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PANE PER TUTTI

for the peoples of the rainforest



FÉDÉRATION ROMANDE  
DES CONSOMMATEURS  
LE POUVOIR D'AGIR



## Fact Sheet on the RSPO

### Substantive weaknesses and institutional deficiencies of the Roundtable on Sustainable Palm Oil (RSPO)

*The Swiss Coalition on Palm Oil<sup>1</sup> considers the RSPO's certification system incapable of ensuring sustainability in the palm oil sector. In the 15 years of its existence, the RSPO has not succeeded in effectively protecting biodiversity and human rights in palm-oil-producing areas. It is proven that RSPO-certified companies have driven local communities from their forests, cleared secondary rainforests, and destroyed peat swamps to establish new oil palm plantations. The RSPO lacks both an effective monitoring system and an efficient penalty regime to enforce its sustainability criteria. Its certification has become an instrument to salve consumers' conscience and to protect companies' reputations, especially in Europe and the USA. The certification label's sustainability promise is fraudulent, and companies who use the label are greenwashing their products. Given its substantive weaknesses and institutional deficiencies, RSPO certification is neither credible, nor does it prevent the destructive and clearly unsustainable impacts of palm oil production.*

#### **Substantive weaknesses of the RSPO:**

- **The RSPO allows rainforests to be cleared**  
The RSPO only bans the destruction of high conservation value forests (HCVF) and palm oil production in areas where the primary rainforest was destroyed after 2005.<sup>2</sup> The clearance of ecologically valuable secondary rainforests is permitted. Moreover, it is relatively easy for palm oil companies and monitoring bodies to reclassify HCVF as degraded land.<sup>3</sup>
- **The RSPO allows peat swamps to be destroyed**  
The RSPO advises its members to minimise plantation on peat, but does not prohibit it.<sup>4</sup> Peatlands are excellent carbon sinks, and their conservation is crucial in combatting climate change. Conversely, their destruction releases substantial amounts of carbon dioxide.<sup>5</sup>

<sup>1</sup> The Swiss Coalition on Palm Oil comprises the following organisations: Alliance Sud, Biovision, Bread for all, Bruno Manser Fund, Fédération romande des consommateurs, PanEco, Pro Natura, Public Eye, Swiss Farmers' Union, Swiss Cereal Growers' Association, Uniterre.

<sup>2</sup> RSPO, Principles and Criteria for the Production of Sustainable Palm Oil, Kuala Lumpur 2013, <https://rspo.org/publications/download/4b4296c7bb85cb3>, accessed on 19 February 2018.

<sup>3</sup> Ruyschaert Denis and Denis Salles, Towards global voluntary standards: Questioning the effectiveness in attaining conservation goals: The case of the Roundtable on Sustainable Palm Oil (RSPO), *Ecological Economics* 107/2014, 438–446, <http://dx.doi.org/10.1016/j.ecolecon.2014.09.016>; see p. 442 for the example of RSPO member PT Sisirau, who converted an orangutan habitat in the Gunung Leuser National Park into an oil palm plantation, claiming the area was a secondary rainforest of no particular biodiversity value. Cf. Butler Rhett A, Complaint filed with palm oil body over orangutan rescue case, Mongabay, 29 November 2012, <https://news.mongabay.com/2012/11/complaint-filed-with-palm-oil-body-over-orangutan-rescue-case/>, accessed on 19 February 2018.

<sup>4</sup> RSPO 2013.

<sup>5</sup> GLOBAL 2000, Warum ist Palmöl schlecht?, <https://www.global2000.at/warum-ist-palmoel-schlecht>, accessed on 18 January 2018.

- **Oil palm plantations cause biodiversity loss**

A study published in 2016 shows that biodiversity not only drops drastically on RSPO-certified plantations but is also reduced noticeably in adjacent ecological compensation areas, due to their geographic isolation.<sup>6</sup>

- **Use of pesticides on RSPO-certified plantations causes safety and health problems**

The RSPO recommends minimising the use of highly toxic pesticides, but does not ban it.<sup>7</sup> For example, Paraquat – one of the most hazardous herbicides, which frequently causes health problems and is banned in Switzerland and the EU – is found in RSPO-certified and non-certified plantations alike.<sup>8</sup> It affects the health of the women spraying it<sup>9</sup> and of the inhabitants of nearby villages, who fish and swim in contaminated rivers. In addition, plantation workers frequently lack adequate protective gear and training in its use.<sup>10</sup>

- **The principle of free, prior, and informed consent (FPIC) is not consistently applied**

Although the RSPO principles and criteria require growers to seek the free, prior, and informed consent of affected communities, most land conversions continue to happen without local people having had a say.<sup>11</sup> In most cases, communities affected by oil palm plantations are not, or not adequately, informed and consulted. This violates their right to participate. Once palm oil companies have settled in an area, the only way for local people to exercise opposition is to initiate and follow lengthy and typically ineffective complaint procedures<sup>12</sup>, or to file land rights lawsuits. While legal proceedings are ongoing – often lasting several years – companies continue to develop and run their plantations, violating RSPO standards.

- **Local populations are not sufficiently involved**

The RSPO does not adequately involve local communities, neither at the institutional nor at the practical level. Indigenous peoples are not members of the RSPO, even though they are a key stakeholder group and bear the brunt of the impacts of RSPO-certified plantations.<sup>13</sup>

- **Wage systems are based on targets and penalties**

Plantation workers are paid according to their performance rather than the time they spend working. Harvesters are paid according to the weight of their harvest, sprayers according to the number of containers. If they fail to achieve their targets – which are often set arbitrarily by the companies – they are penalized (usually in the form of wage cuts). These penalties are applied irrespective of the number of hours worked.<sup>14</sup>

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<sup>6</sup> PanEco, Rückgang der Artenvielfalt, media release, 9 February 2017, <https://paneco.ch/der-rueckgang-der-artenvielfalt/>, accessed on 19 February 2018; cf. Yayasan Ekosistem Lestari and PanEco, Results from Seven Years (2008–2014), February 2016, [https://paneco.ch/wp-content/uploads/2014/12/Biodiversitäts\\_Monitoring.pdf](https://paneco.ch/wp-content/uploads/2014/12/Biodiversitäts_Monitoring.pdf), accessed on 19 February 2018.

<sup>7</sup> Ruyschaert Denis, The Impact of Global Palm Oil Certification On Transnational Governance, Human Livelihoods And Biodiversity Conservation, p. 55. in: IUCN Commission on Environmental, Economic and Social Policy, Policy Matters, 21/2016, 45 – 58.

<sup>8</sup> Amnesty International, The Great Palm Oil Scandal: Labor Abuses Behind Big Brand Names – Executive Summary, London 2016, p. 8, <https://www.amnesty.org/en/documents/asa21/5243/2016/en/>, accessed on 19 February 2018.

<sup>9</sup> Symptoms include headache, vertigo, skin changes, loss of sight, and breathing difficulties. Pesticides and fertilisers are applied mainly by women, whereas palm oil fruits are harvested mainly by men.

<sup>10</sup> PAN AP, Women's Resistance and Struggles: Asserting Our Rights to Land, Resources and Livelihood. Booklet 1: Struggle of Women Agricultural Workers, 2009, [dev.panap.net/sites/default/files/womens-resistance-booklet1.pdf](http://dev.panap.net/sites/default/files/womens-resistance-booklet1.pdf), accessed on 10 January 2018, pp. 11, 14, 24.

<sup>11</sup> Colchester Marcus, Do commodity certification systems uphold indigenous peoples' rights? Lessons from the Roundtable on Sustainable Palm Oil and Forest Stewardship Council, in: IUCN Commission on Environmental, Economic and Social Policy, Policy Matters, 21/2016, 150–165.

<sup>12</sup> Ruyschaert Denis and Denis Salles, The role and effectiveness of conservation NGOs in the global voluntary standards: The case of the Roundtable on Sustainable Palm Oil, Conservation & Society 14(2)/2016, 73–85, <http://www.conservationandsociety.org/text.asp?2016/14/2/73/186332>, accessed on 19 February 2018.

<sup>13</sup> Colchester 2016, p. 150.

<sup>14</sup> Amnesty International 2016, pp. 4f. Workers interviewed by the Bruno Manser Fund pointed out the opacity of the wage scheme; since their pay depended on their performance, at the end of the month they never knew why they received how much.

- **Child labour and extensive overtime**

In order to achieve the targets set by the palm oil companies, workers are often forced to work overtime or to rely on the help of family members (often even children). Overtime is rarely compensated, even in cases where people regularly work 10 to 12 hours a day.<sup>15</sup> The work is physically demanding, especially for children;<sup>16</sup> the risk of injury is omnipresent and the working environment is chemically polluted.<sup>17</sup>

- **Forced labour**

Day labourers are particularly vulnerable to exploitation, since they are easily put under pressure by their employers. Their job is at risk as soon as they fail to achieve the target set by the company.<sup>18</sup> Migrant workers on Malaysian plantations are additionally forced to hand in their passports to their employer. This places them in a state of dependence and makes it difficult for them to leave the plantation.<sup>19</sup>

- **Lax standards**

The RSPO principles and criteria are worded broadly for the most part, leaving members ample room for interpretation.<sup>20</sup> Accordingly, the standards fail to prevent the destruction of peat swamps for oil palm plantations and the use of highly toxic pesticides, to name just two examples.

### **Institutional deficiencies of the RSPO:**

- **RSPO standards are not binding on members**

Membership in the RSPO is not conditional on members managing all their plantations in compliance with RSPO standards. In Malaysia, less than 15% (by area) of oil palm plantations are certified, even though all large Malaysian palm oil companies are members of the RSPO.<sup>21</sup> Nor are processors and wholesalers – who account for around 85% of the RSPO's voting members<sup>22</sup> – required to use exclusively RSPO-certified palm oil. This has led to an oversupply of certified palm oil on the market.<sup>23</sup>

- **Defective monitoring**

The RSPO lacks an effective monitoring system to check compliance with its principles and criteria.<sup>24</sup> The Environmental Investigation Agency (EIA) points out that auditors overlook violations or even disguise them in collusion with faulty palm oil companies.<sup>25</sup> Auditors are paid by the companies and hence are not independent.<sup>26</sup> In addition, monitoring of auditors is deficient as well.<sup>27</sup> Most violations of RSPO standards are uncovered by NGOs. Since they lack the resources for systematic monitoring, it can be assumed that many violations remain unknown.<sup>28</sup>

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<sup>15</sup> Ibid., p. 7.

<sup>16</sup> Children are often forced to carry heavy loads or push heavily loaded carts.

<sup>17</sup> Ibid., p. 5.

<sup>18</sup> Ibid., pp. 6f.

<sup>19</sup> The plantation workers interviewed by the Bruno Manser Fund indicated that they were required to deposit their passports with the company.

<sup>20</sup> Cf. Environmental Investigation Agency (EIA) and Grassroots, Who watches the Watchmen? Auditors and the Breakdown of Oversight in the RSPO, London 2015, <https://eia-international.org/report/who-watches-the-watchmen>, accessed on 19 February 2018; or Colchester 2016, p. 156.

<sup>21</sup> RSPO, Certified growers, last updated on 11 January 2018, <https://rspo.org/certification/certified-growers>; Malaysian Palm Oil Board (MPOB), Statistics, Area, <http://bepi.mpob.gov.my/index.php/en/statistics/area.html>; and Indonesia Investments, Palm Oil, <https://www.indonesia-investments.com/business/commodities/palm-oil/item166>; all accessed on 20 January 2018.

<sup>22</sup> RSPO, Impacts, last update on 11 January 2018, <https://www.rspo.org/about/impacts>, accessed on 30 January 2018.

<sup>23</sup> Eisenring Christoph, Palmöl produzieren, ohne den Regenwald zu gefährden, Neue Zürcher Zeitung, 9 May 2017, <https://www.nzz.ch/wirtschaft/wie-weit-geht-die-verantwortung-von-firmen-des-palmoels-kern-ld.1291587>, accessed on 30 January 2018.

<sup>24</sup> Ruysschaert 2016, p. 54.

<sup>25</sup> EIA and Grassroots 2015, p. 3.

<sup>26</sup> Ruysschaert and Salles 2014, p. 442.

<sup>27</sup> Ibid.

<sup>28</sup> Ruysschaert 2016, p. 55.

- **The RSPO's complaints system is deficient**

The RSPO's official complaints procedure, established in 2010, is ineffective, obscure, and inconsistent in terms of the decisions made.<sup>29</sup> Proceedings take an average of two or more years to be completed<sup>30</sup> and in most cases fail to produce satisfactory solutions.<sup>31</sup> Companies who are found guilty of violating standards hardly run the risk of being penalized:<sup>32</sup> withdrawal of a certification based on systematic misconduct is a rare exception. Moreover, such withdrawals are not permanent. This is illustrated by the case of the Malaysian company IOI, whose certification was suspended based on serious violations of standards in March 2016, as much as five years after the complaint had been filed.<sup>33</sup> Less than five months later, the RSPO reinstated the company's certification.<sup>34</sup> Given the deficiency of the RSPO's own complaints system, two Indonesian communities have recently filed a complaint against the RSPO with the Swiss National Contact Point for the OECD Guidelines for Multinational Enterprises. They accuse the RSPO of not having penalized the Malaysian palm oil company Sime Darby despite evidence of its infringing RSPO standards.<sup>35</sup>

- **RSPO certification for smallholders?**

Despite efforts in recent years to make RSPO certification more accessible for smallholders,<sup>36</sup> it continues to serve almost exclusively large companies.<sup>37</sup>

- **Criticism is not allowed**

In its code of conduct, the RSPO requires its members to uncritically promote RSPO-certified palm oil and to omit any mention of alternatives that are more environmentally friendly and respect human rights.<sup>38</sup> Such a code of conduct is detrimental to the currently still deficient certification scheme. The ban on criticism hampers any positive development, and promotion of an insufficient sustainability standard cannot be in the interest of sustainability. Moreover, increased demand for palm oil does not help to further sustainable cultivation. For these reasons, adoption of the new code of conduct led RSPO members like PanEco to resign from the RSPO.<sup>39</sup>

## **Conclusion: The RSPO is not part of the solution**

The RSPO label is a long way off from securing sustainably produced palm oil. Its objectives and criteria are not ambitious enough, its monitoring system is insufficient, and its penalty regime ineffective.

*Johanna Michel, Bruno Manser Fund, 21 February 2018*

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<sup>29</sup> Colchester 2016, p. 160.

<sup>30</sup> Ruysschaert 2016, p. 52.

<sup>31</sup> Rainer Helen, White Alison, and Annette Lanjow, *Industrial Agriculture and Ape Conservation*, Cambridge 2015, p. 157, <https://dx.doi.org/10.1017/CBO9781316488959>, accessed on 19 February 2018.

<sup>32</sup> EIA and Grassroots 2015; or Colchester 2016, p. 156.

<sup>33</sup> Effective from 4 April 2016; see RSPO, Notice to RSPO Members on the Suspension of IOI Group's certification, 1 April 2016, <https://rspo.org/news-and-events/announcements/notice-to-rspo-members-on-the-suspension-of-ioi-groups-certification>, accessed on 10 January 2018.

<sup>34</sup> Madeleine Cuff, Palm oil giant IOI Group regains RSPO sustainability certification, *The Guardian*, 8 August 2016, <https://www.theguardian.com/environment/2016/aug/08/palm-oil-giant-ioi-group-regains-rspo-sustainability-certification>, accessed on 10 January 2018.

<sup>35</sup> TuK Indonesia, Kerunang and Entapang Complaint against RSPO at OECD in Swiss, 3 February 2018, <http://www.tuk.or.id/kerunang-entapang-complaint-rspo-oecd-swiss/?lang=en>, accessed on 19 February 2018.

<sup>36</sup> Colchester 2016, p. 157.

<sup>37</sup> As much as 99% of RSPO-certified areas (2.6 million hectares) are owned by 73 large producers; cf. RSPO, *Annual Communication of Progress: Digest & Narrative 2015*, Kuala Lumpur, Malaysia, 2015, [https://www.rspo.org/file/acop2014b/RSPO Annual Communications Progress ACOP Digest and Narrative 2014b.pdf](https://www.rspo.org/file/acop2014b/RSPO%20Annual%20Communications%20Progress%20ACOP%20Digest%20and%20Narrative%202014b.pdf), accessed on 30 January 2018.

<sup>38</sup> "Members must not make claims which imply that the removal of palm oil from a product is a preferable social or environmental sustainability outcome to the use of RSPO certified sustainable palm oil. Moreover, members shall seek to promote, and not to denigrate the aims and goals of RSPO, namely the production and use of RSPO certified sustainable palm oil." In: RSPO, *Code of Conduct for Members of The Roundtable on Sustainable Palm Oil 2015*, Kuala Lumpur, November 2015, p. 2, <https://rspo.org/key-documents/membership#>, accessed on 19 February 2018.

<sup>39</sup> PanEco, PanEco resigns from RSPO over "sheer level of inaction", 7 June 2016, <https://paneco.ch/en/paneco-resigns-from-rspo-over-sheer-level-of-inaction/>, accessed on 10 January 2018.