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Briefing

NEW CARBON RULES: WHAT CHANGES FOR YOUR BUSINESS?

State of play: September 2026

What is changing in your carbon accounting and carbon targets, and how to prepare now

Between 2026 and 2028, the rules for carbon accounting and carbon targets are being thoroughly redrawn. Four separate tracks are involved:

- Two tracks determine how you calculate your emissions: the GHG Protocol and, for land emissions, the Land Sector and Removals Standard (LSRS).
- Two tracks determine what your carbon targets must meet: the Corporate Net-Zero Standard (CNZS) and the Forest, Land and Agriculture Guidance (FLAG) of the Science Based Targets initiative (SBTi).

There are two reasons to act now. First: **the LSRS applies from 1 January 2027**. Second: **the origin, granularity and traceability of your carbon data will become critical**. Companies that build their data foundations today stay credible with customers, banks and investors.

Which track applies to your business?

Track 1	Track 2	Track 3	Track 4
Do you calculate your own carbon footprint, or do you have it calculated for you?	Does your supply chain include agricultural commodities (soy, palm oil, cocoa, dairy, leather) or biofuels? Does your business own or manage land (farmland, property)?	Are you planning to set SBTi targets over the coming years?	Are you active in the food, retail or paper sector, or do your FLAG emissions account for 20% or more of your total carbon footprint?

	Measuring How you calculate your carbon footprint		**Targets** How you set SBTi targets	
	Track 1 GHG Protocol/ISO Companies that calculate their carbon footprint	**Track 2** LSRS v1.1 Companies with land sector activities	**Track 3** SBTi CNZS v2.0 Companies setting SBTi targets	**Track 4** SBTi FLAG v1.2 Companies in the food, retail or paper sector, or with FLAG emissions ≥ 20%
2026	→ Map who manages which data and prepare your data systems	• **Published in 2026, including guidance (v1.1)** → Prepare your data systems for granular and traceable data	→ Determine your category: A (transition plan and assurance mandatory) or B (lighter regime)	• **19 June: FLAG v1.2 in force** → Test your no-deforestation commitment against the 7 mandatory commodities
2027	• **Consultation drafts expected (including Actions and Market Instruments)** → Review which entities you include (consolidation method) → Check your electricity contracts against the stricter scope 2 rules → Assess your market instruments for scope 1 and scope 3	• **1 January: standard in force** → Account for your land emissions under the LSRS from this financial year onwards	• **1 February: submission under CNZS v2.0 possible** → (Re)calculate your base year → Set or update your targets → Develop a transition plan and have it approved by your highest governance body → Ask your auditor for an informal readiness check	• **1 January: FLAG targets must follow the LSRS** → (Re)calculate your base year → Set or update your targets
2028	• **Q4: final standard expected**	→ Report under the LSRS for financial year 2027	• **1 February: CNZS v2.0 mandatory for every new submission** → Obtain limited assurance on your base year (category A) → Follow up through your five-yearly review	→ Follow up through your five-yearly review

• **Official deadline of the GHG Protocol or SBTi**
→ What you do to be ready

What does this mean **in practice?**

01

GHG Protocol and ISO – a single joint standard

The standards you work with today (Corporate, scope 2 and scope 3) are merging with the ISO 14060 family into one harmonised GHG/ISO standard. This is the largest revision of the rules for carbon accounting in twenty years.

- **Which entities you must include will be determined differently**. The boundary of your organisation may change as a result.
- **Green electricity** (scope 2) **will only count as emission-free where your certificates match the time and the place of your consumption.** Check in good time whether your electricity contracts meet that requirement.
- **Scope 1 and scope 3 will also come with rules for market instruments.** Think of certificates for green gas or green heat, book-and-claim for materials such as cement and steel, and carbon credits. If you cannot substantiate such a claim with traceable data, you may not count it.

In practice

With traceable data and procurement and energy contracts that follow the new rules, you can carry on reporting credibly tomorrow in a fast-changing market.

Impact on: your insight into your emissions profile and your supply-chain data.

02

LSRS v1.1 – dedicated rules for land emissions and carbon removals

The LSRS is the first global standard for calculating emissions from agriculture and land use, and carbon removals. The standard is relevant if you buy or sell agricultural commodities or biofuels, even if you do not own land yourself.

- **You need granular data:** fossil and land emissions have to be reported separately. Emission factors from generic databases are often no longer sufficient.
- **Traceability becomes critical.** The better you know where your commodities come from, the more accurately you can calculate your emissions and the more carbon removals you may claim.
- **Removals have to be monitored on an ongoing basis:** your claim holds only for as long as the sequestered carbon actually remains sequestered.

In practice

Investing in traceability pays off twice over: through lower calculated emissions and through more carbon removals you may claim.

→ Impact on: your insight into your emissions profile, your supplier data and your Product Carbon Footprint.

03

SBTi CNZS v2.0 – from ambition to action

The revised Corporate Net-Zero Standard shifts the focus from ambition to action, dividing companies into two categories and placing heavier obligations on the largest organisations.

- Category A faces a **mandatory transition plan** with formal approval by the highest governance body, and at least limited assurance on the base-year inventory. Category B falls under a lighter regime.
- **Scope 1 and scope 2 each get their own target** and are no longer bundled together.
- **Scope 3 targets may be set using a choice of methods.** Whichever method you choose, supply-chain data are essential. It is therefore worth mapping now which data you can obtain from your suppliers and customers.

In practice

What the CSRD has already done to your reporting, the SBTi is now doing to your carbon targets: your base year has to withstand external scrutiny. Your carbon figures are treated the same way as your financial figures – they must be substantiated, verifiable and formally approved.

→ Impact on: your targets and external validation, and your climate transition plan.

04 SBTi FLAG v1.2 – one route for LSRS and FLAG

The SBTi FLAG standard was updated in 2026, with immediate effect.

- Seven commodities fall under your no-deforestation commitment as a matter of course: cattle, cocoa, coffee, palm oil, rubber, soy and timber. After submission you have a maximum of two years to become deforestation-free, with 2030 as the hard deadline.
- Your FLAG targets have to align with the LSRS. An LSRS-compliant inventory has therefore become a precondition.
- From there, the route is the same as for your other targets: recalculating your base year, adjusting your FLAG targets and monitoring progress through your five-yearly review.

In practice

FLAG and LSRS are becoming a single route. Invest in an LSRS-compliant inventory and you lay the foundations for your FLAG targets at the same time.

→ Impact on: your targets and external validation, your climate transition plan and your supply-chain data.

Where do you start?

01. **Map who manages which data**, internally and at your suppliers. The new standards call for more fine-grained data than is common today.

02. **Recalculate your base year under the new rules.** That tells you in advance whether your targets still hold.

03. **Make a start on your transition plan:** the SBTi makes this mandatory for the largest organisations, with approval by the highest governance body. Allow enough time for that internal alignment.

Would you like to know the priorities for your organisation?

In an intake session, we determine which of the four tracks apply to your organisation, whether your data and base year meet the new rules, and what is best tackled first. You receive an action plan setting out priorities for the next 12 to 24 months.

→ Book your carbon intake session

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