

10 things you need to know about sustainable palm oil

Palm oil is in half of the products we buy but the impacts of unsustainable production can be devastating. Here's what we learned from our expert panel on ways to build a sustainable palm oil industry



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1. Businesses must take the lead

Companies will be the key drivers of a sustainable palm oil industry. Fiona Wheatley, sustainable development manager at Marks and Spencer, says: “Brands and retailers have to lead, not wait for consumer demand. Companies can’t say they don’t know about the issues, so don’t wait for campaigns, don’t wait until your customers say they don’t trust you to deal with these issues. Leadership from business is key.”

2. ...but demand will force brands to act

Many industry players are waiting to hear that their customers demand sustainable palm oil. Yusof Basiron, CEO of the Malaysian Palm Oil Council, says: “The Malaysian palm oil industry aspires to supply what the consumers want. Customer is ‘king’. We can supply RSPO-certified or zero deforestation palm oil or normal palm oil, based on demand, preference and price being offered.” Annisa Rahmawati, forest campaigner at Greenpeace, says consumer demand will be driven by NGO pressure.

3. Lack of awareness is a major issue

“Palm oil is too difficult a commodity to expect consumers to make conscious decisions on,” says Greenpeace’s Rahamwati. Supply chains are non-transparent and consumers often have little way of easily finding out about the exact ingredients of the products they purchase. This could change in Europe with the introduction of mandatory labeling of vegetable oils packs.

4. Asian markets will drive the industry

With Indonesia and Malaysia the world’s two biggest palm oil producers and Asia one of the biggest consumers, the markets there could shape the global industry. “Making sure consumers in Asia are buying certified sustainable palm oil would really push the agenda forward,” says Adam Harrison, the palm oil lead for WWF International. So too would getting big national and multinational brands to use the Roundtable on Sustainable Palm Oil (RSPO) logo.

5. Certification is key

To educate consumers, third party-accredited certification bodies are needed. They conduct detailed audits against criteria - but different bodies use different criteria. Most of the big

growers are signed up to the RSPO logo, but Greenpeace advise that this standard is “not strong enough to prevent deforestation” and advise companies to use the Charter of the Palm Oil Innovation Group. Although RSPO recognise that many of their members have gone beyond their criteria, they argue that the more systems that are created, the more confusing the market will become.

6. Businesses must be transparent

Consumers do not know which brands they can trust with respect to palm oil. Katie McCoy, head of forests program at CDP, says: “One way companies can foster trust is to be completely transparent on their approach and report progress along this journey.” It is crucial that companies can trace back the palm oil they use back to the plantation and that those plantations meet strong standards, says Rahamwati of Greenpeace. “As NGOs and consumers it is key that we demand transparency from the whole supply chain. Change might not happen overnight, so we need to keep a close watch.”

7. Collaboration is crucial

Because of the complexity of the supply chains, companies and organisations need to work together to build a sustainable palm oil industry. McCoy of CDP says: “Working together across the value chain is a key driver for a sustainable palm oil industry. Sharing best practice and developing innovative solutions is extremely important to move forward on this issue. Companies shouldn’t take a silo mentality - collaboration is key.”

8. Governments play a big role

In some producer countries, deforestation is not illegal, so regulatory reform is essential. Alain Rival, senior agronomist and research director at Cirad, says: “The first thing is to transform RSPO Principles and Criteria into law, then put enough resources to ensure enforcement of these laws on the ground. This needs a huge effort and not all countries will be able to do so on the very short term.” Wheatley at M&S says government support for a sustainable palm oil industry is vital. “Government can be an enabler or an obstacle and we look forward to the new government in Indonesia showing leadership on moving this forward.”

9. Consumers should not boycott palm oil

They should boycott unsustainable palm oil. McCoy says: “Palm oil is an incredibly high-yielding vegetable oil, which means that anything replacing it will have to use more land - that does not solve the issue of deforestation and associated land use change. Better to get palm oil production ‘right’ to avoid leaking the issue elsewhere to another commodity.”

10. Responsible sourcing will boost a brand

Although awareness is not yet high among consumers, this will become a major issue and brands that have tackled it early will win their customers’ respect. Wheatley says: “Making sure social and economic development don’t cause irreversible deforestation is one of the great challenges of our time and in future years business will be held to account for their contribution. So the risk of inaction may seem small now, but if you want your brand to grow in the future you have to be proactive not reactive. Brand trust is hard to build but easy to lose!”

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