



Untangling the Land Sector and Removals Standard (LSRS): Implications for palm oil companies

Spotlight on sustainability



August 2026

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Overview

Third-largest emitting sector

The FLAG sector contributes approximately 22% of global GHG emissions, ranking just behind the energy and industrial sectors.

A new era in land emissions accounting

The Greenhouse Gas (GHG) Protocol's Land Sector and Removals Standard (LSRS), which comes into effect January 2027, will reshape how emissions and removals from agriculture and land use are measured and reported.

As Malaysia advances its commitments under the Paris Agreement, the introduction of the LSRS globally signals a more transparent and consistent approach to accounting for the forest, land, and agriculture (FLAG) sector, reflecting rising expectations from investors, regulators, and other stakeholders. This is significant, considering that the FLAG sector¹ accounts for about 22% of global GHG emissions, ranking third after the energy and industrial sectors. For palm oil companies, the implementation of the LSRS will present changes in assessing, disclosing, and comparing sustainability performance.

Implications for palm oil companies

Ability to withstand greater investor and assurance scrutiny

The LSRS introduces more rigorous, evidence-based accounting requirements that may change reported emissions and baseline inventories, even where land management practices remain unchanged. The result is greater consistency, transparency, and comparability in land-based emissions reporting.

Closes the gap in accounting for impacts

As companies transition to the LSRS, reported emissions may shift due to accounting changes rather than operational performance. Clear communication will be essential to help investors, regulators, and other stakeholders understand the difference.

Improved preparedness for assurance and compliance obligations

The LSRS and the International Financial Reporting Standards (IFRS) S2 are raising expectations for robust emissions measurement and verification. In Malaysia, the National Sustainability Reporting Framework (NSRF) will require reasonable assurance over Scope 1 and 2 emissions from 2027. In parallel, the European Union Deforestation Regulation (EUDR) introduces requirements for traceability and deforestation-free sourcing which aligns with the LSRS guidance on Scope 3 emissions from raw material sources. Early preparation will enhance resilience to evolving regulatory and reporting requirements.

Act early to build trust and readiness

Companies should act now to assess the implications of the LSRS, strengthen data and reporting systems, and engage assurance providers early. Boards and management must also be prepared to explain the impact of accounting changes clearly and consistently.

Delaying preparation increases the risk of miscommunication and compliance challenges, and results in potential loss of investor, regulatory, and market confidence.

¹ IPCC Sixth Assessment Report, 2023, cited in [SBTi FLAG Guidance](#)

5.7 million hectares of plantations

across Malaysia, which is larger than the land areas of Pahang and Perak combined, can materially affect reported emissions across the palm oil sector.

Introduction

New standard for land-based emissions accounting

The GHG Protocol's Land Sector and Removals Standard (LSRS) will reshape how companies measure and report emissions and removals from land-based activities, bringing greater rigour, transparency, and comparability to one of the most complex areas of greenhouse gas accounting. Effective 1 January 2027, companies seeking continued alignment with the GHG Protocol will be expected to apply the new standard.

Significant implications for the palm oil sector

The palm oil sector will be significantly impacted by the new LSRS accounting requirements. For oil palm plantations which cover 5.7 million hectares² in Malaysia, representing 17% of the country's land³ and comparable to the combined land area of Pahang and Perak⁴ activities like land use change (LUC), peatland management, fertiliser use, and methane emissions will significantly impact reported emissions and carbon sinks.

As companies adopt these new standards, reported emissions and progress against climate targets may shift even if operations remain unchanged. Clear communication will be essential to help stakeholders differentiate between changes caused by accounting methods and those reflecting actual performance.

Navigating the new reporting era

This publication aims to help stakeholders navigate the transition. It outlines the key reporting impacts of the LSRS (including clarifications from the accompanying guidance document issued in June 2026), explores implications for the palm oil sector, and highlights considerations from a data, reporting, and assurance perspective. It also provides practical actions to support preparedness for increasing scrutiny under the IFRS S2 and evolving regulatory and assurance expectations.

² Malaysian Palm Oil Board (MPOB), The Malaysian Oil Palm Industry Performance 2025

³ MyGovernment, [Learn about Malaysia – Location](#), 2026

⁴ Department of Statistics Malaysia, [Mylocalstats](#), 2024



Key LSRS reporting impacts

For many agriculture and plantation companies, emissions from forest, land, and agriculture (FLAG) activities represent a significant share of the GHG inventory, with LUC frequently the single largest component.⁵

As a result, changes to the accounting of the LUC, traceability, and carbon removals under the LSRS could materially affect reported emissions, the comparability of historical baselines, and the assessment of progress against climate commitments.

This section highlights the LSRS changes most likely to affect emissions reporting and climate disclosures.



⁵ WWF, [Measuring and Mitigating GHGs: Palm Oil \(2022\)](#)

Brief overview of LSRS impacts on emissions reporting

Although the LSRS covers a broad range of accounting and disclosure requirements, three themes stand out for their potential to reshape reporting practices across the agricultural and palm oil sectors.

I. Tighter and broader LUC standards

The LSRS introduces a clearer hierarchy of calculation approaches, more prescriptive temporal allocation rules⁶ for LUC events, and a broader range of LUC-related emission sources.

Together, these changes may influence how the impacts of past land use decisions and current land management practices are reflected in reported emissions over time.

II. Tracing emissions to source locations

The standard places greater emphasis on demonstrating where emissions occur and where raw materials originate, particularly for Scope 3 emissions from purchased fresh fruit bunches (FFB) and other agricultural commodities.

Companies will need stronger evidence to verify the origin of these materials and support reported emissions, potentially requiring enhanced traceability systems and recognised certification or chain of custody arrangements.

III. Higher bar for carbon removals recognition

The LSRS raises the threshold for carbon removals recognition, particularly within Scope 3, where removals must meet stringent traceability and substantiation requirements.

At the same time, uncertainty remains around how removals associated with conservation areas, high conservation value forests and other non-productive land set-asides can be reflected in corporate inventories.

As reporting expectations evolve, companies may need to communicate removals more carefully and remain prepared for future refinements to accounting approaches.

The following sections explore these themes in greater detail, focusing on changes to LUC accounting, traceability requirements, and the treatment of carbon removals.

Note: Refer to the Annexe for a structured overview of the LSRS requirements most relevant to agriculture and palm oil companies.

⁶ Refers to how emissions arising from an LUC event, for instance, conversion of forest to oil palm, are distributed over time for reporting purposes. Different allocation approaches can significantly affect when emissions are recognised, and therefore, influence annual emissions profiles, trends, and comparisons between reporting periods.

I. Tighter and broader LUC standards

Building on the changes discussed earlier, the LSRS brings greater transparency and standardisation to the land use change tracking process.

Key changes include:

- **A clearer hierarchy of calculation approaches.** Companies are expected to use the most precise and traceable data available before relying on less granular approaches.
- **More prescriptive temporal allocation rules.** It provides clearer guidelines on how emissions from past land conversion events are recognised across reporting periods. This can affect annual emissions profiles, performance trends, and year-on-year comparisons.

As a result, emissions profiles and historical baselines may shift even where land management practices remain unchanged. The challenge may not be operational performance but explaining why reported numbers have changed.



Peatland restoration may increase reported methane emissions in the near-term despite acting as carbon sinks and reducing long-term environmental risks

Livestock activities, even if temporary, require clear boundary definitions and land-use categorisation for LUC accounting.

New scope for LUC emissions

The LSRS also broadens the range of land-related emissions that companies may need to assess, bringing greater attention to activities that have often sat at the periphery of GHG inventories.



Peatland rewetting: Methane emissions arising from the initial stages of peatland rewetting, including peatland restoration efforts, must now be reported under land management, while peatland drainage remains classified under the LUC.

As a result, peatland restoration activities that reduce long-term environmental and fire risks, and act as carbon sinks, may increase reported methane emissions in the near-term. This is particularly relevant given the Roundtable on Sustainable Palm Oil (RSPO) requirements for drainability assessments and the eventual phase-out of cultivation on peatland areas that can no longer be sustainably drained.

Companies should clearly explain that any short-term increase in emissions may reflect LSRS accounting requirements rather than an increase in long-term emissions.



Livestock grazing: Emissions associated with livestock grazing on converted land, together with related feed-production areas, must be included in LUC accounting where applicable. While unlikely to affect all palm oil companies, the requirement may apply where livestock are integrated into plantation operations, such as the use of buffaloes for crop evacuation or animals temporarily kept for Hari Raya Haji (Eid al-Adha) programmes.

This reinforces the need for clear operational boundaries and land use categorisation, particularly where livestock activities are temporary or ancillary to plantation operations.



Water reservoirs: Emissions associated with water reservoirs must be accounted for where they are owned, controlled, or form part of the value chain.

For most palm oil companies, the impact is expected to be limited, given the sector's low reliance on irrigation and dependence on rainfall. The requirement is likely to be more significant for crops that depend heavily on irrigation or where reservoirs are integral to production. Nevertheless, palm oil companies may still face indirect impacts through purchased electricity generated from hydropower reservoirs within their value chain.

II. Challenges in tracing emissions to source locations

Under the LSRS, location matters. For many companies, the challenge is shifting from measuring emissions to demonstrating where they occurred. This raises the bar on how sourcing origins are identified, documented, and substantiated.

Unlike Scope 1 reporting, which follows organisational boundaries, Scope 3 reporting is tied to **demonstrated physical traceability** across the value chain. Physical traceability helps determine the spatial boundaries used for reporting Scope 3 emissions (see Figure 1). The stronger the traceability, the more granular and defensible emissions reporting becomes.

Figure 1: Scope 3 spatial boundaries and traceability⁷

Scope 3 spatial boundary	LSRS physical traceability	Description
Global	Not required	All land areas globally from which biogenic products or raw materials are sourced
Jurisdiction	Recommended	A predefined political or administrative area from which biogenic products or raw materials are sourced (e.g., state, country, or political region)
Sourcing region	Required	A predefined geographic area supplying raw materials to the first point of aggregation or first processing facility within the value chain. In the palm oil sector, this is equivalent to Traceability to Mill (TTM).
Land Management Unit (LMU)	Required	A predefined land area managed under a single land management plan to produce a given raw material or set of raw materials. In the palm oil sector, this is equivalent to Traceability to Plantation (TTP).
Harvested area	Required	The specific productive agricultural land area harvested during a given period to produce the relevant raw material

⁷ Greenhouse Gas Protocol, Land Sector and Removals Guidance, 2026

Traceability becomes a necessity for Scope 3 reporting

Going forward, the ability to demonstrate where purchased FFB and other agricultural inputs originate from will increasingly determine how land emissions are measured and reported.

This creates new challenges for palm oil companies, as existing sourcing models and practices may not provide the level of traceability required for more granular Scope 3 reporting.

Figure 2: Traceability requirements for Scope 3 reporting: What this means for palm oil companies

Key implications

TTM (Traceability to Mill) is an intermediary step in achieving full traceability, or sourcing region

TTM or sourcing region reporting may remain appropriate in the near term, particularly in fragmented supply chains.

However, these broader boundaries provide limited visibility into site-specific land use outcomes, reducing the precision of emissions accounting.

TTP (Traceability to Plantation)

TTP enables more granular and credible emissions reporting by linking FFB to specific land areas and better distinguishing historical LUC from current management impacts.

However, TTP adoption remains uneven. Achieving plantation-level traceability can be challenging where mills source through intermediaries and independent smallholders that aggregate fruit from multiple origins.

This challenge is amplified by the volume of Malaysia's oil palm smallholders (more than 300,000 strong)⁸ who account for around 30%-40% of cultivated oil palm area.⁹

Proxy approaches

Proxy approaches do not meet LSRS traceability requirements for Scope 3 reporting.

Methods such as the 50km radius-based assessments used for No Deforestation, No Peat, and No Exploitation (NDPE) monitoring and deforestation risk screening remain valuable for risk management but cannot substitute demonstrated physical traceability.

Book-and-claim models

Book-and-claim models are chain of custody models, where the transfer of specified characteristics is not connected to the physical flow of material or products throughout the supply chain. These models cannot establish the physical link needed to define Scope 3 reporting boundaries. As a result, companies relying on these approaches may be limited to broader sourcing-region boundaries, reducing their ability to connect reported emissions to specific land use outcomes.

Chain of custody models

The LSRS recognises chain of custody models including identity preservation, segregation, controlled blending, and mass balance.¹⁰

While mass balance remains widely used in the palm oil sector, it will be subject to stricter requirements for volume tracking, reconciliation, allocation and sourcing-boundary definition.

⁸ The Malay Mail, Small farms the key to Malaysia's palm oil sustainability – Siti Dina Razman Pahri, 2026

⁹ The Star, FGV, MPOB redefine Malaysia's palm oil industry, 2025

¹⁰ GHG Protocol, Land Sector and Removals Standard, pg 29, 2026

Carbon benefits from conservation areas may not be reflected in reported GHG inventories.

Carbon removals claims are only as strong as the traceability that underpins them.

III. Higher bar for carbon removals recognition

For many palm oil companies, forests, conservation set-asides (which are designated for agricultural or industrial production) and rehabilitation areas form an important part of decarbonisation and sustainability strategies. Under the LSRS, however, the recognition of carbon removals is subject to stricter eligibility criteria and a narrower scope of application, making it more challenging for companies to recognise the removals associated with these activities.

- **Forest-related removals remain uncertain**

The current version of the LSRS does not yet provide a finalised methodology for accounting for forest-related removals. As a result, sequestration from conservation areas, secondary forests, and other non-productive land within concessions may not currently be recognised within reported GHG inventories or used to offset reported emissions.

This is a significant gap as these areas often form an important part of palm oil companies' sustainability, conservation, and biodiversity strategies.

Where such removals are disclosed, companies are expected to communicate the associated uncertainties transparently, recognising that future GHG Protocol guidance may alter how these removals are measured and reported.

- **Stricter recognition for carbon removals**

With the increased threshold for recognising carbon removals, particularly within Scope 3, companies will need to demonstrate end-to-end traceability across the full CO₂ removal pathway, including the ultimate storage sink.

For palm oil companies with complex, multi-tier supply chains, this may limit the extent to which upstream sequestration activities can be recognised in reported inventories, even where these activities are actively supported through supplier engagement programmes.

Key implications

Taken together, these requirements increase the likelihood of future inventory restatements as data availability improves and GHG Protocol guidance evolves. For companies reporting under the IFRS S2, this heightens the need for discipline in how removals are communicated, ensuring narrative claims remain aligned with what can be substantiated within the GHG inventory.



Preparing for the LSRS

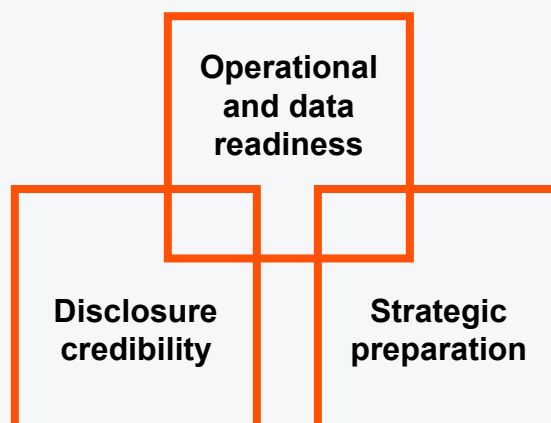
Key considerations for palm oil companies

For palm oil companies, the shift towards more traceable and evidence-based climate reporting could reshape how emissions data is collected and calculated, how carbon removals are recognised, and how sustainability performance is communicated to investors and other stakeholders.

Meeting these expectations will require stronger data, more robust methodologies, and closer alignment across strategy, operations, sustainability and reporting functions.

Responding effectively will require an integrated approach built on three priorities.

Figure 3: An integrated approach for LSRS readiness



Key questions:

How will the LSRS reshape our reported emissions profile?

What does this mean for our climate targets, strategy and stakeholder narratives?

I. Strategic priorities: Preparing for a new emissions reality

More than just a technical accounting update, the material change in reported emissions profiles will place increasing expectations on boards and management to reassess their performance measurements, evaluation of targets, and how they engage stakeholders on progress.

Strategic priorities for boards and management

- **Distinguish between movements driven by methodological changes and those reflecting underlying performance.** Understand whether changes in emissions reflect underlying operational performance or result from revised LSRS methodologies, calculations, improved traceability, broader emission scope, or carbon removals. This distinction is critical for credible performance narratives and stakeholder communication.
- **Reassess climate strategy and priorities.** The increased transparency provided by the LSRS helps separate emissions linked to historical land use decisions from those influenced by current management practices. This can improve the targeting of climate actions and investments towards the most material emission hotspots.
- **Develop a transition roadmap.** Alignment with the LSRS will be an iterative process. Companies should establish a roadmap for enhancing data quality, strengthening emissions inventories, and maintaining alignment with related frameworks and standards, including RSPO requirements.

To support informed decision-making, boards and management should ask probing questions on the LSRS' implications on their emissions baselines and commitments.

- **Impact on emissions baselines and reported performance** - The LSRS may significantly alter reported emissions even where operational performance remains unchanged. Understanding the drivers of these movements is essential. It may justify a need to restate emissions baselines (see next point).
- **Recalculated emissions baselines** - Baselines should be reassessed using the same organisational and operational boundaries as that of the emissions profile reported annually. Depending on data quality and availability, a new baseline year may also need to be considered if materially affected.
- **Implications for targets and commitments** - Changes in emissions baselines may affect progress against existing climate commitments, including Science Based Targets initiative (SBTi) FLAG-aligned targets. This could necessitate target recalibration and will likely attract greater scrutiny from investors and other stakeholders as climate disclosures become more prominent under the IFRS S2.

Key questions:

Are our existing GHG calculations, methodologies, and data fit for purpose under the LSRS?

Are our teams and suppliers sufficiently prepared to meet the LSRS' increased expectations around data quality, traceability, reporting, and assurance?

II. Operational and data priorities:

Building both technical and organisational readiness

Implementing the LSRS will require more than new calculations. It will demand both robust technical capabilities and the organisational capacity to generate, validate, and act on more granular emissions information.

Priorities for management with board supervision

Management should assess and strengthen capabilities across data, governance, people and supplier engagement to support LSRS-aligned reporting and assurance. Boards have an important role to play in overseeing and ensuring that the necessary governance, resources and accountability structures are in place to support effective implementation.

- **Strengthening technical foundations**

Companies will need to reassess whether existing GHG **calculations, methodologies, and data are fit for purpose** under the LSRS.

Calculation approaches are now more closely linked to spatial boundaries, traceability requirements and defined accounting categories, increasing expectations around consistency, transparency, and auditability.

This places greater emphasis not only on data completeness, but also on whether calculation tools **reflect the operational realities** of the palm oil sector. Methodologies should be capable of accounting for factors such as plantation structures, mill catchments, peatland dynamics, and varying levels of supplier traceability. Where tools rely on generic assumptions or insufficiently granular data, companies may face inconsistent results, challenges during assurance, and a higher risk of future restatements.

- **Building organisational capability**

The shift also has important people and governance implications. Implementing the LSRS will require **closer collaboration** across sustainability, operations, procurement, finance and assurance functions, as technical considerations can have material consequences for reported emissions and disclosure outcomes.

Companies may also need to invest in **upskilling teams** to better understand LSRS methodologies, traceability requirements, and land use accounting concepts.

For Scope 3 emissions in particular, more structured **engagement with suppliers** may become increasingly important to communicate increasing expectations on measurement, reporting, and assurance.

Key questions:

What are the most significant gaps that could prevent us from delivering credible LSRS-aligned disclosures over the next 6-12 months?

III. Disclosure priorities: Strengthening credibility and trust in emissions data

As palm oil companies prepare for the next phase of sustainability disclosures, two priorities are likely to dominate the agenda: preparing for LSRS-aligned accounting and meeting the expectations of reasonable assurance under the NSRF.

Together, these developments place greater emphasis on the quality, transparency and defensibility of emissions data, raising expectations for disclosures that can withstand scrutiny from assurance providers, investors, and financiers.

Priorities for management with board supervision

Preparing for the LSRS transition

In our experience, the palm oil companies best positioned for this transition will use the next 6-12 months to assess their readiness for LSRS-aligned disclosures. This includes:

- Pressure-testing GHG inventories and calculators against revised land use change and carbon removal requirements
- Defining traceability and spatial boundary ambitions, including the level of reporting granularity that can be credibly supported
- Strengthening governance and documentation to support future assurance requirements
- Aligning sustainability, operational and finance teams around a consistent reporting narrative before disclosures are tested by investors, financiers, and assurance providers

How prepared are we to support reasonable assurance over our emissions disclosures under the NSRF?

Preparing for greater disclosure scrutiny

Under the NSRF, sustainability reporting is moving towards greater assurance requirements, including reasonable assurance over Scope 1 and Scope 2 GHG emissions from 2027 onwards.

As reporting comes under increasing scrutiny, the focus will extend beyond the emissions reported to whether the underlying assumptions, data and methodologies can be clearly evidenced, consistently applied, and robustly substantiated.

Companies are likely to be better positioned to demonstrate the credibility of their reported emissions when their GHG inventories are built on:

- Clearly defined spatial boundaries
- Strong traceability to source locations
- Transparent and consistently applied calculation methodologies
- Well-documented supporting evidence

Conversely, inventories that rely heavily on assumptions, limited traceability, or poorly documented methodologies may face greater challenge during assurance.

At the end of the day, LSRS and assurance readiness aren't just about ticking compliance boxes. They're about building trust—ensuring reported emissions truly reflect the business's environmental impact, with the ability to withstand growing stakeholder scrutiny.



Conclusion

The LSRS marks a significant shift in how palm oil companies account for land-based emissions and removals. More prescriptive land use change accounting, higher expectations for traceability, and stricter recognition of carbon removals may all influence reported emissions, baseline inventories and the way sustainability performance is understood and compared.

Responding effectively will require action on three fronts.

- **Strategically**—the key question is not whether emissions numbers will change, but what those changes mean. Boards and management will need to assess how revised emissions profiles influence climate commitments, performance evaluation, investment priorities, and stakeholder narratives.
- **Operationally**, organisations will need the right systems, data, and governance to support more robust reporting. This will require greater coordination across functions and a shared understanding of how sustainability information is generated, validated, and communicated.
- From a **disclosure perspective**, credibility will become increasingly important. As sustainability disclosures come under greater scrutiny, companies will need to ensure that reported emissions are supported by clear evidence and can withstand assurance challenges and pressures from stakeholders.

Ultimately, the LSRS is not just about reporting different numbers, but about being able to clearly explain, evidence, and defend them. Organisations that act early to align strategy, operations, and disclosures will be best placed to maintain credibility in an increasingly scrutinised reporting environment.

Annexe

Thematic area	Topic	Changes introduced by the LSRS
Boundary, categorisation and granularity changes	Updated accounting categories	• New and updated accounting categories, including both physical GHG inventory (emissions and removals) and additional accounting categories • This includes disclosure of agricultural land occupation (e.g. total plantation hectareage) See LSRS Chapter 4 (Table 4.1, Figure 4.1 and 4.3) and Chapter 8
	Disaggregated GHG reporting	• Scope 1 and 2 emissions must be disaggregated by GHG type (e.g. CO₂, CH₄, N₂O) • Where disaggregated data is not available, companies may use aggregated data but must justify how the accounting category comprises a small share of the total GHG inventory See LSRS Chapter 20 (Requirement 31) and Chapter 6 (6.2.2)
Traceability and spatial boundary expectations	Defining spatial boundaries	• Spatial boundaries must be defined; ○ For Scope 1, spatial boundary is based on organisational boundary ○ For Scope 3, spatial boundary is based on what a company can credibly trace across its value chain See LSRS Chapter 5
	Physical traceability requirements	• Companies looking to demonstrate physical traceability must implement traceability systems • The LSRS distinguishes between physical traceability and impact traceability; only physical traceability can be used to support the Scope 3 spatial boundary definition within the physical GHG inventory • The accepted chain of custody models are: ○ Identity preservation ○ Segregation ○ Controlled blending ○ Mass balance (where inputs and outputs with specified characteristics are quantified and attributed within a defined reconciliation period and sourcing region) ○ A mix of these approaches See LSRS Chapter 5 (Requirement 8 and Table 5.2)

Thematic area	Topic	Changes introduced by the LSRS																										
Land use change (LUC) and peatland-related shifts	Standardisation of LUC calculation approaches	- LUC calculation approaches must be disclosed, which will be based upon the spatial boundaries to which they relate: Figure 2: Applicable LUC emissions calculation approaches based on value chain traceability <table><tr><th rowspan="2">Scope 3 spatial boundary</th><th rowspan="2">Statistical land use change (sLUC)</th><th colspan="2">Direct land use change (dLUC)</th></tr><tr><th>Jurisdictional dLUC</th><th>LMU-level dLUC</th></tr><tr><td>Global</td><td>✓</td><td></td><td></td></tr><tr><td>Jurisdiction</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Sourcing region</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Land Management Unit (LMU)</td><td></td><td></td><td>✓</td></tr><tr><td>Harvested area</td><td></td><td></td><td>✓</td></tr></table> <i>Note: The hierarchy of calculation approaches is from left to right (sLUC is the least accurate; LMU-level dLUC is the most accurate)</i> - The selected approach must be based on the hierarchy of calculation approaches (see Note below table) - A linear discounting approach is to be used See LSRS Chapter 7 (Requirement 10)	Scope 3 spatial boundary	Statistical land use change (sLUC)	Direct land use change (dLUC)		Jurisdictional dLUC	LMU-level dLUC	Global	✓			Jurisdiction	✓	✓		Sourcing region	✓	✓		Land Management Unit (LMU)			✓	Harvested area			✓
	Scope 3 spatial boundary	Statistical land use change (sLUC)			Direct land use change (dLUC)																							
			Jurisdictional dLUC	LMU-level dLUC																								
	Global	✓																										
Jurisdiction	✓	✓																										
Sourcing region	✓	✓																										
Land Management Unit (LMU)			✓																									
Harvested area			✓																									
	Time period	- LUC emissions occurring within the LUC assessment period must be accounted for - The default assessment period is 20 years prior to and including the reporting year. However, where a crop cultivation or rotation cycle exceeds 20 years, the assessment period is extended to the full cultivation cycle (e.g. a 25-year oil palm cycle) - The allocation shall follow a linear discounting method See LSRS Chapter 7 (Requirement 10)																										
	Inclusion of additional LUC-related sources	- Additional LUC-related sources include: - Water reservoirs (Requirement 10.2) - Peatland rewetting (Requirement 16) - Livestock grazing (Requirement 10.1 and 16) See LSRS Chapters 7 and 10																										

Thematic area	Topic	Changes introduced by the LSRS
Carbon removals: tighter eligibility	Pending clarification on forestry accounting	Exclusion of forest carbon accounting rules for the time being Noted on page 1
	Restriction on Scope 3 removals unless full traceability exists	- Scope 3 removals must have full traceability across the full CO₂ removals pathway, including to the final storage sink, to be reported - Removals reported at global and jurisdictional spatial boundaries are generally not eligible for removals accounting; eligibility increases only where more granular traceability requirements can be met See LSRS Chapter 12 (Requirement 20)

Additional [SL23.1] developments to note:

- **Implementation resources released on 30 June 2026:** Alongside the Land Sector and Removals Guidance, GHG Protocol has published a Sample GHG Inventory Reporting Template and a Reporting Requirements Checklist¹¹ to support implementation and disclosure preparation. These supplementary resources provide illustrative reporting formats and a consolidated summary of mandatory reporting requirements under the LSRS.
- **Forestry carbon accounting:** As stated, forest carbon accounting remains unresolved in Version 1 of the LSRS. On 30 June 2026, GHG Protocol launched a Request for Information (RFI) on forest carbon accounting to inform future methodological development, with stakeholder submissions open until 1 February 2027.

¹¹ See Land Sector and Removals (LSR) Guidance announcement [here](#)

Abbreviations

Abbreviations	Full name
EUDR	European Union Deforestation Regulation
FFB	Fresh Fruit Bunches
FLAG	Forest, Land and Agriculture
GHG	Greenhouse Gas
IFRS	International Financial Reporting Standards
IFRS S2	IFRS Climate-related Disclosures Standard
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
LMU	Land Management Unit
LSRS	GHG Protocol Land Sector and Removals Standard
LUC	Land Use Change
NDPE	No Deforestation, No Peat and No Exploitation
NSRF	National Sustainability Reporting Framework
RSPO	Roundtable on Sustainable Palm Oil
SBTi	Science Based Targets initiative
Scope 1	Direct Greenhouse Gas Emissions
Scope 2	Indirect Greenhouse Gas Emissions from Purchased Energy
Scope 3	Value Chain Greenhouse Gas Emissions
TTM	Traceability to Mill
TTP	Traceability to Plantation



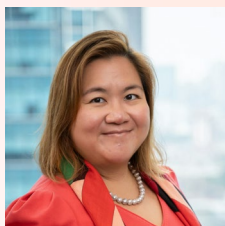
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