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# Europe's New Zero-Tolerance Deforestation Law



By [Gemma Alexander](#)

AUG 22, 2023 [banned products](#), [deforestation](#), [EU Green Deal](#)

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Deforestation is a global problem that contributes to [climate change](#) and [desertification](#). A new law in the European Union that aims to tackle deforestation is so ambitious, it may be unenforceable. But it has the potential to put the brakes on deforestation around the world, and even make greener products available in the US.

In June, [the European Parliament adopted a law](#), the banning products from any land, in the E.U. or globally, that was deforested or degraded after 2020. Degradation means the conversion of natural and primary forests to [young forest](#) or plantations. Designed to discourage the continued destruction of forests, the [E.U. Regulation on deforestation-free supply chains](#) will [take effect](#) for large and medium-sized companies in late 2024, or early 2025. Companies must

submit “due diligence” statements attesting to their compliance with the law. They must also submit verification of compliance with all local laws in the country of the product’s origin.

The new regulation applies to a wide range of products made with wide range of materials, including [cattle](#), cocoa, [coffee](#), [soya](#), wood, rubber, charcoal, printed paper products, [palm oil](#) and some of its derivatives. It also applies to products like [leather](#), [chocolate](#), and furniture that include these materials. Combined, they account for about 60% of the E.U.’s agricultural imports, worth about [85 billion Euros](#).

A ranking system that categorizes countries that export forest-based products from low- to high-deforestation risk will increase due diligence requirements and auditing rates for each risk level. Fines for noncompliance will be at least 4% of the total annual revenue in the E.U. of the non-compliant operator.

## Global Impacts

The potential [impacts](#) of the E.U. law are hard to predict. Countries like Brazil draw attention as major agricultural exporters with high levels of deforestation. But Paraguay’s smaller forests are converted to pasture at higher rates.

There is also a lot of speculation about the ways the law can be subverted, ignored, or avoided by sending products to other countries. Deforestation may continue, with resulting products used for domestic consumption or non-E.U. export. Without similar legislation, the US could become a dumping ground for products linked to deforestation.

Producers in high-risk countries may also [shift to crops](#) that the law does not explicitly identify, such as cashews. Since E.U. consumption directly accounts for just 10% of global deforestation, some companies may even abandon European markets entirely. With so many loopholes the law may turn out to be unenforceable.

## Business Can Lead, But Will They?

Investment companies may turn out to be a surprise lever for enforcing the new law. Already, some major European investors have [publicly considered](#) pulling out of companies that do business in high-risk countries. However, their efforts to gauge the risk associated with their investments have also illustrated just how far most companies have to go to achieve compliance.

While the law is technically applicable to all countries of origin – even forests within the European Union – it is most relevant in the tropics. Despite [concerns](#) about [environmental justice](#) raised by the unilateral move, tropical forests hotspots for both [biodiversity](#) and [primary forest loss](#). If the law is effective in reducing deforestation in the tropics, the environmental benefits will be [felt globally](#).

## E.U. Laws and the U.S. Market

In the U.S., companies are prohibited from importing timber tied to illegal deforestation. But there is no restriction on legally logged timber, even when it is environmentally destructive. There is also no restriction on other products, such as [beef](#) and [soy](#), that are responsible for deforestation. A bill similar to the new European law was proposed to Congress in the [Forest Act](#) in 2021. It was referred to committee with no further action taken and has [not been reintroduced](#) in the current session.



It's unlikely that the US. will regulate against trade in deforestation-related products any time soon. In 2020 the U.S. imported over [\\$5 billion](#) worth of raw commodities and derivatives directly from countries with a high risk of illegal deforestation.

However, at least [37 international U.S.-based companies](#), such as Starbucks and Kellogg, will be subject to the law. Once they've developed compliant supply chains for European markets, at least some of them might choose to stick with a single system, making greener products available in the U.S. Foreign companies that sell products in both the E.U. and the U.S. may also opt to meet the higher standard in all markets. This is especially likely for companies that depend on the aforementioned European investment firms.

## Do Your Deforestation Research

As the famous example of [Mexican Coke](#) shows, international brands do not deliver the same product across all markets. Truly dedicated consumers may import European forest-safe products rather than buying what's domestically available.

Unfortunately, the responsibility to be informed continues to fall on American consumers. We still have to track down sustainable products while our European counterparts can trust that what's available on the shelves was responsibly produced.

Asking your retailer if the products they sell are banned in the E.U. is a simple way to send a message that you care about preserving forests. While the retail staff may not know, ask them to find out before you make a purchase. Yes, it may take an extra trip to the store because you have to wait for an answer, but the impact will be felt.



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By [Gemma Alexander](#)

Gemma Alexander has an M.S. in urban horticulture and a backyard filled with native plants. After working in a genetics laboratory and at a landfill, she now writes about the environment, the arts and family. See more of her writing [here](#).

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