

Driving Value:

THE CARBON REPORTING ADVANTAGE



Why verified, field-level carbon data matters now - and how brands can prepare for the next era of Scope 3 reporting.

Brands and retailers are increasingly seeking to ensure that the carbon emissions of cotton and other fibers can be traced, verified, and defended under tightening reporting rules.

Why This Matters Now: Carbon Reporting is Changing

The GHG Protocol Land Sector Removals Standard (LSRS), effective January 2027, will raise the bar for agricultural Scope 3 reporting. Brands will need to move beyond aggregated estimates and show how emissions, removals, methods, boundaries, and sourcing pathways are connected.

That shift creates urgency: cotton claims based on category averages or one-time calculations will be harder to defend. Brands need primary, consistent, traceable data before the standard takes effect.

The U.S. Cotton Trust Protocol has been operating with field-level, traceable Intergovernmental Panel on Climate Change (IPCC) Tier 3 data since 2020 - the kind of data quality the LSRS is now asking companies to use.

Program Active Since

2020 - 5+ years of continuous, annual field-level data

Current Grower Readiness

57% of participating growers currently meet Trust Protocol Regenerative Cotton eligibility requirements

Data Foundation

Annual field-level practice and outcome measurement support LSRS accounting and reporting

The Trust Protocol Solution: Verified Data at Scale

Trust Protocol cotton effectively “ships with a nutrition label,” providing a clear data profile that helps brands understand not just what they are sourcing, but how it was grown. Through the Trust Protocol, participating cotton is supported by verified, field-level data on practices such as land use, soil carbon, water use, energy and greenhouse gas emissions. That provides brands a more defensible foundation to simplify compliance with Corporate Sustainability Reporting Directive (CSRD), Science Based Targets initiative (SBTi), Science Based Targets Network (SBTN), LSRS, and other sustainability frameworks from a single trusted source.

Where many programs offer estimates, the Trust Protocol offers third-party verified evidence. Participating growers provide annual field-level data across key practice areas, creating a multi-year record brands can use for sourcing, reporting, and claims.

Priority Actions for Brands

- Map current cotton sourcing against Trust Protocol traceability to identify where verified Scope 3 data can replace estimates.
- Prioritize primary, field-level data over category averages or secondary datasets wherever available.
- Commit to a consistent methodology year over year so progress can be measured credibly and not distorted by model changes.
- Prepare now for LSRS requirements by separating emissions and removals, documenting methods and boundaries, and strengthening traceability.
- Engage with the Trust Protocol to build an LSRS-ready reporting pathway before 2027.

Traceability Turns Data Into Reporting Value

Verified farm-level data only creates value for brands when it can be connected to the cotton they actually source. Traceability links field-level practices and outcomes and supply-chain movement, helping brands move from broad category averages to source-specific Scope 3 reporting.

That connection is what makes emissions and removals properly described under LSRS: brands can show not just that better data exists, but how it relates to their sourcing pathways, claims, and reporting boundaries.

It also underpins emerging incentives. The proposed U.S. Buying American Cotton Act (BACA) authorizes tax credits to incentivize the consumption of U.S. cotton and cotton manufactured products and relies on exactly this kind of traceability.

Carbon Insetting Creates a Pathway for Action

The Trust Protocol's carbon insetting program provides brands a way to support emissions reductions and removals within the cotton supply chain they depend on, rather than relying only on offsets outside their value chain.

Because the program is tied to verified grower data and traceable cotton, it can help brands connect their investments to real sourcing, measurable progress, and more credible Scope 3 reduction strategies.

Regenerative Practices Strengthen the Data Story

Regenerative farming practices - including reduced tillage, cover crops, crop rotation, integrated pest management, nutrient stewardship, and irrigation efficiency - allow an additional data layer that shows not only overall sustainability performance, but also the practices growers are using to support soil health, water efficiency, carbon outcomes, and long-term resilience.

Captured through Trust Protocol reporting, for brands, the point is not simply that these practices exist. The value comes when they are documented through a consistent reporting system and connected to measurable outcomes over time. This helps turn regenerative agriculture into more defensible reporting, insetting, and sourcing claims tied to the cotton they actually source.

The Value of Verified Data for Brands and Retailers

Verified data matters because reporting risk is rising. A recent Textile Exchange LCA study found that the same inventory data produced climate-impact results that varied by 14%-30% across seven models. Echoing International Organization for Standardization (ISO) guidance, selecting a consistent, transparent methodology year over year is the best path forward.

The Trust Protocol provides brands with three things verified data delivers:

Confidence

Primary, field-level data provides brands greater confidence in Scope 3 reporting and cotton sourcing claims.

Consistency

A consistent methodology year over year helps brands track progress without being distorted by model switching.

Credibility

Verified, traceable data supports more credible reporting, customer communications, and audit-ready claims.