

INVESTMENTS FOR IMPACT AND RESILIENCE:

A COFFEE INDUSTRY GUIDEBOOK ON LANDSCAPE AND JURISDICTIONAL INITIATIVES

The coffee industry faces increasing supply chain risks that no single actor can solve alone. Climate change, regulatory pressures, and farmer livelihood challenges are creating unprecedented disruptions in coffee-producing regions, while new compliance requirements demand greater transparency and investment. Coordinated action and investment at the landscape level—extending beyond individual farms and enabled through market and policy alignment—will be essential to effectively address emerging supply chain risks for lasting impact in the landscapes where coffee is grown.

Over the past decades, companies have made meaningful efforts to reduce coffee's environmental and social impacts through certification and supply chain projects, yet these efforts often fall short of addressing systemic challenges threatening the longevity of coffee communities, natural ecosystems, and global supply. Most current interventions remain narrowly focused on the farm level—overlooking broader land use dynamics, ecosystem interdependencies, and regulatory pressures that carry real business implications.

To close this gap, public and private actors are increasingly called to engage and invest in landscape and jurisdictional initiatives (LJIs)—collaborative approaches that address environmental, social, and market challenges holistically and unlock change at scale. Recognizing that no single stakeholder can achieve lasting impact on their own, LJIs offer a strategic pathway to drive collective action and investment, aligning corporate sustainability and sourcing strategies with national action plans, local priorities, and cross-sector partnerships. For companies, this is not a replacement for supply chain and farm-focused programs, but a complementary approach that has the potential to mitigate costs and risks posed by market and landscape dynamics beyond their control, and enhances effectiveness, scalability, durability and return on investment.



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ABOUT THIS GUIDANCE

This guide is designed to help coffee companies and supply chain actors take action. While it builds on existing LJI principles and guidance, it is tailored specifically to the coffee sector—offering concrete, actionable steps for companies that are among the early movers in landscape and jurisdictional engagement. Recognizing that companies are at different stages in their place-based investment strategies, this guide is organized around **key conceptual questions** and **practical steps** for engaging with LJIs. It is not intended as a how-to manual for establishing new landscape or jurisdictional initiatives. Rather, it supports companies in identifying promising initiatives that align with each company's unique needs and objectives, and evaluating frameworks for investment, implementation and impact that align with their specific sustainability priorities and sourcing strategies.



CONTENTS

PART 1: INTRODUCTION	7
I. WHAT ARE LANDSCAPE AND JURISDICTIONAL APPROACHES?	8
II. WHY ARE LANDSCAPE AND JURISDICTIONAL APPROACHES NEEDED?	9
III. WHAT IS THE CURRENT STATE OF INVESTMENT IN LANDSCAPE AND JURISDICTIONAL INITIATIVES?	12
IV. WHAT IS THE BUSINESS CASE FOR LANDSCAPE AND JURISDICTIONAL APPROACHES?	14
PART 2: GUIDANCE FOR ENGAGING AND INVESTING IN LANDSCAPE AND JURISDICTIONAL INITIATIVES	19
STEP 1: UNDERSTAND YOUR NEEDS: WHAT ARE YOUR OBJECTIVES, ENGAGEMENT OPTIONS AND PRIORITY LANDSCAPES FOR INVESTMENT?	20
STEP 2: IDENTIFY AND ASSESS LJIS FOR INVESTMENT	34
STEP 3: INTEGRATE, IMPLEMENT, AND MEASURE IMPACT	38
STEP 4: PLAN FOR LONG-TERM IMPACT AND ENGAGEMENT	47
CONCLUSION	49
REFERENCES	50

ACRONYMS

AFI	Accountability Framework Initiative
CDP	Carbon Disclosure Project
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
ESRS	European Sustainability Reporting Standards
GHG	Greenhouse Gas
LJI	Landscape and Jurisdictional Initiative
MRV	Monitoring Reporting and Verification
SBTi	Science-Based Targets Initiative
SBTN	Science-Based Targets Network
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures

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I. WHAT ARE LANDSCAPE AND JURISDICTIONAL APPROACHES?

<u>Landscape and jurisdictional initiatives</u> are initiatives that act beyond individual supply chains to address critical sustainability issues, ultimately working towards agreed upon goals at the landscape level (ISEAL, 2024). These initiatives are characterized by the following criteria and characteristics regarding the scope of their impact and the mechanisms that enable it:



Figure 1. Source: Company Roadmap for effective company landscape action and claims, ISEAL, 2024

- Rooted in landscape context: Goals and activities are established based on local priorities, needs, and capacities, ensuring that initiatives are grounded in the specific realities and input of each landscape.
- Facilitate multi-stakeholder coordination: LJIs leverage expertise and coordinate action across all interested stakeholders—including local authorities, civil society organizations, farmer organizations, and private sector actors—while providing transparency in decision-making and mechanisms for resolving conflict.
- Enable systemic change beyond an individual supply chain: Investments and actions contribute to common goals and targets, delivering integrated benefits to people and nature across different land uses. Examples include restoring forest areas that provide both critical ecosystem services to coffee production areas (e.g. pollination, erosion control, water regulation) as well as important habitat for biodiversity, or improving monitoring and enforcement of existing regulations to support compliance with supply chain and regulatory requirements.
- Require collective planning and monitoring: Transformation plans are developed collectively under LJIs to ensure actors' investments and actions complement and reinforce each other. All initiatives should be monitored and reported against collective goals and action plans, and all stakeholders must invest in these processes. Strong monitoring and coordination systems enable clearer claims related to activities and impacts.

KEY DEFINITIONS:

Landscapes

Landscapes are geographic areas with common ecological and socioeconomic characteristics. They may be delineated based on watersheds, ecosystems, jurisdictional boundaries, company sourcing areas, or in other ways.

Landscape Initiatives

A multi-stakeholder initiative is established in a given landscape to set common goals, take collective action, and monitor progress towards improving social, environmental, and economic outcomes, while reconciling different interests, at the landscape level. Landscape initiatives are typically implemented through a range of actions such as land-use plans, place-based projects, policies and incentives, new investments and financial mechanisms, capacity building, supply chain interventions, and monitoring and enforcement.

Jurisdictional Initiative

A type of landscape initiative that is delineated by administrative boundaries and implemented with a high level of government involvement.

Source: AFI (adapted from definitions provided by multiple sources, including CDP, Proforest, ISEAL and the Jurisdictional Approaches Resource Hub)

STANDARD GUIDANCE ON LANDSCAPE AND JURIS-DICTIONAL INITIATIVES:

Several organizations provide comprehensive resources and guidance for companies and stakeholders implementing LJIs:

- ISEAL Alliance
- The Accountability Framework initiative (AFI)
- Proforest
- Jurisdictional Approaches Resource Hub
- 1000 Landscapes for 1 Billion People

II. WHY ARE LANDSCAPE AND JURISDICTIONAL APPROACHES NEEDED?

Coordinated action within and beyond the farm gate is essential to address systemic challenges and to drive the necessary, transformative impact at scale for the future of the coffee sector.

The sustainability, climate resilience, and compliance of coffee supply chains are increasingly shaped by complex dynamics—many of which extend far beyond the purview of individual farmers or companies. Coffee production depends on healthy ecosystems and stable climatic conditions, as well as prosperous producer communities and enabling environments, all of which are influenced by a wide range of actors, including local and national governments, neighboring land users, and non-coffee sectors operating in the same landscape.

THREE IMPORTANT CAVEATS FOR PRIVATE SECTOR ENGAGEMENT IN LJIS

- LJIs are not one-size-fits-all. The type of private sector participation needed varies according to each initiative's specific goals and methods—from ending deforestation to establishing region-wide traceability systems.
- LJIs complement, not substitute, existing sustainability efforts. They serve as an additional strategy that tackles systemic drivers of challenges like deforestation, while companies must still address direct supply chain impacts.
- Company interventions gain effectiveness when embedded in LJIs. Activities like restoration or farmer training achieve greater results when integrated into multi-stakeholder efforts that leverage partners' resources and expertise.

Source: "Landscape scale action for forests, people, and sustainable production: a practical quide for companies" Tropical Forest Alliance (2020)

In this context, even the most committed companies face risks and barriers that individual company action cannot solve. In fact, despite an increase in sector investment, progress lags far behind the scale required for transformative change in the coffee sector. In part this is due to the misaligned incentives for individual action. Climate impacts drive market volatility, which encourages companies to maintain flexible sourcing strategies across many origins rather than invest deeply in any one region. In such a vast sourcing environment, the cost of implementing robust initiatives—including training, inputs, and monitoring for impact and compliance—is high. This is especially true when working with smallholders, who produce the bulk of the world's coffee yet often require greater support and pose higher transaction costs for implementation.

Even well-designed projects face systemic limitations and suboptimal impact when interventions remain isolated at the farm level. For example, farmers may adopt improved soil or water practices, but still remain vulnerable to erosion, flooding, or declining water quality due to neighboring land users' practices or deforestation and habitat loss in surrounding areas. Shifting policies, limited extension services, or suboptimal infrastructure can undermine the effectiveness of farm-level investments if planning and coordination ends at the farm gate.

Further, when these investments are made in isolation without proper coordination, they risk not only fragmented impact but misalignment. Projects may duplicate efforts, contradict other initiatives, or operate at cross-purposes with government plans. Even well-intentioned coordi-

WHY ARE HEALTHY ECOSYSTEMS AND LANDSCAPES IMPORTANT FOR COFFEE PRODUCTION?

Healthy, resilient crops rely on the resources and services provided by nature. Biodiverse agroforestry systems generate plentiful networks of roots and organic matter to nurture healthy soils, cycle essential nutrients for crop production, and regulate temperatures and water retention. These nature-rich systems also provide habitat for beneficial microbes, pollinators, and predators for harmful pests.

As temperatures rise and instances of drought and extreme weather events increase in most coffee-producing areas, these "ecosystem services" provided by nature become even more vital, especially for long-living perennials like coffee. Healthy forests and diverse vegetation also provide microclimate benefits, buffering temperature fluctuations and maintaining more stable local conditions. They are also increasingly degraded by land degradation and deforestation.

Originally evolved from forest ecosystems, coffee is well suited to agroforestry management, presenting opportunities for climate adaptation for long-term productivity, restoration of local biodiversity, and carbon capture (Pulleman, 2023). However, both addressing coffee's dependence on degrading ecosystems and capturing the opportunity it presents to bolster outcomes for climate and nature require action beyond the farm gate.

Farms will only thrive when the surrounding areas provide the right conditions (e.g. healthy watersheds and pooled resources cycling through connected habitats). And the promise for restoration and carbon capture cannot be achieved at scale when limited to productive plots, which must balance biodiversity with optimal conditions for production. See Step 4: Plan for Sustainability & Long-term Engagement for detail on how LJIs comprehensively address these needs for long-term impact at scale.

WHY IS THE WELLBEING OF PRODUCERS IMPORTANT FOR COFEE PRODUCTION?

Coffee's global supply depends on 12.5 million farms worldwide, 84% of which are smaller than 2 hectares. The average age of coffee farmers exceeds 60 years, and many have limited economic alternatives. In many cases, farmer incomes fall far short of providing a decent livelihood or supporting the climate adaptation investments needed for long-term production. Many of the 50+ coffee-producing countries rely heavily on coffee export earnings, yet the global market depends on bulk supplies from just a few countries for about 85% of production. These conditions create fundamental supply risks that individual company efforts alone cannot address at the scale required (CDI, 2023).

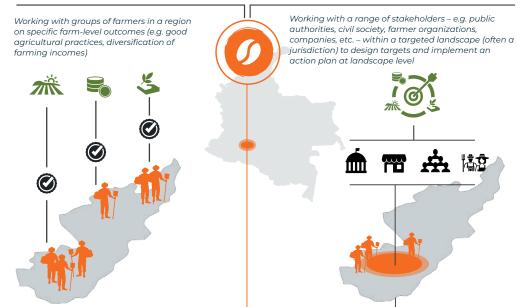
nation through national coffee platforms may fall short if action remains commodity-specific and lacks integration with other sectors operating in the same landscapes, or if it fails to address the sub-national, jurisdictional-level dynamics where implementation actually occurs. This can lead to inconsistent implementation, uneven farmer experiences, competition between multiple buyers for the same certified supply, damaged local relationships, and missed opportunities to share resources or scale results. In worstcase scenarios, uncoordinated investments can increase reputational or compliance risks—for example, when non-participating producers engage in unsustainable practices that harm origin-level credibility, or when carbon benefits are inadvertently double-counted across developers or buyers.

LJIs transform these challenges into synergies by providing a practical solution for coordinated, cost-effective, and high-impact investments in coffee origins. By enabling collaboration across stakeholders and sectors. LJIs help companies align their on-farm investments with broader environmental, policy, land-use, and market dynamics and drive holistic impact at a broader scale. LJIs resolve competing landuse priorities by balancing the needs of nature, communities, and production. LJIs make it possible to couple targeted farm-level practices—like agroforestry, soil regeneration, or responsible development of production areas—with the complementary, systemic strategies necessary for success, such as watershed management or habitat conservation and restoration, ensuring that efforts are mutually reinforcing for not only amplified but lasting impact. Equally, they

LJIs do not replace but rather align project-based initiatives to amplify their impact through coordinated planning

Project-based Initiatives

Landscape and Jurisdictional Initiatives



BENEFITS



Stronger public-private partnerships to tackle systemic challenges, reducing project overlap and increasing synergies for long-term alignment in policy and investment objectives



Improved supply chain due diligence aligned with evolving regulations (e.g. deforestation mapping, sustainability and reductions reporting)



Inclusive, resilient and adaptable sourcing models that bolster long-term sustainability of supply and are scalable across sourcing regions



Expanded access to catalytic and diverse sources of co-financing to increase cost-efficiency and impact of place-based investments

CHALLENGES



Benefits and challenges for LJI engagement

Takes time to set up, requiring neutral convening and trust



Shared ownership of results among contributing organizations



Needs pre-competitive collaboration and initial seed funding



Alignment of tools and policies may favor larger players whose approaches are more likely adopted

Figure 2. Landscape approaches align project- or farm-level investments in coffee sourcing regions for integrated impact at scale

provide a foundation for social impact, ensuring that investments in livelihoods, equity, and inclusion are anchored in local governance, informed by community priorities, and scaled beyond the individual farm. This alignment helps companies de-risk their supply chains in the context of a changing climate and regulatory environment, achieve greater return on their investments, and contribute to broader impacts for climate and nature than they could achieve through action toward individual sustainability targets.

LJIs help companies de-risk their supply chains in the context of a changing climate and regulatory environment, achieve greater return on their investments, and contribute to broader impacts for climate and nature than they could achieve through action toward individual sustainability targets."

III. WHAT IS THE CURRENT STATE OF INVESTMENT IN LANDSCAPE AND JURISDICTIONAL INITIATIVES?

Private sector participation in landscape and jurisdictional approaches has expanded significantly in recent years, with hundreds of companies now engaged in these multi-stakeholder initiatives, though the quality and scale of these disclosures often trails commitments (CDP, 2024). Standards and reporting frameworks like CDP and SBTN now emphasize LJI engagement as a key disclosure area (TNC, 2025). Most reported initiatives are actively operating with established implementation frameworks (CDP, 2024). Over 80% of state and regional initiatives indicate government funds or subsidies as a financing source, demonstrating substantial potential for enhanced private sector involvement (CDP, 2024). LJIs today are primarily shaped by catalytic public funding that enable initiatives to launch, with NGOs playing a central role in coordinating the design, structure and management of partnerships and governance systems on the ground. Private sector investment typically takes the form of co-funding toward specific outcomes and sourcing regions within established LJIs.

While LJIs demand considerable investment of time, resources, and local knowledge to establish successfully, they provide companies with an effective mechanism for addressing sustainability challenges that no single organization can tackle independently (TNC, 2025).



However, as LJIs continue to evolve, a clear gap remains: **companies need more practical entry points, shared models, and trusted convening structures to catalyze supply chain investments through landscape action**. This guide seeks to clarify the roles companies can play in these evolving models and how they can contribute to—and benefit from—landscape-level outcomes.

DONOR	ROLE AND FOCUS AREA (ALL INCLUDE LENS FOR CLIMATE- AND NATURE-POSITIVE MODELS AND LOCAL BUY-IN PER STANDARD LJI PRINCIPLES)
GLOBAL ENVIRONMENT FACILITY (GEF)	One of the focus areas of the GEF – as a multilateral family of funds to support developing countries in addressing the root causes of environmental degradation – is to support efforts driving sustainable management and restoration of land. A range of GEF-supported programs promote landscape and jurisdictional approaches. For instance, the Food Systems, Land Use and Restoration Impact Program (FOLUR) is a \$345 million, seven-year initiative funded by the GEF and led by the World Bank. Seeking to transform food and land use systems, the program consists of a global knowledge platform and 27 country projects. Country-level work focuses on accelerating action in targeted landscapes and along value chains for eight major commodities, coffee included.
SECO – SWIT- ZERLAND STATE SECRETARIAT FOR ECONOMIC AFFAIRS	SECO funds the Leuser Alas Singkil River Basin (LASR) project as part of the Sustainable Landscape Program Indonesia (SLPI) in Northern Sumatra, Indonesia. The Landscape is managed by Earthworm Foundation together with Swisscontact and Koltiva. The initiative is aiming to promote traceable and sustainable supply chains, linking coffee, cocoa and palm oil smallholders to better market opportunities, while empowering local governments to lead land-use planning and conservation efforts to protect the Leuser Ecosystem.
NORAD - NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION.	NORAD is a long-term funder of jurisdictional approaches through the Norway International Climate and Forest Initiative with a focus on sustainable land use and reduced pressure on forests from global markets. For instance, NORAD finances an IDH-lead Program, that is implemented across Brazil, Liberia and Indonesia. It supports sustainable land management and tropical forest protection through Production-Protection-Inclusion Compacts focusing on beef, oil palm and cocoa value chains.
DUTCH MINISTRY OF FOREIGN AFFAIRS	The Dutch Ministry of Foreign Affairs funds the <u>Initiative for Sustainable Landscapes (ISLA)</u> program led by IDH which has seven landscapes initiatives across Brazil, Cameroon, Côte d'Ivoire, Ethiopia, Indonesia, Kenya and Vietnam. Vietnam's Central Highlands landscape, for instance, supports sustainable land management and climate resilience through Production–Protection–Inclusion Compacts focused on coffee and pepper value chains. The program brings together government, civil society, and private sector actors to improve smallholder livelihoods and prepare for EU deforestation regulations.
GREEN CLIMATE FUND (GCF)	The Green Climate Fund supports developing countries to accelerate their climate mitigation and adaptation plans. In forest ecosystems and the land use sector, the GCF focuses on protection, restoration, and sustainable management with a focus on transformational planning to reduce emissions and improve livelihoods. In 2024, the GCF approved a Project Preparation Facility grant that is globally coordinated by Conservation International to support the design and development of the Alternative Response Options for Mitigation & Adaptation of Coffee Farms (AROMA) program in Guatemala, Honduras, Mexico and Uganda. Once approved, AROMA will be implemented over seven years to respond to the priorities of participating governments, support smallholder coffee farmers to better adapt to the impacts of climate change and reduce emissions and deforestation in coffee sourcing regions, and develop globally replicable investment mechanisms for place-based public-private investment into specific coffee landscapes.
Table 1. Catalytic Public Do	nors Supporting LJIs

IV. WHAT IS THE BUSINESS CASE FOR LANDSCAPE AND JURISDICTIONAL APPROACHES?

Scaling climate adaptation across the global coffee sector will require \$560 million annually over seven years to support 3.2 million smallholder farmers in nine major producing countries—an investment that would increase farmer incomes by 62% while generating \$2.6 billion in additional exports annually"

TechnoServe, 2025

By aligning complementary efforts both on and off the farm, LJIs provide coffee companies with a practical, place-based framework for resolving shared challenges and capturing new opportunities for sustainability and competitiveness.

For companies already making farm-level investments, LJI approaches offer a way to bolster supply chain resilience, address increasing pressures for compliance and sustainability reporting, and scale impact while also enhancing business performance in ways that are not possible through individual or farm-level action alone. LJIs operate at the sub-national level where implementation occurs, enabling companies to adapt investments to specific local conditions while aligning with national and international policies, regulations and development strategies. While not all LJIs will address every challenge, their strength lies in providing a framework to consider interconnected challenges in an integrated fashion by:

Bolstering supply chain resilience

Climate change, nature loss, and declining farmer livelihoods are undermining the long-term productivity of coffee supply chains. As global coffee demand continues to rise (CDI, 2023), climate impacts are reducing the area suitable for cultivation, with rising temperatures, shifting rainfall patterns, and land degradation lowering both yield and quality (Bunn et al., 2015). Other crops increasingly compete for limited arable land, and as farmers seek to maintain or expand production levels, forests face an increased risk of conversion—further degrading critical natural resources (Pulleman, 2023). Smallholder farmers, who represent the majority of global coffee production, are the most exposed to these pressures. Roughly 44% of coffee farming families live at or below the poverty line (ITC Coffee Guide, 2021), and many lack the financial and technical capacity to adapt to climate and environmental shocks (TCLI, 2021). Many are leaving the sector altogether through migration to urban areas or by transitioning to alternative crops (Albers et al., 2021). **These dynamics present growing risks to supply continuity, quality, and price stability—making long-term sourcing less predictable and more costly.**

Landscape approaches offer coffee companies a pathway to proactively manage these risks by addressing off-farm drivers like deforestation, water insecurity and degraded infrastructure through coordinated action in strategic sourcing regions. LJIs enable cross-commodity coordination, allowing stakeholders to plan for the full spectrum of land uses within the landscape. By coordinating with other public and private sector actors, companies can leverage additional resources and policy support to stabilize supply while reinforcing the resilience of their priority coffee origins.

Addressing Sustainability, Regulatory, and Compliance Pressures

Coffee companies are navigating an increasingly complex global landscape of requirements around due diligence and disclosure. Regulations like the EU Deforestation Regulation (EUDR) and the Corporate Sustainability Due Diligence Directive (CSDDD) demand greater transparency, traceability, and due diligence across supply chains. At the same time, companies are expected to meet increasingly ambitious internal and external climate and nature targets, transition plans, and disclosures to meet buyer and investor expectations (see Table 2 below). Designing the robust systems required to monitor against these standards and frameworks is not only costly and operationally complex—it is nearly impossible to do alone at scale. LJIs offer a cost-effective, scalable pathway to establish integrated monitoring systems for compliance and sustainability outcomes alike, such as deforestation mapping or increased carbon sequestration.

Coffee companies can particularly value from coordinated, origin-level monitoring systems given their complex sourcing environment, where companies may source from dozens of countries, producers may sell to multiple buyers, and regulatory infrastructure is still rapidly evolving. LJIs enable the public-private partnerships, co- investments and coordination needed to align local and international regulatory frameworks, and to respond to local compliance risks, sustainability targets, and operational contexts.

These types of multi-stakeholder processes also create a platform for companies to discuss specific topics that hinder sustainability performance with local authorities, for example enforcement of regulations related to pesticide use, overuse of water by other users in the watershed, or infrastructure gaps in remote communities. While these collaborative discussions are not without challenges—progress can be slow and costly, and sensitive issues related to institutional priorities or human rights may be difficult to address openly depending on the local context and data availability—the shared objectives and investments supported through LJIs allow for coordination, discourse and progress that may not otherwise be possible.

Leveraging co-investment and efficiency to incentivize coordinated impact at scale

LJIs address a fundamental market problem: misincentives discourage individual companies from investing in systemic solutions that competitors can benefit from without contributing. LJIs solve this by creating a more incentivized and impact-oriented investment environment where catalytic funding and collective planning allow engaged institutions to amplify and share the benefits of essential investments, unlocking positive outcomes that no single actor could achieve alone.

COORDINATED ACTION IN VIETNAMESE COFFEE LANDSCAPES ENABLED EUDR COMPLIANCE

In Vietnam, IDH successfully established a forest monitoring data base that is shared between the public and private sectors. Although not directly executed within the framework of the LJI, this monitoring system was made possible thanks to years of relationship building with landscape stakeholders in the Central Highlands of Vietnam.

In 2023, IDH started to convene stakeholders around EUDR compliance, which resulted in the launch of the **EUDR** Database System for Forest and Coffee Growing Areas in December 2024. The platform, now owned by the Ministry of Agriculture, is made possible thanks to the trust, collaboration and contributions of JDE Peet's, provincial governments, coffee businesses, and farmers. who ensure that farm data is entered into the system and available to all stakeholders (in aggregate and anonymized) at a fraction of the cost that would be required of individual businesses to trace their suppliers' plots in isolation.

FRAMEWORK	ROLE AND FOCUS AREA (ALL INCLUDE LENS FOR CLIMATE- AND NATURE-POSITIVE MODELS AND LOCAL BUY-IN PER STANDARD LJI PRINCIPLES)
SCIENCE BASED TARGETS INITIATIVE	The SBTi Net Zero Standard is now under update and considering guidelines that may allow indirect mitigation claims at the landscape or jurisdictional level when direct emissions tracing is difficult in complex supply chains. This action would count toward neutralization and BVCM targets, which may be consolidated in coming guidance. LJIs' coordinated monitoring and impact reporting models can be designed to meet the separate SBTi reporting mechanism for indirect impact (which must be separated from direct and beyond value chain mitigation efforts).
CDP	CDP's landscape and jurisdictional approach disclosure requirements create significant opportunities for companies engaged in LJIs. With over 300 companies now disclosing landscape engagements, those participating in well-designed LJIs have a clear advantage in meeting CDP's four core criteria—appropriate scale, multi-stakeholder governance, collective goals and actions, and robust monitoring systems. Since 50% of disclosed engagements failed to meet these criteria in 2023, companies involved in credible LJIs can differentiate themselves through higher-quality disclosures that demonstrate meaningful land-scape impact, potentially improving their CDP scores and meeting growing investor expectations for nature-related commitments.
SCIENCE BASED TARGETS NETWORK	LJIs can greatly facilitate progress and impact reporting against SBTs for Nature impact given the network's focus on stake-holder engagement and more holistic monitoring for nature impacts (land, water and biodiversity). Investing in Landscape Initiatives is a target that companies can set through SBTN via the Land Targets framework, recognizing the interconnected-ness between nature challenges and encouraging companies to set targets in landscapes that achieve multiple goals around land, water and biodiversity. By aligning LJIs with SBTN guidance, coffee companies can make direct progress toward SBTs for Nature while catalyzing transformative change and increasing efficiencies with broader supply chain efforts (in addition to avoiding and reducing harm and investing in regenerative practices).
CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE	LJIs readily align with the EU's CSDDD standards for due diligence by embedding stakeholder consultation, risk mitigation, and monitoring at origin. Further, synergies can be created by working at the landscape and jurisdictional level than focusing on siloed supply chains.
EU DEFORESTATION REGULATION	EUDR places a strong emphasis on traceability to the farm level. The implementation of LJIs is highly relevant, particularly when it comes to data mapping and deforestation prevention strategies, as shared landscape-level data platforms enable traceability and deforestation-free sourcing, especially in complex origins.
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) AND TASK FORCE ON NATURE- RELATED FINANCIAL DISCLOSURES (TNFD)	The recommendations and guidance provided through TCFD (est. 2015) and its sister initiative TNFD (est. 2021) provide companies with risk management and disclosure frameworks to act on organizational dependencies, impacts, risks and opportunities related to climate and nature. Particularly in the coffee industry, there is an increasing desire and expectation that companies conduct climate and nature assessments in line with TCFD and TNFD to better understand how climate change and nature loss can impact a company's financial position. Additionally, these frameworks increasingly underpin a range of mandatory disclosure regulations that are, or soon will be, in effect.

Table 2. How Landscape and Jurisdictional Approaches Align with and Accelerate Impact towards Leading Sustainability Frameworks

This shared investment model enables companies to extend beyond compliance and quick-win initiatives into more challenging market segments and broader impact areas. For example, whereas companies are often limited to working with advanced or certified farmers to maintain sourcing and sustainability standards, coordination with mission-driven funders and civil society within coffee landscapes allow companies to support vulnerable and marginal farmers often "hidden" in their indirect supply chains, who are otherwise beyond their reach at scale. This collective approach builds inclusive local institutions, bolsters human rights and farmer incomes, and generates shared benefits that strengthen both supply and community.

By leveraging the coordinated models for implementation and monitoring that LJIs offer, companies can then make stronger, more credible claims about these more holistic impacts generated through collective action (see Step 3: Integrate, Implement & Measure Impact below for detail on impact attribution and claims through LJIs). In this way, LJIs help companies move from reactive, costly and isolated sustainability initiatives to proactive, cost-effective, and scalable solutions that deliver both business value and impact for people, climate and nature.

Strengthening financial and market competitiveness

Taken as a whole, the opportunities above demonstrate how investing at the landscape and jurisdictional level offers companies a strategic pathway to resolve systemic challenges and unlock impact potential. These opportunities, along with other aspects of LJI approaches, can also directly bolster company business performance and competitiveness in the following ways:

- Facilitating priority setting by allowing companies to concentrate mediumand long-term investment into key sourcing regions with the highest potential for productivity and sustainability gains, independent of shifting annual procurement patterns
- Opening access to compliant and verified sourcing regions by supporting place-based monitoring systems, helping companies to cost-effectively comply with emerging regulations like the EUDR and report more effectively on sustainability performance
- Increasing market share and investment with mission-oriented consumers or investors through scaled and verified impact for people, climate and nature
- Stabilizing long-term supply fluctuations through ongoing investment and

THE INDIA COFFEE CLIMATE RESILIENT LANDSCAPE INITIATIVE ALIGNS CORPORATE SUSTAINABILITY INVESTMENTS IN KEY SOURCING REGION

The India Coffee Climate Resilient Landscape (ICCRL), facilitated by IDH, is supported through strategic investments by JDE Peets and Hindustan Unilever. These investments focus on stakeholder convening, governance structures, impact measurement, and field interventions implemented by partners like ECOM and Hand in Hand. ICCRL aims to improve resilience for about 50,000 smallholder farmers across India's main coffee-growing regions.

This holds strategic importance for both companies—Hindustan Unilever as a domestic coffee roaster serving India's growing market, and JDE Peets with India as their fifth largest sourcing region. Both companies' sustainability goals align with the landscape's objectives developed with IDH.

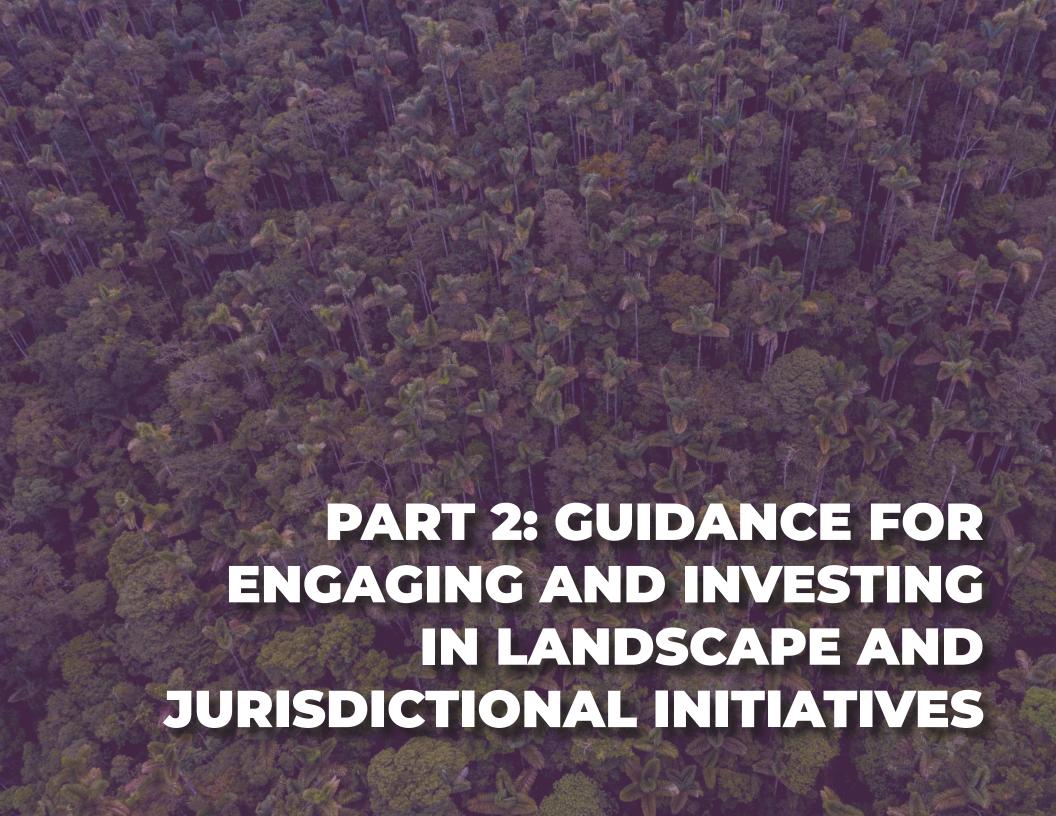
Thanks to long-term commitment from both companies, the LJI has established a strong impact measurement framework using verified data collection and monthly farm practice updates through a tech platform. The initiative is designed to continue beyond 2027, enhancing its potential for lasting impact.

engagement in key supply chains, bolstering resilience and quality of supply as well as pre-competitive relationships with peers, traders, and farmer groups to resolve supply challenges

- Securing license to operate by building trusting relationships with local governments and community actors, ensuring the rights and needs of producer communities are addressed, thereby minimizing conflict and reputational risk
- Enhancing the impact of supply chain investments by embedding targeted on-farm efforts within landscape-level goals, amplifying the competitive value and effectiveness of direct supply chain programs while ensuring investments are tailored to specific needs and opportunities across the jurisdiction
- Strengthening corporate reputation and stakeholder trust by demonstrating long-term commitment to sustainable sourcing and land-scape-level collaboration, showcasing leadership in responsible business practices and proactive risk management.

In short, LJIs are not just a tool for risk mitigation or compliance, nor an isolated initiative for environmental sustainability and social responsibility—they are a foundation for competitiveness, market access, and sustained business growth.





GUIDANCE FOR ENGAGING AND INVESTING IN LANDSCAPE AND JURISDICTIONAL INITIATIVES

This section offers practical, high-level guidance for coffee companies to better understand their objectives and prospective models for LJI engagement, identify appropriate initiatives, understand expectations during active participation, and plan for sustainability after implementation. Whether a company is just beginning or already engaged in LJI investment, this section is designed to help answer a key question: What is the best first step I can take?



Step 1: Understand your needs: What are your objec-

needs: What are your objectives, engagement options and priority landscapes for investment?



Step 3: Engage for implementation: How

can you integrate and implement your initiatives for coordinated impact within existing LJIs?



Step 2: Assess initiatives for investment: Where are LJIs ongoing and how do they align

LJIs ongoing and how do they align with your strategic and operational requirements?



Step 4: Plan for longterm impact: What are

term impact: What are expectations for long-term engagement and how can you unlock lasting impact at scale?

Note: This guidance is designed to help companies assess and engage with an LJI at any stage in its lifecycle and is not meant to provide comprehensive guidance on LJI startup or management. It is not intended to replace existing guidance for target setting, implementation, or reporting, but to serve as a streamlined, sector-specific starting point that aligns with more comprehensive processes for science-based target setting and impact generation. More intensive guidance and processes are provided as a reference where appropriate for companies ready to further their LJI investment journey.

STEP 1: UNDERSTAND YOUR NEEDS: WHAT ARE YOUR OBJECTIVES, ENGAGEMENT OPTIONS AND PRIORITY LANDSCAPES FOR INVESTMENT?

Step 1 is the most comprehensive in this guide, focused on helping you assess your internal priorities and external risks to determine where and how LJIs can best support your business and sustainability goals. By completing this step, your company will be equipped to identify and evaluate LJIs that align with

RECOMMENDED READING:

This guidebook focuses on actionable guidance for coffee companies, but pulls from many existing resources that also provide additional in-depth guidance on other topics, including core principles for LJIs, LJI startup and management, and aligning company LJI engagement with specific Climate and Nature Frameworks. A non-exhaustive list is provided below with addition resources in the "References" section:

- Roadmap for effective landscape company action and claims (ISEAL, 2024)
- Practical Guide to integrated landscape management (1000 Landscapes for 1 Billion People)
- Contributing to Nature Positive Outcomes: A Reference Guide for Companies (Conservation International)
- Landscape Approaches in Corporate Climate and Nature Frameworks (The Nature Conservancy)
- Landscape Scale Action for Forests, People and Sustainable Produciton: A Practical Guide for Companies (Tropical Forest Alliance, WWF, Proforest)

THIS STEP ANSWERS THE QUESTIONS:

- What are your objectives for investment? How can you minimize supply risks and unlock broader impact?
- What is your niche for creating meaningful change through your investment strategy? What types of impact should you invest in, and where?
- Where can you invest in these impact areas most effectively for your business and sustainability needs?
- What engagement and impact models can help you to achieve your objectives?

your sourcing strategy, business objectives, and climate, nature, and people goals (see Step 2).

The assessments in Step 1 are designed as lean, strategic exercises to guide priority-setting and decision-making, specifically:

- ☑ Assessment 1: Review your holistic business and sustainability strategies
- ☑ Assessment 2: Create a "Double Materiality Matrix" of business and sustain ability concerns
- ☑ Assessment 3: Create a high-level "Site Selection Heat Map" to prioritize landscapes for investment
- ☑ Assessment 4: Understand options for LJI engagement and impact

Note: These lean assessments are proposed as an initial next step but can be embedded within more comprehensive strategic exercises.

For companies with advanced sustainability strategies, it may be more appropriate to begin with Assessments 3 or 4. However, it is still recommended to quickly reassess sustainability strategies in relation to other internal strategies that may be siloed (e.g. sourcing strategies and targets for climate versus social impact) to ensure LJI engagement optimizes and aligns prospective impact areas for your business.

Assessment 1. Review your holistic business and sustainability strategies

Note that the starting point is not to create a new strategy for LJI engagement but rather to assess existing business, sourcing, and sustainability priorities to understand how investment in LJIs can help to meet these objectives. You can begin this assessment by answering the following orienting questions:

- ☑ What are critical sourcing origins in terms of business continuity, future growth, and risk exposure?
- ☑ What are your planned investments in the short- and medium-term, including investments in productivity, quality, traceability, compliance, etc.?
- ☐ In what stage of the value chain does your company operate, and in what way(s) does it make sense to be involved in LJIs?
- Where do you have local presence, and what is your capacity and bandwidth to participate in multi-stakeholder dialogue or actions in these geographies?
- What are priority sustainability goals and related commitments, transition plans, as well as compliance and disclosure requirements, including science-or policy- aligned targets, and all initiatives for climate, nature and people (e.g. inclusion, equity, livelihoods, resilience)?

For all the above considerations it is important to respond as comprehensively as possible, as strategic, sourcing, compliance and sustainability initiatives are often established and managed in siloes, each with their own separate strategies, targets, and action plans. Even sustainability teams managing toward social versus climate or nature outcomes may not be aware of potential synergies and efficiencies across their work. LJIs offer the opportunity to align these business needs for cost-efficient and amplified results, but this opportunity is easily lost if a comprehensive perspective is not applied to this first step.

Assessment 2. Conduct or revisit a Double Materiality Matrix to evaluate business impact and dependencies within coffee landscapes

Double materiality assessments are commonly used to assess business operations—in this case supply chain activities—in terms of both financial and sustainability impact and are a core part of compliance with European Sustainability Reporting Standards (ESRS) and other reporting standards. Even when materiality assessments have previously been conducted, it may be beneficial to conduct a lean reassessment to ensure the integration of strategic, sourcing, and sustainability concerns that may not have been assessed as a whole in the past.

The exercise itself simply requires the development of a complete list of "material concerns," which are then ranked on two axes to determine their impact on business performance and on sustainability outcomes. A few key considerations include:

- Use a medium- to long-term time horizon when assessing how climate change and nature loss create business risks and impact your organization's financial position (e.g. in line with the TCFD and/or TNFD). Short-term business concerns often outweigh other considerations in materiality assessments, reducing their efficacy in assessing business dependencies on people, climate, and nature in the context of global trends like climate change, nature loss, pollution, and migration. This inhibits companies from appropriately prioritizing important factors for the long-term sustainability of their coffee supply and business performance.
- Consider the interconnectivity of both axes as you assign impact levels. This assessment aims to reflect the dynamic relationship between business and sustainability concerns, and it is important to consider this connectivity even as you focus on one axis. For example, if you grade a concern as highly impactful for sustainability, ask yourself how addressing that impact influences your ability to achieve your public sustainability targets, influence customer loyalty or secure long-term supplier relationships, and adjust your grading against the business axis accordingly.

DOUBLE MATERIALITY MATRIX

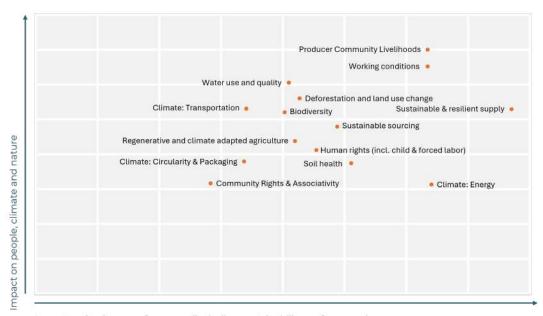
The <u>double materiality matrix</u> is a core tool for sustainability planning and reporting under frameworks such as the Corporate Sustainability Due Diligence Directive (CSDDD) and Corporate Sustainability Reporting Directive (CSRD).

By demonstrating the interconnectivity between a company's sustainability impact and business performance, it can help you identify the specific material concerns you would hope to address and the resulting impact you would hope to achieve through placebased action. This is your investment niche for LJI engagement.

- Include all relevant concerns for your company's sustainability frameworks and/or reporting requirements (e.g. SBTN, SBTi, CDP, ESRS, CSDDD, AFI). An initial list of relevant concerns is provided in the Illustrative Double Materiality Assessment graphic in Figure 3, although these examples are not comprehensive and should be tailored to your strategic and sustainability needs.
- Conduct the assessment with a broad group of stakeholders, including senior leadership, to ensure buy-in and comprehensive coherence, even if this exercise is carried out as a revisit of existing materials. If the assessment is part of a more comprehensive strategic refresh, it is important to include external stakeholders as well.

Based on this quick analysis, you can understand the leverage points—even across institutional and departmental divides—that can optimally minimize supply risk, promote business growth, and drive sustainability progress. Priority material concerns for investment lie within the high impact quadrant for your business and sustainability performance.

Illustrative double materiality matrix:



Impact on business performance (including sustainability performance)



Figure 3. Illustrative Double Materiality Assessment

IN-DEPTH RESOURCES

The Science-based Targets Network <u>Materiality Screening Tool</u> helps companies to identify if and how their activities are material on eight pressure categories: Land and Land Use Change, Freshwater Ecosystem Use and Change, Marine Ecosystem Use and Change, Water Use, Other Resource Use, GHG Emissions, Soil Pollution, Water Pollution

This tool helps companies to understand where it makes sense for them to set targets and invest to reduce their impact on productive land-scapes. While unique to each company's and landscape's context, the most material environmental pressures for coffee companies are typically land use and land use change, soil pollution and water use.

Assessment 3. Create a "Site Selection Heat Map" to prioritize landscapes that address your material risks and opportunities within key sourcing regions

Having identified priority material concerns for investment, you can now narrow down the specific geographies where those investments would generate optimal returns by improving outcomes in your key sourcing regions, and by reducing risks and optimizing opportunities related to your priority concerns within those coffee landscapes.

☑ The first step is to rank coffee landscapes based on their relevance for your sourcing strategies, including sourcing volume, quality and diversity. Given that actual procurement volumes vary year over year, an estimated average volume over a medium- to long-term horizon should be used for this ranking, being sure to use actual and future volumes based on forward-looking sourcing strategies. You should also include origin diversity in this assessment in order to continue to deliver on core coffee blends and minimize sourcing risk (see next step below). In the context of changing climatic conditions, degradation of nature, and increased incidences of extreme weather events and market shocks in coffee-producing regions, you will need to identify a strategic procurement portfolio that may combine both higher and lower volume origins holding strategic relevance for the company now and in the future.



Figure 4. You can prioritize coffee producing landscapes by assessing priority sourcing regions with a heat map of high risk/opportunity for impact. Source: Company Roadmap for effective company landscape action and claims, ISEAL, 2024.

- Next, consider how investment in this production landscape could mitigate risks to priority material concerns. These risks can be gauged by reviewing anticipated climate and nature impacts under business-as-usual scenarios, keeping in mind these trends may also be affected by your company's own influences on the region. You can now assign a risk level of low, medium or high to this landscape based on the severity of these projected impacts on long-term coffee production and your priority material concerns.
- Finally, consider how investment in this sourcing region poses an opportunity to generate positive impact for your priority material concerns and to accelerate progress towards your sustainability targets while simultaneously delivering on shared landscape goals. This can be achieved by reviewing the current state of the region. Depending on your targets, this might include producer demographics, current climate adaptation plans and progress against them, biodiversity levels, etc. You can now assign an opportunity level for this landscape based on the alignment between its sustainability context

SITE SELECTION HEAT MAP

The high-level Site Selection Heat Map allows you to understand where your investments can best support your sourcing strategy and other material concerns.

Another key step to identifying appropriate LJIs for investment is not only assessing the coffee-producing regions themselves but also the LJIs operating within those areas. This secondary assessment is explained in Step 2 below and requires an understanding of your engagement and impact options for LJI engagement, as described in Assessment 4 below.

(its natural and demographic characteristics, sustainable development plans, and investment needs) and your own targets and objectives.

By conducting these lean assessments, you can now create a high-level "Site Prioritization Heat Map" to identify origins demonstrating alignment with your strategic sourcing needs as well as high levels of risk and opportunity related to your prioritized material concerns. The table below provides guiding criteria and data sources to create your own site Prioritization Heat Map.

PRIORITIZATION CRITERIA	GUIDING QUESTIONS	DATA POINTS & RESOURCES
Relevance for Sourcing Strategies	 How does investment in this landscape impact my sourcing needs? 	 Internal sourcing strategy Internal double materiality matrix (relevant for all prioritization criteria) Number of producers Area of coffee-producing land Actual and future procurement volumes Coffee varieties and cupping quality
Risk Mitigation for Supply & Priority Material Concerns	 How do climate-, nature-, social and other trends pose risks to future supply from this landscape? How might investment in this landscape mitigate risks to my priority material concerns? 	 CIAT <u>Suitability Maps for Mexico & Central America</u> World Bank <u>Climate Change Knowledge Portal Country Map*</u> FAO <u>ABC-Map</u> <u>SBTN Value Chain Analysis</u>: Environmental Pressures of company activities TRACT Living Income Estimation Tool (<u>Anker Methodology</u>) (Tool in development at time of publication) <u>LICOP Living Income Guidance</u> <u>IDH Living Income Roadmap</u> & Income Measurement Guidance <u>ITC Human rights due diligence tool</u>
Opportunity for Positive Impact for Supply & Priority Material Concerns	 How can positive impacts in this landscape strengthen future coffee supply and my other priority concerns? How might investment in this landscape accelerate progress against my sustainability targets? 	 WWF Risk Filter Suite: Biodiversity & Water Global Forest Watch Forest Change Map SBTN Value Chain Analysis: State of Nature in company geographies (ecosystem integrity and species extinction risk) Nationally Determined Contributions (for investment synergies across material concerns) IDH Living Income Roadmap & Income Driver Calculator

Table 3: Guiding questions and references to create a "Site Prioritization Heat Map"

^{*}Search by country and relevant time period (recommended 2020-2039) and climate scenario (recommended SSP1 – 2.6). Select "Anomaly (Change)" for calculation and click on specific regions to view expected climate impacts. Note that "Average Mean Surface Air Temperature" and "Precipitation" are the most closely connected to changing suitability for coffee production, although this will vary by region and varietal.

While not intended to be exhaustive, the above exercise helps companies apply holistic, interconnected criteria when identifying and comparing priority landscapes for investment. Ideally, companies could invest across a range of sourcing landscapes to bolster their resilience and scale outcomes across coffee origins; however, determining the "right" number of landscapes—and the appropriate level of resources to allocate to each—is inherently challenging. These decisions are highly context-specific, shaped by each company's strategic goals, sourcing realities, and desired outcomes. The selection of priority geographies and investment areas may be an iterative process, with new landscapes added to the investment portfolio over time as a company's engagement in LJIs deepens and evolves.

Assessment 4. Understand options for LJI engagement and impact

You've now identified priority investment areas and geographies. You know what types of impact best meet your objectives through your engagement with an LJI and where you can hope to most effectively foster that impact. It is now important to understand the operational and impact considerations around engaging with different LJI models. This will help you to make informed investment decisions that match your company's goals, internal capacity and resources, and desired level of involvement as you assess specific initiatives for investment in the following steps of this guidebook.

Upon reviewing the contextual information provided on LJIs in this section, complete the assessment by reflecting on the following two questions:

- 1. What is your preferred engagement and investment model? This will influence whether you prefer to invest in an emerging or more mature LJI (in terms of both project phase and multi-stakeholder partnership and governance structures). This will inform your decision-making around Step 2: Identify and Assess LJIs for Investment.
- 2. Do you have specific requirements around the types of performance impact claims you need to make for your sustainability reporting? This will inform your decision-making around partnership structures and monitoring investments under Step 3: Integrate, Implement & Measure Impact.

Given the variability of LJI models, this assessment is not meant to prompt the establishment of formalized LJI engagement strategies or structures. These informal questions will simply ensure you are ready to consider operational factors that are key to meeting your goals for LJI engagement. In this section you will review important overview information on LJIs to inform your assessment of these factors, and then revisit these questions to Complete Step 1.

OVERVIEW: LJIS PROVIDE THE "UMBRELLA FUNCTION" NEEDED TO ALIGN FARM- AND SUPPLY CHAIN- INTERVENTIONS WITH BROADER PLACE-BASED INVESTMENTS, ENABLING THEM TO BE MUTUALLY REINFORCING AND AMPLIFY EACH OTHER'S IMPACT:

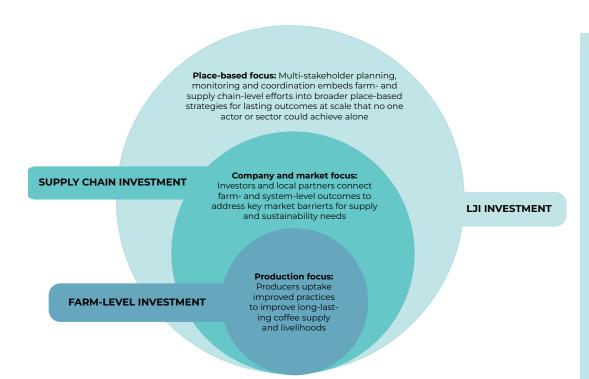


Figure 5. Nested Initiatives

ILLUSTRATIVE ACTIONS AT EACH LJI INVEST-MENT LEVEL

LJI Investment

- Integrated planning across government, civil society and cross-sector investments to reduce misaligned investments, incentives and costs, and accelerate impact at scale
- Coordinated policy and investment strategies towards government and industry objectives
- Monitoring at scale for compliance, deforestation, land use change, ecosystem integrity and biodiversity, carbon stocks, watershed health, etc.
- Governance and reporting platforms for stakeholder alignment and credible claims, including coordination of insetting initiatives with carbon development projects to optimize impact and avoid double counting

Farm-level investment

- Increased productivity and quality
- Climate adapted and regenerative agricultural practices
- ► Renovation, rehabilitation and installation of agroforestry systems
- Measurement of farm-level impacts (e.g. practice adoption, soil health, farm-level emissions, income improvements)

Supply chain investment

- Aligned incentive structures and financing mechanisms to facilitate the transition toward improved practices, and productivity, quality and sustainability outcomes
- Strengthened farmer-buyer relationships and pre-competitive collaboration
- ▶ Improved infrastructure, inputs and services
- Measurement of supply chain indicators (e.g. supply shed emissions factors, traceability)

LJIs require nested levels of action and coordination at the individual and collective levels. The value of LJIs lies in their ability to integrate diverse interests, nesting company-specific goals—such as productivity and quality improvements, or Scope 3 emissions reductions—within broader, place-based strategies for climate, nature, and people.

For this reason, LJI coordination models are not one-size-fits-all, but all are organized around a multi-stakeholder governance structure. This structure convenes landscape partners, formalizes roles, operates and makes decisions based on agreed governance processes, and establishes a collective action plan and monitoring framework based on common objectives and targets (see Figure 6 below).

This consortium may have been convened by a membership platform, by a coalition of private sector partners, or by a public-private partnership (often led by an NGO), but will ultimately include a diversity of stakeholders including local governments, civil society and other entities. For simplicity, these organizational entities will be referred to as the "multi-stakeholder governance structure" throughout this guide for simplicity.

While LJIs may have different governance models, companies can typically engage and invest at different points in an LJI's lifecycle (see Figure 7 below), depending on the maturity of the initiative and their own strategic interests. Generic roles and time-frames for engagement include but are not limited to:

- 1. Front-runners: These investors provide critical funding at the startup phase to stand up planning, governance and monitoring structures. They are often catalytic funders and front-running companies investing toward priority origins and ambitious sustainability targets.
- **2. Co-investors:** These partners join at the implementation stage to contribute to established governance structures and accelerate specific activities and targets.
- **3. Strategic partners:** Provide ongoing support for governance, procurement planning, monitoring and technical assistance for continued LJI impact and sustainability (see Figure 7 and Step 4: Plan for Long-term Impact & Engagement below).

Finally, it is important to understand how these different engagement and governance models influence the claims you can make about the impact of your investment. The types of claims companies can make based on their implementation progress in the LJI life cycle is described in Table 4 below. The implications of different investment and monitoring systems on impact claims are described in Table 9 under Step 3: Integrate, Implement and Measure Impact.

WHAT MAKES AN LJI DIFFERENT?

LJIs and other initiatives may use many of the same collaborative and investment models. However use of these mechanisms does not make an initiative an LJI. For example, a country- or sector-level membership platform may pool funding and coordinate investments for members, but this multi-stake-holder initiative would not qualify as an LJI if it does not meet the following criteria:

- ☑ Does the initiative address key sustainability issues and act beyond the direct supply chain (e.g. improved watershed management, off-farm habitat restoration and erosion control)?
- ☑ Do solutions aim to create systemic level change at the level of a discrete landscape?
- Are initiative goals, action plans and monitoring systems determined collectively?
- Does the group of stakeholders for these collective plans and systems include local governments, civil society, and other types of entities?
- ☑ Is there a multi-stakeholder governance structure to organize those stakeholders around those shared goals, action plans and monitoring systems?

OVERVIEW: COMPANIES CAN MAKE DIFFERENT TYPES OF CLAIMS REGARDING LJI ENGAGEMENT BASED ON THE MATURITY OF THE INITIATIVE AND THE RIGOR OF MONITORING AND ATTRIBUTION SYSTEMS

LJI PHASE	CLAIM TYPE	DESCRIPTION
Startup	Commitment Claims	Claims about commitments to achieve prioritized landscape or jurisdictional outcomes
Implementation	Action Claims	Claims about specific actions taken to advance on or achieve prioritized landscape or jurisdictional outcomes
	Performance Claims	Claims about the progress made towards or achievement of prioritized landscape or jurisdictional outcomes. Companies can make different types of performance claims depending on how much ownership and responsibility they have for the outcome: Collective claim: Describes your contribution toward a collective effort leading to landscape outcomes Proportional claim: Describes the estimated impact attributable to your investment into collective outcomes Attribution claims: Describes the directly attributable impact from your individual investment

Table 4. Options for corporate claims on LJI investment impact

Note: See Step 3: Integrate, Implement and Measure Impact for additional detail on claims.

Sources: "Effective company claims about contributions to landscape performance outcomes" (ISEAL, 2023)

"Company Roadmap for effective company landscape action and claims" (ISEAL, 2024)



OVERVIEW: HOW CAN LJI GOVERNANCE STRUCTURES COORDINATE MULTI-STAKEHOLDER IMPLEMENTATION, MONITORING, AND IMPACT CLAIMS

INTERACTION BETWEEN GOVERNANCE, MONITORING AND CLAIMS MODELS IN CORPORATE INVESTMENTS INTO LJIS

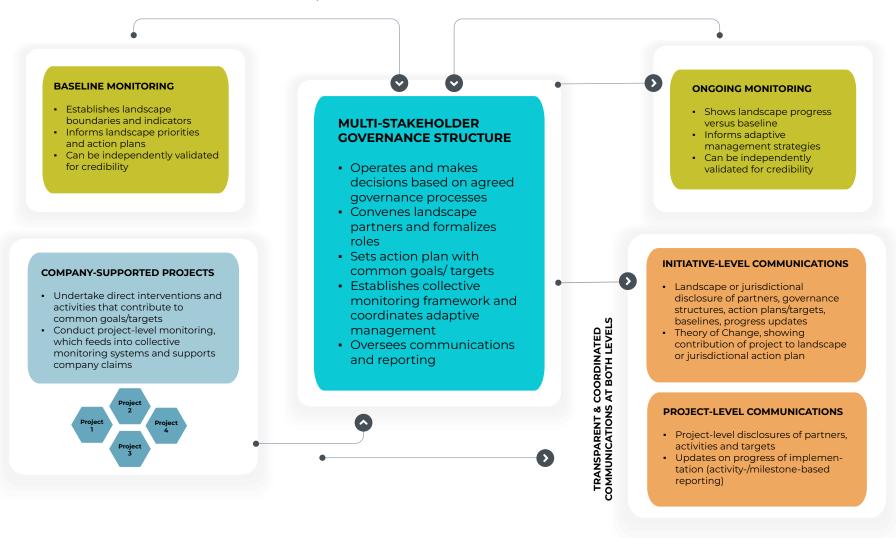


Figure 6. Interaction between governance, monitoring, and claims models in corporate investments into LJIs

Source: "Contributing to Nature Positive Outcomes: A Reference for Companies" (Conservation International, 2024)

Landscape- or jurisdictional-level monitoring is required to establish baselines for key indicators and metrics, as well as to show progress and trends in landscape performance over time. Baseline assessments help to define the boundaries and scope of LJIs, as well as to understand the status of threats and opportunities for environmental and social outcomes. Baselines are ideally completed before an initiative is launched or before a company invests in order to capture the resulting change from those interventions. Regular, ongoing monitoring is needed to show improvements or changes in landscape performance and inform management and investment strategies, although monitoring may happen at different times/frequencies for different indicators. See Step 3: Integrate, implement and monitor impact.

The multi-stakeholder partnership and governance structure is the primary convening mechanism for LJIs. This structure convenes relevant stakeholders and takes up the findings of the baseline to define common targets and priority actions needed to transform a region. It establishes collective monitoring and reporting frameworks to collect relevant information from stakeholders and projects and make links to landscape- or jurisdictional-level monitoring and impact reporting. It is also responsible for transparently communicating about project- and LJI-level activities and progress.

Company-supported projects are the specific activities and interventions that are implemented within an LJI to drive progress toward collective targets. While companies are encouraged to engage directly as supporters of the multi-stakeholder partnership and governance structure (see Figure 6), investment in projects is the most common way companies support LJIs. Typically, projects involve direct actions to support training, capacity building, and/or direct implementation activities related to sustainable management of production areas, improved protection and restoration, and support for producers (particularly smallholders) and communities to improve livelihoods and access to technical and financial assistance. Projects also provide the clearest way to document contributions to company sustainability targets, provided they can be linked to landscape priorities through the shard results framework and action plan.

Transparent and coordinated communications strengthen the credibility and accountability of LJIs and any associated company claims. They can also help to attract new partners, investors, and stakeholders to the landscape. In particular, the multi-stakeholder partnership and governance structure should disclose the goals, action plans, and monitoring frameworks that have been agreed by stakeholders and that guide landscape activities. The structure should also collect information from project stakeholders or ensure that project stakeholders are publicly communicating the activities underway and their expected contributions to landscape outcomes.

A NOTE ON LJI MULTI-STAKEHOLDER GOVERNANCE STRUCTURES

These structures and agreements—which will in practice have different form and structure in different LJIs—are primary organizational components of the LJI and should be aligned and updated to reflect elements of a company's investment, implementation and impact models as shown above. Elements of these structures may include but are not limited to:

- Shared vision
- Shared values
- Collective targets, theory of change and action plan
- Collective results and monitoring framework
- · Governance structure
- Roles and responsibilities (including who apportions claims)
- Decision-making processes
- Procedures for conflict resolution
- Data sharing and confidentiality agreements
- Long-term financial and fundraising strategy

Source: Adapted from "A Practical Guide to integrated Landscape Management" (1000 Landscapes for 1 Billion People, 2022) Using the above references on LJI governance, multi-stakeholder implementation, and implications for monitoring and impact claims, you can now answer the two guiding questions for this assessment, and complete Step 1:

- 1. What is your preferred engagement and investment model?
- 2. Do you have specific requirements around the types of performance impact claims you need to make for your sustainability reporting?

STEP 1 SUMMARY AND ACTION ITEMS:

With a clear understanding of your priorities, risks, and engagement needs, you're now ready to identify and evaluate LJIs that align with your sourcing strategy, sustainability goals, and business model in Step 2 in the following section.

What is the best immediate action I can take to get started with Step 1?

- First, begin with a desk review of your business and sustainability strategies. Remember, this assessment should draw from existing strategies and plans rather than create additional or separate plans.
- Next, you can conduct or review a Double Materiality Assessment, being as comprehensive as possible and engaging key stakeholders even if using a light-touch approach.
- ☑ The next step is to identify priority landscapes for investment by creating a "Site Selection Heat Map" of your key sourcing regions.
- Finally, proactively consider your preferred investment and engagement models, tying them to any specific impact claims needs related to your sustainability reporting targets.
- ☑ A tip to get started! For support getting started on these immediate next steps, consider reaching out to multi-stakeholder partners such as the <u>Sustainable Coffee Challenge</u>.

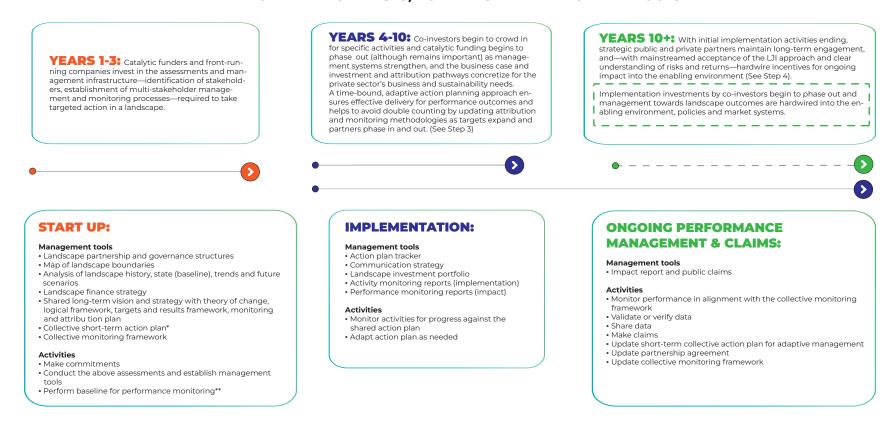


OVERVIEW: ILLUSTRATIVE MODELS FOR LJI LIFE CYCLES AND ENGAGEMENT

Upon clarifying your company's priorities and objectives for LJI engagement, it is important to understand how your role may vary depending on both your own stage of investment and the LJI's stage of development.

Note that this guide focuses on the next concrete steps your company will need to take to engage at any phase of an LJI and does not provide a full overview of LJI implementation principles and tools. This Overview and Steps 2-4 below draw from several existing guidance documents, which are referenced throughout this section.

HIGH-LEVEL LJI PHASES. ACTIVITIES AND MANAGEMENT TOOLS



Footnotes:

"While the shared strategy with targets defines long-term goals for the landscape, the collective action plan should include short-term, time bound targets. This allows for adaptive management in landscapes' complex context and helps to avoid double counting and attribution for partners who may phase in and out of the initiative throughout long term implementation.

**The LandScale Assessment Framework is a baseline and performance monitoring tool for LJIs. Landscape assessments should be conducted collectively. As described under "A note on levels of engagement" all companies and partners engaging in an LJI should contribute financial or in-kind contributions to these monitoring systems along with regular progress reporting.

Note on sources: The LIJ phases and management tools above are adapted from "A Practical Guide to integrated Landscape Management" (1000 Landscapes for 1 Billion People) and "A company roadmap for effective landscape company action and claims" (ISEAL). High-level LIJ phases are based on simplified findings from the "Finance Strategy for Priority Actions in the Alto Mayo Landscape" (EcoAgriculture Partners and Conservation International). Operational details on the startup of LiS and effective management tools described above are beyond the scope of this guide, and we recommend refering to these resources for fluither information.

STEP 2: IDENTIFY AND ASSESS LJIS FOR INVESTMENT

With your priority sourcing regions and outcomes established, the next step is to identify LJIs that align with those priorities and your impact and operational needs. This step can be tackled as a lean, practical desk exercise using publicly available tools and frameworks.

1. Identify existing LJIs.

Tools like <u>SourceUp</u>, <u>LandScale</u> and the <u>Jurisdictional Approaches Resource Hub</u> offer searchable maps and databases of LJI efforts. Keep in mind that LJIs can operate across commodities, so you should focus your search on the regions you've identified rather than searching for coffee-specific initiatives (although this may be useful to identify more targeted interventions where that fits your strategic needs).

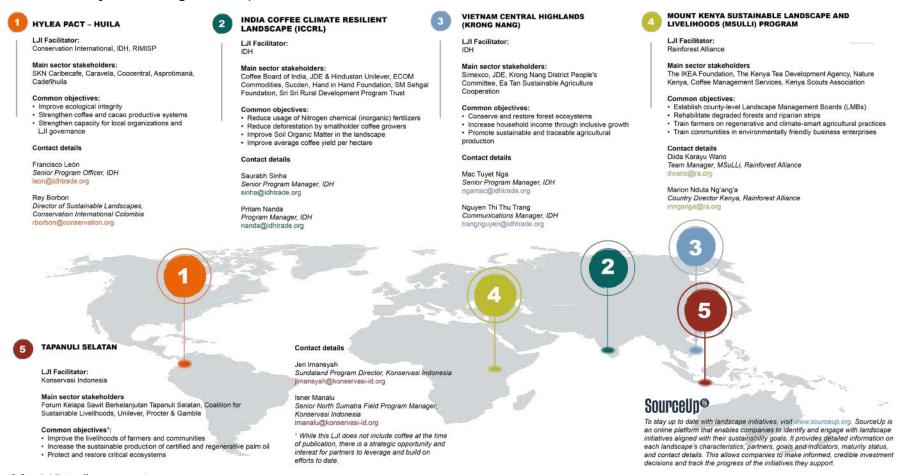


Figure 8: Sample LJIs in coffee sourcing regions

2. Assess promising initiatives in your priority sourcing regions.

LJIs vary widely in their objectives, structures, and stages of development. While some are highly formalized with robust governance and monitoring systems, others may still be emerging or exploratory. Different organizations in the LJI practitioner community jointly aligned on a set of criteria for resilient and maturity landscape initiatives, which were published by ISEAL as a position paper on "Core Criteria for Mature Landscape Initiatives" and can be used by partners to assess the mature of a given initiative for engagement. Both the SourceUp and LandScale platforms provide maturity assessments based on these criteria, where the featured LJIs are able to indicate to which extent they align with each of the criteria. You can begin with a lean assessment using the summarized criteria in Table 5.

MATURITY CRITERIA	SUBCRITERIA (SEE <u>DETAILED CRITERIA HERE</u>)
Scale	 Landscape boundary: jurisdiction, agro-ecological zone, watershed, or another area considered of ecological or socio-economic importance which is at least 10,000 Ha
Multi-stakeholder Process	 Stakeholder engagement: At least 3 different stakeholder groups are involved in the initiative Formal partnership: A written collaboration agreement signed by participating landscape stakeholders to formalize the partnership
Collective Goals and Actions	 Goals: At least 3 landscape goals, including at least 1 environmental goal and 1 social goal, each with measurable and time-bound targets Action Plan: A collective action plan that aims to contribute to meeting the defined landscape goals has been developed and is publicly available
Collective Monitoring Framework	 Activity monitoring: Regular reports are produced to describe the progress and setbacks in implementing the activities included in the action plan Landscape baseline: A baseline assessment of the ecological and social condition of the landscape has been conducted and is publicly available Landscape performance monitoring: A time-series including at least two results (the baseline result and one more recent result) is publicly available for all indicators Landscape performance validation: All results have been validated by an entity with some degree of independence from those involved in the initiative

lable 5: Summary of LandScale LJI MAteriality Matrix - Source: <u>ISEAL Core Criteria for Mature Landscape Initiatives</u> (ISEAL, 2024)

3. Evaluate LJIs' strategic fit and ability to facilitate your successful engagement

Once you've identified a potential initiative, map its structure and objectives against your own goals and requirements. Use the questions below to guide this assessment:

FIT CRITERIA	SUBCRITERIA
Geographic Relevance	 Does the initiative's boundary adequately overlap with your priority sourcing regions and any specific geogra- phies relevant to your priority material concerns?
Strategic Alignment	 Do the initiative's goals, action areas, and baseline assessment align with the risks and opportunities your company has identified? Are there synergies between the initiative's planned activities and the impacts your company aims to achieve through its sustainability commitments? There should be alignment and opportunity for additional or scaled impact with relation to both your targets and the LJI.
Structural Needs and Coordination	 Does the initiative have a governance structure and monitoring system that would allow you to credibly communicate about the impacts of your investments in a way that supports your reporting requirements? Note that additional investment may be required for certain types of claims specific to your investment (See Step 3: Integrate, Implement and Measure Impact). Can the initiative accommodate your preferred level of involvement (e.g. front runner, co-investor or strategic partner), and does it offer a feasible entry point based on your resources? Are key local stakeholders—including producers, government agencies, and other companies—engaged in a way that supports long-term credibility and success? Are their objectives and contributions both aligned and complementary?

Table 6: Criteria to assess LJI strategic fit and engagement potential - Source: LandScale Maturity Framework (LandScale 2025)

As you assess LJIs and weigh the variances in their maturity, strategic fit, or pathways to engagement, you should reach out to the initiative lead (where formalized and listed on the platforms described above) or engage with multi-stakeholder initiatives such as the <u>Sustainable Coffee Challenge</u>.

These platforms can help identify emerging initiatives or ongoing coordination efforts, and provide connections to potential co-investors, implementing partners, catalytic donors, and convening organizations that support landscape-level collaboration and investment.

You can also start by engaging trusted suppliers and local partners operating in landscapes of interest, who may have insight into nascent efforts or local dynamics. These conversations can help inform early, exploratory discussions with the stakeholders mentioned above and shape your entry point into new or evolving LJIs.

NEXT STEPS FOR LJI ENGAGEMENT

As you assess LJIs and weigh the variances in their maturity, strategic fit, or pathways to engagement, you should reach out to the initiative lead (where formalized and listed on the platforms described above) or engage with multi-stake-holder initiatives such as the <u>Sustainable Coffee Challenge</u>.

These platforms can help identify emerging initiatives or ongoing coordination efforts, and provide connections to potential co-investors, implementing partners, catalytic donors, and convening organizations that support land-scape-level collaboration and investment.

You can also start by engaging trusted suppliers and local partners operating in landscapes of interest, who may have insight into nascent efforts or local dynamics. These conversations can help inform early, exploratory discussions with the stakeholders mentioned above and shape your entry point into new or evolving LJIs.

STEP 2 SUMMARY AND ACTION ITEMS:

Understanding the strengths, weaknesses and alignment of an LJI with respect to your strategic and operational needs is a critical filter before making investment decisions. The final two steps in this guide describe the actions that a company must take to engage in an LJI at any stage of maturity, and a firm grasp of this context will help you assess opportunities realistically using the criteria above and prepare for meaningful engagement.

What is the best immediate action I can take to get started with Step 2?

- ☑ Explore existing initiatives on <u>SourceUp</u>, <u>LandScale</u>, and the <u>Jurisdictional Approaches</u>
 Resource Hub
- ☐ Conduct the lean maturity assessment for LJIs of interest to rank and prioritize
- Reach out to LJI leads and local partners for additional information, emerging opportunities and connections to prospective partners and investors
- ☑ Engage in multi-stakeholder initiatives like the <u>Sustainable Coffee Challenge</u> that are well-placed to make connections with specific landscapes of interest and help broker JLI goals and priorities with industry needs





STEP 3: INTEGRATE, IMPLEMENT, AND MEASURE IMPACT

This section complements the "stages of investment" and claims models described in ISEAL's "Roadmap for Effective Company Action and Claims" and describes the actions companies should take to integrate into an LJI whether it is newly starting or mature in its implementation phase. It then describes key steps for high-quality implementation, monitoring and reporting of impact.

1. Integrate and commit investment objectives

The first step to engage with a new or established LJI is to integrate your objectives, investments and actions within collective planning and engagement structures.

Through your assessments in Steps 1 and 2 you have come to understand the priority outcomes for your investment and how these can align with a specific LJI engagement. You have reviewed the strategic and operational arrangements within that LJI to assess its maturity and strategic fit for your needs. You are now ready to align your objectives and implementation approach with the collective systems that define an LJI.

While you will establish your own agreements, governance structures and planning materials with implementing partners, you should work closely with leaders within the multi-stakeholder partnership and governance structure to align with key LJI components and, where applicable, collaborate to map integrated targets and methodologies to specific reporting frameworks:

ACTION STEPS	KEY ITEMS FOR LJI INTEGRATION AND ALIGNMENT	
Define your strategy for this LJI investment, including long-term vision and short-term impact outcomes	 Multi-stakeholder partnership and governance structure Long-term theory of change and logical framework Landscape financial strategy 	
☑ Concretize measurement and attribution needs in relation to your desired impact	Time-bound results frameworkMonitoring framework and systems*	
☑ Identify activities to achieve your desired outcomes, including activities in partnership with other local stakeholders (see "Step 3.2. Implement and monitor activities" below)	· Collective landscape action plan	
*All partners in an LJI should contribute to collective governance and monitoring systems (see Table 8 below). Depending on your planned activities and attribution needs, you may also need to invest in establishing additional systems (see Step 3.3 Impact Measurement and Adaptive Management below).		
Table 7: Key Actions and Resources for Company Alignment with LJI Frameworks		

With your investments and impact clearly defined, you can now make a "Commitments Claim" related to your engagement in the LJI. If your commitment claim will be strictly internal to the LJI governance structure, it can be integrated into the LJI's collective strategy and action plan. If you plan to make a public, external claim as well, it should be made in alignment with your LJI's communications strategy if one exists. Effective commitment claims should include the size and scale of your commitment, expected impact, and timeframe for that impact (ISEAL, 2023). While these claims will not yet be able to demonstrate results in terms of activities conducted or outcomes achieved, they are helpful when reported in aggregate for qualitative sustainability reporting to demonstrate investment amount, geographic coverage and planned objectives for ongoing work.

Finally, conduct a baseline assessment if your additions to the shared results framework and action plan include activities, targets or geographies that are not represented in any existing LJI baseline. This may include the expansion of the LJI baseline to new geographies (e.g. via LandScale together with the multi-stakeholder partnership and governance structure) or individualized assessments more specific to your investment and objectives, such as farm-level emissions footprints. Even when baseline assessments are specific to your company's activities, it is important for them to be conducted in coordination with the broader LJI for integration into the shared results framework, baseline report, and monitoring system.

The results of this assessment will inform your work plan and serve as a counterfactual to determine outcomes resulting from your investment and implementation on the ground. This is essential not only for effective LJI management but also for reporting against sustainability standards. See ISEAL's "Company responsibilities for supporting credible landscape monitoring" for additional detail.

COMMITMENT CLAIM EXAMPLE

We are contributing \$1M over 5 years to support restoration efforts in A landscape with B implementing partner. Our goal is to support C landscape initiative to achieve its vision of 1M hectares under restoration by 2040.

Source: Effective company claims about landscape investments and actions (ISEAL, 2023)

SPECIAL CONSIDERATIONS FOR COMPANY BASELINE ASSESSMENTS FOR LJI ENGAGEMENT

- Where companies invest in supply chain actions not previously included in a collective action plan, they are responsible for ensuring monitoring of the results of that action and integrating those results into the collective monitoring framework
- Baseline data should be collected as soon as possible using standard frameworks that meet companies' reporting needs while remaining adaptable to local context and aligned with LJI monitoring systems
- At the LJI level, data should be shared via a collective reporting framework and made available to producers

Sources: ISEAL "Company responsibilities for supporting credible landscape monitoring" (ISEAL, 2024)

"Effective company claims about landscape investments and actions" (ISEAL, 2023)

2. Implement and monitor activities

At the implementation stage, you will execute your specific work plans and should also contribute to collective management activities. An illustrative and non-exhaustive list of examples is provided in table 8 below:

 ☑ Invest in capacity building for improved on-farm practices tied to climate and nature outcomes ☑ Incentivize suppliers to engage in the LJI ☑ Tie producer financing initiatives to LJI strategies ☑ Align investments in postharvest processing with LJI watershed management initiatives ☑ Serve on the LJI technical secretariat to inform adaptive management toward short-term outcomes, and shape its long-term financial strategy and evolving attribution mechanisms (per desired level of engagement) ☑ Invest in collective monitoring systems for LJI outcome performance and shared initiatives for traceability or compliance ☑ Provide financial support and capacity building to improve multi-stakeholder engagement and governance, cover coordination costs and support greater inclusion (e.g. meetings, workshops, transportation costs for community participants, conflict resolution) 	INDIVIDUAL ACTIVITIES TO OPTIMIZE STRATEGIC AND SUSTAINABILITY OUTCOMES	SHARED ACTIVITIES FOR EFFECTIVE LJI ENGAGEMENT, ADAPTIVE MANAGEMENT, AND EFFICIENCIES:
	 and nature outcomes ☑ Incentivize suppliers to engage in the LJI ☑ Tie producer financing initiatives to LJI strategies ☑ Align investments in postharvest processing with LJI watershed management initiatives ☑ Support landscape restoration initiatives by including living fences and shade plantings in on-farm resilience initiatives ☑ Align initiatives for improved livelihoods with broader landscape strategies, such as payment for ecosystem services and regenerative management practices, carbon offset schemes, or crop diversification through 	 management toward short-term outcomes, and shape its long-term financial strategy and evolving attribution mechanisms (per desired level of engagement) ☑ Invest in collective monitoring systems for LJI outcome performance and shared initiatives for traceability or compliance ☑ Provide financial support and capacity building to improve multi-stakeholder engagement and governance, cover coordination costs and support greater inclusion (e.g. meetings, workshops, transportation costs for community participants,

Table 8. Illustrative Company Activities for Individual Outcomes and LJI Engagement

As activities are implemented, their execution must be monitored to facilitate timely adaptive management, ensure investments are leading to expected initial outputs, and avoid reputational risks from varying qualities of support or claims of "green washing."

Monitoring at the activity level should be regular (e.g. annual) and can be conducted directly by companies and their implementing partners—especially when monitoring activities specific to company value chains or attributional impact targets (see Table 4 and Table 9)—or by contributing in-kind or financial support to a shared monitoring system or entity (ISEAL, 2024). Regardless of the specific monitoring approach, investment-level monitoring and evaluation systems should align with LJI frameworks, keeping in mind that your investment-level monitoring approach will influence the types of performance claims you can make (see Table 9).

COMPANIES SHOULD ALIGN WITH LJI ACTIVITY MONITORING BY:

- Aligning data with the shared results framework for landscape-level aggregation
- Sharing anonymized data about actions and results for LJI-level dashboard development and adaptive action planning
- Seeking local stakeholder validation of implemented activities

Source: ISEAL's "Company responsibilities for supporting credible landscape monitoring" (ISEAL, 2024)

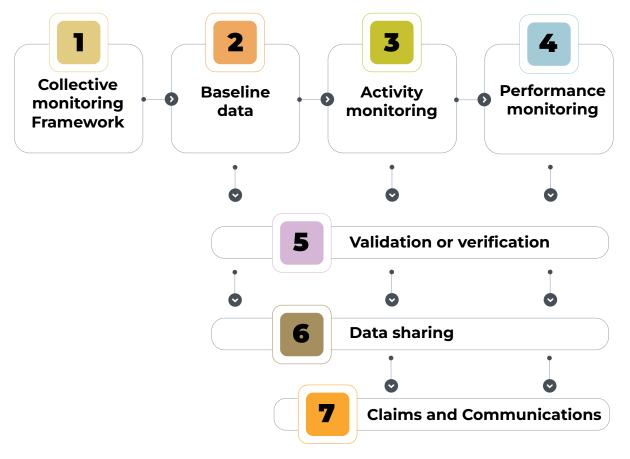


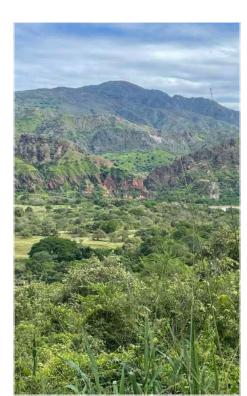
Figure 9. At the implementation stage, you monitor and report activity data to the LJI collective monitoring framework and are able to make activity claims (source: ISEAL), 2024)

Activity monitoring data may be used to make initial "Action Claims" that build on your "Commitment Claim." Action Claims allow companies to demonstrate real progress on the ground during the time lag before actual performance impact can be measured at the outcome level, which may require years (e.g. to measure carbon sequestration from new tree plantings).

ACTION CLAIM EXAMPLE

We are contributing \$1X over 5 years to support restoration efforts in A landscape with B implementing partner. Our goal is to support C landscape initiative to achieve its vision of 1M hectares under restoration by 2040. Since March 2022, we have been investing in D and E types of activities that aim to bring 50,000 hectares under restoration by 2027.

Source: Effective company claims about landscape investments and actions (ISEAL, 2023)



3. Impact measurement and adaptive management

Beyond activity-level monitoring, changes in performance outcomes should be tracked to demonstrate landscape-level changes from baseline and concrete impact from company investments. For impact reporting, data validation or verification may be necessary to meet requirements associated with your sustainability reporting standards. This should be conducted by a third party (not an LJI stakeholder), and this entity may need to be agreed upon by LJI stakeholders as part of the collective monitoring framework where verification is required beyond your specific action areas.

Outcome data can be used to make "Performance Claims." Verification and attribution requirements will vary based on the types of claims you aim to make (see Table 9), and it is important to consider these requirements when developing monitoring and evaluation frameworks specific to your investment:

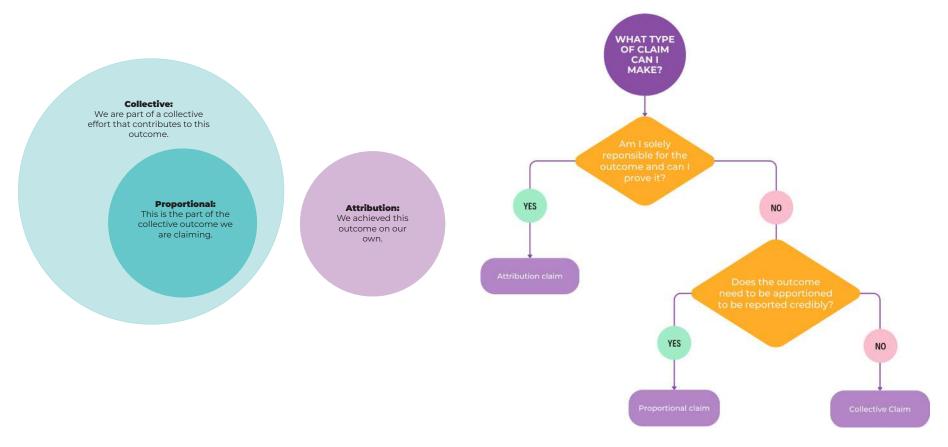


Figure 10a & 10b. For performance claims, it is important to determine the types of claims required to report against your sustainability targets and any implications for your monitoring and evaluation needs and engagement strategies. ISEAL's quidance provides three general attribution categories based on a company's responsibility for performance outcomes. Source: Landscapes position paper on making effective company claims about contributions to landscape outcomes (ISEAL, 2023)

CLAIM TYPE	DESCRIPTION	MONITORING AND ATTRIBUTION MECHANISMS	STRATEGIC IMPLICATIONS FOR COFFEE COMPANIES
Attribution	Attribution claims are for performance outcomes resulting directly and solely from company-specific activities and are not used for investments at the LJI level unless using an accepted allocation methodology (e.g. REDD+ credits).	Requires a clear attribution model with separation from collective activities (while still designed in alignment with collective targets). These claims are therefore more suitable for quantitative, time-bound claims for a specific investment nested within the broader LJI results framework rather than for the entirety of the LJI plan itself. Such an investment-specific results framework must show causality with short-term performance change and employ quantifiable impact and monitoring systems able to compare against a counterfactual and avoid double counting.	Allows companies to make rigorous, quantitative claims in alignment with specific reporting requirements or methodologies. The rigor of the required MRV systems likely implies substantial additional cost.
Proportional	A proportional claim ascribes "proportional ownership" of LJI outcomes based on a company's contributions and are necessary to avoid double counting of certain quantitative outcomes (e.g. Scope 3 reductions).	Impact is apportioned by the multi-stakeholder partnership and governance structure or other parties using a pre-determined attribution methodology for the LJI's time-bound short-term action plan (e.g. size of financial contribution towards activities tied to specific LJI impacts). Additional investment beyond the collective monitoring framework and systems may be required to strengthen the traceability and rigor of measuring a company's proportional impact and investment compared to those of other contributors.	Enables investors to make claims about their individual contributions, allowing quantitative reporting towards sustainability targets.
Collective	A collective claim demonstrates contribution toward a collective effort. It states information about a company's actions and investment, paired with a claim around how this action contributes to general LJI performance outcomes.	Collective claims must be tied to performance data and the shared results framework, but no attribution mechanism is required.	Enables investors to demonstrate their contribution towards a broad effort. Can be used in company-specific qualitative reporting or collective quantitative reporting and paired with proportional or attribution claims to demonstrate companies' broader impact through LJI engagement.

Note: Companies can pair their proportional or attribution claims with collective claims to demonstrate their contribution to broader, more holistic impacts through engagement with an LJI. For example, a company may invest directly in Scope 3 emissions reductions through improved farming practices in a specific area where other collective activities are not ongoing, verified by baseline and endline assessments to make attribution claims for a specified timeframe. They may also claim a small proportional claim to broader LJI impacts for people and nature based on their percent investment in shared governance and monitoring structures, as well as demonstrating collective involvement in comprehensive LJI objectives.

Table 9. Types of performance claims and their implications for company strategies and monitoring needs
Source: Adapted from ISEAL's "Landscapes position paper on making effective company claims about contributions to landscape outcomes" (ISEAL, 2023)

Time-bound results frameworks and action plans allow LJI multi-stakeholder governance structures to regularly attribute performance outcomes to LJI contributors, avoid double counting as partners establish and phase out of LJI investments, and ensure effective adaptive management towards LJI objectives and targets. ISEAL describes the steps to apportion outcomes for proportional claims in their guidance document "Effective company claims about contributions to landscape performance outcomes," summarized below:

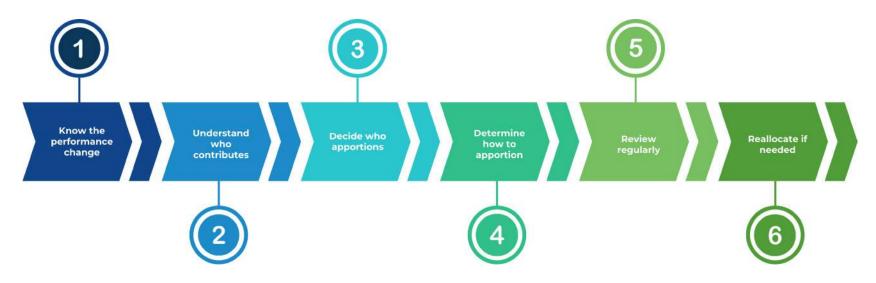


Figure 11. Steps to apportion outcomes for proportional claims during the LJI operational cycle Source: Effective company claims about contributions to landscape performance outcomes (ISEAL, 2023)

Map of steps to a apportion outcomes against standard LJI management processess:

- Step 1: Determined by baseline and performance monitoring assessments
- **Steps 2-4:** Determined by multi-stakeholder partnership and governance structure and shared monitoring framework
- **Step 5:** Conducted regularly by designated parties (e.g. LJI Technical Secretariat) during activity-level and performance-level monitoring checkpoints per the shared monitoring framework
- **Step 6:** Conducted at designated updates to the short-term action plan based on changing targets and evolving partnership numbers, targets and investment ratios

SOURCEUP REPORT AND TOOL FOR COMPANIES TO INCLUDE LJI DATA IN CORPORATE SUSTAIN-ABILITY REPORTING

There are many opportunities for companies to include their LJI engagement data in their voluntary and mandatory sustainability reporting and contribute to company commitments, rankings and compliance. To help companies in the coffee sector maximize the return on their landscape investments, SourceUp commissioned the development of a report and tool that details reporting opportunities and data requirements for the main sustainability-related reporting frameworks and legislation relevant to coffee companies, including SBTi, TNFD and CSRD.

With the help of the tool, companies can define their data needs and LJIs can proactively align their monitoring and reporting systems with the necessary metrics. At the time of this guide's publication, the report and tool are expected to be published to the Jurisdictional Approaches Resource Hub in October 2025.

CONSERVATION INTERNATIONAL'S "PRINCIPLES FOR HIGH-INTEGRITY INSETTING IN THE FLAG SECTOR" INCLUDE A CALL FOR COLLABORATION IN SUPPLY SHEDS AND LANDSCAPES. THEY DESCRIBE THE BUSINESS CASE FOR THIS PRINCIPLE AS FOLLOWS:

- Collective investment across each supply chain tier reduces the risk of projects becoming stranded assets and increases collective responsibility for success of interventions.
- Alignment of scope 3 goals across the value chain, and pre-competitive collaboration, can improve resource efficiency and support an enabling environment for companies to interventions.
- Improved alignment between companies in data collection and accounting creates greater consistency and comparability across companies and improved understanding of the impact of interventions.
- Insetting interventions are most effective at the landscape level: collective action yields greater results for climate mitigation and supply chain resilience.
- Pre-competitive collaboration to establish working parameters (e.g., MRV, benefit sharing) can improve resilience of supply and reward producers, especially in high-risk communities (e.g., coffee, cocoa, palm) where competition may be higher.

Note: At the time of this guide's publication, current reporting requirements for insetting could restrict reportable direct GHG reductions, but the organizations in support of these insetting principles are advocating for broader insetting boundaries that allow "near value chain" impacts to be countable towards a company's Scope 3 targets with appropriate guardrails. Such updated boundaries would deliver on the true investment case for LJI investment by companies with Scope 3 targets by reducing disincentives to invest individually while only claiming part of their impact, instead unlocking incentives for the mosaic of integrated interventions that are possible under well-structured LJIs.

Source: Principles for High-Integrity Insetting (Conservation International, 2025)



LJI INSETTING IN ACTION: HUILA, COLOMBIA

Conservation International and IDH. with Solidardidad and other partners, are testing the feasibility of a collective sourcing region decarbonization approach for accelerating investment in coffee climate resilience, starting in Huila, Colombia. The approach will be co-created with local practitioners and global supply chain actors via the Sustainable Coffee Challenge. The aim is to develop a credible and innovative monitoring, reporting, and verification model backed by a benefits sharing mechanism that balances supply chain actors' priorities, providing a vehicle for scaled and pooled corporate investments in key sourcing regions (supply sheds). This MRV model thus allows coordinated, place-based investments to more efficiently respond to landscape challenges and opportunities, producer priorities and industry needs in response to emerging GHG accounting rules. This approach is being tested in Huila in great part due to the ability to leverage the established infrastructure of an LJI in the region.

The Hylea Pact is a landscape initiative that Conservation International and IDH have led since 2020. The initiative coordinates 15 priority municipalities in Huila, Colombia, with the Government of Huila and the Corporación Autónoma Regional del Alto Magdalena (CAM) as key allies. The Hylea Pact formalized governance structures through a multi-stake-holder initiative that unites more than 50 stakeholders across government, business, civil society and academia. This has created a coordinated framework spanning 788,000 hectares in Colombia's leading coffee-producing region.

Step 3 Summary and Action Items:

To deploy investments and implementation plans within an LJI, you must first align your strategies, targets, and monitoring efforts with the initiative's shared structures. This alignment is typically reflected through financial or in-kind contributions to collective governance and measurement frameworks.

You can then define your formal commitment to the LJI, begin implementing and monitoring activities, and measure performance change from baseline over time. Each of these steps have their own opportunities to make concrete claims about your contribution to LJIs.

What is the best immediate action I can take to get started with Step 3?

- ☑ If you are considering engagement with an LJI, it is helpful to review any publicly available multi-stakeholder partnership governance structures and shared planning materials (e.g. shared action plans, baselines and monitoring and results frameworks) to understand how your objectives and impact reporting requirements may or may not align with these existing structures, and what additional investments may be required.
- ☑ Based on the above, consider your preferred role: Will you simply contribute to expenses for shared systems? Engage in a technical secretariat to oversee strategy? Will you be a user of monitoring data, a co-investor in MRV systems, or an active partner in performance tracking?
- As part of your outreach to LJI facilitators and stakeholders in Step 2, engage in dialogue to understand whether additional governance structures, data or validation is needed to support your participation.

STEP 4: PLAN FOR LONG-TERM IMPACT AND ENGAGEMENT

While Step 4 is presented as the final stage in a sequence, long-term planning should be integrated from the beginning of company engagement and LJI planning. The unique value of LJIs lies in embedding landscape principles into business-as-usual operations and supply chain strategies—generating ongoing returns in terms of sourcing stability and sustainability performance.

As LJIs mature, the roles and responsibilities of partners evolve. Early stages often focus on establishing coordination structures, assessments, and shared strategies—followed by years of implementation through time-bound initiatives. Eventually, as catalytic funding phases out and co-investors crowd in, public and private actors must begin integrating LJI objectives and systems into routine landscape management, including coffee market systems.

We recognize that LJIs are still an evolving model, and examples of successful transitions to long-term sustainability are emerging. The action areas below offer concrete steps you can take to support this adaptive management process throughout the life of your engagement:

ACTION AREA	ACTION ITEMS	
Maintain Collective and Adaptive Management	 Continue contributing to and updating the LJI's short-term action plan and collective monitoring framework Ensure that changing investment priorities or new partners are reflected in the attribution model and results framework Serve in the LJI secretariat or other advisory roles to guide long-term strategy, maintain place-based relationships, and continuously improve technical approaches and monitoring systems 	
Transition From Coordinated to Systemic Engagement	 Embed LJI-aligned principles into sourcing specifications, financing conditions, or supplier contracts Establish preferential sourcing from producers engaged in LJI-aligned actions Encourage local governments and partners to further institutionalize LJI goals into policy, planning and incentive systems Continue to engage with emerging partners who crowd in as landscape risks are understood and the enabling system matures (e.g. insurance and financing providers, developers of carbon and ecosystem service payment schemes) 	
Advance Replication at Scale	 Leverage lessons learned and formalized investment, implementation and measurement models to replicate successful approaches in other priority landscapes Engage with multi-stakeholder initiatives—such as the <u>Sustainable Coffee Challenge</u>—that are well-placed to broker innovation, formalization and global scaleup of LJIs, allowing companies to connect to existing LJIs and/or identify additional partners for their own global scaleup of LJI efforts Collaborate with other national- or sector-wide initiatives to integrate LJIs into their strategic planning for place-based action, as well as their procurement and reporting principles 	
Table 10: Action items to enable long	Collaborate with other national- or sector-wide initiatives to integrate LJIs into their strategic planning for place-based action, as well as their procurement and reporting principles	

While these pathways are still being tested in real time, they offer a growing set of options to help secure the **long-term** sustainability, scalability, and replicability of landscape approaches.

Step 4 Summary and Action Items:

Step 4 is about ensuring continuity, efficacy and scale—not just through ongoing investment and engagement but by embedding LJI objectives into long-term structures that will outlast any one initiative. Beyond ongoing participation in planning, monitoring, and governance, you can accelerate this transition by aligning with emerging partners to maintain market system growth, and by advocating for the integration of LJI goals into your own policies and procurement practices—as well as those of governments and industry initiatives. **Ultimately, long-term impact depends on replicating successful models across additional landscapes.**

What is the best immediate action I can take to get started with Step 4?

- ☑ Engage with initiative leaders to review and improve the LJI's long-term vision and financial strategy (informally or via participation in standing governance or planning bodies)
- ☑ Identify opportunities to integrate LJI-aligned targets and principles into procurement specifications or supplier agreements within the landscape
- ☑ Engage with industry and national initiatives to integrate LJI-aligned approaches and targets into their own strategic plans and policies



CONCLUSION

LJIs offer a powerful mechanism to address systemic challenges and unlock impact at scale in a way that cannot be achieved by individual actors alone. They address the landscape-level systems that support farm resilience and productivity, ensure compliance with emerging ESG disclosure frameworks and regulations through coordinated monitoring, and foster the long-term multi-stakeholder engagement required for supply security and meaningful outcomes for people, climate, and nature in coffee landscapes. While navigating these collaborative efforts may require new ways of working, they also unlock new opportunities for shared value, credibility, and impact at scale.

Using this guide, you are now equipped to move from exploration towards investment regardless of your familiarity with LJIs. You now have the tools to help you:

- Identify your strategic priorities for business performance and sustainability outcomes, prioritize sourcing regions for investment, and understand what you can achieve through LJI operational and impact models,
- Evaluate potential LJIs based on strategic fit and maturity,
- Begin the process of engagement in an LJI regardless of its maturity or progress in the LJI "lifecycle,"
- Align with LJI planning, implementation and monitoring structures while advancing your individual business and sustainability objectives, and
- Plan for lasting success and optimal returns on your investment through long-term engagement and the integration of LJI objectives into landscape and market systems.

As the challenges of climate change and nature loss pose increasing business risks —along with the evolving landscape of regulatory, market, and sustainability expectations—companies that invest strategically in landscape- and jurisdictional-level solutions will be better positioned to meet both business and sustainability goals. Whether contributing to an existing initiative or helping shape a new one, you can begin now by applying the tools and criteria in this guide to take informed, proactive steps toward meaningful LJI engagement.



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