

Land Sector and Removals Standard: Overview for EFRAG SRB

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Agenda

1. Relevance of the LSR Standard
2. Project vs. Inventory Accounting Approaches
3. Key Accounting Categories
 - Land emissions
 - Biogenic product CO₂ emissions
 - CO₂ removals

Relevance of the LSR Standard

Relevance of the Land Sector and Removals Standard

- **First global standard** for companies to account for GHG emissions and CO₂ removals from agriculture.
- **Provides clear requirements** to include such impacts in corporate GHG inventories.
- **Builds on** GHG Protocol *Corporate Standard* and *Scope 3 Standard*
- **Recognizes natural and technological CO₂ removals** are essential to limit warming to 1.5°



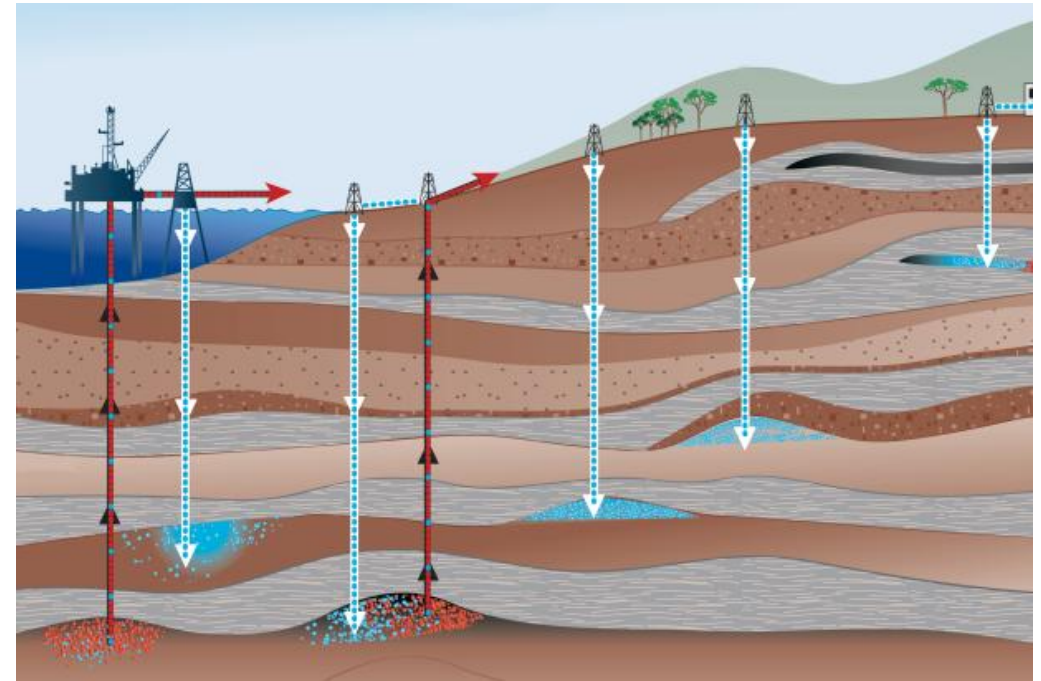
Who should be using the LSR Standard, and what activities are covered?



Significant land sector activities

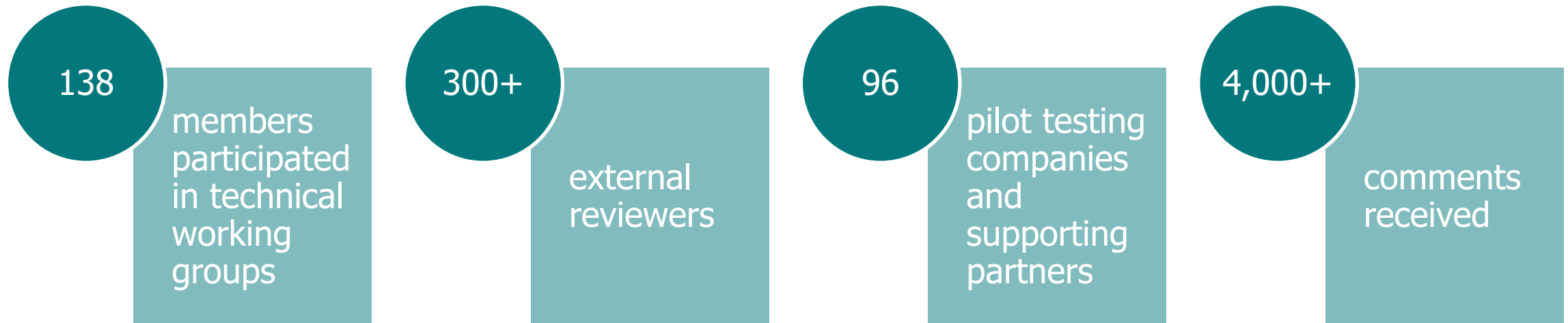


CO₂ removals or CO₂ capture with geologic storage



Global multistakeholder process

The LSR Standard was developed through a rigorous, transparent, and inclusive process. Over five years, GHG Protocol engaged experts globally from companies, governments, academia, and civil society through extensive consultation and pilot testing. Feedback from these processes directly informed the final version of the Standard.



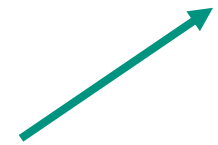
Road tested: Pilot testing companies and supporting partners





Project vs. Inventory Accounting Approaches

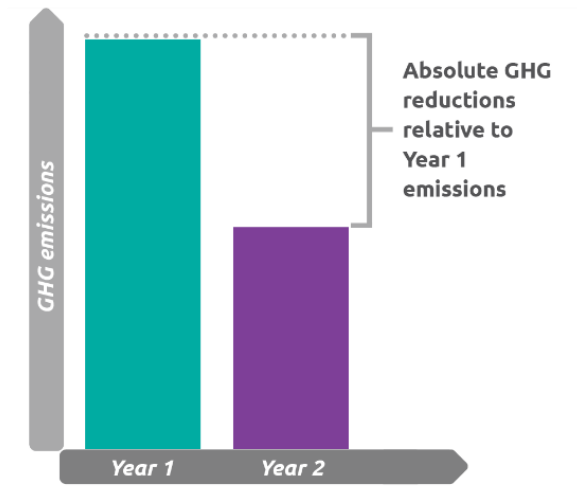
GHG Inventory vs. GHG Crediting Methods



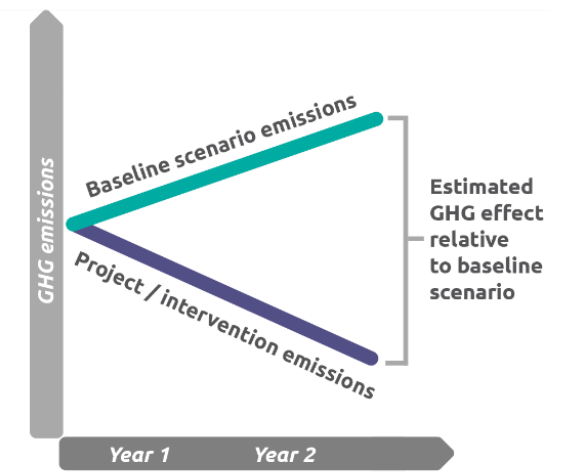
Lower emission factor for purchased goods



GHG credit for farm intervention



Inventory method



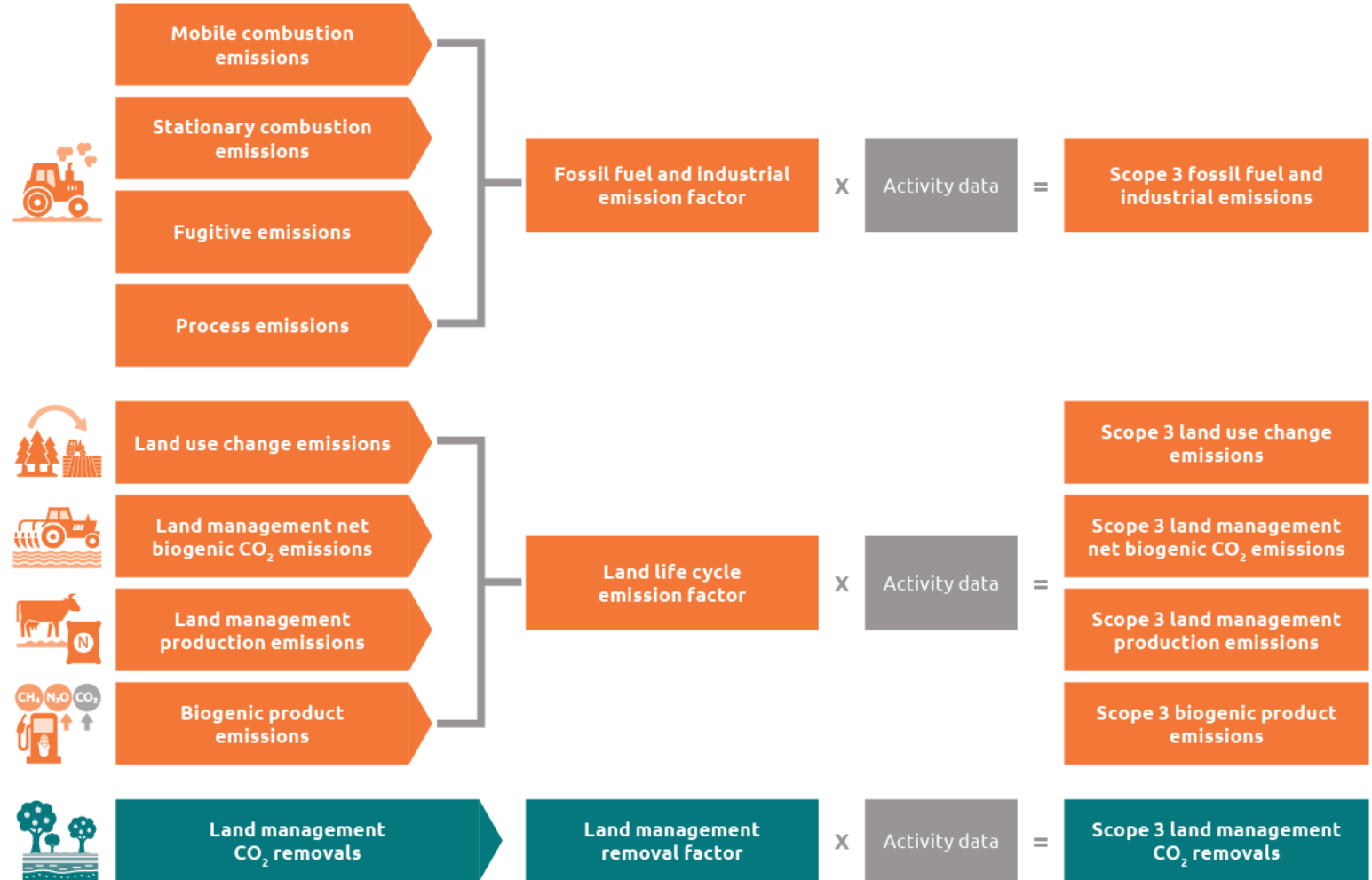
Project / intervention method

Accounting for Credited Emission Reductions and Removals

	Description	Accounting method	Quality criteria	Reporting
Accounting for emissions and removals in the GHG inventory (scope 1, 2, and 3)	GHG emissions and removals that occur in a company's operations and value chain	Inventory accounting (relative to a base year)	For emissions: N/A For removals: <ul style="list-style-type: none"> • Traceability • Data specific to sinks and pools • Uncertainty • Scope 3 allocation • Ongoing storage monitoring • Reversals accounting 	Reported in the physical GHG inventory (if requirements for reporting removals are met)
Accounting for GHG credits (e.g., offsets)	Quantified GHG reduction or removal impacts of projects or interventions, which are credited for GHG claims to be transferred between entities	Project or intervention accounting (relative to counterfactual baseline scenario)	<ul style="list-style-type: none"> • Additionality • Credible baselines • Monitoring • Permanence • Leakage mitigation • Unique issuance and claiming • Independent validation and verification • GHG program governance • Sustainability development benefits and safeguards 	Reported separately from the physical GHG inventory

Scope 3 Accounting

Corporate and Scope 3 Standards



Key Accounting Categories

- Land emission
- Biogenic product CO₂ emissions
- CO₂ removals

Accounting categories for land sector value chains

		Physical GHG inventory				
		Emissions				Removals
Accounting category	Fossil fuel and industrial emissions ^a	Land emissions				Removals
Accounting subcategory		Land use change emissions ^b	Land management net biogenic CO ₂ emissions	Land management production emissions	Biogenic product emissions ^c	Land management CO ₂ removals
Scope 1						
Scope 2						
Scope 3						
Reference	Corporate & Scope 3 Standards	Chapter 7	Chapter 9	Chapter 10	Chapter 11	Chapter 12 & 13
		■	Required categories		■	Optional categories
		■	Not applicable			

(Figure 4.1, LSR Standard)

Accounting categories for land sector value chains

Additional accounting categories								
Accounting category	Land use	Land carbon leakage	Total emissions	Gross CO ₂ fluxes			Product carbon storage	Reversals
Accounting subcategory	Land occupation			Biogenic product CO ₂ emissions ^c	Gross biogenic land CO ₂ emissions	Gross biogenic land CO ₂ removals	Biogenic product carbon storage	Reversals of land management CO ₂ removals
Scope 1								
Scope 2 ^d								
Scope 3								
Reference	Chapter 8	Chapter 8	Chapter 20	Chapter 11	Chapter 9	Chapter 13	Chapter 15	Chapter 12

Required categories
 Optional categories
 Not applicable

(Figure 4.1, LSR Standard)

Requirement 17: Two scenarios for biogenic product emissions

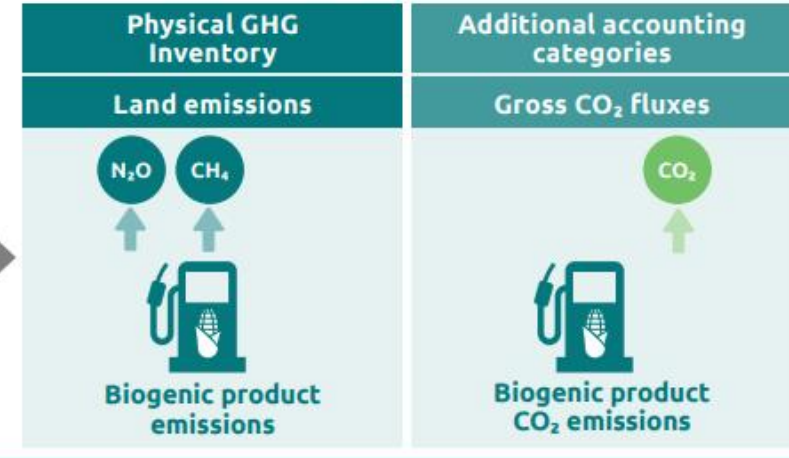
SCENARIO 1. Life cycle emissions and land carbon leakage are accounted for and reported



AND



Report biogenic CO₂ emissions separately from the physical GHG inventory, within gross CO₂ fluxes



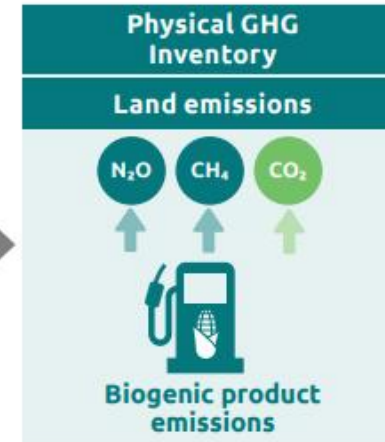
SCENARIO 2. Life cycle emissions or land carbon leakage are unknown or not reported



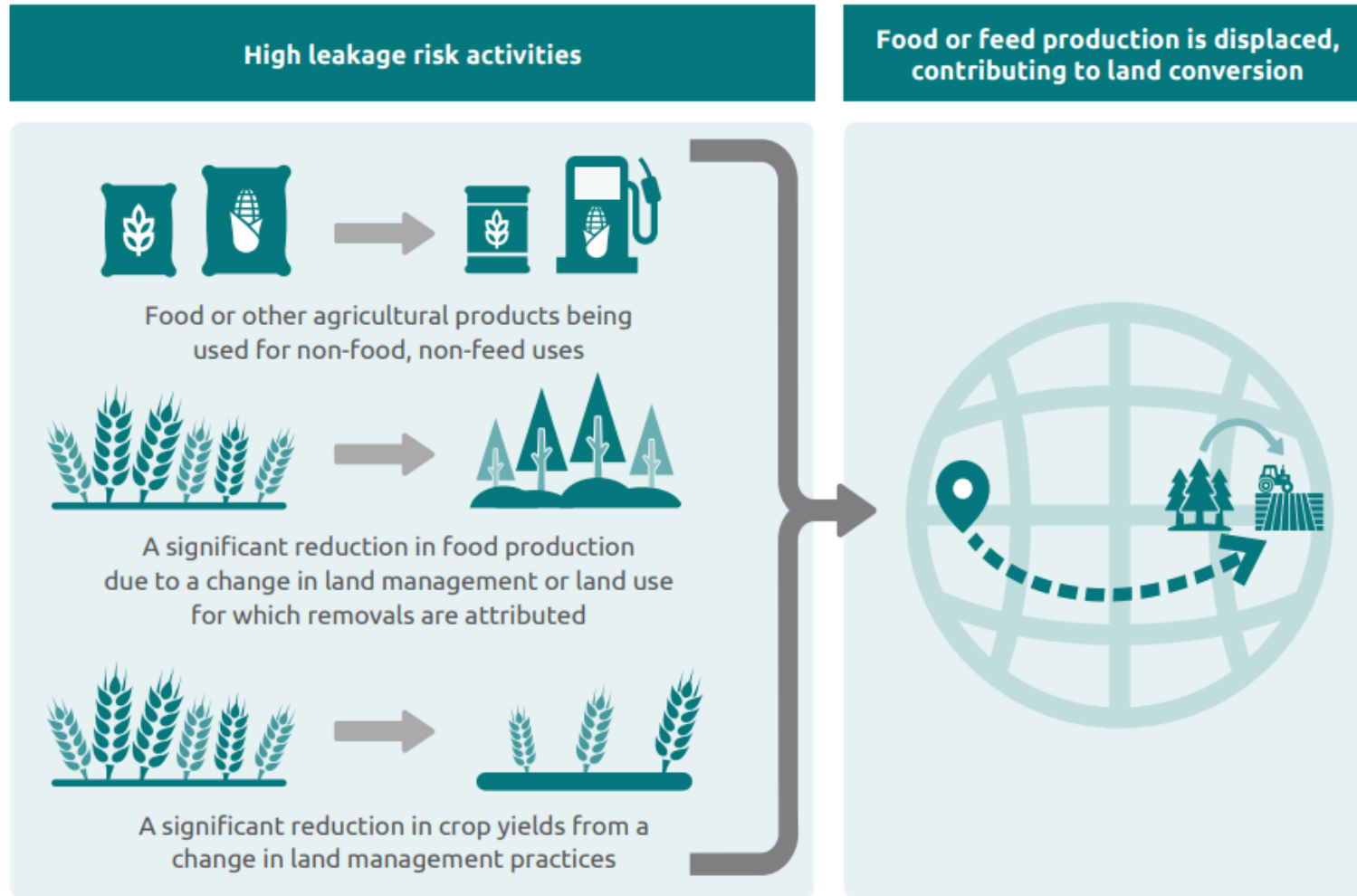
OR



Report biogenic CO₂ emissions in the physical GHG inventory, within land emissions

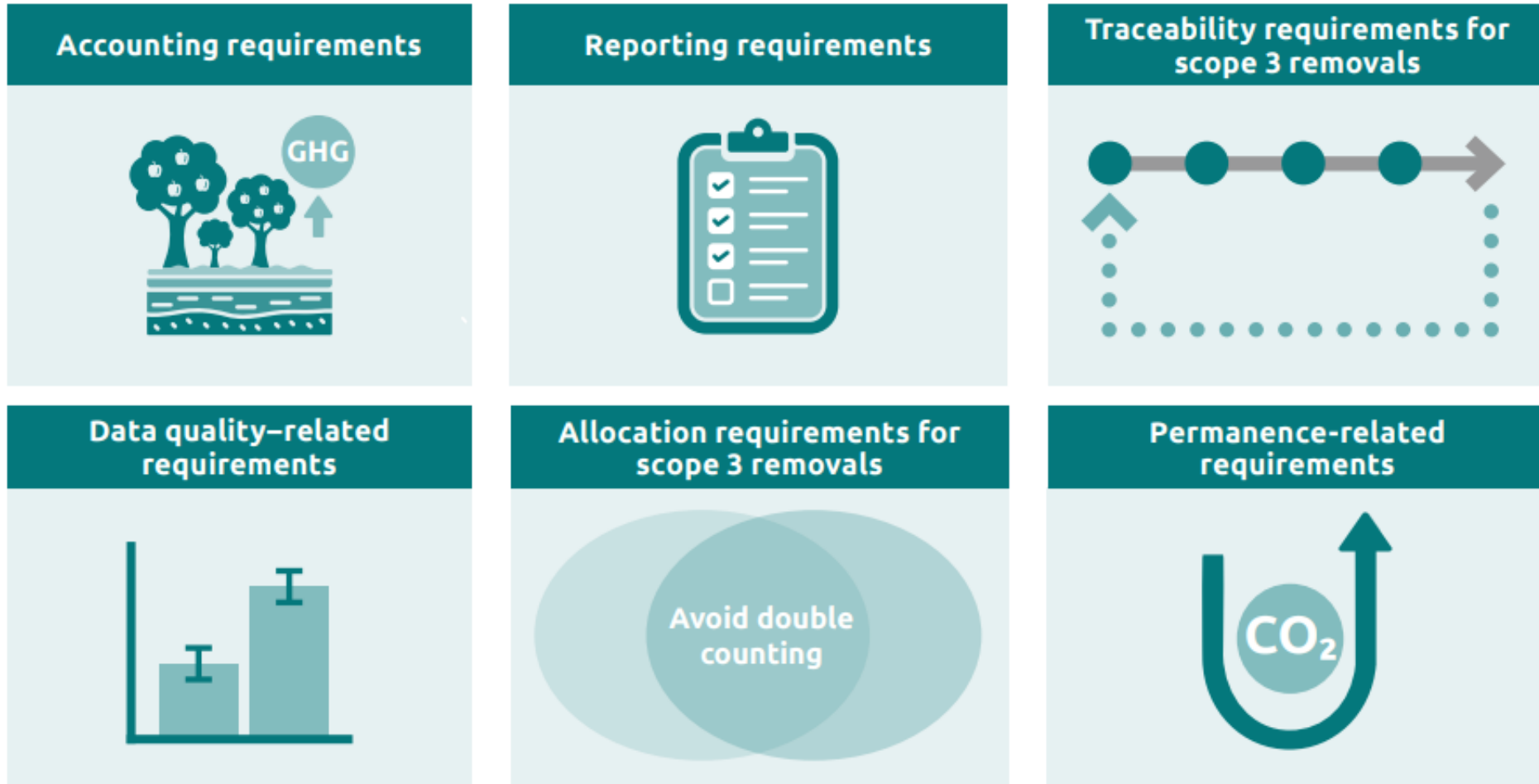


Land carbon leakage



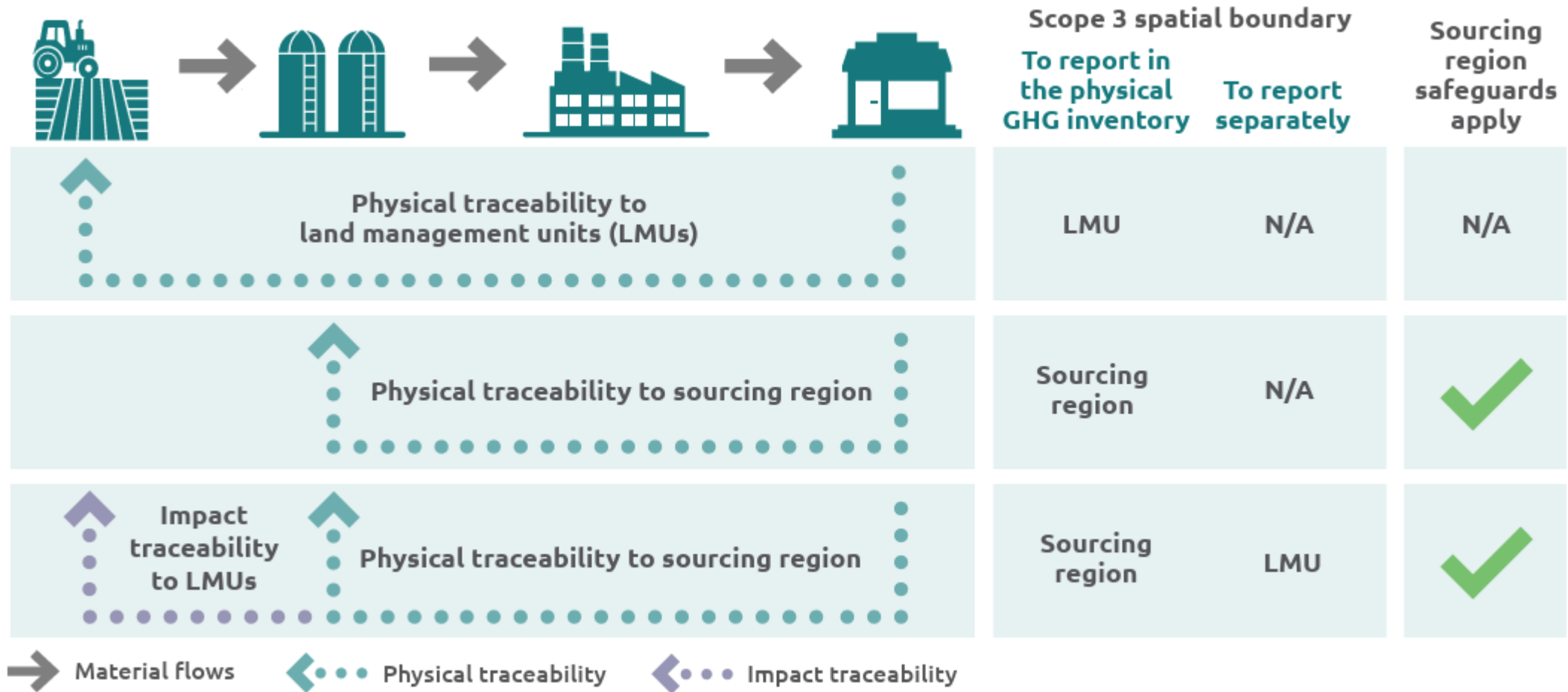
(Figure 8.1, *LSR Standard*)

Removals requirements



(Figure 12.1, *LSR Standard*)

Scope 3 land management removals traceability



(Figure 13.1, LSR Standard)

Land Management Unit (LMU)

A predefined, spatially explicit area of a given land use, managed according to a clear set of objectives and according to a single land management plan to produce a given raw material or set of raw materials.

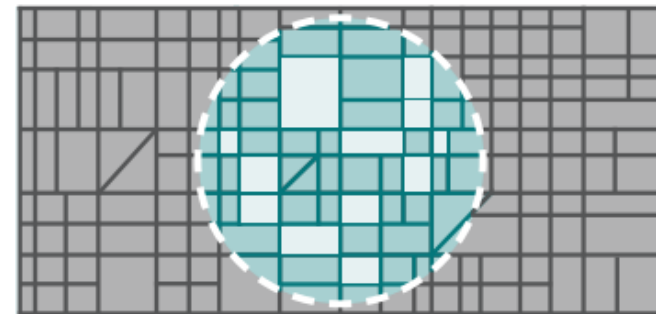
- Requires "farm"-level traceability
- Allows for accounting on specific LMUs
- The LMU boundary can include non-productive "**proximate and adjacent lands**" under certain conditions*



Sourcing Region

A predefined, spatially explicit land area that supplies a given raw material to the first point of aggregation or first processing facility in a value chain.

- Requires sourcing region traceability, may be inclusive of multiple first points of aggregation
- Requires accounting across all "**attributable productive lands**"



Attributable productive lands

 Lands not attributable to the product

 Lands outside the scope 3 spatial boundary

* Note accounting rules for non-productive lands are still pending final decisions related to forest carbon accounting

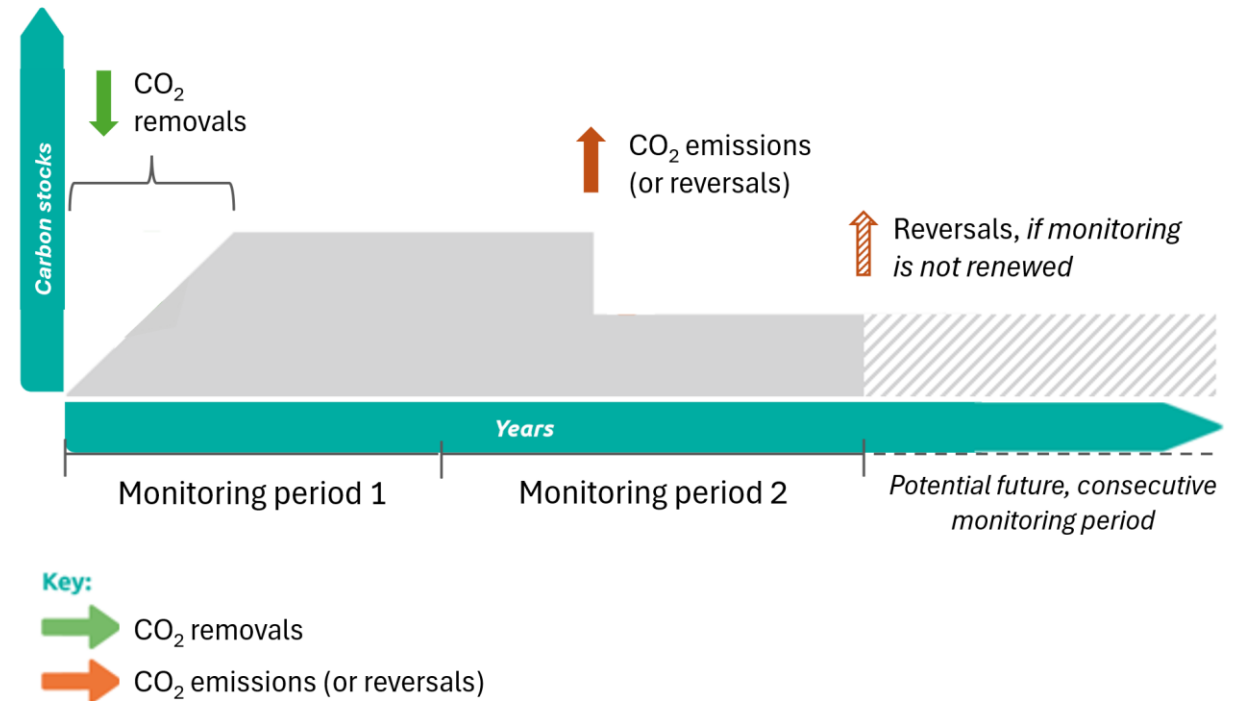
Permanence-related considerations

Permanence for removals

- Requires ongoing storage monitoring
- Must account for losses of stored carbon

Options to help manage permanence

- 1) Monitoring periods: companies may define consecutive, sequential time intervals
- 2) Collaborative monitoring approaches: monitoring may be performed by a third party or multiple entities
- 3) Reserve approach: companies may set aside removals in a 'reserve' as a risk management tool



Thank you!

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You can download the LSR Standard and related materials [here](#).

Please [subscribe](#) to GHG Protocol's email list to receive updates.

