

Baker McKenzie

Product Risk Radar

UK Forest Risk Commodities

Last updated: 5 December 2024

Overview

In November 2020, the Department for Environment, Food & Rural Affairs (“DEFRA”) introduced the Forest Risk Commodities (“FRC”) due diligence regime under the Environment Act 2021 with the aim of tackling deforestation associated with products sold in the UK.

In December 2023, the Government announced further details and set out the scope of the planned implementing legislation. This follows a consultation, which concluded in March 2022, seeking further views on the more detailed implementing legislation required to establish which commodities and businesses should be within scope, what due diligence obligations should entail, and how the requirements should be enforced.

What are the key takeaways?

- Once the implementing legislation is adopted, the FRC regime will make it illegal for businesses operating in the UK (which meet the threshold requirements) to use key forest risk commodities produced on land illegally occupied or used.
- The legislation will apply to businesses operating in the UK which have a global annual turnover of over £50 million and use over 500 tonnes of key forest risk commodities a year.
- Key forest risk commodities will include cattle products (beef and leather), cocoa, palm oil and soy. Illegally logged timber is not included as it is already controlled under a separate regime.
- Businesses in scope will be required to undertake a due diligence exercise on their supply chains and publicly report on this exercise every year.
- In terms of enforcement and penalties, fines and other civil sanctions will be issued for non-compliance.

What does this mean for your business?

Although the implementing legislation is yet to be seen, businesses in scope can expect to undertake increased due diligence and supply chain evaluations in the future if they wish to place relevant products on the UK market. The FRC regime forms part of a wider trend of laws and regulations in both the EU and the UK requiring

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businesses to take greater responsibility for the impact on human rights and the environment of their extended supply or value chains, including the [EU Deforestation Regulation](#).

Next steps

The implementing legislation that will govern how the FRC regime works in practice is yet to be published. In the Environment Plan 2023, the Government committed to introducing secondary legislation at the “earliest opportunity”. While the implementing legislation was expected to be laid by the end of May 2024, it was delayed in light of the UK’s General Election and is still yet to be published.

Contacts



Kate Corby

Partner
London

+44 20 7919 1966
kate.corby
@bakermckenzie.com



Graham Stuart

Partner
London

+44 20 7919 1977
graham.stuart
@bakermckenzie.com



Joanne Redmond

Senior Associate
London

+44 20 7919 1067
joanne.redmond
@bakermckenzie.com



Rachel MacLeod

Senior Associate
London

+44 20 7919 1364
rachel.macleod
@bakermckenzie.com



Phoebe Bruce

Associate
London

+44 20 7919 1117
phoebe.bruce
@bakermckenzie.com



Francesca Falsini

Associate
London

+ 44 20 7919 1000
francesca.falsini
@bakermckenzie.com