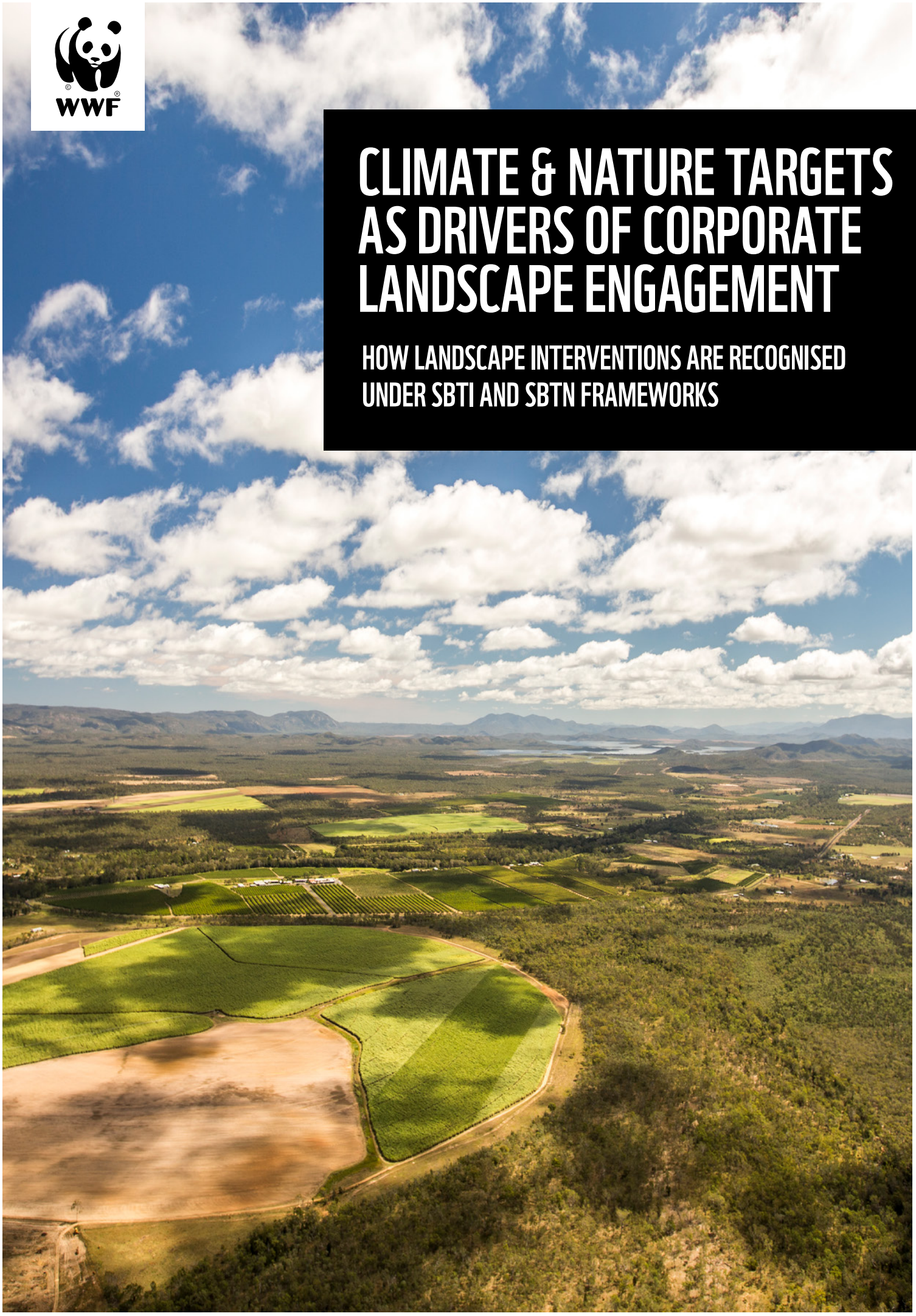

CLIMATE & NATURE TARGETS AS DRIVERS OF CORPORATE LANDSCAPE ENGAGEMENT

HOW LANDSCAPE INTERVENTIONS ARE RECOGNISED UNDER SBTI AND SBTN FRAMEWORKS

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© WWF-Indonesia / Yunaidi Joepoet Kebebu Village coffee nursery, Muller Schwaner Arabella (MSA) Landscape, West Kalimantan

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EXECUTIVE SUMMARY

Corporate climate and nature standards are reshaping the economics of landscape engagement. This shift is driven by three sets of standards: the Science Based Targets initiative's (SBTi) Corporate Net-Zero Standard V2.0 (hereafter the Net-Zero Standard) and Forest, Land and Agriculture (FLAG) Guidance, Science Based Targets Network's Land targets (SBTN) and the Greenhouse Gas (GHG) Protocol Land Sector and Removals Standard (LSRS). This report assesses how they shape company incentives to invest in landscape initiatives, and what this means for how such initiatives should be designed.

For landscape initiatives that depend on corporate participation, and for the companies deciding where to allocate funds, the practical questions are: How can landscape action gain recognition under these standards? What is that recognition worth? And what does it mean for programme design? This report aims at helping companies and initiative leaders answer these questions by drawing a categorisation of landscape interventions, based on an analysis of the core frameworks' requirements.

Taken together, these frameworks provide the rules for how companies set targets, measure progress and recognise action on climate and nature linked to land. The LSRS sets out how companies account for land-based carbon emissions and removals in their physical inventory. The Net-Zero Standard provides a framework for setting and implementing climate targets. It introduces an implementation hierarchy with integrity criteria for different types of climate action, alongside a tiered recognition programme for taking responsibility for ongoing emissions (OER). SBTN's Land guidance focuses on nature, providing methods for companies to set targets ranging from avoiding ecosystem conversion and improving the management of working land to engaging in landscape-level action.

The strongest incentive for companies to invest in landscape initiatives is demonstrable progress toward validated targets, particularly climate targets. Outcomes that enter a company's physical GHG inventory and count toward its scope 3 target progress are well integrated into corporate governance, resourced through established budget lines and defensible to boards and investors. However, such recognition depends on meeting demanding requirements around traceability, spatial boundary and assurance. This is particularly challenging for landscape initiatives, where outcomes are collective and difficult to attribute to any single company.

Landscape initiatives are complex undertakings involving many stakeholders and serving many needs. Their establishment and attractiveness depend on a wide portfolio of incentives that vary across stakeholders. Despite this complexity, companies stand to benefit from landscape initiatives in multiple ways, from securing long-term commodity supply and strengthening sourcing-region resilience to reducing shared water risks, meeting buyer requirements, complying with regulations, and maintaining their licence to operate. The relative importance of these benefits varies, with different companies motivated by different priorities.

Initiatives designed to speak to several motives at once are more robust and attractive than those built on very narrow or specific objectives that can be captured only by a single recognition route.

KEY FINDING:

LANDSCAPE INITIATIVES SHOULD BE DESIGNED AS PORTFOLIOS OF INTERVENTIONS, MATCHED BOTH TO THE NEEDS OF THE LANDSCAPE AND TO THE INCENTIVES THAT LEAD COMPANIES TO INVEST.

In practice this means combining **three kinds of action** in a single initiative:

1. Action whose **outcomes a company can report against** its own climate and nature targets;
2. Action **recognised by the standards as a contribution** even when specific outcomes cannot be attributed at the inventory-level and to one company only;
3. And the **governance, rights and monitoring foundations** that make the first two possible.

Designed this way, an initiative gives each company more than one reason to engage long-term.



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This key finding emerged from the analysis undertaken for this report. Using a four-lens analysis detailed in chapter 2, relevant standards were assessed alongside the landscape interventions they address, resulting in a typology of nine intervention types and, at its core, a three-category classification of how an intervention's outcomes can be recognised: in the physical GHG inventory and in validated target progress; as a contribution reported separately from the inventory and targets; or nowhere in the target architecture. These three categories organise the findings that follow:

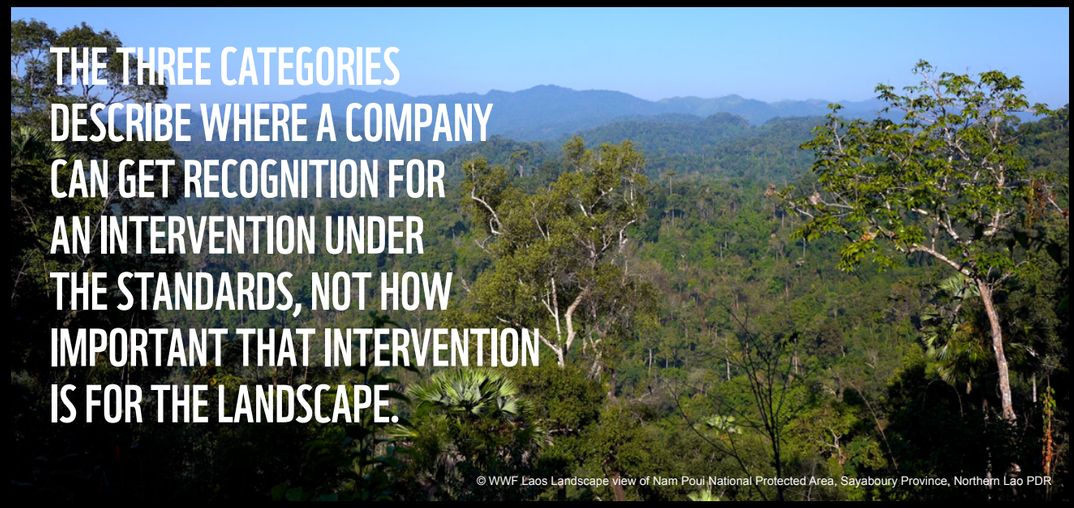
- **Category A: Inventory-level actions**, covers interventions whose outcomes enter the company's physical GHG inventory or are evidenced at the level of production units and defined sourcing areas under SBTN's No Conversion and Working Land Regeneration and Restoration targets, and so count toward validated SBTi and/or SBTN target progress. Action delivered at aggregated scales belongs here if the outcomes can be allocated to purchased volumes.
- **Category B: Recognised contributions**, offers two contribution routes:
  - **B1. Contributions recognised toward target implementation**, but reported separately from the physical GHG inventory. Within the Net-Zero Standard hierarchy, this includes activity-pool[1] and sector-level actions[2], as well as market instruments whose outcomes cannot be allocated to purchased volumes. On the nature side, it also includes SBTN Supplier Engagement targets for volumes that cannot yet be associated with suppliers that have set their own land science-based targets.
  - **B2. Engagement and responsibility recognition.** These interventions cannot be recognised within the physical inventory but may still qualify under the SBTN Landscape Engagement Target and, under certain conditions, as separately reported contributions under Ongoing Emissions Responsibility.
- **Category C: Enabling activities** such as governance, rights, monitoring and coordination that earn no recognition in their own right. This applies where neither recognition route is available: the Landscape Engagement target (SBTN) does not apply, because the landscape is not material to the company's operations or sourcing and the initiative does not meet the target's requirements; and the work is not supported as an eligible climate action under Ongoing Emissions Responsibility (SBTi).

The three categories describe where a company can get recognition for an intervention under the standards, not how important that intervention is for the landscape. This distinction matters because a well-designed landscape initiative relies on a strong enabling layer of governance, land rights and monitoring, which is often what makes the Category A and B interventions possible or successful at scale. Whether that enabling work is recognised under Category B2 or falls into Category C then depends on the company's relationship to the landscape and its supply chain as well as its ambition and strategy for Ongoing Emissions Responsibility.

TABLE 1: THE SIX MAIN FINDINGS OF THE REPORT

1. CLIMATE AND NATURE TARGETS CONVERGE ON THE SAME LAND	2. THE NEW SBTI AND SBTN STANDARDS WIDEN RECOGNITION WITHOUT ALTERING THE ACCOUNTING CORE	3. INVENTORY-LINKED TARGET PROGRESS REMAINS THE STRONGEST SINGLE DRIVER
4. LANDSCAPE INITIATIVES NEED A PORTFOLIO OF INCENTIVES	5. MRV IS THE BINDING CONSTRAINT AND THE HIGHEST-RETURN INVESTMENT	6. LANDSCAPE INITIATIVES CAN DELIVER ACROSS ALL RECOGNITION CATEGORIES

1. Activity pool: a shared system of activities serving the company (e.g. a supply shed, electricity grid or logistics network), defined at the smallest reasonable geographic or operational level within which the relevant emissions can be collectively reduced (CNZS-C21.2, C22).
2. Sector-level actions: actions taken outside the company's own activity pool, within the sector in which its emissions arise, where structural barriers prevent direct or activity-pool-level action. They must mirror the relevant emission sources and support the sector's transition (CNZS-C21.3).



© WWF Laos Landscape view of Nam Poui National Protected Area, Sayaboury Province, Northern Lao PDR

Across all three categories, the final SBTi and SBTN standards widen what can be recognised without displacing the primary measure of progress: the physical GHG inventory under SBTi, and outcomes evidenced on specific production units and sourcing areas under SBTN's Land targets. The strongest incentives therefore remain tied to lands in material supply chains. At the same time, two features of the final standards strengthen the two Category B contribution routes. Under B1, recognition now extends to pool- and sector-level action and to market instruments placed inside the Net-Zero Standard implementation hierarchy. Under B2, Ongoing Emissions Responsibility provides graded recognition for action beyond targets.

KEY ENABLER: CLOSING THE MRV GAP

Every recognition route in this report runs through data: traceability determines what can enter an inventory, pool-level action and market instruments must be evidenced, contributions verified, and landscape engagement monitored against a roadmap. Shared monitoring, baselines and data governance therefore convert the same fieldwork into recognition in all three categories, which makes them the highest-return on investment for landscape initiatives and their corporate partners.

This route is expected to become increasingly relevant from 2035, when removals responsibility becomes mandatory for some companies and specific recognition routes, potentially creating growing demand for landscape-supplied removals. Chapter 4 and the technical annex set out the conditions.

Wider recognition is not the only shift under way: climate and nature targets are also converging on the same land. Companies with land-intensive value chains hold concurrent validated commitments under SBTi and SBTN. Well-planned interventions that change land management can deliver dual recognition: counting toward both climate and nature targets. The same landscapes frequently fall within basins where SBTN's Freshwater targets apply, pointing toward multi-realm recognition as the frameworks mature. For initiative design this reinforces the case for portfolios: one well-placed intervention can serve more than one target, and the same evidence can support more than one claim.

The report closes with the design implication for landscape initiatives that follows from the assessment. A well-structured landscape initiative offers companies something on every recognition route: inventory-level outcomes for traceable volumes (Category A); recognised contributions for volumes beyond farm-level traceability (B1) and for the collective outcomes that no single company can claim (B2); and, beneath all of these, the governance, rights and shared monitoring systems on which every other outcome depends (Category C if not recognisable under B2). Initiatives built this way can anchor corporate participation in several motives at once.

Note: A supporting technical document preserves the full analysis, and operational guidance translating the assessment into design and MRV tools is in preparation.



01 INTRODUCTION

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Climate change and biodiversity loss are accelerating in tandem, driven in significant part by the same economic activities that depend on stable climate conditions, functioning ecosystems and natural resources.

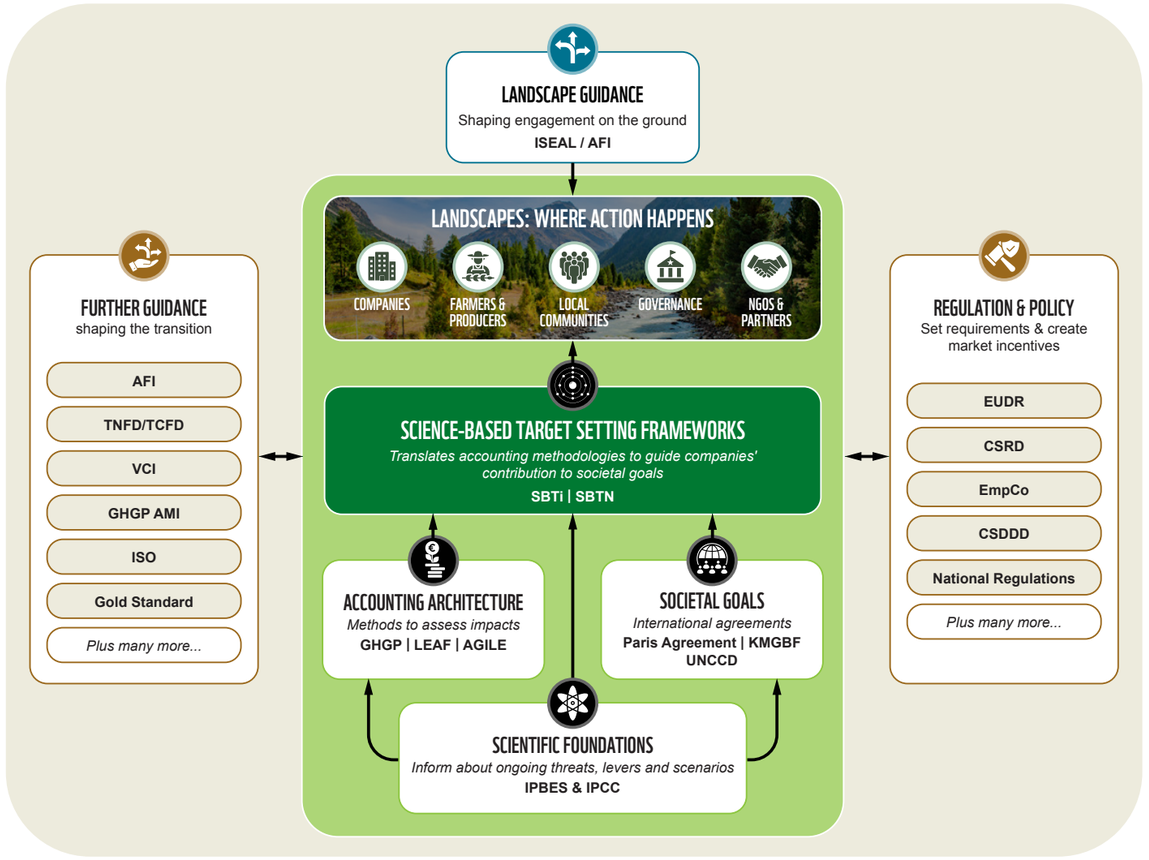
The resulting risks are increasingly material for business and society. The World Economic Forum found that businesses that fail to adapt to climate risks like extreme heat could lose up to 7% of annual earnings by 2035, nearly half the impact of COVID-19. The World Bank estimated in 2021 that a partial collapse of select ecosystem services – including wild pollination, provision of food from marine fisheries and timber from native forests – could reduce global GDP by an estimated US$2.744 trillion annually by 2030.

Companies are dealing with strong risk exposure and material agency at the same time. Degraded ecosystems, land- and sea-use change, overexploitation and climate disruption increase risks across supply chains, operations and markets, while corporate decisions, finance and procurement power can help redirect production systems towards greater resilience.

This dual position — exposure on one side, agency on the other — carries a responsibility that reaches beyond the company's own boundaries. While companies must first reduce negative impacts and transform their own operations and value chains in line with the mitigation hierarchy, achieving resilient and nature-positive outcomes will also depend on supporting action beyond individual supply chains. Investments in landscape-level initiatives are increasingly recognised as a critical complement to site-specific action, helping address shared environmental challenges, strengthen ecosystem resilience and support the long-term sustainability of sourcing regions.

Companies therefore need clear guidance not only on where and how to engage in landscapes, but also on how to measure, communicate and report the outcomes of that engagement with credibility and consistency. A growing body of guidance, tools and standards is helping companies act in the right places, at the right scale and with the credibility required for meaningful transformation. The governance architecture for corporate climate and nature action is now strict about what a company must trace, measure and prove before an outcome counts toward its targets and more explicit about the other ways landscape action can be acknowledged when it cannot meet that bar. The Science Based Targets initiative (SBTi), the Greenhouse Gas Protocol (GHG Protocol), and the Science Based Targets Network (SBTN) have introduced updated requirements for inventory accounting, target-setting, land-sector emissions and removals, land quality, and landscape engagement. These frameworks define rules on traceability, attribution, and boundary definition, thereby determining what types of land-based interventions can be recognised within corporate inventories and targets. Figure 1 below maps this architecture: the target-setting frameworks at its centre, the accounting methods and societal goals they translate, and the guidance and regulation that surround them, with landscapes as the place where the resulting action happens.

FIGURE 1: SIMPLIFIED NETWORK OF REGULATIONS AND GUIDANCE SURROUNDING TARGET-SETTING FRAMEWORKS



Landscape initiatives are inherently place-based, multi-actor, and systemic. They often operate beyond individual corporate boundaries and deliver shared ecological and social outcomes. This creates a tension between accounting-driven corporate standards and the functional reality of governance and interventions in landscapes. The frameworks have begun to answer that tension, and mapping where each type of landscape action now gains recognition, and what that is worth to companies, is the work of this report.

This report analyses where and how landscape-level interventions are recognised under current standards, how this shapes corporate behaviour, and what both mean for the design of landscape initiatives. This study also looks beyond the selected standards and considers other drivers of corporate engagement in landscapes. The analysis focuses on the interaction between: accounting rules (inventory boundaries, traceability requirements, spatial definitions, allocation rules); target-setting frameworks (SBTi's Corporate Net-Zero Standard V2.0 (hereafter the Net-Zero Standard), SBTi's Forest, Land and Agriculture (FLAG) Guidance, SBTN's Land targets); recognition and contribution mechanisms (SBTi's Ongoing Emissions Responsibility, activity pools, market instruments, and the SBTN Landscape Engagement target); and the wider business drivers, from supply security and water risk to regulation and buyer requirements, that shape engagement alongside the frameworks.

Chapter 2 sets out the approach. Chapter 3 examines why companies engage and through which routes they act. Chapter 4 establishes the eligibility conditions under each framework, with the detailed requirements set out in a technical annex (Annex 7.1). Chapter 5 provides the central contribution: it assesses nine intervention types through four lenses and classifies them into three categories according to where their outcomes can be recognised. Chapter 6 draws the conclusions and looks ahead.



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02 OUR APPROACH

This report examines how evolving climate and nature standards shape the incentives for corporate engagement in landscape initiatives. It seeks to respond to three questions: where landscape outcomes can be recognised within corporate accounting and target frameworks, what that recognition is worth to companies, and what both mean for how landscape initiatives should be designed and positioned.

This chapter sets out how the assessment was conducted: a technical review of the governing standards, a structured assessment through four analytical lenses, and validation through stakeholder interviews and an internal expert workshop. Throughout, landscapes are understood as geographic areas where multiple land uses, actors, supply chains and governance systems interact, and where climate and nature outcomes are inherently systemic.

TECHNICAL REVIEW

The review covered the SBTi's Net-Zero Standard and its FLAG Guidance, SBTN's Land targets (version 2) together with the AGILE accounting methodology[3] that underpins them, complemented by the proposals developed under the Value Change Initiative and ISEAL's good practice guidance on landscape and jurisdictional initiatives. For each framework, the review examined the requirements that determine whether, and under which conditions, landscape interventions can be recognised. These include the definition of organisational and spatial boundaries; traceability and aggregation concepts, including the first point of aggregation, supply sheds and activity pools; allocation rules and the use of emission factors; the treatment of land-use change, carbon removals and permanence; and the routes through which collective action can be recognised. This report presents the findings of that review in condensed form. The eligibility conditions distilled from each standard are set out in the technical annex (Annex 7.1), and the complete standard-by-standard analysis, including the exact requirements and criteria referenced, is provided in the supporting technical document.

ASSESSMENT THROUGH FOUR LENSES

Findings are assessed through four lenses applied consistently across standards and intervention types.

- **Lens 1, intervention type,** asks what happens in the landscape, distinguishing commodity-linked, production-system interventions from enabling, system-level ones.
- **Lens 2, accounting and reporting category,** asks where an intervention can be recognised: in the physical inventory counting toward target progress; as a recognised contribution toward target implementation without inventory effect; through engagement and responsibility recognition; or not at all.
- **Lens 3, corporate attractiveness,** asks whether companies are likely to do it, weighing traceability cost, attribution clarity, audit exposure and the risk that investment fails to translate into recognised progress.
- **Lens 4, landscape relevance,** asks whether the intervention addresses what landscapes need: governance and coordination, long-term resilience, and multi-outcome delivery for climate, nature and livelihoods.

A NOTE ON STANDARDS STATUS

This report reflects the SBTi Corporate Net-Zero Standard V2.0 as published in final form on 11 June 2026 (effective 1 February 2027), the GHG Protocol Land Sector and Removals Standard v1.1 (published 30 June 2026, effective 1 January 2027) and SBTN's Land guidance (version 2) published in October 2026. Three further limitations frame the findings. The assessment evaluates incentive strength and its implications for landscape initiatives, not the climate or biodiversity impact of the design choices within standards. Corporate behaviour is also shaped by regulatory, sectoral and financial contexts that vary by geography. And empirical evidence of corporate response to the newest standards remains limited, so conclusions rest on technical analysis combined with stakeholder insight. Implementation guidance across all frameworks continues to evolve; this report is an analytical reference for landscape practitioners and their corporate partners, not compliance guidance, and readers should verify current requirements against the standards themselves.

3. AGILE sets out the corporate-level accounting methods for land use change, land footprint, natural land cover, land quality, and landscape engagement that underpin the V2 Land targets.

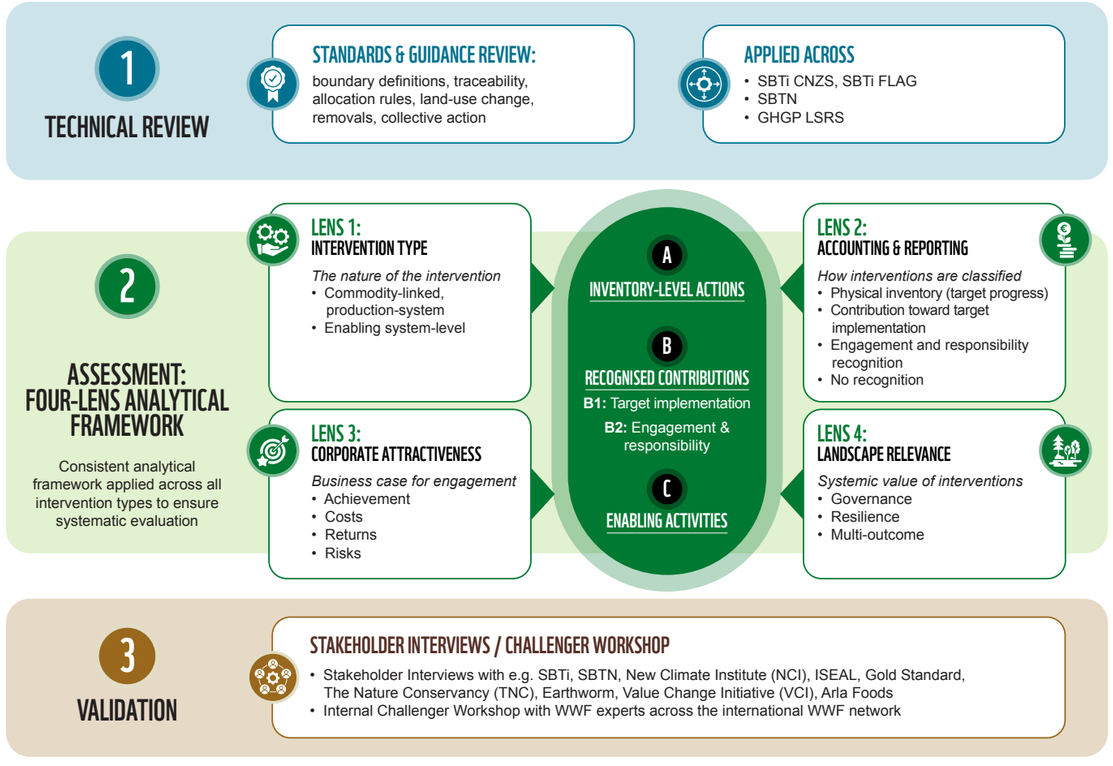
APPLYING THE FOUR LENSES PRODUCES THE THREE-CATEGORY CLASSIFICATION PRESENTED IN CHAPTER 5

- **Category A, inventory-level actions**, comprises interventions whose outcomes enter a company's physical GHG inventory and count toward progress against its climate targets or are evidenced at production units and defined sourcing areas against SBTN's No Conversion and Working Land Regeneration and Restoration targets. This means it covers interventions that count either in the physical GHG inventory, or at production unit level under SBTN's No Conversion and Working Land Regeneration and Restoration targets (AGILE), or both.
- **Category B, recognised contributions**, is differentiated into contributions that support target implementation without being reflected in the physical inventory or evidenced at production unit level, including SBTN's Supplier Engagement targets for volumes that cannot yet be placed (B1) and contributions recognised as engagement and responsibility recognition (B2), the latter including participation in landscape engagement under the Landscape Engagement target and outcomes recognised under Ongoing Emissions Responsibility.
- **Category C, enabling activities**, comprises interventions such as governance platforms, monitoring systems and capacity building that receive no recognition in their own right under inventory-based or target-progress accounting, yet determine whether the recognised outcomes can be realised. For enabling activities, the boundary between B and C is set by context rather than by the nature of the intervention: activities can be recognised in B2 under the Landscape Engagement target if the landscape is material, or as Ongoing Emissions Responsibility if they are eligible. If neither applies, they remain category C.

The categories classify individual intervention types rather than whole programmes; a landscape initiative will typically combine interventions from several categories.

Validation. Technical interpretations were tested against practice in two rounds. Semi-structured interviews were conducted with standard setters, accounting and methodology institutes, certification and assurance organisations, implementation NGOs and corporate practitioners; the organisations are listed in the acknowledgements, and findings are attributed by organisation type. An internal expert workshop with WWF experts from across the international network then stress-tested the draft findings, sharpening the treatment of drivers beyond accounting, the role of the categorisation, and the presentation of recognition routes; its conclusions are incorporated throughout the report.

FIGURE 2: OUR METHODOLOGICAL APPROACH





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03 HOW AND WHY CORPORATES ACT IN VALUE CHAINS



Chapters 1 and 2 have established why the state of climate and nature matters to companies and how this report approaches the question. This chapter now turns to behaviour: why companies act on their land-related footprint, and through which routes they reach it.

Both questions matter for landscape initiatives, because an initiative is more likely to attract corporate participation when it responds to the motives that drive companies to act – including the need to reduce emissions and land impacts at scale in line with science-based commitments – and when it fits the routes through which companies can act.

3.1 WHY COMPANIES ENGAGE: THE INCENTIVE PORTFOLIO

The analysis in this report focuses on the frameworks that most directly structure corporate climate and nature commitments for land systems: the Net-Zero Standard with its FLAG sector pathway, the GHG Protocol Land Sector and Removals Standard, and SBTN's Land targets, together with their underlying accounting systems. These frameworks are the analytical core of this report. They operate, however, within a wider field of business drivers, regulation and market expectations, and it is the combination that shapes engagement decisions.

No single driver explains why companies engage in landscape initiatives. Interviews conducted for this report with standard setters, accounting and methodology experts, certification and assurance organisations, implementation NGOs and corporate practitioners consistently identified a portfolio of motives, with their relative importance varying by company, commodity and geography. The same initiative can be a target-delivery vehicle for one participant, a risk-management instrument for a second and a licence-to-operate investment for a third. Initiatives designed to address several motives at once are therefore more robust than those built on a single recognition route. The interviews point to three groups of drivers, discussed on the right: recognition towards validated targets, recognition beyond inventory-level accounting, and business drivers that sit outside recognition altogether.

01 RECOGNITION TOWARD VALIDATED TARGETS

The first group, **recognition toward validated targets**, captures the strongest single driver the interviews identified. Where land-related pressures are material, SBTN requires companies to address them through Land targets, while the SBTi FLAG Guidance requires companies with significant land-sector emissions to set land-specific targets. Progress toward scope 3 targets is embedded in corporate governance, supported by established budget lines, and readily defensible to boards and investors.

Landscape initiatives become attractive under this driver where their outcomes can enter the corporate inventory and count toward target progress. The interviews were equally clear about the constraints: traceability and monitoring requirements under the GHG Protocol Land Sector and Removals Standard are demanding, and collective, landscape-scale outcomes are the most difficult to attribute to a single company's inventory. Chapter 4 and the technical annex (Annex 7.1) examine these eligibility conditions in detail.

02 RECOGNITION BEYOND INVENTORY-LEVEL ACCOUNTING

The second group of drivers works through **recognition beyond inventory-level accounting**. The final Net-Zero Standard establishes Ongoing Emissions Responsibility (OER) as an optional recognition programme with three levels, and SBTN's Land guidance provides the Landscape Engagement target, which recognises collective, place-based action in landscapes material to a company's operations and supply chains.

Interviewees, reflecting experience under the predecessor concept of beyond value chain mitigation, described contribution recognition as a weaker pull than target progress. How far, and through which channels, OER will shift corporate behaviour remains to be tested in practice. Two features of the final standard nonetheless strengthen this channel: recognition is now structured and graded, and from 2035 a removals responsibility applies, required for SBTi Category A companies and optional for SBTi Category B companies. This SBTi company classification is separate from the intervention categories used in this report (see Glossary).[4] Contribution channels are therefore evolving from voluntary goodwill into a defined architecture, with a predictable demand signal for removals attached.

03 WIDER BUSINESS CASE

The third group of drivers relates to the **wider business case, which sits outside recognition** altogether, yet it often calls for the same types of measures: those that count toward targets, overlap with them, or make them possible. The interviews brought forward six such drivers:

01.	supply-chain risk and resilience, including water security around fixed processing assets and the stability of the farming systems that supply them;	02.	regulatory anticipation, particularly of deforestation- and conversion-free sourcing obligations and sustainability reporting requirements;
03.	buyer requirements and market access, as large customers change their procurement expectations;	04.	community expectations and the licence to operate in regions of concentrated corporate presence;
05.	investor and insurer scrutiny of natural-capital exposure;	06.	and the cost efficiencies of pre-competitive collaboration.

For some companies these motives are decisive. In retail, they are seen to lead engagement decisions, with framework recognition considered only afterwards. These drivers also align with the purpose behind the target frameworks: target setting is a means of bringing corporate operations into line with science, not an end in itself. The ultimate aim is resilient businesses and nature on a positive trajectory. The categorisation used in this report shows where an action is recognised; it should not obscure the purpose that recognition serves.

In practice, companies often decide to act in landscapes for a variety of business reasons and then ask how the frameworks will recognise the action. Recognition therefore tends to shape where investment goes and how it is reported, rather than drive the engagement in the first place. The two findings fit together: target-linked recognition remains the strongest single incentive because it determines which options can be defended to boards and investors and sustained across budget cycles; the impulse to engage, however, usually comes from elsewhere. For landscape initiatives the practical implication is to present the full portfolio of incentives, grounding participation in the motives a company already holds and mapping the recognition routes onto them.

4. CNZS-C45 with C45.1 to C45.5: post-2035 removals responsibility, required for Category A companies and optional for Category B companies under the CNZS v2 company classification; the SBTi labels it an illustrative requirement to be reviewed in the next major revision of the standard.



3.2 TWO ROUTES INTO THE VALUE CHAIN: SUPPLIER ENGAGEMENT AND LANDSCAPE ENGAGEMENT

WWF supports the mitigation hierarchy and the AR3T framework[5], which require companies to prioritise avoiding environmental impacts across their operations, downstream and upstream activities, followed by minimising those that cannot be avoided. Companies should then restore damaged ecosystems and climate systems, contribute to addressing systemic drivers of environmental degradation, and only as a last resort use compensation mechanisms to address residual impacts that cannot be avoided, minimised, or repaired.

While corporate contributions to conservation and restoration efforts are critical, acting first in their operations and value chain is essential to credible and effective efforts. In 2022, corporate spending on climate mitigation within value chains reached roughly US$200 billion, at least one hundred times the volume of finance flowing through voluntary carbon markets.

Companies reach their upstream footprint through two routes: direct engagement with identified suppliers and engagement with the wider landscapes from which they source.

Both engagement routes examined here are value-chain routes. The choice between them is not necessarily between one route or the other; rather, it depends on which combination of approaches is feasible given the commodity, the supply-shed structure, the MRV readiness and the tenure and governance context.

SUPPLIER ENGAGEMENT

Works through identified counterparties: sourcing contracts, technical assistance, premium programmes and practice requirements agreed with named suppliers or farms. Where flows are traceable, the resulting outcomes are attributable, and they can enter the inventory and support target progress.

LANDSCAPE ENGAGEMENT

Works through a defined geography rather than a list of counterparties. Companies act alongside other buyers, producers, public authorities and civil society on shared outcomes across a supply shed, a jurisdiction or a landscape, from practice change at scale and conversion-free monitoring to restoration, water stewardship, governance platforms and shared MRV infrastructure.

FOUR VARIABLES DETERMINE WHICH COMBINATION IS REACHABLE

01 **Commodity type sets the ceiling for traceability:** identity-preserved and segregated flows can carry farm-level attribution, while bulk commodities often blend at the first aggregation point and are very difficult to trace.

02 **Supply-shed structure determines counterparty visibility:** concentrated sheds with direct relationships favour supplier programmes, while in fragmented sheds where volumes pass through many intermediaries and smallholders, individual counterparties are hard to identify and enrol.

03 **MRV readiness** determines whether outcomes can be documented to the level required by accounting and assurance standards.

04 **Tenure and governance conditions often determine whether outcomes last:** where land rights are contested or enforcement is weak, practice change on individual farms is easily reversed, especially under economic or political pressure.

These variables also mark where supplier engagement alone reaches its limits. Attribution weakens beyond the first aggregation point and improvements on enrolled farms can be offset by displacement onto neighbouring land outside of the programme. Supplier monitoring costs can rise significantly across thousands of smallholders and corporate procurement shifts are faster than land outcomes mature. Moreover, some of the outcomes that landscapes need most, such as outcomes on land that is neither commercially productive nor attributable to a specific supplier, often fall outside the scope of suppliers' programmes altogether. Whilst engaging and working with suppliers is fundamental, there are instances where this needs to be complemented with landscape engagement.

This complementarity is now embedded in the standards themselves. SBTN introduces supplier engagement and traceability improvement targets for upstream volumes where traceability is insufficient for science-based target setting. Companies commit to improve traceability within one to two years and to have their suppliers set targets covering a defined share of the company's embedded pressures within one to five years. These Supplier Engagement targets are time-bound and can be validated against an action plan. They remain a separate category from science-based targets: SBTN gives them a different name and permits only engagement claims for them, so a company cannot describe them as science-based. Where a company lacks the spatial data to set a Working Land target, supplier engagement is required for Land validation. The Land guidance also allows companies sourcing from the sectors listed in its Table 6 to incorporate land-quality indicators into their Landscape Engagement target.[6] In this report's reading, the two routes are complementary: supplier engagement drives practice adoption, while landscape engagement addresses systemic pressures.

For climate, the Net-Zero Standard provides two corresponding mechanisms. The first is supplier alignment targets, which increase the share of tier 1 suppliers, by emissions or spend, that are in transition or net-zero aligned. The second is the activity pool, which allows companies to act at the smallest reasonable geographic scale when direct sourcing from aligned suppliers is not feasible.

The two value chain engagement routes earn different forms of recognition, and that difference shapes how landscape initiatives and the interventions within them should be designed.

Supplier-route outcomes that meet traceability and accounting requirements count toward validated target progress. On the climate side, they enter the physical GHG inventory; on the nature side, they are evidenced at production units and defined sourcing areas against SBTN's No Conversion and Working Land Regeneration and Restoration targets.

Landscape-route outcomes fall into three groups: some can be brought toward target implementation through activity pools and related mechanisms. Others are recognised as contributions through Ongoing Emissions Responsibility or the Landscape Engagement target. A third group — the governance, rights and monitoring systems on which everything else depends — earns no recognition of its own under inventory-based or target-progress accounting. However, where these systems are delivered as landscape engagement in a material landscape, SBTN's Landscape Engagement target recognises participation in them. They can also be recognised under Ongoing Emissions Responsibility if requirements are met.

Whether or not they receive direct recognition, these enabling systems play a critical role in delivering the other outcomes. Chapter 5 classifies these intervention types and their recognition routes in detail.

For a sourcing team, the assessment translates into two practical questions. First: considering the commodity sourced from this supply shed, with the data and governance conditions as they are, which of the two routes can the company use today? Second: if the answer is neither, or only partly, what should the focus be first? The usual answer is the enabling layer: traceability, monitoring and governance. These investments earn no recognition themselves, but they make recognisable outcomes possible, often within the same target cycle. How the frameworks define what counts, and under which conditions, is the subject of Chapter 4.

5. AR3T refers to the Action Framework developed by the Science Based Targets Network (SBTN): Avoid, Reduce, Regenerate, Restore and Transform. It builds on the mitigation hierarchy and guides companies in prioritising action to address their impacts on nature.

6. SBTN Land V2.0 Technical Guidance, Recommendation T2.1: upstream incorporation of land quality indicators through the Landscape Engagement target for companies sourcing from the ISIC categories in Table 6.

04 HOW TO MAKE ACTION COUNT FOR CLIMATE & NATURE TARGETS

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Landscape interventions earn recognition under corporate climate and nature targets only where they meet the accounting and target-setting conditions of the governing standards.

This chapter introduces those conditions, which the technical annex (Annex 7.1) sets out in detail: the GHG Protocol Land Sector and Removals Standard (LSRS), which governs what can enter a corporate GHG inventory; the Net-Zero Standard and its FLAG requirements, which govern what counts as validated climate target progress; and SBTN's Land targets with AGILE accounting, which govern what counts toward nature targets.

Recognition is not all-or-nothing. Interventions that meet the strictest conditions enter the physical GHG inventory or are evidenced at production unit and sourcing area level under SBTN's No Conversion and Working Land Regeneration and Restoration targets. Interventions that fall short of those conditions can still be recognised outside the inventory, as target implementation actions under the SBTi implementation hierarchy, or as engagement and responsibility recognition under the Landscape Engagement target and Ongoing Emissions Responsibility. Interventions that meet none of them remain outside the target architecture, regardless of their impact in the landscape. These routes are the basis for the three categories used in Chapter 5 to classify intervention types.

Nature and climate target systems converge on several requirements. Both are based on spatially defined evidence from production units and sourcing areas, on traceability of purchased volumes to origin, and on monitoring over time. Interventions that satisfy the stricter climate accounting conditions will therefore often also generate the evidence required for SBTN's No Conversion and Working Land Regeneration and Restoration targets, so a single well-designed intervention can serve both agendas at once.

Under SBTi, climate target ambition is defined against the physical GHG inventory, and emissions reduction claims are based on changes within that inventory.[7] As a result, interventions whose outcomes can be reflected in the inventory represent the primary pathway to validated climate target progress.

The Net-Zero Standard introduces a second recognition pathway for actions whose outcomes cannot be reflected in a company's physical GHG inventory. This includes activity-pool projects, sector-level interventions, and certain market instruments. While these actions do not contribute to emissions reductions reported against a company's target, they can be disclosed as target implementation actions, provided they follow the Net-Zero Standard implementation hierarchy and meet its integrity requirements. In this report, these interventions are classified as Category B1. Whether they satisfy the minimum progress criteria for setting next-cycle targets will be set out in the SBTi Assurance Manual, which is not yet published.[7,8] The eligibility conditions are set out in the technical annex (Annex 7.1) and the market instruments deep dive in Section 3.1 of the supporting technical document.

The same two-tier logic governs nature targets, with its own accounting units. SBTN's No Conversion and Working Land Regeneration and Restoration targets require outcomes to be evidenced against production units, or against defined sourcing areas for upstream volumes, using AGILE accounting. This is the nature counterpart of the inventory route and, like it, falls into Category A of this report. SBTN also recognises a second route that does not require attribution of outcomes to an individual company: the Landscape Engagement target recognises credible participation in landscapes material to a company's operations or sourcing, assessed through initiative readiness, governance features and an engagement roadmap. That route is Category B2 in this report, alongside Ongoing Emissions Responsibility on the climate side. Where upstream traceability is insufficient for place-based target setting, SBTN's supplier engagement targets offer a time-bound bridge: they are validated against an action plan but are explicitly distinguished from science-based targets for the volumes concerned.

4.1 EVOLVING RELEVANT CLIMATE & NATURE STANDARDS

The recognition routes described above are defined by three frameworks, and all three have evolved recently, albeit at different speeds: the LSRS is final in version 1.1, effective from January 2027, but does not yet cover forestry or non-productive land uses, the Net-Zero Standard was published in June 2026 and takes effect in February 2027, and SBTN's Land guidance (version 2) was published in October 2026. This section summarises each of them in the same form, its purpose, what it establishes, and what it means for landscape engagement, so that the eligibility conditions can be read against a common baseline. The closing section of this chapter then draws the eligibility conditions together into the recognition routes used in Chapter 5.

7. CNZS-C37.3, C37.4 and C37.10: progress is assessed on the change in the physical GHG inventory, which is also the basis for emissions reduction claims; actions and market instruments not reflected in the inventory are reported separately in the same assessment and support system contribution claims only. Chapter 5 background: targets are pursued on a best-efforts basis; minimum progress criteria for next-cycle targets will be set out in the SBTi Assurance Manual.
8. CNZS-C37.10: claims framework distinguishing emissions reduction claims from system contribution claims.



4.1.1 GHG PROTOCOL LAND SECTOR AND REMOVALS STANDARD (LSRS)

PURPOSE

The LSRS is a supplemental accounting standard to the GHG Protocol Corporate and Scope 3 Standards. It integrates land-based climate emissions and removals into annual, entity-level corporate GHG inventories and applies wherever land-sector climate emissions or removals are material, with any exclusions disclosed and justified.

WHAT THE STANDARD ESTABLISHES

Accounting is entity-level and annual, with spatial boundaries linked to the level of traceability available and a single consistent boundary applied across all land-sector categories for a given activity. Land-use change and degradation must be fully accounted for; removals are measured through observed carbon stock changes and are subject to attribution, anthropogenic origin, permanence, leakage, monitoring and conservativeness conditions. Corporate inventories reflect physical emissions and removals, with project-based credits reported separately. Version 1.1 applies to agriculture and CO_2 removal technologies and does not apply to forestry or non-productive land uses: the criteria for proximate and adjacent non-productive lands within a land management unit are set out in Requirement 7 but cannot currently be implemented, pending decisions by the GHG Protocol's Independent Standards Board, while land management removals on productive agricultural lands, including agroforestry and silvopasture, are operational under Chapter 13. The boundary between the two is not always clear in practice. The GHG Protocol released a request for information on forest carbon accounting on 30 June 2026, open until 1 February 2027, to inform the treatment of forestry in a future version.

WHAT IT MEANS FOR LANDSCAPE ENGAGEMENT

The LSRS defines the conditions under which landscape outcomes can influence corporate carbon inventories. Alignment between landscape boundaries and corporate sourcing regions becomes critical, and physical traceability determines which land within a landscape can enter an inventory. This creates a strong incentive for companies to invest in traceability systems, geospatial monitoring and producer data. It also means that only the traceable and attributable share of a landscape's outcomes can be accounted for in the inventory; the remainder needs other recognition routes. As a greenhouse gas standard, the LSRS also sets no requirements for biodiversity, water or wider ecosystem outcomes, which is the space the SBTN framework addresses.

4.1.2 SBTI CORPORATE NET-ZERO STANDARD V2.0 AND FOREST, LAND AND AGRICULTURE (FLAG) GUIDANCE

PURPOSE

The Net-Zero Standard defines the criteria under which corporate near-term and net-zero climate targets qualify as science-based, with the FLAG target-setting pathway carrying specific requirements for companies with significant land-sector emissions. The Net-Zero Standard was published in final form on 11 June 2026 and takes effect on 1 February 2027. The SBTi is currently revising its FLAG Guidance.

WHAT THE STANDARD ESTABLISHES

Targets are based on a complete base-year inventory prepared under the GHG Protocol, with FLAG-relevant sector requirements, and with biogenic and technological removals accounted in line with the LSRS, separately from emissions. Scope 3 targets cover a defined share of emissions through a closed set of options including volume alignment and supplier alignment.

Implementation follows a hierarchy that prioritises activity-level action, followed by activity pool-level action within defined pool boundaries, and then sector-level action where structural constraints are demonstrated. All are governed by integrity criteria[9] which also cover projects and market instruments. Companies account for and report a physical GHG inventory, and separately account for and report those actions and market instruments not reflected in it;[10] their integrity is assessed against the integrity criteria at the End-of-cycle Assessment.

Ongoing Emissions Responsibility offers optional, graded recognition across three levels – Engaged, Advanced and Leadership – for companies that voluntarily take responsibility for ongoing emissions. Separately, from 2035, a removals responsibility applies to SBTi Category A companies (see Glossary).

9. CNZS-C21 to C28: implementation hierarchy and integrity criteria; see the market instruments conditions below.
10. CNZS-C5.4: physical GHG inventory accounted and reported; non-inventory actions and market instruments accounted and reported separately.

These companies must support eligible carbon removals equal to at least 1% of ongoing scope 1, 2 and 3 emissions, rising linearly to 100% by the net-zero target year and no later than 2050. The share of long-lived removals must rise from 10% of covered emissions attributable to long-lived GHGs to 100% over the same period.[11] The SBTi presents this provision as illustrative and will review it in the next major revision of the standard.

At the net-zero year all residual emissions are neutralised through eligible removals, under strict claims discipline separating value-chain progress from contributions.

WHAT IT MEANS FOR LANDSCAPE ENGAGEMENT

The standard anchors a value-chain-first logic while opening defined routes for landscape-relevant action. Activity pools are the most significant new mechanism for landscape-relevant scope 3 accounting, and market instruments become usable within the hierarchy where direct sourcing from aligned suppliers is not feasible. Collective landscape outcomes remain difficult to attribute to individual companies, which is where OER's recognition and finance layer become relevant, including contribution-budget categories that can fund enabling and adaptation work. Dense reporting and assurance requirements shape how interventions must be designed to withstand validation.

4.1.3 SBTN'S LAND TARGETS (VERSION 2)

PURPOSE

The SBTN provides the science-based framework for corporate nature targets. SBTN's Land guidance (version 2) establishes three land targets with AGILE as the accounting and methodological backbone.

WHAT THE STANDARD ESTABLISHES

The No Conversion target requires no conversion of natural ecosystems after defined cut-off dates. The Working Land Regeneration and Restoration target requires at least one quantitative target for working lands under either the land area or the land quality sub-component, based on ecoregion-level ecological thresholds. SBTN recommends that companies sourcing products from defined ISIC[12] categories incorporate land quality indicators into their Landscape Engagement target. It makes landscape engagement itself a validated target category: participation in structured, collective, place-based initiatives, with minimum coverage requirements, becomes a recognised element of corporate nature target setting. The selected landscapes must include operations or sourcing areas linked to the company setting the target.

WHAT IT MEANS FOR LANDSCAPE ENGAGEMENT

The three targets play deliberately different roles. The No Conversion and Working Land Regeneration and Restoration targets present strong potential for dual climate and nature recognition where conversion is stopped and regenerative practices improve carbon emissions and removals and land quality indicators. The Landscape Engagement target operates on an engagement logic and recognises exactly the collective, system-level action ignored by inventory-based accounting, giving landscape initiatives institutional legitimacy within corporate nature strategies.

4.1.4 ALIGNING ACCOUNTING BOUNDARIES ACROSS STANDARDS

Landscape initiatives often operate across multiple producers, jurisdictions and supply chains, and they frequently face difficulty in meeting corporate requirements for traceability, attribution and spatial boundaries. The eligibility conditions of the three frameworks therefore act as the technical filters that determine whether the outcomes of a landscape intervention – whether a sustainable agriculture programme, an agroforestry system, a restoration activity or a jurisdictional land-use initiative – can enter corporate greenhouse gas inventories and count toward climate and nature target progress, or must instead be reported through separate contribution pathways.

The accounting units behind these routes are closely related across the two systems. In both, how far a company can trace its supply determines how precisely it locates it. The LSRS begins with a global default where the origin is unknown, then works down through the jurisdiction, the sourcing region that supplies a mill or first collection point, the land management unit (LMU) – meaning the farm, field or plot - and finally the harvested area itself. SBTN Land targets work with two levels only: the production unit, meaning the farm, plantation or forest management unit, and a defined sourcing area for upstream volumes that cannot be traced further.

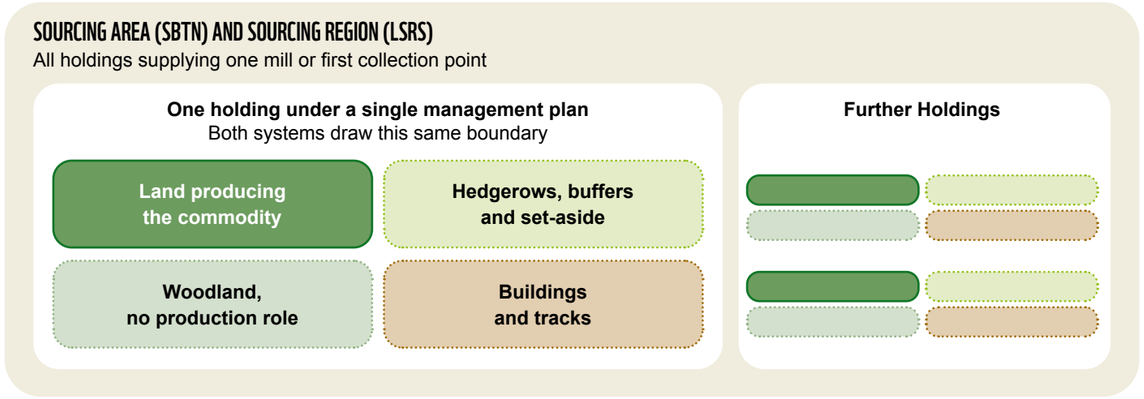
The LMU and the production unit are largely two names for the same land. LMU is the term used by the LSRS and SBTi, while SBTN uses production unit. Both are defined by what sits under a single management plan, and in practice they often coincide. The LSRS envisages the same extent, including hedgerows and set-aside land alongside the fields and agroforestry. They can differ, however. The LSRS allows proximate and adjacent non-productive land into an LMU only where it is integrated into the same agricultural management system, lies adjacent or proximate to the productive land, and meets size and distance thresholds that are yet to be set. How carbon emissions and removals on that non-productive land are accounted for has not yet been settled. For now, LMU-level accounting therefore covers only the productive part of a unit, even where the two frameworks otherwise define the unit in similar terms.

At the coarser levels, the two systems diverge more clearly. SBTN does not assign an accounting role to these levels: volumes that cannot be traced to a production unit or defined sourcing area are disclosed as such and addressed through the supplier engagement route described in Chapter 3.

What is measured on the units differs less than the two architectures might suggest. The LSRS quantifies the emissions and removals from land use, land-use change and land management and attributes them to purchased volumes, while SBTN's No Conversion and Working Land Regeneration and Restoration targets assess the condition of the land itself and the share of sourced volumes that comes from it; the hectares of agricultural land a company's supply occupies appear in both, as a reporting requirement under the LSRS and as one of the land area options under the Working Land Regeneration and Restoration target. Evidence assembled for one system can therefore do much of the work required by the other.

The detailed eligibility conditions, covering inventory inclusion under the LSRS, target progress under the Net-Zero Standard and its FLAG Guidance, and eligibility toward the SBTN Land targets, are set out in Annex 7.1. The closing section of this chapter draws them together into the three recognition routes on which Chapter 5 builds.

FIGURE 3: OVERVIEW OF ACCOUNTING UNITS UNDER SBTN AND LSRS



The no-conversion test applies across the whole holding, whatever the land type, including conversion caused by new infrastructure. The table gives what each land type counts toward at each spatial level.

LAND TYPE	PRODUCTION UNIT (SBTN)	SOURCING AREA (SBTN)	LMU (LSRS)	SOURCING REGION (LSRS)
Commodity-producing land	No conversion, land quality, land footprint	No conversion; land quality via unit or supplier	Land use change, emissions, removals, land occupation	Land use change, emissions, removals, land occupation
Hedgerows, buffers, set-aside	No conversion, natural land cover, land quality	No conversion; rest via unit or supplier	Emissions, removals, conditional*	Excluded*
Woodland, non-productive	No conversion, natural land cover, land quality	No conversion; rest via unit or supplier	Excluded*	Excluded*
Buildings and tracks	No conversion only	No conversion only	Excluded	Excluded

No conversion: SBTN Target 1, under which conversion of a natural ecosystem after the cut-off date renders the site's volumes non-compliant.
Land use change: the corresponding LSRS accounting category, covering transitions between land use categories, including deforestation.
Natural land cover and land footprint: the two Land Area options under SBTN Target 2. Land occupation is the LSRS equivalent of land footprint.
Land quality: soil organic carbon, soil erosion and terrestrial acidification, assessed against the ecoregion threshold under SBTN Target 2.
Via unit or supplier: reached where volumes trace to the production unit, otherwise addressed through supplier engagement.
Conditional: admissible to the LMU only under LSRS Requirement 7, which the Standard describes as interim and not yet operational.

* The LSRS has not settled how non-productive land is accounted at any level. Requirements 6 and 7 both await the pending resolution on forest carbon accounting (LSRS endnotes 2 and 3, Boxes 5.1 and 9.1).

11. CNZS-C45 with C45.1 to C45.5: post-2035 responsibility, for companies in SBTi's category A; the SBTi labels it an illustrative requirement to be reviewed in Version 3.
12. ISIC: International Standard Industrial Classification of All Economic Activities (United Nations).

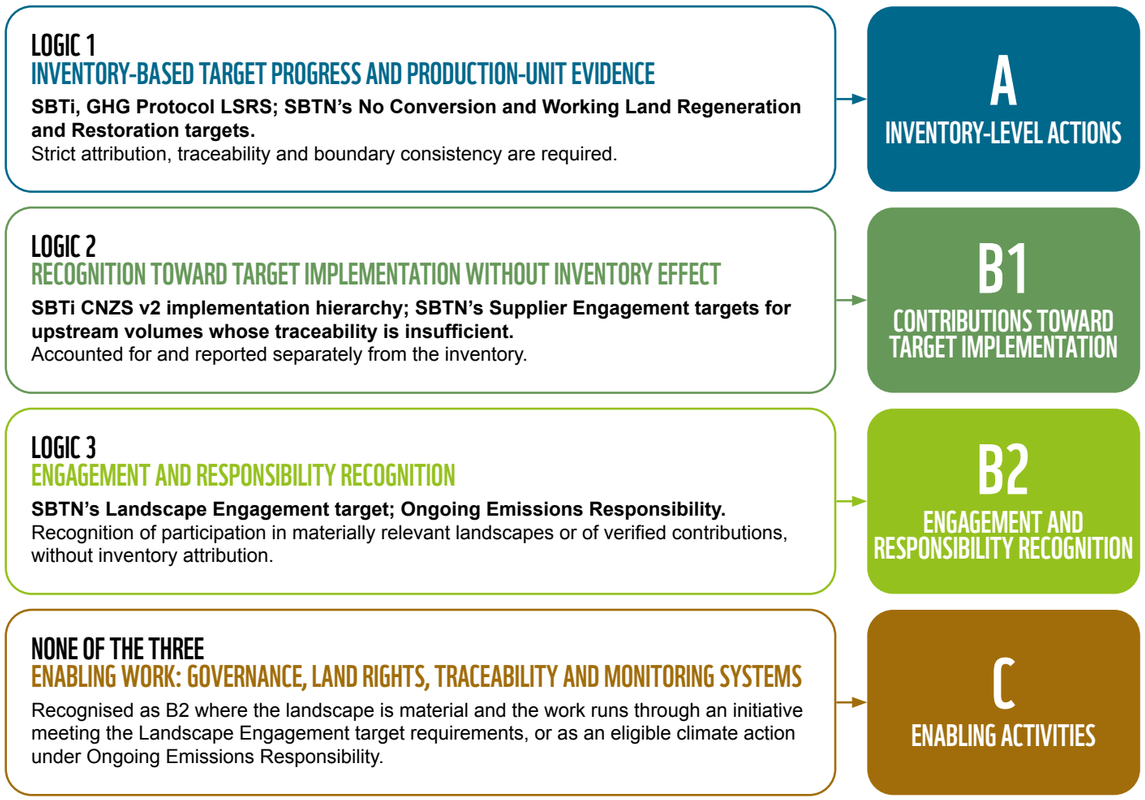
4.2 RECOGNITION ROUTES AND CATEGORIES

Under the LSRS, SBTi and SBTN, interventions in landscape initiatives are subject to three recognition logics. Each logic maps to one of the categories used in this report: the first defines Category A, the second Category B1 and the third Category B2. Interventions that satisfy none of the three form Category C. The three logics are:

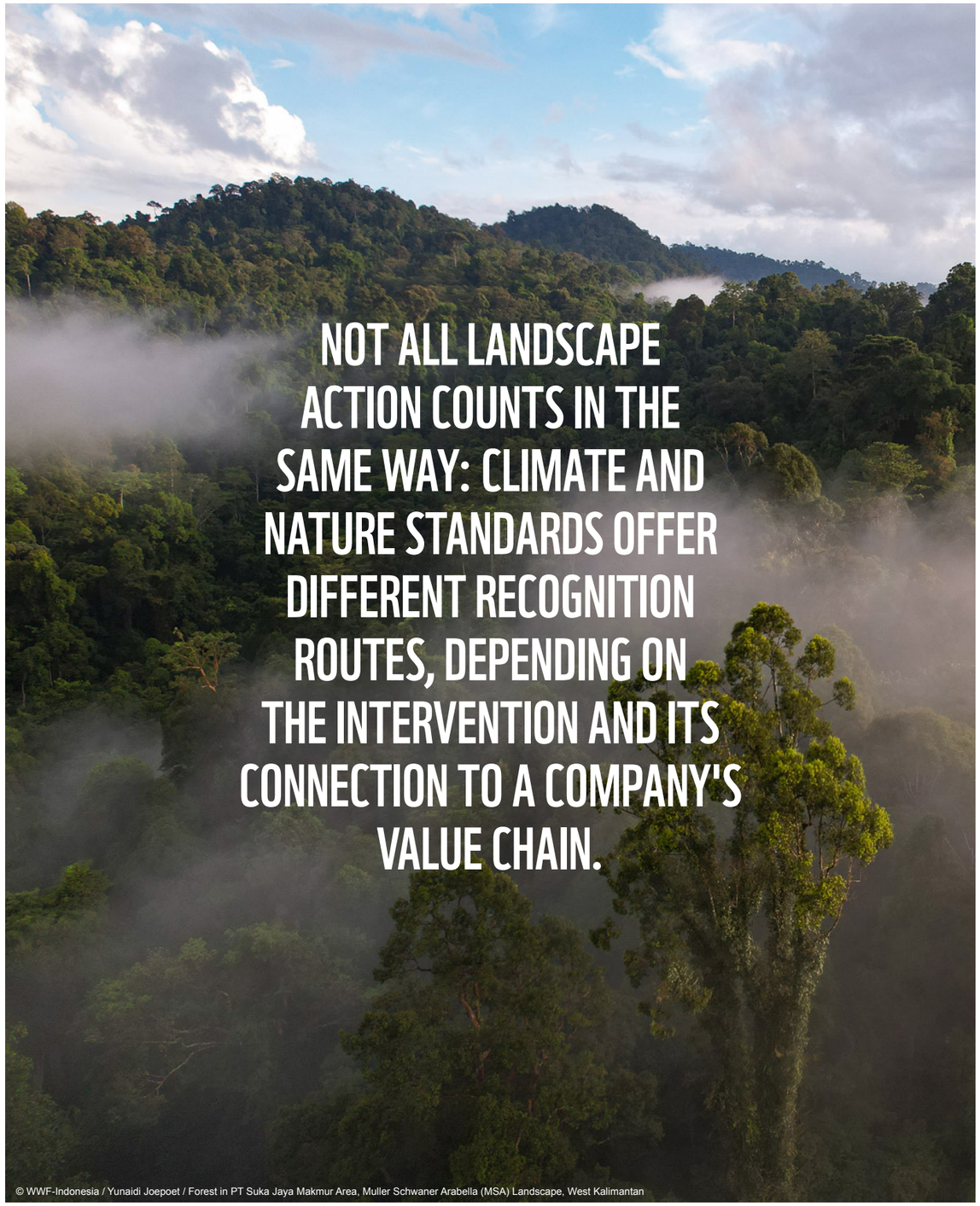
- Inventory-based target progress (SBTi and GHG Protocol LSRS) and production unit-level evidence (SBTN's No Conversion and Working Land Regeneration and Restoration targets): strict attribution, traceability and boundary consistency are required for outcomes to enter the physical GHG inventory and count toward climate target progress, or to be evidenced at production units and defined sourcing areas under SBTN's No Conversion and Working Land Regeneration and Restoration targets (AGILE) and count toward nature target progress, or both (Category A).
- Recognition toward target implementation without inventory effect (Net-Zero Standard): actions and market instruments under the implementation hierarchy that meet its integrity criteria, accounted for and reported separately from the inventory; on the nature side, SBTN's Supplier Engagement targets for upstream volumes whose traceability is insufficient for science-based target setting, until the suppliers concerned set their own science-based targets for land (Category B1).
- Engagement and responsibility recognition (SBTN's Landscape Engagement target; SBTi's Ongoing Emissions Responsibility): recognition of participation in materially relevant landscapes or of verified contributions, without inventory attribution and without counting toward climate target implementation (Category B2).

Enabling work that is key to the success of landscape-level action, such as governance, the inclusion of land rights, and the establishment of systems to support traceability and monitoring, is recognised by corporate standards according to the company's relationship with the landscape. The same enabling work is Category B2 for a company where (a) the landscape is material and the work runs through an initiative meeting the Landscape Engagement target requirements, or (b) the company supports it as an eligible climate action under Ongoing Emissions Responsibility. Otherwise it is Category C.

FIGURE 4: THE THREE RECOGNITION LOGICS AND THE CATEGORIES THEY DEFINE



This chapter has set out the three frameworks and the recognition routes they open. The technical requirements, parameters and thresholds behind those routes, which determine whether and how the outcomes of landscape interventions can be recognised within corporate accounting and climate and nature target setting, are detailed in the technical annex (Annex 7.1). Chapter 5 builds on both: it assesses intervention types through the four lenses introduced in Chapter 2 and classifies them into the three categories, showing where each type is recognised today and what that means for the design of landscape initiatives.



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05 ASSESSMENT OF LANDSCAPE INTERVENTIONS


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This chapter assesses the interventions companies fund in landscape initiatives against the recognition conditions set out in Chapter 4.

It brings together three perspectives that are often treated separately:

- the technical rules of accounting and target-setting requirements presented and discussed in Chapter 4 and the technical annex;
- the corporate behavioural responses to these rules; and
- the practical and systemic needs of landscapes, which often extend beyond what is directly accountable in corporate inventories and recognised by targets (particularly climate targets, whose accounting rules are more stringent and primarily focused on emission-related outcomes).

Section 5.1 defines three categories of intervention according to where their outcomes are recognised, examines each in turn and closes with worked examples showing how recognition differs between companies taking part in the same initiative. Section 5.2 applies the categories to nine intervention types commonly found in landscape initiatives. Together they show what follows for how initiatives should be designed.

5.1 CATEGORISING LANDSCAPE INTERVENTIONS

Chapter 2 introduced the three categories used in this report and Section 4.2 tied them to the recognition logics of the standards. They are restated here in brief before each is examined in more detail; Section 5.2 then applies them to nine common intervention types that can often be found in landscape initiatives. The categories follow where an intervention's outcomes can be recognised:

Category A (Inventory-level actions): interventions whose outcomes enter the company's physical GHG inventory, or are evidenced at production units and defined sourcing areas against SBTN's No Conversion and Working Land Regeneration and Restoration targets, or both, and so count toward climate and nature target progress. Action delivered at aggregated scales — supplier groups, activity pools, sourcing regions — belongs here whenever its outcomes can be allocated to the company's purchased volumes.

Category B (Recognised contributions): interventions recognised without entering the physical inventory, divided into two subcategories. B1, contributions toward target implementation, covers activity-pool and sector-level action and market instruments where the outcome cannot be allocated to purchased volumes and therefore cannot enter the inventory, recognised within the Net-Zero Standard implementation hierarchy. On the nature side, B1 covers SBTN's Supplier Engagement targets for upstream volumes that cannot yet be placed at production unit level. B2, engagement and responsibility recognition, covers the Landscape Engagement target and Ongoing Emissions Responsibility.

Category C (Enabling activities): interventions such as governance, rights, monitoring and coordination systems that receive no recognition in their own right under inventory-based or target-progress accounting, yet determine whether recognised outcomes materialise. The same work is Category B2 for a company where the landscape is material and the work runs through an initiative meeting the Landscape Engagement target requirements, or where the company supports it as an eligible climate action under Ongoing Emissions Responsibility. Otherwise it is Category C.

Scale alone does not decide the category. Activity-pool action falls in Category A where its outcomes can be allocated to the company's purchased volumes and in B1 where they cannot. For enabling work, the company's relationship with the landscape, or whether it funds the work under Ongoing Emissions Responsibility, separates B2 from Category C.

As Chapter 3 set out, corporate engagement in landscape initiatives rests on a portfolio of incentives, only part of which comes from the frameworks. The categories are defined to clarify where and how each intervention type is recognised today by climate and nature frameworks, and the assessment that follows shows how well-designed initiatives combine them.

5.1.1 CATEGORY A: INVENTORY-LEVEL ACTIONS

Category A covers interventions whose outcomes count in the physical GHG inventory, at production unit level under SBTN's No Conversion and Working Land Regeneration and Restoration targets (AGILE), or both — that is, interventions that contribute to climate targets, nature targets, or to both at once. To qualify, an intervention must:

- be linked to the company's purchased volumes through traceability and allocation; and meet at least one of the following:
- change emissions within a defined boundary, from plot level to jurisdiction, or generate removals within a boundary no coarser than the sourcing region (climate); or
- generate measurable changes in land system indicators at the spatial units required under SBTN's Land targets, such as production units or defined sourcing areas (nature).

To count toward both climate and nature targets, an intervention must meet both conditions on the same land: it must change emissions or generate removals and produce a measurable improvement in land system indicators, and the spatial units used for GHG accounting (e.g. LMU or production unit) must correspond to those required for SBTN's Land targets, so that one evidence base serves both.

Traceability and chain-of-custody models are therefore central: they determine whether landscape delivery can be translated into inventory claims. The technical annex (Annex 7.1) sets out the technical requirements for inventory eligibility under the LSRS.

WHERE THEY COUNT

Where these conditions are met, recognition runs through three channels:

- The corporate GHG inventory (scope 3) and the accounting basis under the LSRS: emission reductions or removals generated within the defined spatial boundary are incorporated through updated emission factors or activity data reflecting improved production practices.
- SBTi climate target progress, built on that inventory: particularly under FLAG targets where improved agricultural practices reduce value-chain emissions.
- SBTN's No Conversion and Working Land Regeneration and Restoration targets, on the nature side: where land indicators can be monitored at spatial units consistent with SBTN requirements (e.g. production units, amalgamated production units, or sourcing areas).

Where interventions are implemented at aggregated spatial scales, such as supplier groups or sourcing regions, mitigation outcomes may also be incorporated into inventories through **activity-pool or sourcing-region emission factor updates**, provided companies can attribute and allocate the outcomes to their purchased volumes. Where that allocation is not possible, the same intervention is recognised under Category B1 rather than in the inventory.

For the Working Land Regeneration and Restoration target, SBTN currently expects land quality indicators to be measured at the production unit level, which is the preferred spatial unit for monitoring ecological performance. Where companies lack sufficient primary data at this resolution, indicators may be incorporated within landscape engagement roadmaps to support collective monitoring and progressive data development. Where location data are insufficient for site-level or sourcing-area-level target setting, SBTN's Land guidance (version 2) directs companies to the Supplier Engagement route. Where an engaged supplier goes on to set its own validated land science-based targets, the volumes it supplies can be evidenced at production unit level and fall within Category A; until then, the route is treated under Category B1. It cannot replace place-based upstream targets where those are feasible, and applies only to the commodity flows for which place-based target setting is not yet possible.

TYPICAL INTERVENTION PROFILE

These interventions are typically implemented within commodity production systems and are measurable at defined accounting boundaries such as harvesting units, Land Management Units, supplier groups, or sourcing regions.

Harvesting unit and Land Management Unit

Interventions: On-farm emissions reductions (precision fertiliser management, improved manure management, methane-reducing rice irrigation, improved livestock feed and grazing management); soil carbon sequestration and regenerative agricultural practices (cover cropping, reduced tillage, reduced pesticide use); agroforestry and tree integration (shade trees, windbreaks, alley cropping); and on-farm ecosystem restoration.

Accounting and recognition relevance: Directly measurable and traceable to purchased commodity volumes. Outcomes are included in inventories by updating emission factors and activity data in scope 3 accounts. Contributes toward SBTi FLAG targets and SBTN's No Conversion and Working Land Regeneration and Restoration targets.

Considerations: Strong and immediate inventory impact with a direct link to purchased volumes and high-quality MRV. However, high costs and indefinite monitoring obligations for removals remain significant barriers to implementation.

Sourcing region and jurisdiction

Interventions: Regional aggregation of LMU-level interventions maintaining physical traceability, including regenerative agriculture programmes, agroforestry, and soil carbon sequestration programmes.

Accounting and recognition relevance: Emission reductions count toward inventories through activity-pool or sourcing-region emission factor updates. Removals count only where the spatial boundary is the sourcing region, the land management unit or the harvested area, which excludes jurisdiction-level accounting, and only where physical traceability reaches the first point of aggregation, the sourcing region safeguards are met and net carbon stock changes are estimated from empirical data specific to the land carbon pools concerned. Requires chain of custody, allocation, and traceability mechanics.

Considerations: Scalable and addresses systemic supply-chain emissions, with potential economies of scale across MRV, auditing, and implementation costs. Allocation and traceability remain complex and costly.

Global and sector level

At this boundary, emissions are calculated using global commodity default factors without geographic traceability, so no landscape intervention qualifies for inventory recognition here. Action at this level is instead recognised under Category B1, at the sector tier of the Net-Zero Standard implementation hierarchy, where structural constraints are demonstrated.

THE BUSINESS CASE

Category A represents corporate action where commercial exposure and accounting recognition point the same way. For instance, improved practice on productive land reduces emissions intensity, which for FLAG-sector companies is the dominant part of the footprint; it maintains the soil condition on which future yield depends; and the traceability it requires is itself becoming a condition of market access as deforestation- and conversion-free sourcing obligations take effect. One well-planned investment addresses three exposures, and the standards recognise the outcome behind each of them: the emissions reduction under FLAG, the soil improvement under the Working Land Regeneration and Restoration target, and the conversion-free supply under the No Conversion of Natural Ecosystems target.

What recognition adds

- It converts a risk argument into a governed commitment. As Chapter 3 found, progress toward validated targets is embedded in corporate governance, financed through established budget lines and defensible to boards and investors.
- It makes one evidence base serve several purposes. The same dataset carries inventory accounting, FLAG progress, SBTN's No Conversion and Working Land Regeneration and Restoration targets and regulatory due diligence. The evidence is the expensive part, and it is incurred once.

What it takes

- extending traceability.
- settling allocation for blended volumes so that outcomes can be attributed proportionally.
- treating inventory integration as a permanent change to accounting process rather than a project.

5.1.2 CATEGORY B: RECOGNISED CONTRIBUTIONS: TOWARD TARGET IMPLEMENTATION (B1) AND ENGAGEMENT & RESPONSIBILITY RECOGNITION (B2)

Category B covers interventions whose outcomes cannot be attributed to one company's physical inventory or production units but which the standards still recognise: B1 through the Net-Zero Standard implementation hierarchy and SBTN supplier engagement, B2 through engagement and responsibility recognition.

WHERE THEY COUNT

B1 – toward target implementation. The Net-Zero Standard implementation hierarchy allows companies to act at three levels: activity, activity pool and, where structural constraints prevent sufficient action at the first two levels, sector level. The hierarchy sets the order in which companies implement their targets. Action on the specific activities in their own operations and value chain comes first, where feasible. Where those activities cannot feasibly be identified, companies may act within an activity pool: a shared system of activities serving the company, such as a supply shed, defined at the smallest reasonable geographic or operational level within which emissions from the activity can be collectively decarbonised. Where structural constraints prevent sufficient action at activity or activity-pool level within the target timeframe, and the company documents them, action may be taken at sector level, relating to the same type of activity in a relevant geographic or system context.

Outcomes at activity-pool and sector level may be supported by market instruments, such as energy and commodity certificates, which convey the emissions or physical attributes of an underlying activity. Commodity certificates can rely on different chain-of-custody models, such as mass balance or book-and-claim. Where part of an activity-pool outcome can be allocated to the company's purchased volumes under attributional accounting and the physical traceability conditions are met, that part enters the physical GHG inventory and belongs to Category A.

Category B1 covers the rest: activity-pool outcomes that cannot be allocated, sector-level actions, and market instruments not reflected in the inventory. These are recognised toward target implementation where they meet the integrity criteria of the standard. They do not change the emissions reduction measured against the target, which is assessed on the change in the physical GHG inventory; they are accounted for and reported separately and enter the End-of-cycle progress assessment as target implementation actions and as evidence of best efforts.

The eligibility and integrity conditions are set out in the technical annex (Annex 7.1.2).

On the nature side, SBTN's Supplier Engagement targets play the equivalent role: where upstream volumes cannot yet be traced to production unit or sourcing area level, the Working Land Regeneration and Restoration target is met by engaging the suppliers concerned to set their own science-based targets for land. Once those targets are validated, the volumes they supply can be evidenced at production unit level and move into Category A (Annex 7.1.3).

MARKET INSTRUMENTS: WHAT ENTERS THE INVENTORY AND WHAT COUNTS TOWARD IMPLEMENTATION

Interventions implemented at the level of an activity pool can generate outcomes represented through market instruments (e.g. energy or commodity certificates) or similar mechanisms. However, only the portion of outcomes that can be allocated to the company under attributional accounting rules can be reflected in the corporate GHG inventory. Mitigation outcomes beyond the company's allocated inventory share, including from sector-level actions and market instruments not reflected in the inventory, must be reported separately.[13] Such instruments remain usable toward target implementation provided they meet the integrity criteria.[14] Not entering the inventory yet counting toward implementation is what places them in this category.

B2 – engagement and responsibility recognition. Recognition operates through the Landscape Engagement target and Ongoing Emissions Responsibility.

The Landscape Engagement target creates an explicit non-attributional commitment layer where companies commit to engage in material landscapes and to improvements in ecological and social conditions. It requires evidence on maturity criteria assessment and the preparation of a roadmap for engagement dependent on the initial level of maturity of the initiative or for the creation of a new landscape initiative.

The Landscape Engagement target supports spatial coherence across targets (e.g., disclosure of overlap between footprint reduction and landscape engagement locations, pairing land footprint reduction with restoration in the same landscape, linking collective action to conversion-free strategy and procurement).

Ongoing Emissions Responsibility (OER) provides the second route. As set out in Chapter 4 and detailed in the technical annex, it recognises supplementary mitigation outcomes and climate finance supporting different climate action categories including e.g. ex-ante mitigation, mitigation-enabling or adaptation and resilience funding. This is accounted for and reported separately from value-chain target progress, with no netting and no double counting. What matters for landscape engagement is that OER requires no geographic or sectoral connection to the company's operations or supply chains. Eligible emission reduction outcomes must originate outside the company's value chain, while sink protection, restoration and carbon removal activities may take place within or beyond it, subject to safeguards against double claiming.[15] This opens two pathways. Companies can support interventions inside their sourcing landscapes whose outcomes stay clearly outside their inventory, such as restoring non-productive lands that no supply chain draws on; or they can support landscape initiatives in regions from which they do not source at all, where outcomes such as avoided deforestation carry no link to their own accounting. One caution applies inside the sourcing landscape: where a company accounts for a region with average or jurisdictional emission factors, a region-wide improvement it supports, a falling deforestation rate for instance, will also lower its own reported emissions when those factors update, and the same outcome cannot be claimed twice. In both cases the standard's integrity criteria apply, including additionality, MRV, no double counting and permanence for removals.[16]

OER now gives landscape engagement a clearly specified and graded incentive, reinforced by the post-2035 removals responsibility described in Chapter 4; market uptake remains to be demonstrated.[17]



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13. CNZS-C5.4: separate accounting and reporting of actions and market instruments not reflected in the physical GHG inventory.
14. CNZS-C25 to C28: integrity criteria for actions, projects and market instruments supporting target implementation.
15. CNZS-C41.1: verified mitigation outcomes; emission reductions must come from sources not located within the company's value chain (C41.1.b); the criterion sets no location condition for restoring, protecting or enhancing natural carbon sinks (C41.1.c) or for removals (C41.1.d).
16. CNZS-C42: integrity criteria for supported activities, covering due diligence, do-no-harm safeguards, avoidance of carbon lock-in, transparency, additionality, reversal-risk safeguards, independent assurance and regulatory surplus. CNZS-C43.2 additionally bars outcomes reflected in the inventory from also counting toward OER.
17. CNZS-C45 with C45.1 to C45.5: post-2035 removals responsibility, required for Category A companies and optional for Category B companies under the CNZS v2 company classification; the SBTi labels it an illustrative requirement to be reviewed in the next major revision.



TYPICAL INTERVENTION PROFILE

Typical interventions involve participation in landscape initiatives that bundle several intervention types at once, together with the instruments that carry recognition where physical traceability stops. Two profiles recur.

Activity pool and sector level (B1)

Interventions: pool-level practice programmes across supplier groups drawing on a shared supply shed; commodity and energy certificate schemes covering blended or spot-purchased volumes; sector-level initiatives where constraints prevent action at activity or pool level; and, on the nature side, supplier engagement for commodity flows that cannot be traced to sourcing area level.

Accounting and recognition relevance: outcomes that cannot be allocated to purchased volumes are reported separately from the physical inventory and assessed within the Net-Zero Standard implementation hierarchy at the End-of-cycle Assessment. Recognition rests on chain-of-custody evidence, and on a defensible basis for moving action to sector level.

Considerations: reaches the share of the portfolio that traceability cannot, and travels through procurement systems companies already run. Recognition remains conditional on instrument integrity, and the outcomes do not appear where inventory-based target progress is read.

Landscape initiative participation (B2)

Interventions: multi-year participation in an initiative in a material sourcing landscape, covering conversion-free strategy, restoration and remediation commitments, collective monitoring and a shared roadmap under the Landscape Engagement target; and support for mitigation outcomes or climate finance outside the attributable footprint, recognised under Ongoing Emissions Responsibility.

Accounting and recognition relevance: the Landscape Engagement target recognises credible engagement and demonstrated progress rather than attributed outcomes, evidenced through maturity assessment and a roadmap. OER contributions are reported separately from value-chain target progress.

Considerations: the route that fits collective action and landscape conditions no single supply chain contains, with monitoring and safeguard costs shared across buyers. It asks for multi-actor governance over several years and a credible local platform, and neither channel contributes to inventory-based target progress.

THE BUSINESS CASE

Category B covers interventions that are recognised, but whose outcomes do not enter the company's physical GHG inventory as its own reduction, and are not evidenced at its production units or defined sourcing areas under SBTN's No Conversion and Working Land Regeneration and Restoration targets. The two situations behind that shared consequence are different in kind. B1 covers contributions to SBTi target implementation that cannot be associated directly with the volumes purchased. Where volumes are blended, spot-purchased or sourced through intermediaries, traceability to the production unit is not achievable in the near term; without these instruments and the parallel recognition they carry, a material part of the footprint would go unaddressed. B2 covers conditions in the sourcing landscape that no single company's supply chain contains. Where sourcing exposure is concentrated in one region, or where conversion risk runs beyond what supplier-by-supplier action can contain, landscape-level governance, enforcement and shared monitoring are often what allow value-chain interventions to work at all.

What recognition adds

- **A defined route for volumes traceability will not reach (B1).** Market instruments transfer attributes independently of the physical commodity, which makes them an exception to the traceability requirement that constrains Category A. The Net-Zero Standard implementation hierarchy places them: activity-level action first, then activity pool level within defined pool boundaries, then sector level where structural constraints are demonstrated. On the nature side, SBTN's Supplier Engagement targets serve the equivalent function for volumes that cannot yet be placed; once an engaged supplier sets its own validated land science-based targets, the volumes it supplies can be evidenced at production unit level and move into Category A.
- **A validated place for non-attributable action (B2).** The Landscape Engagement target and Ongoing Emissions Responsibility give structured, graded recognition to participation that would otherwise be discretionary spend, which is what allows it to hold a budget line across cycles.
- **Shared cost across buyers (B2).** Common baselines, monitoring infrastructure and harmonised safeguards remove duplication between companies drawing on the same landscape, and cost less than each running a separate supplier programme.

What it takes

- for B1, procurement and accounting systems able to evidence volume matching, vintage and chain of custody for instruments, and a defensible basis for claiming structural constraint where action moves to sector level.
- for B2, capacity to work through multi-actor governance over several years, and a credible local platform.
- accepting that both are reported separately from the physical inventory, so neither appears where target progress is assessed against the company's own emissions.
- Against that recognition sit the barriers that companies weigh: for B2 interventions, the absence of direct linkage to inventory accounting or climate target progress; the data intensity and audit exposure that separate reporting brings; the multi-year commitment that landscape governance requires; and, for B1, the reputational scrutiny attached to market instruments.

5.1.3 CATEGORY C: ENABLING ACTIVITIES: NOT RECOGNISED, ESSENTIAL FOR LANDSCAPES AND PEOPLE

Category C identifies the activities that fall outside the interventions recognised under Categories A and B but remain important for landscapes and for the people who live and work in them. It carries no recognition under the climate and nature standards covered in this report. It is included because an assessment limited to what the standards recognise would consider only the frameworks' perspective and would leave out much of what landscapes and their people depend on, such as secure tenure and rights, functioning local institutions, biodiversity and water beyond any single sourcing base, and the livelihoods of producers and communities, should the landscape not be material to a company's operations and supply chains.

Category C is assigned company by company. The same activity is Category B2 for a company whose operations or sourcing make the landscape material and that works through an initiative meeting the Landscape Engagement target requirements. It is also Category B2 for a company that supports it as an eligible climate action under Ongoing Emissions Responsibility.[18] It is Category C for a company to which neither route applies.

WHERE THEY COUNT

For a given company, an activity falls into Category C where all of the following apply:

- its outcomes cannot be traced and allocated to the company's purchased volumes and sit outside the Net-Zero Standard implementation hierarchy, so they count neither in the physical GHG inventory nor toward target implementation (Categories A and B1);
- its outcomes are not evidenced at the company's production units or sourcing areas and are not covered by SBTN's Supplier Engagement targets, so SBTN's No Conversion and Working Land Regeneration and Restoration targets do not apply (Categories A and B1);
- the Landscape Engagement target does not apply, because the landscape is not material to the company's operations or sourcing, or because the work is not delivered through an initiative meeting the target's requirements on maturity, governance and roadmap (Category B2); and
- the activity is not supported as a verified mitigation outcome or an eligible climate action under Ongoing Emissions Responsibility, because the company does not take part in the optional programme or because the activity does not meet its eligibility and integrity requirements (Category B2).[19]

Outside the standards, Category C work can still be made visible through separate impact reporting, which presents outcomes without merging them into the physical GHG inventory, and through recognition by jurisdictional platforms, landscape standards and coalitions. These channels carry no target-progress or contribution claim. The case study in the next section shows the same enabling work as Category B2 for one funder and Category C for another.

WHAT FALLS OUTSIDE ONGOING EMISSIONS RESPONSIBILITY

Ongoing Emissions Responsibility is an optional recognition programme with no geographic condition, so it can reach landscapes that are not material to the company. Its reach is limited by purpose and by evidence. A contribution budget may fund verified mitigation outcomes, ex-ante mitigation funding, low- or zero-carbon research and innovation, mitigation-enabling outcomes, adaptation and resilience, and loss and damage.[20] Each supported climate action needs a baseline assessment, a documented impact pathway with climate objectives, indicators and milestones, a monitoring and reporting plan, and independent third-party assurance. It must also be funded from resources that are new and surplus to target delivery spending, legally required expenditure and routine commercial activity.[21] Nor can the programme recognise anything the company already counts toward its targets: emissions reductions reported in its inventory, and actions or market instruments used to implement its targets, are excluded, so that the same outcome is never claimed twice.[22] An activity therefore falls outside Ongoing Emissions Responsibility where it has no defined climate objective, where its contribution cannot be monitored and assured, or where it forms part of the company's sourcing, compliance or target delivery.

TYPICAL INTERVENTION PROFILE

Rights and tenure work without a climate impact pathway: Land-tenure mapping and registration, consent processes, legal support and grievance mechanisms for Indigenous Peoples and local communities, funded in a landscape where the company has no operations or sourcing.

Biodiversity and freshwater conservation beyond the sourcing base: Species and habitat protection, wildlife corridors or catchment water-quality work in a landscape that is not material to the company, where no verified carbon outcome is generated and no climate objective is defined.

Social and livelihood programmes: Income diversification, savings groups, education, health and nutrition, or support for producer organisations in communities outside the company's supply chain, which serve people and landscape resilience without an assured climate impact pathway.

Convening and shared monitoring without assurance: Facilitation of multi-stakeholder platforms, participatory land-use planning and collective monitoring (e.g. LandScale assessments) in a non-material landscape and where the contribution cannot be tied to defined climate indicators or independently assured.

Work that is part of routine business or compliance: Community investment tied to a licence to operate, or legally required compensation and restoration, outside the landscapes the company sources from; neither counts as new and surplus funding under Ongoing Emissions Responsibility.[23]

Several of these activities move into Category B2 when they are designed and evidenced as mitigation-enabling or adaptation and resilience work under Ongoing Emissions Responsibility, or when the company's sourcing makes the landscape material.

RECOMMENDATION: DESIGN ENABLING WORK FOR ONGOING EMISSIONS RESPONSIBILITY

This report recommends that companies taking part in Ongoing Emissions Responsibility use its contribution budget deliberately for landscape enabling work. The Net-Zero Standard defines mitigation-enabling outcomes funding as funding for interventions that change the policy, market, institutional or infrastructural conditions needed for mitigation at scale.[24] In this report's reading, much enabling work in landscapes fits this definition, or that of adaptation and resilience funding. To qualify, it needs a baseline assessment, a documented impact pathway with climate objectives, a monitoring and reporting plan and independent third-party assurance.[25] It must also meet the Standard's minimum safeguards for all supported activities.[26] Designed and funded in this way, it moves from Category C to Category B2 for the company that funds it. This is consistent with the recommendation to prioritise funding mitigation that maximises climate impact, closes financing gaps, delivers social and environmental co-benefits and advances climate equity,[27] and with WWF's call to complement direct mitigation outcomes with transformation-enabling activities that drive systemic change.[28] Enabling work without a climate pathway, in a landscape that is not material to the company, remains Category C and is funded on its own merits.

THE BUSINESS CASE

Enabling work is what landscapes need most and what the other two categories depend on: secure land rights, functioning local institutions, agreed decision-making processes, and a monitoring system that everyone in the landscape trusts. In the landscapes a company sources from, much of this work can be recognised under Category B2. Category C matters most where companies support landscapes beyond their operations and sourcing, and where the work serves nature and people without a defined climate objective.

The practical argument is straightforward. A farm-level programme changes practice for as long as the contract runs, and whether the change holds after that depends on whether local rules are clear and enforced. Where land tenure is disputed, neither producers nor buyers will commit to anything that takes years to repay. Where every buyer builds its own monitoring system, each pays in full for data that cannot be compared with anyone else's. Rights and inclusion carry a further weight, because the frameworks treat free prior and informed consent, safeguarding and fair benefit sharing as conditions of credibility for every category of intervention. In a landscape that is not material to the company, none of this protects outcomes the company can count. The case for funding Category C work rests on what it delivers for the landscape and its people, and on the commitments the company holds beyond its value chain.

What it offers the company

It delivers commitments that reach beyond the value chain. Human rights, biodiversity, water and community commitments often extend to landscapes where the company neither operates nor sources, and Category C work is where many of them are delivered.

It prepares landscapes the company may source from in future. Supply bases shift, and secure tenure, functioning institutions and shared monitoring put a landscape in a position to deliver Category A and B outcomes once it becomes material.

It builds partnerships and remains visible to stakeholders. The work strengthens relationships with public authorities, civil society and local communities, and separate impact reporting and recognition by jurisdictional platforms and landscape standards make it visible to funders and partners, although it carries no target-progress or contribution claim.

What it takes

- budgeting and governing it as sustainability or philanthropic funding on its own merits, since no target or contribution claim will justify it.
- selecting landscapes and partners on the basis of need and of the company's wider commitments, since materiality does not guide the choice.
- sharing the cost with other funders, public authorities and local organisations, since no single funder captures the full benefit.
- committing funding beyond a single reporting cycle from the outset.
- reporting outcomes separately from the company's climate and nature targets, through impact reporting and landscape-level frameworks.

18. CNZS-C41.3: climate action categories eligible for support through an Ongoing Emissions Responsibility contribution budget.
19. CNZS-C41 to C43: eligibility of verified mitigation outcomes and other climate actions, integrity criteria, and separate accounting under the Ongoing Emissions Responsibility recognition programme.
20. CNZS-C41.3: climate action categories eligible for support through an Ongoing Emissions Responsibility contribution budget.
21. CNZS-C42.3: integrity criteria for other climate actions, including baseline assessment, documented impact pathway, monitoring and reporting, independent third-party assurance and beyond business-as-usual funding.
22. CNZS-C43.2: inventory reductions, and actions or market instruments used to implement targets, shall not be counted toward the Ongoing Emissions Responsibility recognition programme.
23. CNZS-C42.3e: funding shall be new and surplus to validated target delivery spending, legally required expenditure or routine commercial activity.
24. CNZS glossary, 'Mitigation-enabling outcomes funding' and 'Adaptation and resilience funding'; CNZS-C41.3.d and e. At Leadership level, other eligible climate actions are supported from the funds remaining after the required verified mitigation outcomes (CNZS-C40.5.c).
25. CNZS-C42.3: integrity criteria for other climate actions, including baseline assessment, documented impact pathway, monitoring and reporting, independent third-party assurance and beyond business-as-usual funding.
26. CNZS-C42.1: due diligence, do no harm, avoidance of carbon lock-in and transparency for all activities supported under Ongoing Emissions Responsibility.
27. CNZS-R41.1 (recommendation): prioritisation of funding under Ongoing Emissions Responsibility.
28. WWF Switzerland, Climate Contributions for People & Nature: A Discussion around Meaningful Corporate Action beyond Value Chains (June 2025), p.19.


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DESIGNING ACROSS THE CATEGORIES

A well-designed initiative delivers across all categories, and each participant's share of the work falls into the category that its relation to the landscape allows. Category A covers outcomes that enter the physical GHG inventory toward SBTi targets, and outcomes evidenced at production units under SBTN's No Conversion and Working Land Regeneration and Restoration targets. Category B1 covers contributions toward target implementation where outcomes cannot be allocated to purchased volumes: activity pools and market instruments within the Net-Zero Standard implementation hierarchy, and SBTN's Supplier Engagement targets. Category B2 covers engagement in a material landscape under the Landscape Engagement target and eligible climate actions reported separately under Ongoing Emissions Responsibility. The enabling layer of governance, rights and shared monitoring is Category B2 for a company that meets either route. For a co-funder with no operations or sourcing in the landscape, whose share of the work also falls outside Ongoing Emissions Responsibility, the same work is Category C: it carries no recognition and still serves the landscape and its people. Without that layer, the outcomes in Categories A and B do not materialise at scale or last.

Figures 5–7 illustrate this principle and the categories.



FIGURE 5: COMPANY X IS A FOOD PROCESSING COMPANY

The company sources traceable & attributable volumes of corn from a supplier in the landscape. They engage this supplier in a change of practice towards regenerative agriculture, improving soil organic carbon. The MRV system monitors the change in carbon and the soil condition. This counts as a Category A intervention.

The company's risk assessment ranked the landscape as high risk. The company chooses to engage with the nearby community and farmers in a collective initiative that restores the river shore into a small wetland area, improves forest management practices and helps farmers transition towards nature-positive agriculture. It counts for the Landscape Engagement Target in their SBTN targets, therefore as Category B2.

In addition, the company carries out advocacy activities at the regional government level to help reinforce environmental laws setting water withdrawal quotas for the upstream basin, spanning beyond the landscape initiative boundaries. This is their Category C.



FIGURE 6: COMPANY Y IS A FOOD RETAILER

They do not source any raw material from this region. They join in the initiative where company X is also involved, which aims at restoring a small wetland area and improving forest management practices. As the landscape is not material for company Y, but the initiative's restoration and forest management deliver verified mitigation outcomes that meet the OER integrity criteria, this engagement can be recognised under company Y's Ongoing Emissions Responsibility (Category B2).



FIGURE 7: COMPANY Z IS A PAPER COMPANY

Company Z is a paper company. They know they are sourcing wood pulp from the country, but their level of traceability is not granular enough to trace their imports back to either the production unit or the landscape level. It is known that the river's basin area is under increased scarcity risks due to poor water and forest management that weaken the forests' water retention abilities.

As they know that the river's basin is an important producing region for their sector, they participate in convening platforms that advocate for stricter forest and water-management laws and activities. This engagement belongs to Category C for this company.

5.2 APPLYING THE CATEGORIES: NINE LANDSCAPE INTERVENTION TYPES

This section applies the categories set out in Section 5.1 to nine intervention types and instruments commonly found in landscape initiatives, from farm-level practice change to landscape governance. For a company designing or joining an initiative, the practical question is which category each of its interventions falls into: inventory-level actions (Category A), contributions toward target implementation (B1), engagement and responsibility recognition (B2), or enabling activities that carry no recognition (Category C). Because recognition follows each company's relation to the landscape, the same intervention can fall into different categories for different funders.

The nine types are grouped in four clusters. Production-system interventions (Types 1 to 4) have outcomes that can be tied to specific farms or production units. Supply-shed interventions (Types 5 and 6) aggregate action across a sourcing area or jurisdiction. Enabling systems (Type 7) serve the landscape as a whole. Instruments (Types 8 and 9) carry outcomes as certificates or credits. The level at which an intervention operates largely determines how far its outcomes can be traced and allocated, and therefore which recognition route is open to it. Each entry states the category the intervention falls into, where else it may be recognised and what it contributes to the landscape, and closes with a fictional example. The full recognition matrix is provided in Annex 7.2.

FIGURE 8: SUMMARY OF INTERVENTION TYPE & INSTRUMENT RECOGNITION

	INTERVENTION TYPE LENS 1	CATEGORY LENS 2 A	B1	B2	C	CORPORATE ATTRACTIVENESS LENS 3 · INCENTIVE SIGNAL	LANDSCAPE RELEVANCE LENS 4
	PRODUCTION-SYSTEM INTERVENTIONS						
1	**Traceable practice change in production systems (value-chain linked)** *B1 where outcomes cannot be allocated*	●	○	·	·	HIGH	MED-HIGH
2	**Verified deforestation- and conversion-free supply**	●	●	·	·	MED-HIGH	HIGH
3	**Removals and restoration directly tied to the company's sourcing boundary** *B2 outside attributable productive areas*	●	·	○	·	MED-HIGH	HIGH
4	**Regeneration practices affecting land productivity**	●	·	●	·	MED-HIGH	HIGH
	SUPPLY-SHED INTERVENTIONS						
5	**Aggregated supply-shed interventions with mixed physical traceability**	●	●	·	·	MED	HIGH
6	**Collective landscape and jurisdictional programmes**	●	●	●	●	MED / LOW *Med if structured as a bundle; Low if only soft recognition*	VERY HIGH
	ENABLING SYSTEMS						
7	**Landscape governance and enabling systems** *B2 where undertaken under the Landscape Engagement target in a material landscape or funded as an eligible climate action under Ongoing Emissions Responsibility*	·	·	○	●	LOW-MED	VERY HIGH
	INSTRUMENTS						
8	**Energy and commodity certificates** *A where commodity certificates rely on qualifying mass balance (treated as Type 5)*	○	●	·	·	MED-HIGH	MEDIUM
9	**Carbon credits**	·	·	●	·	MED-HIGH	VARIABLE

● Category the type is assigned to ○ Category it moves to under the stated condition Lens 3 Low to High
Lens 4 Low to Very high

PRODUCTION-SYSTEM INTERVENTIONS

TYPE 1

TRACEABLE PRACTICE CHANGE IN PRODUCTION SYSTEMS (VALUE-CHAIN LINKED)

A B1

What it is: Practice changes that measurably change emissions and pressures within harvested areas, farms, production units or sourcing regions that can be linked to a company's supply base (e.g., input optimisation, manure management, rice water management, soil management).

Recognition: Category A (Inventory-level actions). Outcomes enter the physical GHG inventory through updated emission factors or activity data and count toward SBTi FLAG target progress; where land-quality indicators are monitored at production units or defined sourcing areas, the same evidence serves SBTN's Working Land Regeneration and Restoration target. The No Conversion of Natural Ecosystems target is served where the practice change also addresses and halts land-use change within the production base; where it does, the avoided conversion is also a major emissions lever, as land-use change emissions enter the same inventory. Conditional on traceability and allocation to purchased volumes; where allocation is not possible, the outcomes fall to Category B1 (contributions toward target implementation).

Recognised elsewhere: Separate impact reporting as supplemental evidence; regulatory due diligence, where the same traceability data serve deforestation- and conversion-free sourcing obligations.

Landscape note: High value when scaled; limited if it ignores enabling conditions.

FICTIONAL EXAMPLE: A dairy processor contracts forty farms in its named sourcing catchment to adopt improved feed and manure management; verified farm data flow into its scope 3 inventory (FLAG emissions) and counts towards its FLAG target.

TYPE 2

VERIFIED DEFORESTATION- AND CONVERSION-FREE SUPPLY

A B1

What it is: Actions that ensure conversion is avoided post cut-off through monitoring, compliance systems, and supply chain controls.

Recognition: Category A (Inventory-level actions) where conversion status is evidenced at mapped production units or defined sourcing areas: avoided land-use change enters the physical GHG inventory and counts toward FLAG target progress, and the same monitoring evidences SBTN's No Conversion of Natural Ecosystems target. Category B1 (contributions toward target implementation) where volumes cannot be placed and compliance is evidenced at activity-pool or sector level within the Net-Zero Standard implementation hierarchy; on the nature side, such volumes can be declared conversion-free only where the sourcing area itself is demonstrated to be deforestation- and conversion-free.

Recognised elsewhere: Deforestation- and conversion-free commitments defined in alignment with other frameworks and guidance (e.g., AFi).

Landscape note: Strong relevance as it addresses one of the largest causes of emissions and nature loss in land systems; achieving and sustaining DCF status over time often requires strong governance and enforcement support.

FICTIONAL EXAMPLE: A chocolate maker sources cocoa from mapped farms with satellite-verified no-conversion since the cut-off date; the volumes qualify as deforestation- and conversion-free supply.

TYPE 3

REMOVALS AND RESTORATION DIRECTLY TIED TO THE COMPANY'S SOURCING BOUNDARY

A B2

What it is: Nature restoration or carbon removals that are demonstrably linked to the company's value chain boundary (e.g., peatland rewetting within sourcing area, agroforestry on supplier land, soil carbon improvements within traceable production base).

Recognition: Category A (Inventory-level actions). Removals on attributable productive lands enter the physical GHG inventory under the LSRS and count toward FLAG target progress; restoration within SBTN-defined production units, which include non-productive land, counts toward the Working Land Regeneration and Restoration target. Highly conditional: traceability and allocation to purchased volumes, and the LSRS removals requirements on attribution, permanence, leakage and ongoing monitoring. Outside attributable productive areas, climate recognition moves to Category B2 (engagement and responsibility recognition) under Ongoing Emissions Responsibility; nature recognition is unaffected if the land sits within the SBTN definition of production unit.

Recognised elsewhere: Under Ongoing Emissions Responsibility, which covers sink protection, restoration and removal outcomes within or beyond the value chain, and under the Landscape Engagement target where restoration forms part of engagement in a material landscape.

Landscape note: System-wide outcomes possible, but dependent on the scale; high measurement and permanence expectations to be met with well-planned systems.

FICTIONAL EXAMPLE: A coffee roaster funds shade-tree planting on its contracted farms; the carbon stock gains on those productive lands enter its inventory[29] and the trees enhance natural land cover under SBTN.

29. LSRS Chapter 13 (Requirements 19.LMR, 20.LMR, 21.LMR and 23.LMR): accounting for land management CO2 removals on productive agricultural lands, including agroforestry and silvopasture.

TYPE 4

REGENERATION PRACTICES AFFECTING LAND PRODUCTIVITY

A B2

What it is: Land-use interventions focused on enhancing land quality and biodiversity status. They may affect productivity or reduce yields in the short term (including certain low-input transitions).

Recognition: Category A (Inventory-level actions). Land-quality and soil-carbon improvements within SBTN-defined production units evidence the Working Land Regeneration and Restoration target; where they change emissions or generate removals on attributable productive lands, they also enter the physical GHG inventory toward FLAG target progress. Where yields fall significantly, land carbon leakage must be quantified and reported separately from the physical inventory. The LSRS exempts from land carbon leakage accounting those changes in land management or cropland practices that are made to improve the long-term sustainability of food production,[30] though how this exemption is to be evidenced remains to be clarified in implementation guidance.

Companies sourcing from the sectors listed in Table 6 of SBTN's Land guidance may also build land-quality indicators into their Landscape Engagement target (Category B2).[31]

Recognised elsewhere: Separate impact reporting can explain inventory results affected by leakage as recommended by the LSRS.

Landscape note: Landscapes can be of high support in implementing these practices through broad schemes, capacity building and planning, to take into consideration potential leakage.

FICTIONAL EXAMPLE: A brewer pays premiums for cover cropping and reduced tillage across its barley suppliers; soil carbon and land-quality improvements support both its FLAG target and the Working Land Regeneration and Restoration target.

SUPPLY-SHED INTERVENTIONS

TYPE 5

AGGREGATED SUPPLY-SHED INTERVENTIONS WITH MIXED PHYSICAL TRACEABILITY

A B1

What it is: Interventions implemented across a supply shed where physical flows mix and traceability may be limited to the region or the first point of aggregation; attribution of outcomes may be complex and some outcomes not recognised.

Recognition: Category A (Inventory-level actions) for the components that can be allocated to purchased volumes, taken up through activity-pool or sourcing-region emission factor updates; Category B1 (contributions toward target implementation) for the remainder, recognised at activity-pool level within the Net-Zero Standard implementation hierarchy and reported separately from the physical GHG inventory. On the nature side, the sourcing-area assessment evidences SBTN's No Conversion of Natural Ecosystems target, while the Working Land Regeneration and Restoration target runs through sourcing-area-level targets where location data allow, and through SBTN's Supplier Engagement targets only where they do not.

Recognised elsewhere: Market instruments (Type 8) generated at activity-pool level carry recognition for the non-allocable share; separate impact reporting and emerging 'Proof of Sourcing' linkage concepts where inventory eligibility fails.

Landscape note: Often the practical reality in many landscapes.

FICTIONAL EXAMPLE: Three buyers co-finance practice change across a shared soy supply shed through an activity pool, because farm-level traceability ends at the crusher.

TYPE 6

COLLECTIVE LANDSCAPE AND JURISDICTIONAL PROGRAMMES

A B1 B2 C

Note: These programmes usually combine several of the other intervention types.

What it is: Programmes combining a variety of intervention types, such as production practice support, restoration, enforcement, inclusion, monitoring at landscape and jurisdictional scale. Type 6 programmes are defined by the collective outcomes they generate at landscape or jurisdictional scale; the systems that enable them are Type 7.

Recognition: Combination across categories, component by component: Category A (Inventory-level actions) for traceable practice change and conversion-free supply allocated to participants' purchased volumes; Category B1 (contributions toward target implementation) for pool-level outcomes that cannot be allocated; Category B2 (engagement and responsibility recognition) for collective outcomes recognised under the Landscape Engagement target and for restoration or avoided deforestation outside attributable areas funded under Ongoing Emissions Responsibility (provided safeguards against double counting are met); Category C (Enabling activities) for enabling components delivered outside a materially relevant landscape.

Recognised elsewhere: The bundle should be structured to "show up" across:

- the physical GHG inventory and FLAG target progress, and SBTN's No Conversion of Natural Ecosystems and Working Land Regeneration and Restoration targets (traceable components),
- the Landscape Engagement target (system-wide outcomes in a materially relevant landscape), and
- Ongoing Emissions Responsibility (non-attributable mitigation outcomes and the contribution budget for mitigation-enabling work) and separate impact reporting for enabling functions.

Landscape note: Highest landscape relevance; requires deliberate accounting architecture to avoid stranding enabling investments.

FICTIONAL EXAMPLE: Buyers, local government and NGOs run a jurisdictional cocoa programme that delivers a measured reduction in regional deforestation, shared across participants.

30. LSRS Requirement 13: land carbon leakage quantified with the carbon opportunity cost approach and reported separately; changes in land management or cropland practices made to improve the long-term sustainability of food production are exempt.
31. SBTN Land V2.0 Technical Guidance, Recommendation T2.1; AGILE Section 5.3.

ENABLING SYSTEMS

TYPE 7

LANDSCAPE GOVERNANCE AND ENABLING SYSTEMS

B2 C

What it is: Multi-stakeholder platforms, spatial planning, enforcement capacity, tenure and inclusion work, MRV system-building, grievance mechanisms and jurisdictional coordination. Type 7 covers the enabling systems themselves: they generate no accountable outcomes of their own but make Types 1 to 6 investable and assurable.

Recognition: Category C (Enabling activities): no recognition in its own right under inventory-based or target-progress accounting, although it determines whether Category A and B outcomes materialise. Classified under Category B2 (engagement and responsibility recognition) in two cases: where undertaken as landscape engagement in a materially relevant landscape through an initiative meeting the Landscape Engagement target requirements; or where funded through the Ongoing Emissions Responsibility contribution budget, which explicitly includes mitigation-enabling outcomes and adaptation and resilience funding, and the work meets the programme's integrity criteria.[32] The category therefore depends on the company funding the work.

Recognised elsewhere: External initiative recognition (jurisdictional platforms, landscape standards) and funder reporting.

Landscape note: High strategic importance; often the missing foundation for delivery and long-lasting outcomes of Types 1–6.

FICTIONAL EXAMPLE: A landscape partnership builds the tenure registry, grievance mechanism and shared monitoring platform on which every other intervention in the landscape depends.

INSTRUMENTS

TYPE 8

ENERGY AND COMMODITY CERTIFICATES

A B1

Note: The following instruments can be used across different types of interventions.

What it is: Outcomes captured by energy and commodity certificates.

Recognition: Category B1 (contributions toward target implementation): recognised within the Net-Zero Standard implementation hierarchy[33] at activity-pool or, where structural constraints are demonstrated, sector level, provided the integrity criteria[34] are met. Whether an outcome is reflected in the physical GHG inventory is decided by GHG Protocol chain-of-custody rules: where part of the underlying activity-pool outcome can be allocated to the company's purchased volumes under attributional accounting and an accepted physical chain-of-custody model, such as mass balance with safeguards, that part enters the physical GHG inventory as a Type 5 intervention and moves to Category A (Inventory-level actions). Book-and-claim certificates and other instruments not reflected in the inventory are reported separately[35] and assessed at the End-of-cycle Assessment.

Recognised elsewhere: System contribution claims rather than emissions reduction claims.

Landscape note: Have the potential to unlock finance at scale, though the amount of finance actually channelled to supply sheds through these instruments remains to be demonstrated.

FICTIONAL EXAMPLE: A retailer purchases commodity certificates for palm volumes it cannot yet trace to origin. The certificates come from the supply base it sources from, stay within volume and vintage limits, are tracked in a registry that prevents double counting, and are issued under a programme that demonstrates real decarbonisation of the palm supply systems; on those conditions they support target implementation and are reported separately from its physical inventory. A generic book-and-claim purchase without these conditions does not qualify.

TYPE 9

CARBON CREDITS

B2

What it is: Outcomes captured by certificates (carbon credits).

Recognition: Category B2 (engagement and responsibility recognition): eligible as verified mitigation outcomes under Ongoing Emissions Responsibility where the integrity criteria are met[36] — additionality, MRV, no double counting and permanence for removals. Reduction outcomes must come from emission sources outside the value chain; sink protection, restoration and removal outcomes may occur within or beyond it. Outcomes must not be counted toward target implementation and must not be netted from the physical GHG inventory.[37]

Recognised elsewhere: The post-2035 removals responsibility, distinct from Ongoing Emissions Responsibility and required for SBTi Category A companies;[38] contribution claims reported separately from value-chain target progress.

Landscape note: Can channel finance to restoration and sink protection that no inventory route would reach, particularly at landscape scale; value depends on integrity safeguards and on keeping claims clearly separate from target progress.

FICTIONAL EXAMPLE: A company purchases verified restoration credits generated in its wider sourcing landscape, outside its attributable productive lands, so that the outcomes do not also appear in its inventory, and retires them toward its OER recognition. They do not count toward its targets (CNZS-C43).

A summary table presenting the full intervention typology and recognition matrix across the nine types is provided in Annex 7.2.

32. CNZS-C41.3: the climate action categories eligible for the OER contribution budget, including mitigation-enabling outcomes and adaptation and resilience funding.
33. CNZS-C21 to C28: the implementation hierarchy (activity, activity pool, sector) and the integrity criteria governing actions, projects and market instruments.
34. CNZS-C25 to C28: integrity criteria for actions, projects and market instruments supporting target implementation.
35. CNZS-C5.4: separate accounting and reporting of actions and market instruments not reflected in the physical GHG inventory.
36. CNZS-C41 and C42: eligibility of verified mitigation outcomes and integrity criteria for activities supported under Ongoing Emissions Responsibility.
37. CNZS-C43.1: OER outcomes shall not be counted toward scope 1–3 target implementation and shall not be netted from the GHG inventory.
38. CNZS-C45 with C45.1 to C45.5: post-2035 removals responsibility, required for Category A companies and optional for Category B companies under the CNZS v2 company classification; the SBTi labels it an illustrative requirement to be reviewed in the next major revision of the standard.



06 CONCLUSIONS & OUTLOOK

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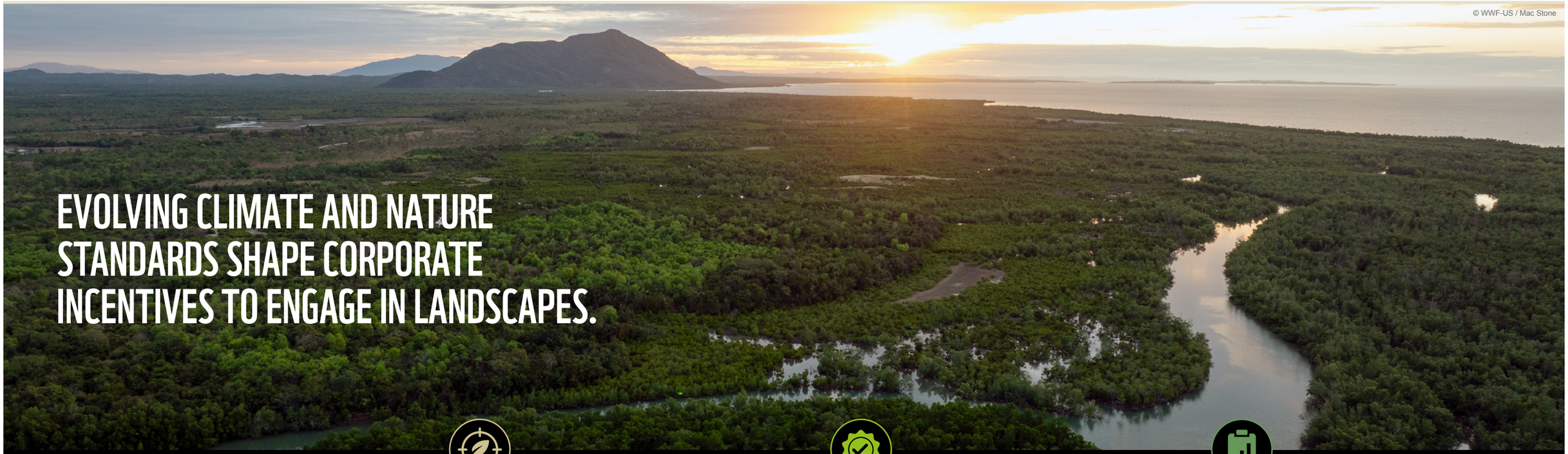

EVOLVING CLIMATE AND NATURE STANDARDS SHAPE CORPORATE INCENTIVES TO ENGAGE IN LANDSCAPES.

This report has examined how the evolving climate and nature standards shape corporate incentives to engage in landscape initiatives. To trace that effect, this report paired a technical review of the SBTi Corporate Net-Zero Standard V2.0, SBTi FLAG Guidance, SBTN's Land targets and the GHG Protocol Land Sector and Removals Standard with a four-lens analysis of landscape interventions, validated through stakeholder interviews and an internal expert workshop. Six findings stand out.

1 CLIMATE AND NATURE TARGETS CONVERGE ON THE SAME LAND

Companies with land-intensive value chains increasingly face overlapping requirements under SBTi and SBTN. Interventions that change land management - including regenerative practice, agroforestry and improved soil management - can deliver dual recognition where spatial units align. The overlap is greatest where the same change in land management can support FLAG target progress and SBTN Working Land targets. This makes it the strongest case for dual recognition, even though inventory-linked target progress remains the strongest overall driver of engagement (finding 3). For companies, this alignment also provides a direct opportunity to strengthen supply-chain resilience. The convergence extends beyond land systems: SBTN's Freshwater targets, which operate at basin level, can overlap spatially with land targets in agricultural landscapes, pointing toward multi-realm recognition as the frameworks mature.

2 THE NEW SBTI AND SBTN STANDARDS WIDEN RECOGNITION WITHOUT ALTERING THE ACCOUNTING CORE

The Net-Zero Standard V2.0 introduces a new implementation hierarchy and pathways for action beyond direct value-chain attribution. Activity pool and sector-level action as well as market instruments may count towards target implementation (B1) and are reported separately where not reflected in the physical inventory. Ongoing Emissions Responsibility (OER) recognises additional climate contributions, including enabling and adaptation activities (B2). The separate post-2035 removals responsibility, where required, creates a predictable and growing demand for removals supplied by landscapes. On the nature side, SBTN's Landscape Engagement target recognises collective landscape action.

All these mechanisms could mobilise landscape finance. None of them changes the core of corporate climate accounting though. Target progress is still measured through value-chain outcomes in the inventory, while the new mechanisms add usable routes around that core.

3 INVENTORY-LINKED TARGET PROGRESS REMAINS THE STRONGEST SINGLE DRIVER

Outcomes that enter the physical inventory and count toward scope 3 target progress are better integrated into corporate governance and existing budgets. The conditions are demanding: traceability, spatial boundary definition, symmetric accounting, allocation and data-intensity requirements under the LSRS determine which landscape outcomes can enter an inventory at all. Collective outcomes are particularly challenging to attribute.



4 LANDSCAPE INITIATIVES NEED A PORTFOLIO OF INCENTIVES

Interventions such as governance systems, conservation and restoration of non-productive lands, collective capacity building and shared monitoring are essential for landscape transformation. They strengthen resilience and help reduce nature-related risks, yet their benefits often remain less visible to accounting-driven frameworks. At the same time, the business-case drivers identified in the interviews (Section 3.1) - such as supply-chain risk and resilience, regulatory anticipation, buyer requirements and licence to operate – provide important incentives in their own right. Responding to a wide set of incentives should be a design principle: initiatives that combine inventory-eligible outcomes with recognised contributions and enabling investment can engage companies through several motives at once.

5 MRV IS THE BINDING CONSTRAINT AND THE HIGHEST-RETURN INVESTMENT

The technical review and the stakeholder interviews identified the same operational barriers: insufficient traceability in complex agricultural supply chains, monitoring capacity gaps, challenges in attributing collective outcomes, and the data and assurance requirements of formal recognition. Investment in shared monitoring, baselines and data governance can enable multiple recognition pathways, making it a natural first move for initiative designers and their corporate partners.

6 LANDSCAPE INITIATIVES CAN DELIVER ACROSS ALL RECOGNITION CATEGORIES

Well-structured initiatives deliver Category A outcomes for traceable volumes, B1 and B2 recognition for the collective remainder, and Category C benefits as the foundation that makes all of it achievable and investable. The recognition routes are not mutually exclusive: a single landscape initiative can serve all pathways at once. For companies, this creates multiple reasons to engage: measurable target progress, recognised contributions, and more resilient sourcing landscapes in either case.

The picture drawn in this report is a snapshot of standards that are still evolving. The Net-Zero Standard takes effect in February 2027 and its implementation guidance is still to come. SBTN's guidance on monitoring and verifying target progress (Step 5: Track) is still to be developed. The LSRS has open decisions ahead, and the SBTi is revising its FLAG Guidance. Each of these can shift the boundaries between the three categories, most likely by widening what can be recognised as a contribution rather than by loosening the accounting core. Companies and landscape initiatives that build on the portfolio logic set out here will be positioned to benefit from those shifts rather than wait for them.

The direction of travel is nonetheless clear. Climate and nature targets are converging on the same land, and freshwater targets may apply to the same basins. OER recognises a wide set of interventions and post-2035 requirements will increase demand for land-based removals.

As incentives are clearer and growing, the binding constraint is shared infrastructure: the monitoring systems, baselines and data governance that allow recognition on every route.

The operational guidance that follows this report will provide design checklists, MRV readiness assessments and engagement instruments to help landscape initiatives and their corporate partners build well-structured initiatives that can be recognised on several routes at once.



07 ANNEXES

© WWF-Indonesia / Yunaidi Joepoe / Kebebu villagers harvesting coffee, Muller Schwaner Arabella (MSA) Landscape, West Kalimantan

7.1 TECHNICAL ANNEX: ELIGIBILITY CONDITIONS FOR INVENTORY INCLUSION AND TARGET PROGRESS

This annex sets out the detailed eligibility conditions summarised in Chapter 4. It covers inventory inclusion under the GHG Protocol Land Sector and Removals Standard, target progress eligibility under the Net-Zero Standard and FLAG Guidance, and eligibility to count towards nature targets under SBTN's Land targets. Readers are welcome to refer to it for complementary explanation of the recognition routes and categories used in Chapters 4 and 5. The full requirements of each standard, including the market instruments deep dive, remain in the separate supporting technical document.

7.1.1 INVENTORY INCLUSION (GHGP/LSRS-COMPLIANT ACCOUNTING)

The LSRS establishes detailed rules governing when land-sector mitigation outcomes may be included in corporate inventories. These rules ensure that reported emissions correspond to **physical emissions associated with company activities or value chains**.

Accounting in line with the LSRS does not by itself make a company compliant with SBTN's No Conversion of Natural Ecosystems or Working Land Regeneration and Restoration targets, in the same way that it does not demonstrate progress toward climate targets: the LSRS sets how emissions and removals are measured and reported, and targets set what must be achieved. The two draw on largely the same evidence. Both rely on physical traceability to locate supply, both work at the level of the land management unit or production unit and of the sourcing region or sourcing area, and both require monitoring of land-use change, so data collected for LSRS inventory accounting can do much of the work required by AGILE, SBTN's accounting framework for land targets. They diverge in what they measure. The LSRS quantifies the carbon emissions and removals from land use, land-use change and land management, attributes them to purchased volumes and allows default carbon emission factors where supply cannot be traced, whereas SBTN assesses the condition of the land itself against conversion-free, natural land cover and land quality criteria.

When including outcomes in inventories, companies must address:

- **Boundary consistency:**[39] Organisational and operational boundaries follow the GHG Protocol Corporate and Scope 3 Standards; spatial boundaries are set by the level of traceability established and applied consistently across all land-sector accounting categories for a given product volume.
- **Attribution to productive lands:**[40] Companies setting a jurisdiction-level or sourcing region-level scope 3 spatial boundary may include only attributable productive agricultural lands within that boundary.
- **LMU-level accounting:**[41] Companies that set an LMU-level spatial boundary may include proximate and adjacent non-productive lands within the LMU boundary under strict criteria. However, this provision cannot currently be implemented because the accounting approach for separating anthropogenic from natural impacts on these lands has not been decided by the Independent Standards Board of the GHG Protocol.[42]
- **Physical traceability:**[43] Only supply chain models capable of linking physical outcomes to corporate sourcing volumes are eligible.

ORGANISATIONAL BOUNDARY AND SCOPE ALIGNMENT

The LSRS builds on the GHG Protocol Corporate Standard framework for defining organisational boundaries and allocating emissions to scope 1, 2, or 3. For companies sourcing agricultural or forestry commodities, most land-sector emissions occur in scope 3 upstream supply chains, particularly those associated with the production of purchased commodities. Landscape initiatives may involve actors across multiple supply chains and jurisdictions. For mitigation outcomes to be reflected in corporate inventories, companies must demonstrate that the emissions sources addressed fall within the defined organisational and spatial boundaries of the inventory.

SPATIAL BOUNDARY DEFINITION AND ACCOUNTING

Under LSRS rules, companies must clearly define the geographic extent of the land areas associated with their supply chains and ensure that emissions and removals occurring within these boundaries are accounted for consistently. The level of spatial aggregation affects both data requirements and attribution accuracy.

ATTRIBUTABLE PRODUCTIVE LANDS

The LSRS uses the concept of attributable productive lands, which defines the land areas whose emissions and removals may be included in a corporate inventory. Attributable lands are those directly linked to the production of commodities entering a company's supply chain.

Exclusion of lands that do not qualify as attributable. The LSRS requires companies to exclude four categories of land: non-productive lands (lands not directly producing, or not capable of producing, the sourced product in the reporting year); lands producing other products or materials not relevant to the company's sourcing; lands with legal or regulatory restrictions prohibiting harvest in the reporting year; and lands with other protective status preventing production. Lands on which emission reductions or removals were issued as GHG credits are treated differently: companies must identify them and disclose information on the credits issued within the scope 3 spatial boundary, which is a disclosure duty rather than an exclusion. Where data limitations prevent companies from meeting all exclusion criteria, a broader spatial boundary should be applied with explanation of proxy data used.

In landscape initiatives involving multiple companies, mitigation outcomes must be allocated proportionally across participating supply chains to prevent double counting.

39. LSRS Requirement 3: organisational and operational boundaries per the GHG Protocol Corporate and Scope 3 Standards; Requirement 5: spatial boundary set by the level of traceability, applied consistently.
40. LSRS Requirement 6: only attributable productive lands may be included within a jurisdiction- or sourcing region-level scope 3 spatial boundary.
41. LSRS Requirement 7: criteria for proximate and adjacent non-productive lands at LMU level.
42. LSRS Box 5.1: accounting for separating anthropogenic from natural impacts on non-productive lands is pending decision by the Independent Standards Board.
43. LSRS Requirement 8 (interim traceability requirement): physical traceability to the sourcing region, LMU or harvested area is required to apply those spatial boundaries.

LAND-USE CHANGE ACCOUNTING

Land-use change represents one of the largest sources of emissions in land-based supply chains. The LSRS requires companies to account for emissions associated with conversion between land-use categories, including direct land-use change (dLUC), jurisdictional dLUC and statistical land-use change (sLUC), using methodologies consistent with international greenhouse gas inventory guidance. The spatial boundary influences how land-use change emissions are calculated, which accounting approach is applied, and the associated level of uncertainty.[44]

ADDITIONAL ACCOUNTING REQUIREMENTS

Beyond spatial boundary definition, attribution, and land-use change accounting, the LSRS establishes several further requirements that apply across all spatial boundary levels. Inventory accounting for land carbon is stock-change based: companies estimate the net land carbon stock change across the required carbon pools, with decreases accounted as land management net biogenic CO_2 emissions and increases potentially eligible as land management CO_2 removals (Requirement 14; for removals, Requirement 19.LMR). Counterfactual baselines representing expected emissions in the absence of intervention belong to the separate assessment of the impact of actions[45] rather than to the inventory itself. The LSRS requires companies to select the most accurate calculation approach that their data availability and value chain traceability allow and recommends calibrating model-based and remote sensing-based approaches with empirical data specific to the land area and practices concerned.[46] Corporate inventories must reflect all material emissions and removals within the defined spatial boundary: companies cannot selectively report beneficial outcomes without also accounting for associated emissions sources (symmetric accounting). Where uncertainty in carbon stock estimates is high, companies must apply conservative assumptions and are expected to improve data quality over time. Monitoring, reporting, and verification requirements, including geospatial monitoring, documentation of emission factors and periodic verification for assurance, are detailed in the supporting technical document[47] and further addressed in the removals conditions below.

PHYSICAL TRACEABILITY REQUIREMENTS

Traceability requirements under LSRS ensure that land-sector emission reductions or removals can be credibly linked to specific products, suppliers, and supply chains. This is a core eligibility criterion for including mitigation outcomes in scope 3 corporate inventories.

For landscape initiatives, traceability enables companies to demonstrate direct or proportional attribution of removals to their inventory. Outcomes that cannot be physically traced to attributable lands and sourced volumes cannot be included in corporate GHG inventories. Such outcomes may instead be recognised through separate mechanisms outside the inventory (e.g. market instruments).

- Partial allocation rules and pooled attribution are applied at LMU, sourcing region, and jurisdictional scales to avoid double counting; for removals, the boundary can be no coarser than the sourcing region (Requirement 19.LMR).
- Direct measurement is preferred for harvested areas or LMUs; tiered emission factors are used where measurement is infeasible (Tier 1–3).
- **Credibility Filter:** Physical traceability thresholds act as the primary eligibility gate for scope 3 land-sector accounting; outcomes not meeting these thresholds may still contribute via market instruments or other contribution mechanisms.

CONDITIONS FOR REMOVALS TO COUNT IN CORPORATE INVENTORIES (LSRS)

The GHG Protocol Land Sector and Removals Standard (LSRS) establishes rules for including land-based removals in corporate GHG inventories. For landscape initiatives, removals must meet conditions related to attribution, anthropogenic treatment, permanence, leakage, MRV, uncertainty, and temporal alignment. Key conditions and safeguards are listed below.

Attribution to productive lands. Removals must occur on lands directly associated with the company's supply chain, with proportional allocation where multiple companies source from the same landscape. Activities on non-attributable lands may only be recognised via contribution claims or market instruments, not inventory inclusion.

Anthropogenic treatment. On productive agricultural land, the LSRS treats all changes in land carbon stocks in the reporting year as anthropogenic. Net gains from ongoing land management (e.g., agroforestry, silvopasture, soil carbon management) may be reported as land management CO_2 removals, and companies must account for all net losses on the same lands, including those from degradation, fires, storms and other natural disturbances (Requirements 15 and 19. LMR). No separation of human-induced from natural carbon accumulation is required on these lands. That separation remains unresolved for forest lands and non-productive lands, which is why removals on proximate and adjacent non-productive land within an LMU cannot currently be reported (Box 5.1 and Box 9.1).

Permanence and reversal risk. Carbon stock reversals (e.g., fire, deforestation, degradation) must be accounted for and mitigation strategies applied. Companies must use conservative assumptions when permanence risks are high, and reversal and storage safeguards are required.

Leakage. Where a change in land management or land use for which removals are attributed significantly reduces long-term food production, or a change in cropland management practices significantly reduces crop yields, companies must quantify the resulting land carbon leakage using the carbon opportunity cost approach and report it in the land carbon leakage accounting category, separately from the physical GHG inventory; changes made to improve the long-term sustainability of food production are exempt.[48]

44. Table B, Section 2 of the supporting technical document: land-use change accounting and uncertainty by spatial boundary level.
45. LSRS Chapter 16: assessment of the impact of actions (counterfactual baselines), separate from inventory accounting.
46. LSRS Requirement 10: the most accurate land-use change calculation approach that data availability and value chain traceability allow; LSRS Section 6.3: model calibration and validation recommendation.
47. Tables A and B, Section 2 of the supporting technical document: spatial boundaries, accounting approaches and MRV by boundary level.
48. LSRS Requirement 13: land carbon leakage quantified with the carbon opportunity cost approach and reported separately; sustainability-improving changes exempt.

Monitoring, reporting, and verification. Requires robust systems to track carbon stock changes, including in-situ data, land-use activity data, geospatial monitoring, documentation of emission factors and assumptions, and periodic verification for assurance.

Uncertainty and conservative accounting. Companies must identify major uncertainties in carbon stock estimates, apply conservative adjustments where uncertainty is high, and improve data quality over time.

Temporal alignment. Removals must be reported in the period they occur, with land-use change emissions amortised across defined periods. Future expected removals cannot be front-loaded.

7.1.2 TARGET PROGRESS ELIGIBILITY (SBTI CORPORATE NET-ZERO STANDARD/FLAG)

In addition to being included in the inventory, interventions must also meet SBTi target-setting rules.

Eligible outcomes must:

- Deliver measurable emission reductions relative to the base-year inventory.
- Align with approved SBTi methodologies (e.g. absolute contraction or sectoral pathways).
- Avoid double counting across scopes.
- Not rely on offset credits for target progress.

Only interventions meeting both inventory eligibility and target methodology requirements may count toward validated SBTi targets.

MARKET INSTRUMENTS (ENERGY AND COMMODITY CERTIFICATES)

Environmental outcomes generated through landscape interventions may be represented through market instruments (energy and commodity certificates). The associated attributes may be transferred independently from the physical commodities or activities that generated them, making them an exception to the physical traceability requirements presented above. The final Net-Zero Standard does not retain the separate market instrument criteria of the consultation draft.[49] Market instruments are now addressed within the target implementation hierarchy of the standard:[50] general actions and market instruments are governed by its integrity criteria,[51] applied either at the activity pool level or, where activity-pool options are constrained, at the sector level. The associated integrity criteria cover the actions themselves, additionality for projects, and system-level impact for market instruments.[52] Both must meet the following conditions:

- **Separate accounting** – Companies account for and report a physical GHG inventory, and separately account for and report actions and market instruments that are not reflected in it.[53]
- **Representative instruments** – Market instruments must accurately and conservatively convey the emissions or physical attributes of the underlying activity.[54] Instruments conveying emissions factors must apply attributional accounting principles based on a homogeneous functional unit, consistent with applicable GHG Protocol requirements.[55]
- **Volume and activity matching** – The volume of market instruments matched to a given activity must not exceed the volume of the corresponding activity as reflected in the company's GHG inventory,[56] and the action must correspond to the same activity type, product, material, fuel or energy source as the underlying activity in the inventory.[57]
- **Temporal alignment** – Actions must correspond to activities occurring within 12 months of the company's underlying activities, unless a longer timeframe is justified by the typical production cycle, storage period or product lifespan of the relevant good, or by established vintage limitations in the markets where the actions occur.[58]
- **System association** – Actions taken at the activity pool level must fall within the same activity pool from which the emissions-generating activity arises, defined at the smallest reasonable geographic or operational level.[59] Sector-level and enabling actions must occur within the same system, or within geographically or systemically relevant systems from which the company sources or into which it feeds.[60]
- **Attribute preservation** – Emissions attributes at the point of instrument generation must be allocated in proportion to physical flows across processing stages, and must not subsequently be stacked, non-proportionally redistributed, or concentrated on a subset of products in a way that overstates what physically occurs.[61]
- **Tracking and double counting** – Issuance, transfer, redemption, cancellation and retirement must be recorded in a secure registry or equivalent system of records,[62] and companies must use systems providing unique identification and tracking of outcomes and attributes to prevent double counting.[63]
- **System-level impact** – Where instruments are issued through programmes or frameworks, companies must purchase only from programmes or frameworks that demonstrate decarbonisation of the relevant system.[64] Outcomes must also be quantified transparently and conservatively, supported by auditable documentation, and clearly attributable to the company.[65]

49. CNZS v2 consultation draft, C19 and C20: separate criteria for market instruments, not retained in the final standard.
50. CNZS v2, Chapter 4: the target implementation hierarchy.
51. CNZS-C21 to C28: the implementation hierarchy (activity, activity pool, sector) and the integrity criteria governing actions, projects and market instruments.
52. CNZS-C25: integrity criteria for actions supporting target implementation; CNZS-C26.7: additionality for projects; CNZS-C27.5: system-level impact for market instruments.
53. CNZS-C5.4: physical GHG inventory accounted and reported; non-inventory actions and market instruments accounted and reported separately.
54. CNZS-C27.1: instruments shall accurately and conservatively convey the emissions or physical attributes of the underlying activity.
55. CNZS-C27.3: attributional accounting on a homogeneous functional unit, consistent with GHG Protocol requirements.
56. CNZS-C27.2: instrument volumes matched to an activity shall not exceed that activity's volume in the inventory.
57. CNZS-C25.1: actions shall correspond to the same activity type, product, material, fuel or energy source as the underlying activity.
58. CNZS-C25.5: actions within 12 months of the underlying activities, unless production cycle, storage, lifespan or market vintage rules justify longer.
59. CNZS-C21.2: pool-level actions within the same activity pool; CNZS-C22: pools defined at the smallest reasonable geographic or operational level.
60. CNZS-C25.2: sector-level and enabling actions within the same system, or geographically or systemically relevant systems.
61. CNZS-C27.4: attributes allocated in proportion to physical flows; no stacking, non-proportional redistribution or concentration.
62. CNZS-C28.1: issuance, transfer, redemption, cancellation and retirement recorded in a secure registry or equivalent.
63. CNZS-C25.7: systems providing unique identification and tracking of outcomes and attributes to prevent double counting.
64. CNZS-C27.5: purchases only from programmes or frameworks demonstrating decarbonisation of the relevant system.
65. CNZS-C25.3, C25.4, C25.6: outcomes quantified transparently and conservatively, supported by auditable documentation, clearly attributable.

Activity pool-level and sector-level market instruments differ in geographic scope and in their relationship to company supply chains, but share the same integrity and temporal requirements. A detailed assessment of market instruments, including their relevance for landscape initiatives, is provided in Section 3.1 of the supporting technical document.

ONGOING EMISSIONS RESPONSIBILITY (OER)

Recognition under Ongoing Emissions Responsibility (OER) follows a different logic from inventory accounting. Under the final Corporate Net-Zero Standard V2.0, OER creates a formal recognition framework through which companies may voluntarily take responsibility for a share of their ongoing emissions by delivering supplementary mitigation outcomes and deploying climate finance across the climate action categories defined by the standard.[66] OER is explicitly additional to target progress: outcomes delivered under OER must not be counted toward scope 1–3 targets, must not alter inventory totals, and must not substitute for or delay required emissions reductions.

Key conditions for OER recognition include:

- Outcomes are accounted for and reported separately from the corporate inventory: they must not enter scope 1–3 inventories, must not be netted from them, and must not count toward target implementation.[67]
- OER does not require that outcomes occur outside the company's value chain: sink protection, restoration and removal outcomes may occur within or beyond it, while reduction outcomes must come from sources outside it.[68]

This creates a distinct contribution-based recognition pathway. Landscape initiatives may deliver system-wide outcomes, such as avoided deforestation, ecosystem restoration or jurisdictional mitigation programmes, that can be reported under OER where they meet the applicable integrity requirements.

NEUTRALISATION (NET-ZERO TARGET YEAR)

At the net-zero target year and thereafter, the Net-Zero Standard requires companies to reduce scope 1, 2 and 3 emissions to zero or residual levels and to neutralise all residual emissions using eligible carbon removals.[69] The conditions are as follows:

- Removals must match residual emissions across all scopes. Companies assume direct responsibility for neutralising scope 1 residual emissions; scope 3 residual emissions are neutralised either jointly with value chain partners reporting the same emissions or directly where a partner has not demonstrated neutralisation.[70]
- Storage durability is matched to gas lifetime: residual emissions of long-lived GHGs must be neutralised with long-lived removals, while any remaining residual emissions may be neutralised with short-lived removals, long-lived removals, or a combination of both.[71]
- Removals used for neutralisation must not simultaneously neutralise another residual emissions source within corporate accounting systems, and companies must report whether the removal credits used were authorised by the host country and subject to corresponding adjustments.[72] Removal activities may occur within or outside the value chain.[73]

Neutralisation is an end-state obligation rather than a transition mechanism. Short-lived removals remain eligible for the share of residual emissions not attributable to long-lived GHGs, so landscape-supplied removals retain a defined role at and beyond the net-zero year, bounded by the long-lived matching rule, the double-counting and host-country reporting conditions, and verification capacity. The larger near-term relevance of landscape initiatives lies in the pre-net-zero period, where inventory accounting and the post-2035 removals responsibility drive demand.

7.1.3 ELIGIBILITY TO COUNT TOWARDS NATURE TARGETS (SBTN)

Landscape interventions only contribute to progress against validated SBTN Land targets where they satisfy target requirements defined in SBTN Step 3: Land v2 and the associated AGILE accounting rules.

Unlike climate targets, SBTN recognition is structured across two distinct pathways:

- **Outcome-based recognition (No Conversion and Working Land Regeneration and Restoration targets):** interventions must translate into measurable changes in land conversion status, land area, and/or land quality within defined accounting units (primarily production units, and in some cases defined sourcing areas in supply chains).
- **Engagement-based recognition (Landscape Engagement target):** interventions are recognised through credible participation in collective landscape initiatives material to direct operations or supply chains, assessed through initiative readiness, governance features, and an engagement roadmap, rather than exclusive attribution of outcomes to a company.

NO CONVERSION OF NATURAL ECOSYSTEMS TARGET

To be eligible to demonstrate progress, companies must:

- Apply defined cut-off dates and target dates for assessing conversion.
- Use the SBTN Natural Lands Map to classify natural vs. non-natural lands in the baseline framing described in the method.

Deforestation- and conversion-free status is demonstrated through the recognised pathways set out below.

Companies account for land-use change using either the production unit assessment method or the sourcing area assessment method.[74] De minimis provisions set the tolerance for residual conversion: clearing below 5% of a production unit or 20 hectares, whichever is stricter, assessed cumulatively, is not treated as conversion for producers and site operators,[75] and downstream companies remain compliant where 95% or more of purchased commodity volume per year is conversion-free.[76]

Alongside these target-setting requirements, SBTN anticipates in an annex, pending its Step 5: Track guidance, that companies may assess deforestation- and conversion-free status by tracing commodities to production or processing units of origin, by relying on credible assurance systems such as certification based on a physical chain of custody, or by tracing materials to jurisdictions or landscapes where conversion after the cut-off date has been shown not to occur. These assessment routes are implementation guidance rather than validation pathways under Step 3, and they draw on the same traceability and chain-of-custody logic that governs LSRS and SBTi accounting.

WORKING LAND REGENERATION AND RESTORATION TARGET

The Working Land Regeneration and Restoration target requires companies to set at least one Land Area target or at least one Land Quality target.[77] The two sub-components are:

- **Land Area** (land footprint reduction and/or natural land cover) and
- ***Land Quality*** (e.g., SOC, soil erosion, terrestrial acidification), based on ecoregion-level ecological thresholds and supported by Land Environmental Assessment Factors (LEAFs), which allow companies to estimate the baseline values of land quality indicators and benchmark different improvement scenarios based on practice changes. LEAFs are available at different levels of granularity, starting from the ecoregional level down to precise locations.

Below are presented the key conditions that landscape interventions must meet to count as progress towards the Working Land Regeneration and Restoration target.

Landscape interventions can support the Working Land Regeneration and Restoration target where they generate measurable improvements (area and/or quality) that can be mapped back into the company's accounting units (production units in direct operations and relevant sourcing areas). Improvements that cannot be translated into the required accounting structure do not count toward Working Land Regeneration and Restoration target compliance.

Version 2 of SBTN's Land guidance introduces supplier engagement targets for upstream volumes whose traceability is insufficient for place-based, science-based target setting. For instance, where the Working Land Regeneration and Restoration target is material for the upstream segment and location data do not allow site-level or sourcing-area-level target setting, the company must set a supplier engagement target to pass Land validation (SBTN's Land guidance (version 2)). The target does not constitute a Working Land Regeneration and Restoration target for those volumes: the company commits to recruiting suppliers who set their own science-based targets under the Step 3 methods, covering a defined share of the company's embedded upstream pressures within one to five years, so that the science-based commitment sits with the suppliers. A separate, optional traceability improvement target commits the company to raising traceability to the resolution required for place-based target setting within one to two years, after which the volumes concerned move into the standard target-setting methods. Two limits govern the mechanism: it does not replace required upstream targets where place-based target setting is feasible, and where a company holds commodity flows with different traceability levels it applies only to those flows for which place-based target setting is not yet feasible. SBTN is explicit that engagement targets are time-bound and validated against an action plan, but distinguished from science-based targets in name and claims. For validation, companies document the suppliers to be engaged, the rationale for their selection and the share of upstream pressures covered; the target is achieved when suppliers with validated targets cover the intended share.

LANDSCAPE ENGAGEMENT TARGET

Inventory attribution is not required under this target. Objectives within the initiative may be agreed between the company and relevant stakeholders, if they demonstrably contribute to the improvement of ecological and social conditions in the landscape. The selection of indicators to establish baselines and monitor progress is flexible and not prescriptively defined, although participation must comply with formal roadmap and validation criteria.

66. CNZS-C41.3: the climate action categories eligible for the OER contribution budget, including mitigation-enabling outcomes and adaptation and resilience funding.
67. CNZS-C43.1: OER outcomes shall not be counted toward scope 1–3 target implementation and shall not be netted from the GHG inventory.
68. CNZS-C41.1: verified mitigation outcomes; reductions from sources outside the value chain; sink protection, restoration and removals within or beyond it.
69. CNZS-C46: at and beyond the net-zero year, residual emissions reduced to residual levels and neutralised with eligible carbon removals.
70. CNZS-C46.3: direct responsibility for scope 1 residuals; CNZS-C46.4: scope 3 residuals neutralised jointly with partners reporting the same emissions, or directly.
71. CNZS-C46.2: long-lived GHG residuals neutralised with long-lived removals; remaining residuals with short-lived, long-lived or both.
72. CNZS-C46.5: no simultaneous use against another residual source; CNZS-C46.6: report host-country authorisation and corresponding adjustments of removal credits.
73. CNZS-C46.1: eligible neutralisation activities, within or outside the value chain.

74. SBTN Land v2, Requirement T1.5: land-use change accounted through the production unit or the sourcing area assessment method.
75. SBTN Land v2, T1.6: producer de minimis of 5% of a production unit or 20 hectares, whichever is stricter, cumulative.
76. SBTN Land v2, T1.7: downstream compliance at 95% or more conversion-free purchased volume per year.
77. SBTN Land v2, Requirement T2.2: at least one Land Area or one Land Quality target.

7.2 INTERVENTION TYPOLOGY AND RECOGNITION MATRIX

TABLE 2: WWF INTERVENTION TYPOLOGY AND RECOGNITION MATRIX

This table classifies nine types of landscape-level interventions according to their recognition under evolving climate and nature frameworks. The four analytical lenses (intervention type, accounting eligibility, corporate attractiveness, and landscape relevance) are applied consistently. Recognition categories follow the report's A-B-C classification: Category A (inventory-eligible, target-counted); Category B (recognised contributions without inventory effect, split into B1 toward target implementation and B2 engagement and responsibility recognition); Category C (enabling, not countable in its own right, classified under B2 where undertaken as landscape engagement in a landscape material to the company under the Landscape Engagement target, or where funded as an eligible climate action under Ongoing Emissions Responsibility). Most landscape initiatives combine several intervention types spanning multiple recognition categories. The legend for Lens 2 (recognition channels) appears in the table.

Legend — Recognition Channels (Lens 2):

1. Inventory and target accounting (GHG Protocol LSRS, SBTi Net-Zero Standard, SBTN's No Conversion and Working Land Regeneration and Restoration targets)
2. the Landscape Engagement target
3. Responsibility / contribution channels (e.g. OER)
4. Separate impact reporting or impact-ledger approaches

INTERVENTION TYPE / INSTRUMENT (LENS 1)	TYPICAL EXAMPLES	ELIGIBILITY FOR INVENTORY ACCOUNTING	CONTRIBUTION TO TARGET PROGRESS	RECOGNITION CHANNELS (LENS 2)	PRIMARY INCENTIVE SIGNAL (LENS 3)	LANDSCAPE RELEVANCE (LENS 4)	CAT.
TYPE 1 **Traceable practice change in production systems (value-chain linked)**	Farm/LMU practice change; verified input changes; measurable EF improvement	Yes, if physical traceability exists (LMU/sourcing region; eligible CoC)	Yes (SBTi, SBTN's No Conversion and Working Land Regeneration and Restoration targets where requirements met)	1. (sometimes also 4) (for supplemental impact reporting)	HIGH clear audit trail; defensible claims; internal performance linkage	MED-HIGH (if scaled and aligned to landscape priorities)	A B1 where outcomes cannot be allocated
TYPE 2 **Verified deforestation- and conversion-free supply**	Verified no-conversion sourcing; monitored compliance	Yes where conversion status is evidenced at mapped production units or defined sourcing areas and volumes are allocated	Yes (FLAG target progress; SBTN's No Conversion of Natural Ecosystems target); otherwise recognised toward target implementation at activity-pool or sector level (B1)	1. where accounting method exists; 2. SBTN	MED-HIGH strong buyer/reputation incentive; but evidence burden can be heavy	HIGH (strong biodiversity and climate co-benefits)	A B1
TYPE 3 **Removals and restoration directly tied to the company's sourcing boundary**	Agroforestry, cover crops, biochar, peatland restoration; soil carbon increases; rewetting	Yes, but removals eligibility is controlled and conditional (and often separated by category)	Yes where removals meet the LSRS requirements (FLAG target progress); restoration within production units counts toward the Working Land Regeneration and Restoration target	1. (if eligible) and/or 3 (as responsibility/portfolio outcomes)	MED-HIGH attractive where recognition is clear; otherwise stranding risk	HIGH (multi-outcome; resilience)	A B2 outside attributable productive areas
TYPE 4 **Regeneration practices affecting land productivity**	Cover cropping, reduced tillage, agroforestry and other practices enhancing land quality and biodiversity status; may affect productivity	Yes where changes in soil carbon and land condition are measured at land management unit level; removals on productive lands under LSRS Chapter 13	Yes (FLAG target progress; the Working Land Regeneration and Restoration target land quality indicators)	1 & 2. (Working Land Regeneration and Restoration target)	MED-HIGH strongest case for dual climate and nature recognition where spatial units align	HIGH (soil, water and biodiversity co-benefits; resilience)	A B2 B2 where land-quality indicators form part of a Landscape Engagement target
TYPE 5 **Aggregated supply-shed interventions with mixed physical traceability**	Interventions where physical flows mix at first aggregation	Only if traceability meets physical criteria (no book-and-claim)	Yes for components allocable to purchased volumes; the remainder is recognised toward target implementation at activity-pool level (B1)	1. (if traceable); otherwise target-implementation recognition at activity-pool level with separate reporting (B1, and 4) (separate impact reporting)	MED workable if designed around credible CoC models	HIGH	A B1
TYPE 6 **Collective landscape and jurisdictional programmes**	Jurisdictional approaches; pooled restoration + enforcement + farmer support	Partly (only the traceable/allocable components)	Partly	Combination of 1. (traceable parts), 2. (engagement), 4. (system outcomes), 3. sometimes (finance responsibility)	MED / LOW Med if structured as a bundle; Low if only soft recognition	VERY HIGH	A B1 B2 C
TYPE 7 **Landscape governance and enabling systems**	Stakeholder platforms; spatial planning; tenure; enforcement; MRV infrastructure	No (not attributable as inventory change)	No (generally)	2. (Landscape Engagement target, in material landscapes), 3. (Ongoing Emissions Responsibility contribution budget, where eligible), 4. (separate impact reporting)	LOW-MED often non-countable, relies on external recognition	VERY HIGH (often prerequisite for outcomes)	B2 C where undertaken under the Landscape Engagement target in a material landscape or funded as an eligible climate action under Ongoing Emissions Responsibility
TYPE 8 **Energy and commodity certificates**	Interventions on commodity production at activity pool or sector level	Only where a commodity certificate relies on a physical chain-of-custody model, such as mass balance meeting LSRS Requirement 8, and only for the share allocated to purchased volumes (see Type 5); book-and-claim certificates do not enter the inventory	Toward target implementation only: recognised within the Net-Zero Standard hierarchy (CNZS-C21 to C28) where boundary and integrity conditions are met; the instruments are reported separately from the physical inventory and do not change the measured inventory reduction against the target	Target-implementation recognition with separate reporting (B1); 1. only for the underlying traceable share, which is treated as Type 5	MED-HIGH usable where direct sourcing from aligned suppliers is not feasible	MEDIUM potential to channel finance into supply sheds, though the amount of finance actually delivered remains to be demonstrated	A B1
TYPE 9 **Carbon credits**	Carbon credits (verified mitigation outcomes) generated within the sourcing landscape	Inventory claims are constrained; rely on integrity rules	No: outcomes supported under Ongoing Emissions Responsibility are not counted toward scope 1, 2 or 3 target implementation and are not netted from the inventory	3. (Ongoing Emissions Responsibility, as verified mitigation outcomes meeting the CNZS-C41 and C42 integrity criteria); not counted toward target implementation (CNZS-C43.1)	MED-HIGH if the instrument is acceptable; risk depends on integrity and double counting	VARIABLE (can fund high landscape value, but can also bypass governance)	B2

7.3 GLOSSARY

Activity pool. A shared system of activities serving the reporting entity, defined at the smallest system boundary within which the specific activities serving the company cannot feasibly be identified. For target implementation the pool boundary is defined at the smallest reasonable geographic or operational level within which emissions from the relevant activity can be collectively decarbonised (CNZS-C21.2, C22).

AGILE. AGILE sets out the corporate-level accounting methods for land use change, land footprint, natural land cover, land quality, and landscape engagement that underpin the V2 Land targets.

Book-and-claim. A chain-of-custody model in which the transfer of specified characteristics is not connected to the physical flow of material or products. Book-and-claim cannot be used to demonstrate physical traceability under LSRS REQ 8, so outcomes conveyed this way do not enter the physical inventory.

Category A (Inventory-level actions). Interventions whose outcomes enter the GHG physical inventory or are evidenced at production units and defined sourcing areas against SBTN's No Conversion and Working Land Regeneration and Restoration targets and count toward climate and nature target progress.

Category B (Recognised contributions). Interventions recognised without entering the physical inventory: B1 toward target implementation (pool and sector actions, market instruments not reflected in the inventory); B2 engagement and responsibility recognition (OER, Landscape Engagement target).

Category C (Enabling activities). Interventions such as governance, rights, monitoring and coordination systems that receive no recognition under inventory-based or target-progress accounting, yet determine whether recognised outcomes materialise; recognised under B2 where they form part of landscape engagement in a materially relevant landscape under the Landscape Engagement target, or where the company supports them as an eligible climate action under Ongoing Emissions Responsibility.

Chain of custody. The set of models linking product flows to claims: identity preservation, segregation, controlled blending, mass balance and book-and-claim.

Contribution budget. The OER financing route in which companies allocate a budget per tonne of covered ongoing emissions across the climate action categories defined by the standard, including mitigation-enabling outcomes funding and adaptation and resilience funding (CNZS-C41.3). At the Engaged level no carbon price is mandated and at least US$20 per tCO2e is recommended (CNZS-R40.1); at Advanced a budget of US$20 per tCO2e is required (CNZS-C40.4); at Leadership a budget of US$80 per tCO2e is required alongside verified mitigation outcomes (CNZS-C40.5, C40.6).

End-of-cycle Assessment. The Net-Zero Standard stage at which target progress and the integrity of actions and market instruments are assessed (CNZS-C25 to C28, C36, C37). The obligation to account for and report a physical GHG inventory, and to account for and report separately those actions and market instruments not reflected in it, is set at CNZS-C5.4 and assessed at Target Validation.

FLAG. Forest, Land and Agriculture: the SBTi sector pathway for companies with significant land-sector emissions.

First point of aggregation. The stage at which physical flows from multiple origins first mix; the practical breakpoint for farm-level traceability.

Implementation hierarchy. The Net-Zero Standard prioritisation for scope 3 implementation: activity level first, then activity pool, then sector, governed by integrity criteria (CNZS-C21 to C28).

Land Management Unit. A defined unit of land under a single management plan, used as one of the LSRS scope 3 spatial boundaries. It sits between the sourcing region and the individual harvested area in the traceability hierarchy of REQ 5; the harvested area is the finest boundary the LSRS provides.

Landscape Engagement target (Target 3). The SBTN's Land target recognising structured participation in collective, place-based landscape initiatives.

LSRS. The GHG Protocol Land Sector and Removals Standard v1.1: accounting rules for land-based climate emissions and removals in corporate inventories.

Market instruments. Contractual arrangements that enable the creation, transfer or claiming of GHG-related environmental attributes, including certificates, mitigation-related contracts and GHG credits (CNZS glossary). In this report, energy and commodity certificates are the market instruments recognised toward target implementation within the Net-Zero Standard implementation hierarchy (CNZS-C27); carbon credits are addressed under Ongoing Emissions Responsibility (CNZS-C43.4).

MRV. Measurement (or monitoring), reporting and verification.

Neutralisation. Counterbalancing residual emissions with eligible carbon removals at and beyond the net-zero target year.

Ongoing Emissions Responsibility (OER). The Net-Zero Standard optional recognition programme for taking responsibility for ongoing emissions, with three levels: Engaged, Advanced and Leadership. Distinct from the post-2035 removals responsibility (CNZS-C45), which is required for SBTi Category A companies (large companies, and medium-sized companies in high-income countries) and optional for SBTi Category B companies (SMEs, and companies in lower-income countries below the Net-Zero Standard thresholds). This SBTi company classification is unrelated to the intervention categories A, B and C used in this report.

Physical inventory. The corporate GHG inventory reflecting physical emissions and removals; the basis for assessing climate target progress.

Production unit. The SBTN spatial unit at which the No Conversion of Natural Ecosystems and Working Land Regeneration and Restoration targets are assessed and reported: a plantation, farm, ranch, forest management unit or production site, including all plots under one management in the same general area together with associated natural ecosystems, infrastructure and other land (adapted from the Accountability Framework initiative).

Supplier Engagement target. An alternative route in SBTN's Land guidance (version 2) for meeting upstream Working Land Regeneration and Restoration target requirements where location data are insufficient to identify sourcing regions at subnational level (Requirement T2.28). Companies must disclose why a place-based upstream target cannot be set and define a time-bound plan to improve traceability. The target applies only to the flows for which place-based target setting is not yet feasible and cannot replace place-based upstream targets where those are feasible; SBTN states that it is not itself a place-based, science-based target.

Supply shed. The sourcing geography from which a company draws volumes of a commodity; a key aggregation concept for pooled action.

Target implementation and target progress. Implementation denotes actions taken under the hierarchy to deliver targets; progress denotes the assessed movement toward targets, evaluated at the End-of-cycle Assessment.

Traceability. The ability to link purchased volumes to their origin; determines which land can enter the inventory and which chain-of-custody models are available.

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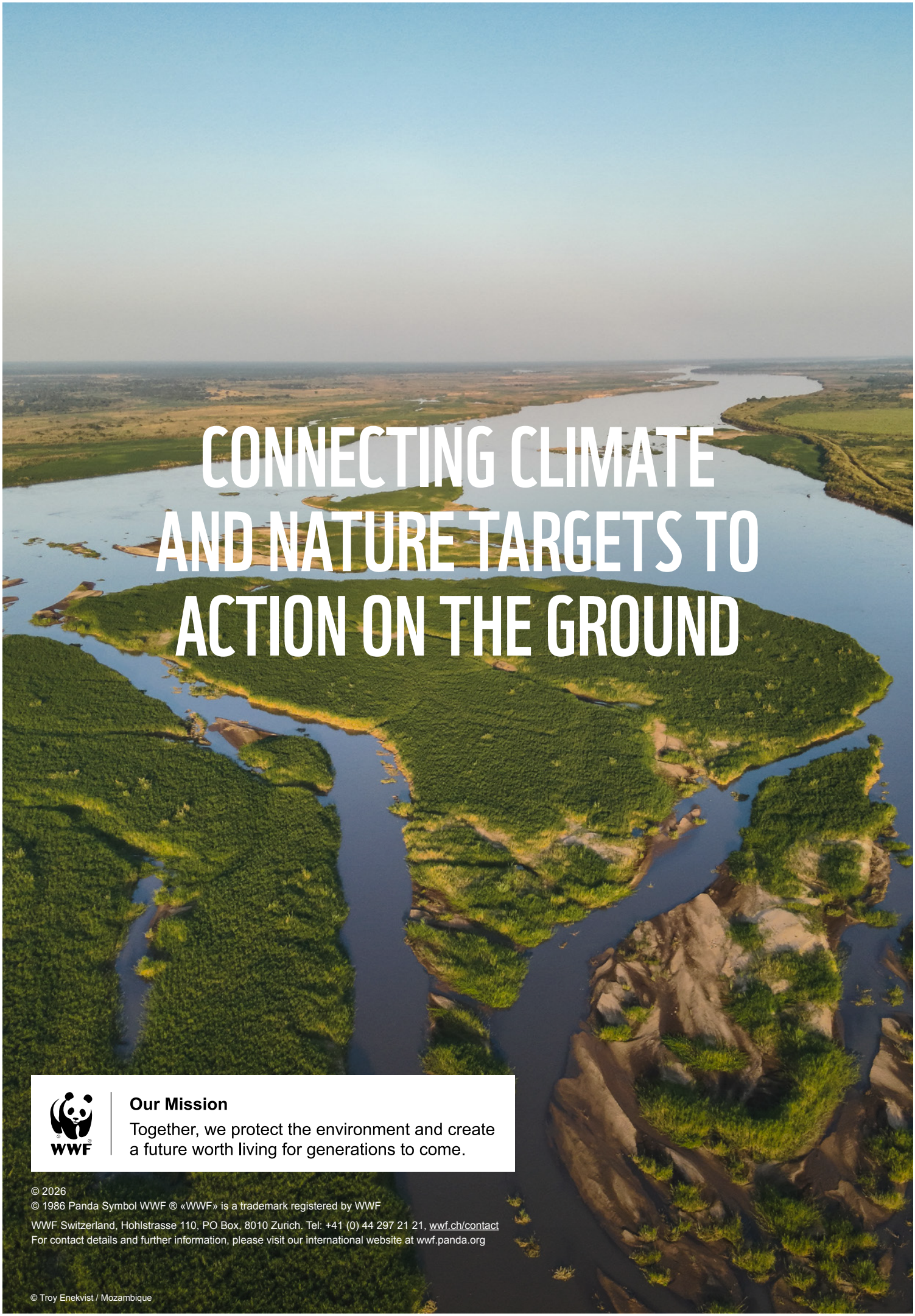

CONNECTING CLIMATE AND NATURE TARGETS TO ACTION ON THE GROUND

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