



GUIDANCE ON DEVELOPMENT OF RECOVERY PLANS

(November 2023)

Introduction and Scope

As a leading palm processor and merchandiser, Wilmar recognises that palm oil has the greatest potential to meet the growing demand for vegetable oils when produced sustainably. It was in this spirit that Wilmar became the first in the industry to commit to a No Deforestation, No Peat and No Exploitation (NDPE) policy on 5 December 2013, which extended to our entire supply chain.

In 2019, we updated our NDPE policy. The updated policy strengthens many sustainability commitments that were introduced post 2013, notably the deforestation cut-off date, recovery plan requirements, the suspend first approach, enhanced health and safety responsibilities, more robust grievance mechanisms and more transparent public reporting.

Effective 1 January 2019, Wilmar's grievance approach means that when deforestation or peat clearance has been identified and verified, suspension is immediately enforced at group level.

Post suspension, Wilmar continues to engage with suspended suppliers to ensure that action plans are put in place (including commitment to develop recovery plans) before potential consideration for re-entry into Wilmar's supply chain.

Non-compliant land clearing can lead to negative environmental impact, such as loss of biodiversity, degradation of natural ecosystems services and the emissions of greenhouse gases (GHG). For this reason, Wilmar considers recovery plans that can restore and enhance the ecological function and biodiversity of a proposed site as an important element of its re-entry criteria.

Suspended supplier groups with non-compliant forest and peat clearing, after the cut-off date of 31 December 2015, are required to commit to recovery plans that are commensurate with past non-compliant developments as part of the re-entry requirement. To date, Wilmar is still the only company to have published clear guidelines on [re-entry](#) and adopted a clear cut-off date for when suspended companies must address areas of non-compliant forest clearing and peat development.

The purpose of recovery plans is to enable suspended suppliers to:

- a) Address liabilities due to non-compliant land clearing post- 31 December 2015; and
- b) Have a potential pathway to re-enter Wilmar's supply chain.

This document is a public summary of Wilmar's interim internal guidance on recovery plan development for suppliers. The guidance sets out the approach and criteria that suppliers are expected to follow when developing and implementing a recovery plan for non-compliant deforestation and peat clearance post 31 December 2015. Please note this summary will be reviewed and updated periodically to reflect supplier experience and wider feedback from others in the value chain. The document will also be subject to changes in response to any wider sectoral consensus that occurs since the publication of this document.

Approach and Process

1. Land Use Change Analysis (LUCA)

Where non-compliant deforestation or peat development has been verified by Wilmar, a Land Use Change Analysis (LUCA) is to be carried out by Wilmar to calculate the total liability area of suppliers at the group level for all non-compliant land clearing post 31 December 2015. The LUCA methodology is adapted from [RSPO's LUCA guidance](#) and follows Wilmar's SOP for LUCA for third-party suppliers. For this liability assessment, suppliers must provide boundaries of all concessions and all relevant declared land banks that are part of the group.

The following are not considered liabilities under Wilmar's NDPE policy:

- "Go" areas identified through an HCV or HCS assessment report. If post November 2019, an integrated HCV-HCS assessment report which has undergone HCVN or HCSA quality review
- Land clearance due to verified encroachment by communities or 3rd parties (who are not identified as the supplier) providing sufficient evidence that the clearance was not done by the supplier (e.g., land title, internal reports, any evidence of investigation and if available, police report.)

2. Supplier Commitment to Re-Entry

After the LUCA process is completed, suspended suppliers must commit in writing to meeting [Wilmar's minimum requirements for re-entry](#):

- i. Implement an immediate group-wide moratorium on land clearing and peatland development including an immediate management directive that operationalizes the group-wide moratorium through a Stop Work Order effective immediately;
- ii. Acknowledge the total area of non-compliant development of forest or peatland areas post-31 December 2015 within the group's entire concessions and commit to resolve the non-compliant development through the development and implementation of a comprehensive Recovery Plan¹;
- iii. Immediately halt all planting activities on non-compliant development areas cleared in 2019 (pending the development of a Recovery Plan);
- iv. For any new land development, commit to conduct Integrated HCV-HCSA Assessments and follow the HCVN's ALS quality assurance process;
- v. Publish a group-wide NDPE policy or sign a group-wide agreement to comply with the NDPE policy;
- vi. Commit to develop and socialize new Standard Operating Procedures (SOPs) in line with the adopted NDPE policy within six months;
- vii. Agree to provide maps (in an appropriate format) of the group's entire concessions to either a public monitoring platform or to the relevant supplier monitoring program (for the purpose of assessing the scale of non-compliant development and ongoing monitoring);
- viii. Commit to report progress to Wilmar at least every six months in the first year, then annually thereafter, demonstrating compliance against the above requirements.

Please note that the minimum requirements set above for suspended group-level suppliers need to be met before being considered eligible for re-entry into Wilmar's supply chain.

¹ Wilmar's starting expectation is for 1-to-1 area equivalence, but case-by-case exception may be permitted if there are other demonstrable long-term, additional conservation outcomes and depending on the project site

3. Recovery Plan Development

The supplier must develop a recovery plan that can be based on one of the following options:

Type of Recovery Plan	Example
On site (<i>in-situ</i>)	<ul style="list-style-type: none"> Supplier restores or reforests a degraded or cleared area within concession. This could include disturbed forest areas, or potential HCS areas (i.e. where no prior HCS assessment was conducted). Protect forest or peat in concession not already identified as conservation, HCV or HCS areas.
Off site (<i>ex-situ</i>)	<ul style="list-style-type: none"> Recovery plan is developed through a project plan with established Non-Governmental Organizations (NGOs)/Community Based Organizations (CBOs), or other reputable organization. Ideally ex-situ projects should be confined within similar terrestrial ecoregions or biogeographical regions.
Combination of Both	<ul style="list-style-type: none"> Mixed approach, explaining how areas are recovered on site vs. compensated off site (especially if there are any case-by-case exceptions).

To date there are no industry-wide standards and criteria for what constitutes an adequate recovery plan. Wilmar welcomes industry discussions to agree on recovery plan expectations, and in the interim Wilmar is following the basic criteria from RSPO's Remediation and Compensation Procedure (RaCP) with some adaptation as described below:

Additional	Suppliers need to be able to prove that expected conservation and/or social outcomes are demonstrably new and additional and would have not resulted without the project. Hence, to qualify as additional, suppliers need to prepare a baseline and the plan should clearly state the targets for how the area will be improved by the plan.
Long-Lasting	<p>Recovery plan should include clearly defined goals (environmental and social), timeframes and responsibilities to deliver specific outcomes with long term impacts (ideally 25 years).</p> <p>Recovery plan should include a tentative financial plan (covering budget and funding source, including if phased approach) and ensure the long term viability (including if there were a transfer of ownership or management of the company).</p> <p>Supplier must have land ownership or long-term tenure agreement.</p>
Equitable	<p>Suppliers to engage and involve affected local stakeholders in project planning, respect legal and customary arrangements and, as a minimum, ensure that free, prior and informed consent (FPIC) is obtained and seek to co-develop recovery activities if the activities overlap with any community-owned land. Any decision to collaborate with communities must be formally documented (e.g. via an MoU), and in cases where communities are present but have opted not to be part of the collaboration, evidence of the FPIC process leading to this decision must also be formally documented.</p> <p>Where communities are present, suppliers should explore and invite local communities as active partners in the project if feasible (e.g. through employment, capacity building, participation in patrolling/restoration teams, improved livelihood options.).</p>
Knowledge Based	Project must be based on sound scientific and local knowledge.

Other general principles include:

- Currently, there is no centralized option of monetary compensation for recovery projects. However, suppliers have the option to explore meeting their recovery with credible organizations or initiatives.
- Recovery plans should be adapted to ground situations and the local context in order to deliver specific outcomes with long-term impacts.
- The intention is to aim for the strongest outcomes, however, the recovery plan should consider potential practical limitations such as:
 - a. Risk of the supplier divesting
 - b. External risks to recovery project (e.g. legal security, threats from other developers, natural disasters, etc.)
 - c. Ecological functions of the site (for instance, areas adjacent to larger protected areas may be given greater weighting than smaller fragmented patches)

4. Acceptance and Implementation of the Recovery Plan

The supplier is required to submit the recovery plan to the Wilmar sustainability team who will evaluate and provide inputs where relevant. The supplier should ideally provide detailed information regarding:

- Project objectives and expected outcomes
- Project management and implementation team
- Resourcing, budget and timelines
- Any formal partnership with 3rd party organizations (roles and responsibilities, KPIs/outputs should be explicitly included in the partnership agreement)
- Where relevant, the supplier will include capacity building activities for internal staff

Once accepted by Wilmar, the supplier can proceed with implementation of the recovery plan and will be required to provide regular communications of progress and reporting.

5. Monitoring and Reporting

The supplier must commit to reporting on progress to Wilmar at 6-month intervals for the first year, and on a yearly basis thereafter. The recovery plan should include a monitoring plan to evaluate progress against objectives as set in the original plan. Suppliers can refer to the [BMP Manual for Growers on Forest Conservation and Community Collaboration](#) for further guidance on management and monitoring of the forest areas.

Some examples of Key Performance Indicators (KPIs) are listed below:

- Total hectares protected and restored
- Level of poaching reduced (measured in number or incidents)
- Illegal encroachment reduced (measured in hectares or number of incidents)
- Total hectares allocated for community livelihood projects

6. Additional Resources of Support

Wilmar is using the following additional resources to support suppliers:

- Templates of recovery plan proposals
- Additional guidance on assessing and addressing community clearance (internal guidance)
- Public summaries of Remediation and Compensation Plan (RaCP) by RSPO members.

Please refer to [Wilmar's minimum requirements for supply chain re-entry after suspension due to NDP non-compliance](#) to learn more about additional requirements for suppliers beyond recovery plans.

ANNEX: Summary of Approach on Recovery Plans for Wilmar's Suppliers

