Palm oil is the world’s most common vegetable oil and an essential, cheap raw material for the unhealthy processed foods sold by multinational food companies. Palm oil production has nearly doubled over the past decade, mostly through the expansion of large-scale monoculture plantations, owned by corporations. These oil palm plantations are associated with deforestation, habitat destruction, greenhouse gas emissions and other problems such as water pollution. Oil palm plantation companies have been accused of theft of land from indigenous and other communities, criminalisation of human rights defenders and labour and human rights abuses.

Twenty years ago, the Roundtable on Sustainable Palm Oil (RSPO) was set up to address these concerns by bringing together ‘stakeholders’ from various parts of the industry, as well as environmental and social organisations. Its founders said this would prevent the destruction of valuable forests and ensure respect for the rights of plantation workers, smallholder farmers and indigenous people. But experience with the RSPO over the past two decades shows that it has failed to live up to its objectives. It has arguably become more of an industry ‘front’ organisation, principally concerned with helping to protect companies, market palm oil and expand the model of industrial monocultures, rather than a means of ensuring higher standards.

Worse, there is much confusion and a lack of awareness about what the RSPO is and what it means for local communities, workers and even the companies occupying their lands. Grassroots organisations and international allies, including GRAIN, recently agreed to develop information and education tools to help workers and communities better understand the RSPO. This primer, “The Roundtable on Sustainable Palm Oil explained”, is one such tool a collective document, published by GRAIN but produced with inputs from many organisations.
Palm oil production has nearly doubled over the past decade, making it the world’s most common vegetable oil. It is widely used as a cooking oil but is also found in most processed foods, cosmetics, soaps and detergents. Today, it is increasingly being used as a biofuel. The oil palms now grown commercially originated in West and Central Africa, where it has long been an important means of subsistence and, until recently, mostly still used in traditional agro-forestry cultivation and small-scale oil processing. It is planted throughout the equatorial belt, often where there are rainforests and indigenous communities. The largest palm oil producing countries are Indonesia and Malaysia, but large-scale oil palm plantations are expanding rapidly in other parts of Asia, as well as in Africa and Latin America.

High density plantations are very productive (at least in the short term) and, combined with low land and labour costs, can generate huge profits. This is the main reason why governments and corporations are so interested in developing large areas of oil palm plantations. But two-thirds of the nearly $300 billion annual profits from the global industry are shared by large companies, including those selling palm oil products. Large plantation companies receive about US$40 billion in profits, and small-scale producers almost nothing.

Large oil palm plantations are associated with deforestation, habitat destruction, greenhouse gas emissions, and other problems such as damage to water courses and pollution. Oil palm plantation companies have been accused of theft of land from indigenous and other communities, criminalisation of human rights defenders and labour and human rights abuses. RSPO was set up to address these concerns by bringing together ‘stakeholders’ from various parts of the industry, as well as environmental and social organisations. Its founders said this would prevent destruction of valuable forests, and ensure respect for the rights of plantation workers, smallholder farmers and indigenous people.
RSPO’s initial members included the multinational food company Unilever, the Malaysian Palm Oil Association and WWF. Its current membership consists of oil palm growers and producers, including smallholders, processors and traders, consumer goods manufacturers and retailers, social and environmental NGOs, and investors. As of January 2024, RSPO had over 5,800 members from around 100 countries, grouped as shown below.\(^4\) Ninety-six per cent of them are involved in the production, supply or sale of palm oil.\(^5\) Of the one per cent which are NGOs, most are conservation organisations with very few focussed on social and labour issues.

The RSPO is almost entirely funded by the palm oil industry. About 25% of its yearly income of US$15 million comes from the annual subscriptions of members, and the remainder from fees charged to companies for use of RSPO ‘certificates’.\(^6\) Twelve of the sixteen members of RSPO’s governing board come from corporations, reflecting the heavy structural domination of the organisation by business interests.\(^7\)

**What does the RSPO mean by “sustainable palm oil”?**

The RSPO developed a ‘global standard’, or set of ‘guidelines’, for companies involved in the palm oil sector to be certified as ‘sustainable’. The basis of the standard is a set of seven ‘principles’.\(^8\) These relate to:

1. Behaving ethically and transparently
2. Operating legally and respecting rights
3. Optimising productivity, efficiency, positive impacts and resilience
4. Respecting community and human rights and delivering benefits
5. Supporting smallholder inclusion
6. Respecting workers’ rights and conditions
7. Protecting, conserving and enhancing ecosystems and the environment.

Each of these has detailed criteria associated with it. For example, under Principle 2, there are three specific criteria, one of which is that “There is compliance with all applicable local, national, and ratified international laws and regulations”. Under Principle 6, various criteria require that companies prohibit any form of discrimination in their employment policies, pay at least legal or industry minimum wages or a ‘decent living wage’ (including to contract workers), allow the formation of trade unions and do not employ child labour.

Under Principal 7, the RSPO has two important concepts: High Conservation Value Forests (HCVs) and High Carbon Stock (HCS) forests. The first refers to areas of forest which have high species diversity, intact ecosystems and habitats, provide ‘ecosystem services’ such as freshwater supplies, or are economically or culturally important for local communities.\(^9\) HCS relates to forests (or the soils on which they grow) which hold large amounts of carbon. RSPO requires that land clearing for palm oil plantations “does not cause deforestation or damage any area required to protect or enhance HCVs or HCS forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.”\(^10\)

There are 43 criteria in total. Each has a number of ‘indicators’ attached to it, which are used to help assess whether any given company is fully compliant with the Principles and Criteria. The current version of the RSPO standard, dating from 2018, is under review. A revised version is expected to be presented for approval at the 21st RSPO General Assembly in late 2024.

The global Principles and Criteria are adapted or ‘interpreted’ into specific national standards, of which there are 15, covering all of the major palm oil producing countries.\(^11\) As well as the overall RSPO Principles and Criteria, there is also a special ‘Smallholder
standard’. Adopted in 2019, this is a specific set of criteria designed for small-scale palm oil producers, and intended to address the unique challenges and circumstances faced by smaller producers. There are two national ‘interpretations’ of the Smallholder standard, covering Indonesia and Cote d’Ivoire.

How does the RSPO operate?

RSPO operates a system of ‘certification’, through which palm oil producers, processors or traders voluntarily submit to audits to see if they are complying with the RSPO ‘standard’. Certifications are carried out by one of 27 private audit companies which have been ‘accredited’ by RSPO. Companies that want to be ‘certified’, so that their product can be labelled as “certified sustainable palm oil”, have to hire an auditor to verify their compliance with the RSPO standard. Companies producing and trading certified palm oil are allowed to claim that they are not contributing to environmental and social harm. RSPO certification can help them sell their products and get loans or other financing from banks to expand their operations.

Nearly five million hectares of palm oil producing areas have been certified. ‘Certified sustainable palm oil’ represents about 20% of total global production.

However, the gap between the RSPO standard and the reality of certified companies’ practices can be very large. Just because a plantation is RSPO certified does not mean that the RSPO principles are strictly implemented. The RSPO criteria are broad and open
to much interpretation, and the auditing system is easily manipulated by auditing firms which allow producers to claim they are in the process of pursuing ‘positive outcomes’. Requests for RSPO certification are rarely rejected, even when there are clear cases of criteria being violated. As with all certification systems, these problems are exacerbated by conflicts of interests, such as the audit companies being paid directly by those they are supposed to be rigorously and critically assessing.

What is the experience of indigenous and rural communities with RSPO?

RSPO emphasises the role palm oil production plays in overcoming rural poverty and providing sustainable livelihoods “with a year-round income. (...) Roads, schools and healthcare facilities follow in the wake of the jobs it creates, leading to community development.” However, this is not the reality for many local communities living within or next to large oil palm plantations that are certified by RSPO. One major study in Indonesia published in 2020 found that “the effectiveness of RSPO certification in delivering social and environmental benefits to local communities in producing areas remains uncertain”. Villages dependent on subsistence livelihoods were no better off with the arrival of a certified plantation.

While the so-called benefits are not evident, there are many negative impacts on communities by the palm oil industry. These include:

Land grabs, displacement and conflict: The palm oil industry has historically been associated with widespread grabbing or theft of community lands and conflict. Many hundreds of conflicts have been reported each year in Indonesia alone, but the problem is endemic in Africa and Latin America too. Displacement of indigenous and rural communities for oil palm plantations has continued despite RSPO, including by certified companies. Researchers have found that company-community conflicts in Indonesia were almost never solved and RSPO certification did not enhance positive outcomes. In remote plantation areas, plantation companies usually employ migrant workers, impacting the social fabric of local communities, increasing the pressure on land and forest resources (increased hunting and farming) and reducing safety and security for women and girls.

Consultation and Free, Prior, and Informed Consent (FPIC): Companies seeking RSPO certification are expected to consult with and obtain consent from local communities before establishing plantations. The company must provide documented evidence that it consulted everyone in the community, including women and vulnerable groups, that it respected communities’ decisions to give or withhold their consent to the plantations; and that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by the affected communities. However, there are many cases where RSPO-certified companies have not followed this principle. There are many formal complaints to the RSPO from communities asserting that their consent was not adequately sought or respected.

Smallholders: Smallholders account for around 40% of total global palm oil production, and number around 7 million people. RSPO claims that it encourages the inclusion of smallholder farmers in ‘sustainable’ palm oil production. To this end it runs a Smallholder Support Fund and various other mechanisms. But, challenges relating to certification costs and the capacity for smallholders to participate fully in RSPO remain. RSPO predominantly serves to benefit large-scale plantations: less than 10% of the total RSPO certified area is owned by smallholders. Moreover, corporate-run ‘outgrower’ schemes represent about one-third of smallholder production. These involve oil mill owners contracting smallholders to plant palms on their own land, with an obligation to sell the produce
to the company. While such schemes are often claimed to be beneficial for local people, the terms of trade are typically skewed in favour of the companies. Participants in these schemes often end up with debt problems and without sufficient land to grow food for their families.

RSPO favours the concentration of power and market access in the hands of larger corporations which have the necessary resources and expertise to participate in RSPO.

Adverse environmental impacts: Communities suffer from a wide range of environmental impacts caused by the industrial monoculture management of oil palm plantations. The heavy levels of pesticides and chemical fertilisers used on the plantations pollute drinking and irrigation water, soil and air. The plantations also cause flooding and erosion of water sources, and loss of biodiversity in forests that communities depend on for their livelihoods.

Criminalisation of, and violence against, community members and workers: The theft of land for plantations, and the environmental damage they cause, have often been accompanied by violent suppression of community resistance against palm oil companies. For example, a study of a sample of just 150 palm oil-related conflicts in Indonesia found that two-fifths had involved arrest of land defenders. Police or military anti-protest actions resulted in nearly 789 arrests, 243 injuries and 19 deaths. More widely, crack downs on protests around certified palm oil operations involve thousands of people being harassed, arrested, shot and wounded, such as at the SOCFIN plantations in Sierra Leone or the Energy & Palma plantations in Ecuador.

While palm oil companies have stolen vast tracts of land with impunity, communities have faced harsh reprisals, including violence and imprisonment simply for accusations of ‘stealing’ palm nuts from RSPO-certified plantations. Community members often have no choice but to pass through company security checks to access their villages which are surrounded by plantations on all sides. This adds to the threat of sexual harassment and violence faced by local women from plantation employees and guards.

How does RSPO affect plantation workers?

RSPO claims that it “ensures that adequate protection to the rights of workers (and their families) on plantations are in line with international and local standards”, such as those of the International Labour Organisation. Around half a million people work in RSPO-certified plantations. But much work in the palm oil industry is inherently hard, sometimes dangerous and generally poorly paid. Labourers are set tough
performance requirements, such as minimum quantities of palm fruit to harvest or process, or areas of plantations on which to apply pesticides. Safety equipment is often inadequate or missing. Holidays or sick leave might be minimal, and housing very poor. Despite the requirements of RSPO Principle 6, there have been many reports of, and formal complaints about, poor labour practices in RSPO certified companies. These include: paying less than the minimum wage, exposing workers to hazardous chemicals, suppression of unions, use of forced and child labour, and discrimination towards women. RSPO claims that “progress” is being made on workers’ rights, but there has never been an independent study showing that workers’ conditions are better in RSPO-certified companies than non-certified companies.

How does the RSPO affect communities and workers organising to defend their interests?

It is not easy for communities and workers affected by oil palm plantations to defend their interests. Oil palm plantations are typically owned by powerful corporations in alliance with local elites, who protect their interests with the support of the police and army. In these circumstances, when a company is RSPO certified, communities and workers may look to the RSPO as leverage for their struggles. But pursuing action with the RSPO can be problematic. For one, the RSPO ‘complaints process’ is too technical and costly for communities to pursue on their own. Communities often need to seek assistance or support from an NGO, trade union or legal advisor, which may not have the same interests as the communities or be able to provide them with the help they need to effectively participate. Second, although the RSPO process is entirely voluntary for companies, it draws communities into formal processes in which they must prove to outside ‘experts’ that companies violated RSPO principles that are open to a great deal of interpretation. For instance, what the community values as an important forest and what a team of auditors hired by the company views as a ‘high conservation value’ forest may be very different. During these processes, which can last for months or even years, the communities and workers are barred or discouraged from pursuing other tactics that may be more effective, such as strikes, road blockades or media campaigns. And finally, the RSPO process encourages communities to compromise with companies, rather than seeking to eject the companies from their territories. This can lead to divisions within communities and undermine community resistance.

For workers, the RSPO processes may contribute to small or occasional gains. But reliance on RSPO processes can detract from or undermine organising tactics towards deeper, structural changes to the industry which would bring much more significant improvements to workers’ lives.

In Gabon, for example, where the RSPO-certified company Olam has been operating vast oil palm plantations for the past 14 years, the communities have been unable to prevent the company from polluting their waters, destroying their forests or grabbing their lands, despite numerous promises made by the company and grievances filed by the communities.

How does the RSPO affect consumers?

The RSPO emerged in response to the threat of consumer boycotts of palm oil, and damage to the reputation of companies involved in the industry. These were driven by strong environmental campaigns pointing to the serious environmental impacts (especially deforestation) caused by the expansion of plantations. RSPO hoped that its scheme would
rebuild consumer trust in the palm oil industry. Linked to its certification of palm oil producers, products containing at least 95% certified palm oil are licenced to carry an RSPO logo, visible to consumers, describing it as ‘sustainable’.

Numerous studies have shown, however, that the public are generally, at best, poorly aware of the meaning of the RSPO logo and, at worst, sceptical; products free from all use of palm oil would more likely be preferred by discriminating consumers. For many, palm oil is still linked with deforestation and poor treatment of local communities and workers. Moreover, most palm oil is not consumed in products likely to be labelled (such as biofuels), or in markets where there is a high level of awareness of the product’s possible impacts.

What are some of the key controversies/challenges to be aware of?

Alongside the problems pointed out above, the RSPO has always been subject to many other criticisms, including:

**Distraction from better regulation:** As with other voluntary certification schemes, the RSPO serves to reduce pressure for the palm oil industry to be better regulated. It allows governments to avoid taking politically difficult decisions, such as passing stricter laws on environmental impacts or labour standards, sanctioning firms or controlling trade in palm oil. By concerning itself only with specific company operations, RSPO avoids addressing the impacts of the sector as a whole, such as whether a few companies should be allowed to dominate vast landscapes and become the only employer in producer regions. In the view of human rights group, Amnesty International, “RSPO is acting as a shield which deflects greater scrutiny of its members’ practices”.

**Greenwashing:** While RSPO certification has helped avert all-out consumer boycotts of palm oil products, there is evidence that it has made little or no difference in terms of environmental and social benefits. RSPO’s standard still allows for deforestation, habitat destruction, and social conflicts. Civil society organisations have long pointed to systemic and serious problems with certification audits. The continuing large number of complaints issued against RSPO-certified companies suggests that many unwarranted certificates have been issued. Whilst the RSPO logo leads to the perception that certified palm oil is ‘good palm oil’, the reality is that those involved in producing RSPO certified palm oil have only signed up to a limited set of criteria, which are not necessarily properly audited or evaluated.

The RSPO has arguably become more of an industry ‘front’ organisation, principally concerned with helping to protect companies, market palm oil and expand the model of industrial monocultures, rather than a means of ensuring higher standards.

**Expansion of industrial monoculture plantations:** Oil palm plantations have a profound impact on food sovereignty in countries where large areas of land are used to produce commodities for export rather than food for people. Many governments favour industrial plantations rather than support smallholder farming. Oil palm plantations tend to occupy the farmlands and forests, and deplete water sources, that communities need to produce their own foods. The RSPO is accused of entrenching this pattern by favouring larger companies. As with any large-scale monoculture, the sustainability of large oil palm plantations that are heavily reliant on pesticides and chemical fertilisers and that consume vast amounts of water, has been called into question.

**Complaints mechanism:** It is often asserted that certified companies do not really comply with all the Principles and Criteria. RSPO has a process by which complaints can be made against certified companies. By the end of 2023, nearly 200 formal grievances had
been filed. But analysis shows that a large majority of these are simply dismissed by the RSPO. Indigenous and local communities from Indonesia say that RSPO ignores evidence of non-compliance with RSPO’s standards, and that complaints have remained unresolved for many years. Other research has shown that most conflicts in and around certified companies are never even brought to the RSPO complaints mechanism, suggesting that there are structural deterrents to communities and workers to do so. One recent study of the RSPO complaints mechanism found that it was biased in favour of companies and therefore “the actual capacity of the RSPO’s mechanism to provide a meaningful remedy for rural communities’ grievances remains very limited”.

The RSPO’s complaint process can be seen as a mechanism intentionally designed to redirect, absorb and exhaust the efforts of communities, workers and unions seeking to improve their treatment by the palm oil industry, whilst rarely delivering any meaningful outcomes.

Corruption and collusion: RSPO rests on grouping very different interests together as ‘stakeholders’ in the same endeavour despite the important conflicts and power imbalances between the indigenous landholders and workers on one side and the companies on the other. The companies can use their power and money to corrupt government officials and local elites or intimidate community leaders. For example, the palm oil industry has long been associated with high level corruption in the largest producer country, Indonesia, especially in relation to land allocations. A complaint brought to the RSPO in 2020 concerned a large certified company that had been convicted of bribery related to the illegal operation of 75,000 hectares of plantations – which the RSPO was aware of but had failed to take any action. The complaint remains unresolved nearly four years later. In Sierra Leone, the RSPO issued certification to a palm oil company despite widespread intimidation, repression and violence against community leaders critical of the company. When villagers issued a petition denouncing the certification several of them were summoned to court and threatened with arrest. In Ecuador, after villagers blocked a road to raise attention about the fraudulent theft of their lands by an oil palm plantation company, the company took four of the villagers to court and was awarded over US$150,000 in damages. Critics say that the RSPO is meant to ensure accountability but instead allows impunity.

Over-consumption: In Europe, around half of the palm oil imports are burned as biofuels. RSPO certification and government policies have contributed to marketing palm oil as ‘sustainable’, but greenhouse gas emissions from biofuels are worse than those from fossil fuels. Cheap industrial palm oil is used in highly processed foods which are unhealthy,
and it displaces local oil crops like coconut, mustard or even traditional palm oil. The sheer volume of consumption of industrial palm oil is highly unsustainable and not good for people, but greenwashed by sustainability standards.

**What should be done?**

Opinions vary on what should be done to address the problems posed by the RSPO. Some believe that the RSPO can be reformed to address specific problems, such as poor audits and lack of oversight. Others believe that certification systems such as RSPO do not prevent environmental destruction, theft of community land or abuse of workers. They believe the focus should be on community organising and political struggles for better government regulations or incentives to address deforestation and the protection of indigenous lands and labour rights.

Based on the experience of the much longer running but very similar Forest Stewardship Council (FSC), attempts at constructive reform of the RSPO are likely to be very slow, and of very uncertain outcome. The ultimate RSPO decision-making structure and its dominance by industry interests will likely ensure that the underlying problems persist. Because of its total reliance on industry income, the organisation is unlikely to take any measures which seriously challenge corporate interests. Criticisms very similar to those now made of the RSPO were made of the FSC more than 20 years ago: the standards and credibility of the FSC only continued to decline, and eventually most credible NGOs withdrew their membership and support. The FSC’s standards tended to converge with weaker competing certification schemes. It seems likely that the RSPO will follow a similar path.

As with the FSC, principled civil society groups leaving the RSPO is unlikely to bring about improvements in the way it operates either, nor bring it to a halt. The RSPO is likely to continue drawing legitimacy from participation by groups such as WWF. However, the withdrawal of NGOs would reduce the appearance that the RSPO is endorsed by civil society. This would help clarify the role of the RSPO as being principally a palm oil marketing and greenwashing operation.

While it may have seemed appropriate early in the RSPO’s development to attempt to use its complaints mechanism as a tool for community and workers redress, the overwhelmingly negative experience of the last 15 years raises doubts about whether this approach is worth the necessary investment of time and effort. The complaints system itself is biased towards companies and does not provide for effective enforcement in the few cases where rulings are made against companies. At this point, further engagement with the RSPO may do little except lend credibility to the industry’s greenwashing efforts.

It may be time for affected communities and workers, and organisations that are in solidarity with them, to boycott the RSPO and denounce it as a tool for the perpetuation and expansion of industrial oil palm plantations. Civil society could instead invest in bringing about improvements in, and better enforcement of, government regulation, or in helping communities ensure control over their territories. There are many other effective ways for communities and workers to prevent and seek justice and redress for land grabs, violations and abuse.

Behind RSPO is an industry that is chipping away at food sovereignty, community control of territories, people’s health and fulfilment. In building solidarity and organising together, it is essential to keep this bigger picture in mind.

*We would like to thank Simon Counsell, WRM, Transnational Palm Oil Labor Solidarity and Milieudefensie for their contributions to this document.*
Endnotes

3. RSPO FACT SHEET, https://bit.ly/3O5c0iJ. RSPO was modelled on the Forest Stewardship Council which was set up in 1993 to address concerns related to the global timber industry through a certification system.
4. The member groups have been simplified very slightly for ease of viewing
5. Data derived from RSPO website, ‘Search Members’ https://rspo.org/search-members/
9. The concept of HCVF was initially adopted by the Forest Stewardship Council.
14. Details of these companies can be found at https://bit.ly/3vEh19o
30. Transnational Palm Oil Labour Solidarity, 2020
32. Sophie-Dorothe Lieke et al, Can consumers understand that there is more to palm oil than deforestation? 2023, https://bit.ly/3vMyRJm
42. Acción Ecológica & GRAIN, “Persecution against rights defenders of the Afro-Ecuadorian commune of Barranquilla de San Javier,” June 2023: https://grain.org/e/7002
45. The criticism of the RSPO as a tool for greenwashing goes back many years. See, for example, the ‘International Declaration Against the ‘Greenwashing’ of Palm Oil by the Roundtable on Sustainable Palm Oil (RSPO),’ 2008: https://www.wrm.org.uy/wp-content/uploads/2013/07/International_Declaration_RTSPO.pdf
“The Roundtable on Sustainable Palm Oil explained” emerged from a series of discussions between grassroots organisations from oil palm plantation affected areas and international allies, including GRAIN. It was agreed to develop information and education tools to help workers and communities better understand the RSPO. This primer is one such tool. While GRAIN took the responsibility to publish it, it was produced with input of many organisations and is really a collective document. It is meant to help oil palm plantation workers and affected communities better understand the RSPO and inform their decisions about what to do about it.

GRAIN is a small international non-profit organisation that works to support small farmers and social movements in their struggles for community-controlled and biodiversity-based food systems. GRAIN produces several reports each year. They are substantial research documents providing in-depth background information and analysis on a given topic.

The complete collection of GRAIN reports can be found on our website at http://www.grain.org

GRAIN
Casanova 118, escalera dcha. 1ºB, 08036 Barcelona, Spain
Tel: +34 93 301 1381
Email: grain@grain.org