paper on Pathways for Extended Producer Responsibility on the road to a Circular Economy (Available [here](#)).

⁵ For textiles, the Waste Framework Directive already requires costs to *“be established in a transparent way between the relevant actors”* (Article 22a(12) of Directive 2008/98/EC, as inserted by Directive (EU) 2025/1892 (Available [here](#))). These actors explicitly include (preparing-for-) reuse operators as well as social economy entities. Effective implementation of this principle requires their meaningful involvement in decisions concerning cost methodologies and remuneration mechanisms.

⁶ European Commission (2026) Research & Innovation Projects supporting the Circular Economy Act Focus Area: Extended producer responsibility (Available [here](#)).

What should happen for inclusive governance to be effective?

Stakeholders must be granted real decision-making power rather than merely comment on choices already made by producers or PROs. The CEA should therefore require balanced representation and meaningful decision-making rights for all relevant categories of stakeholders. In practice, the Commission could adopt wording similar to Article 22a(7) that was introduced through the targeted Waste Framework Directive⁷ in the requirements for EPR schemes introduced by the CEA and in the WEEE Directive. However, this new amendment should clarify that stakeholder involvement must come with concrete decision-making power and consider the following recommendations.

Firstly, producers must be required to join a PRO. If they are not instructed to do so, the governance requirements may not apply to them. Depending on the organisation of the EPR scheme, inclusive governance may be ensured through different mechanisms, including stakeholder councils within PROs or independent multi-stakeholder governance structures for certain common or strategic functions. This entity should include the following categories of stakeholders: producers, local and regional authorities, government representatives, and operators, with guaranteed representation of the social economy and reuse operators. Each category of organisation must be equally represented, and its members should be chosen by the organisations themselves. A similar system already exists in France, albeit in a consultative format. We propose to improve this existing system by adding agenda-setting and decision-making power to all the stakeholders represented.

Beyond other strategic outcomes, decisions covered by inclusive governance must encompass the allocation of EPR resources to waste prevention and preparing for reuse and the conditions affecting reuse, repair and recycling operators' access to suitable collection and product streams. Inclusive governance instruments should include voting rights, qualified-majority or stakeholder-consent requirements for defined strategic and funding decisions, transparent appointment procedures, access to the information needed to assess proposed decisions, and safeguards against any single group exercising disproportionate control. Governance models that enable the transfer of EPR resources to countries importing second-hand textiles, in addition to, and not at the expense of, the financing of (preparing for) reuse within the EU, would also strengthen EPR's inclusivity.⁸

Inclusive decision-making must not, however, be confused with shared responsibility for compliance. The involvement of other stakeholders in governance must not transfer or disperse producers' legal and financial obligations. Board members serve on a board in a personal capacity. This means that

⁷ Article 22a(7) of Directive 2008/98/EC, as inserted by Directive (EU) 2025/1892 (Available [here](#)):
Member States shall ensure, in accordance with Article 8a(6), that relevant actors are involved in the implementation of the extended producer responsibility scheme. Those relevant actors shall include at least:
(a) producers making products available on the market;
(b) organisations implementing extended producer responsibility obligations on behalf of producers making products available on the market;
(c) private or public waste operators;
(d) local authorities;
(e) re-use and preparing for re-use operators;
(f) social economy entities, including local social enterprises.

⁸ Eunomia for EEB (2026) Fashion Redress: Exploring policy options for EPR fee transfer mechanisms between used clothing exporting and importing countries (Available [here](#)).

they contribute their expertise from their background and organisation, but not in a legal manner. There should be mandatory and separate targets for collection, reuse and recycling. Regulatory liability for meeting targets rests at the organisational level, not on individual board members. This is why sanctions for missing targets are borne by those financing the system. This means broadening board composition to non-producer stakeholders does not transfer financial risk onto them. The debate over who gets to have a say within a PRO is therefore one of legitimacy, not of who bears the liability.

Under the polluter-pays principle, producers must remain responsible for providing sufficient and stable financing, meeting targets, reporting on performance and taking corrective action when results fall short. The financial consequences of underperformance or non-compliance must likewise remain with producers and their PROs. Inclusive governance must not provide a mechanism through which producers can externalise these costs, attribute failure to other stakeholders or avoid sanctions.

Conclusion

The CEA offers a critical opportunity to make EPR schemes more effective, transparent and driven by waste prevention principles. The Commission should use this opportunity to require inclusive and balanced governance across all EPR schemes, giving relevant stakeholders genuine influence over decisions that affect the entire value chain. Such participation would improve the quality of decision-making and ensure that EPR funding supports prevention, reuse, preparing for reuse, repair and high-quality recycling rather than merely the least-cost treatment option. At the same time, the CEA must establish an unequivocal line of accountability: inclusive governance should improve how producers meet their obligations, but it must not change who is responsible for meeting them.

For more information, please contact:
marie-jeanne.gaertner@rreuse.org



**Co-funded by
the European Union**

Co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Commission. Neither the European Union nor the European Commission can be held responsible for them.