

The Implementation of the EU Circular Economy Act

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In 2026, the EU Circular Economy Act (CEA) shifted from a high-level policy vision into a binding legislative reality. While previous years focused on the Circular Economy Action Plan — a set of intentions — the 2026 Act is the "Clean Industrial Deal" that establishes a single market for secondary raw materials and mandates how products are designed, sold, and recovered.

For Fortis & Peak clients, this is the most significant regulatory pivot of the decade. The Act rests on three core pillars: a unified single market for secondary raw materials, the launch of the Digital Product Passport Registry, and the binding implementation of the Right to Repair Directive. Each pillar carries immediate, concrete obligations for businesses operating in the EU.

Pillar 1: The Single Market for Secondary Raw Materials

The 2026 Act directly addresses the "fragmentation" that previously made recycling economically unviable across EU borders. By harmonizing standards and mandating market participation, the Act transforms circularity from a voluntary aspiration into a structural requirement for doing business in Europe.

Harmonized "End-of-Waste" Criteria

Previously, what qualified as "recycled steel" in Germany might be classified as "waste" in Poland, making cross-border trade a bureaucratic nightmare. The 2026 Act creates EU-wide standards, allowing secondary materials to flow as freely as virgin ones across all Member States.

Mandatory Recycled Content Targets

For sectors including Iron, Steel, and Aluminium – starting in 2026 – the EU now mandates a minimum percentage of recycled content in manufactured goods. This effectively forces a market for recovered materials, ensuring that "Circular" is no longer just an option – it is a license to operate.

Green Public Procurement (GPP)

Public authorities, who represent **14% of EU GDP**, are now legally required to prioritize products with high circularity scores. This creates a massive growth opportunity for firms that are prepared to compete on circularity metrics, providing a significant and durable demand signal for secondary materials.

The Market Transformation in Materials

The mandatory recycled content targets represent a structural shift in how industrial supply chains must be organized. For sectors like Iron, Steel, and Aluminium, the 2026 Act does not merely incentivize circularity – it mandates it as a baseline condition of market access. Firms that have already invested in secondary material sourcing and processing capabilities will find themselves with a decisive competitive advantage.

The Green Public Procurement requirement amplifies this effect. With public authorities representing 14% of EU GDP now legally obligated to favor high-circularity products, a substantial and predictable demand base has been created overnight. For Fortis & Peak clients, this is not a future opportunity to plan for – it is a present market reality to capture.

Pillar 2: The Digital Product Passport (DPP) Registry Launch

EFFECTIVE JULY 19, 2026

As of July 19, 2026, the European Commission officially launched the Central Digital Product Passport Registry. All priority products – starting with textiles and steel in 2026 – must carry a scannable Unique Identifier (UID). This is not merely a label; it is a living data set that follows a product across its entire lifecycle.



Material Composition

Enables recyclers to identify high-value alloys and optimize recovery processes, maximizing the economic value extracted at end-of-life.



Carbon Footprint

Real-time carbon data embedded in the DPP enables compliance with the Carbon Border Adjustment Mechanism (CBAM), reducing regulatory friction at the border.



Repair History

A documented repair record increases resale value in secondary markets, supporting the broader shift toward product longevity and circular business models.



Border Enforcement

Customs and market surveillance authorities now use the registry to automatically block non-compliant imports at the EU border, making the DPP a hard market access requirement.

The "Cradle-to-Cradle" Data Loop

The Digital Product Passport represents a fundamental reimagining of what a product "is" in regulatory and commercial terms. Rather than a static object, every priority product is now a dynamic data node – continuously updated with information about its composition, condition, and carbon impact throughout its entire lifecycle.

For businesses, this means that data infrastructure is no longer a back-office function. It is a front-line compliance requirement. Companies that cannot generate, maintain, and transmit accurate DPP data will face automatic exclusion from EU markets through border enforcement mechanisms. The registry creates a "Cradle-to-Cradle" data loop that connects manufacturers, recyclers, repair shops, and regulators in a single, auditable system.

The CBAM integration is particularly significant. By embedding real-time carbon footprint data directly into the product passport, the EU has created a seamless link between product compliance and carbon pricing – a connection that will only deepen as CBAM expands to additional sectors in coming years.

DPP Key Facts

- Registry launched July 19, 2026
- Textiles and steel are the first priority sectors
- Scannable UID required on all priority products
- Customs authorities enforce compliance at the border automatically
- CBAM compliance data embedded in real time

Pillar 3: The Right to Repair Directive

BINDING ACROSS ALL MEMBER STATES: JULY 31, 2026

The implementation of the Right to Repair Directive (2024/1799) becomes binding across all EU Member States in late July 2026. This directive fundamentally restructures the relationship between manufacturers, consumers, and independent repair ecosystems – shifting legal obligations and economic incentives toward product longevity.

Extended Repair Obligations

Manufacturers are now legally obliged to offer repair services for **5–10 years** after a product is removed from the market. This applies to smartphones, tablets, and common household appliances – covering a vast share of consumer electronics.

Ban on Anti-Repair Software

The Act prohibits "part pairing" and software locks that prevent independent repair shops from using 3D-printed or second-hand parts – dismantling a key mechanism manufacturers have used to capture repair revenue and discourage third-party servicing.

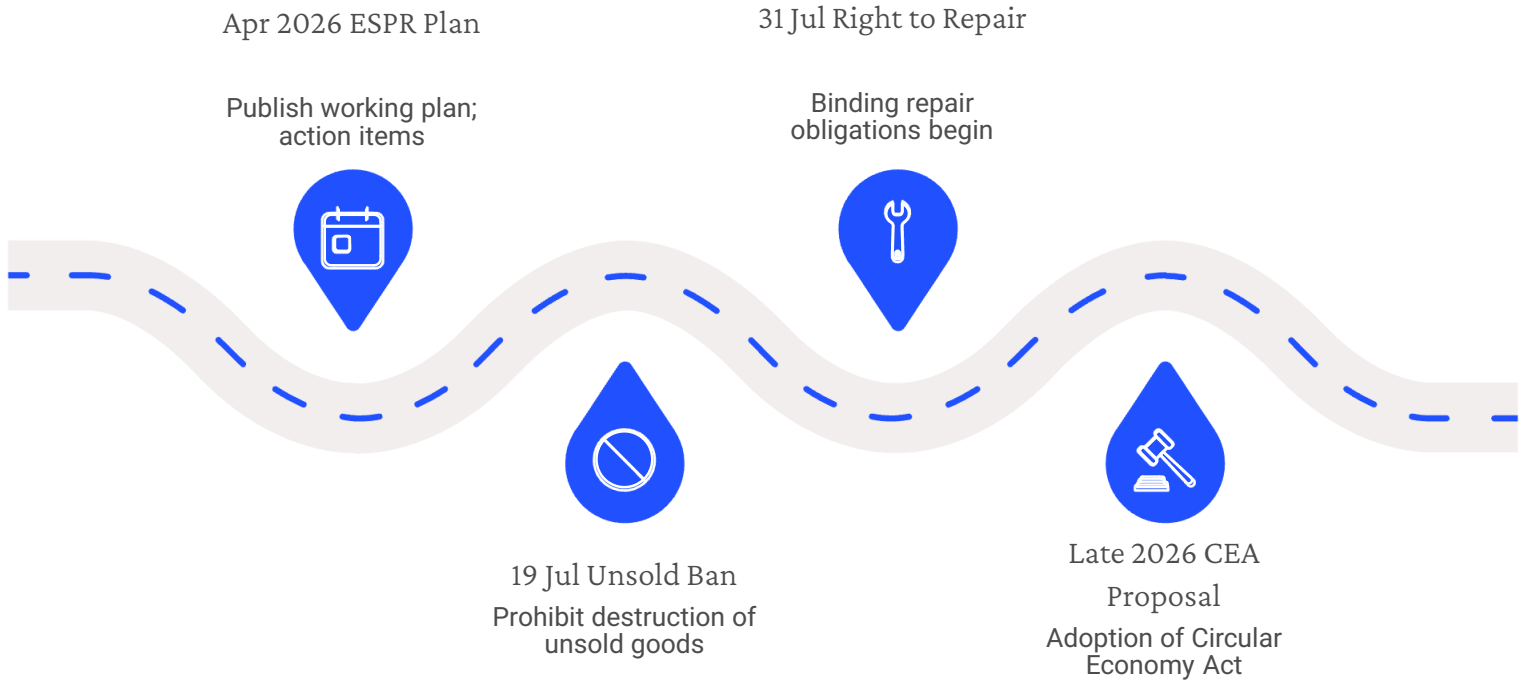
The Warranty Incentive

If a consumer chooses repair over replacement during the warranty period, their legal guarantee is automatically extended by an additional year – a powerful behavioral nudge that shifts consumer preference toward longevity over disposal.

Implementation Timeline for Fortis & Peak Consultants

The 2026 regulatory calendar is dense and unforgiving. Each milestone carries specific, immediate obligations. The table below maps the key dates, legislative milestones, and the concrete actions Fortis & Peak clients must take to remain compliant and competitive throughout the year.

Date	Milestone	Immediate Action for Clients
April 2026	1st ESPR Working Plan Finalized	Identify if your product category is in the "High Impact" group.
July 19, 2026	Unsold Goods Ban	Immediate halt to the destruction of unsold apparel and footwear.
July 31, 2026	Right to Repair Binding	Audit spare parts logistics and publish repairability scores.
Late 2026	CEA Proposal Adoption	Transition from "Waste Management" to "Secondary Resource Trading."



The pace of these milestones demands that clients move from awareness to action immediately. Firms that treat these dates as distant deadlines risk being caught unprepared – particularly on the Unsold Goods Ban and Right to Repair obligations, which carry direct operational and supply chain implications.

About Fortis & Peak Perspectives

APPLIED FORESIGHT

Fortis & Peak Perspectives represent our forward-looking point of view on the forces shaping industries, business models, and competitive advantage. Drawing on deep strategic insight and cross-sector experience, these perspectives go beyond observation to frame what matters most – and what comes next.

They are designed to help executives interpret disruption, anticipate shifts, and make informed decisions with clarity and confidence in an increasingly complex business environment. The EU Circular Economy Act is precisely the kind of structural regulatory shift that demands this kind of applied foresight – not reactive compliance, but proactive strategic positioning.

Website

www.fortisandpeak.com

Contact

info@fortisandpeak.com