

# An ESG expert's guide to credible sustainability

Environmental, Social, and Governance (ESG) commitments are under the microscope – creating new pressure at the executive level for **risk management, investor relations, and long-term competitive advantage**.

We built this guide to help you lead with credibility. Inside, you'll learn how to strengthen ESG claims with verifiable impact, close common reporting gaps, and adopt third-party frameworks like the Forest Stewardship Council (FSC) to stay ahead of scrutiny.

From carbon and biodiversity to supply chain traceability, we'll show how measurable impact can drive real-world results – and earn lasting stakeholder trust.

# Why measurable impact is the future of ESG

Increasing regulatory scrutiny from frameworks like the CSRD, GRI, and GBF is pushing companies to back their sustainability claims with **verifiable data**. Investors and stakeholders now expect transparent, measurable results rather than vague commitments.

This shift is also driving the adoption of **natural capital accounting**. NCA quantifies the value of nature and its resources – enabling businesses and governments to analyze their dependencies on ecosystem services (ES).

Companies must address impacts within their value chain, such as adopting **regenerative agriculture**, moving to **less water-consuming crops**, or **improving recycling**.

At the same time, they must focus on **beyond value chain mitigation** (BVCM) like a food or a textile brand supporting wetland revitalization for water retention.”

**The future of ESG lies in proving outcomes, not just intentions.**





# Risk of inaccurate claims

Making ESG claims without credible backing can lead to serious consequences:

## Greenwashing damages trust:



- It occurs when brands overstate or mislead on sustainability claims.
- It undermines consumer confidence and discredits legitimate efforts.

## Regulatory pressure is rising:



- ESG disclosure laws (like the EU Green Claims Directive) are tightening enforcement.
- Many banks are obligated to assess the sustainability of investments, creating an **investment barrier** for companies lacking credible ESG practices.
- Stock exchange regulations (i.e., China) require market participants to disclose sustainability efforts.

## Reputation is on the line:



- Loss of consumer and investor trust is often more damaging than financial penalties.
- Today's consumers expect transparency and proof, not vague promises.
- Once trust is lost, it's hard to earn back.

# The ESG reporting data gap

Even companies with strong sustainability goals often fall short regarding ESG reporting. Here's why – and how Verified Impact helps fill the gap:

## Most companies struggle to report high-quality ESG data for the following reasons:



- Inconsistent data collection across departments or regions
- Lack of standardised metrics for impact measurement
- Difficulty tracking data through complex supply chains

## Verification adds another layer of complexity:



- Internal systems often lack third-party validation
- Audits and certifications can be costly or difficult to scale
- Without independent verification, claims lose credibility

## These challenges result in:



- Missed sustainability targets and poor ESG scores
- Compliance risks tied to CSRD and other frameworks
- Stakeholder skepticism due to a lack of transparent results
- Inactivity occurs when barriers lead companies to refrain from taking action (even when willing to)

## Verified Impact helps close the gap:



- Brings third-party credibility to ESG claims
- VI helps companies earn 7 different ecosystem services claims in a single certification
- Provides evidence-led claims within the value chain
- Builds the transparency that stakeholders expect



# Role of forests at the core

Forests play a crucial role in many ESG strategies, offering positive contributions to carbon reduction, biodiversity preservation, and social impact.





## Carbon

The world's forests absorb ~**7.6 billion metric tonnes** of CO<sub>2</sub> annually on a net basis, out of a total of 16 billion metric tonnes absorbed globally ([WRI](#)).

Forests have the potential to remove significant amounts of carbon from the atmosphere. However, their ability to act as effective carbon sinks depends on shifting towards more sustainable management practices.



## Biodiversity

Forests protect the planet's richest ecosystems.

Without them, biodiversity loss accelerates.

The Amazon alone holds **10% of all known species** ([WWF](#)).

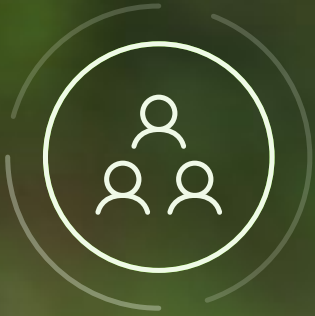


## Other environmental services

Forests help prevent **soil** erosion, regulate **water** cycles by replenishing groundwater and filtering pollutants, and improve **air** quality by absorbing harmful substances.







## Social

Forests sustain communities around the world. Overlooking people leads to ESG blind spots. **1.6 billion people** rely on forests for food, fuel, and income ([FAO](#)).

Forests deliver interconnected benefits – stabilizing the climate, preserving ecosystems, and supporting human well-being – making them indispensable to any ESG strategy rooted in natural resources.



# Real-world impact

Verified Impact helps companies prove their sustainability performance with transparent, third-party verified insights.

## Hammerbacher

### Backing claims with forest data

Hammerbacher, a German wood manufacturer, uses Verified Impact to ensure transparency and build trust with stakeholders. They contribute “beyond VC” to the UTGA forest project, reinforcing their commitment to impactful sustainability efforts.

## Inproba

### Prioritizing social and environmental value

Inproba, a Dutch food company, uses Verified Impact to validate its carbon claims by supporting forest projects that benefit communities and forest, building trust with conscious consumers.

## Del Fuerte

### Advancing water stewardship within the value chain

Del Fuerte sponsors water-related ecosystem watershed project in Mexico using Verified Impact, aligning these efforts with its own value chain to support local environments.

These companies show how Verified Impact transforms ESG from a reporting exercise into a measurable force for change.

# Verified Impact: Trustworthy ESG data

**Verified Impact** delivers reliable, scientifically backed ESG data to ensure companies can make credible claims across carbon and biodiversity.

## Data for carbon

With precise carbon data, Verified Impact helps companies track emissions reductions accurately, supporting strong climate goals and verifiable claims.



## Data for biodiversity

Verified Impact measures biodiversity outcomes, providing insights into how initiatives protect ecosystems and species, ensuring a holistic approach beyond carbon claims to promote ecological balance.



## Science-based approach

Verified Impact uses rigorous, science-based methods and tools to validate sustainability efforts to align data with global standards and ensure transparency for stakeholders.





# Verified Impact: Trustworthy ESG data

In addition to carbon and biodiversity, Verified Impact also delivers data for other natural resources and social services.

## Data for water, soil, and air

Verified Impact tracks how projects affect water quality and availability, soil health, and air pollution to support responsible resource stewardship and protect ecosystem integrity.



## Data for social services

Verified Impact tracks outcomes to ensure sustainability efforts uplift local communities alongside environmental progress.



## Data for Indigenous communities

Verified Impact recognizes the rights of Indigenous peoples, measuring how projects respect local governance, culture, and knowledge in sustainability efforts.



# Verified Impact: Key benefits

## Triple verification



FSC ensures:

- Activities are connected to outcomes and data.
- Data comes from FSC-verified forests.
- Claims that sponsors make, including how these are communicated.

## Transparency



A dashboard with independently audited data on forests and their sponsors publicly available.

## Quantifiable data



That is verified through 3d party cerification bodies; and is easily understood by all stakeholders.



# How can companies use the Verified Impact data

## Receive



Receive verified/validated data from forest managers on the positive impacts of your selected ecosystem services category. Finalize the sponsorship registration agreement and FSC Promotional Licence Agreement.

## Relate



Relate this data and your efforts via an evidence-based Ecosystem Services Claim, leveraging the trust and trademark of FSC.

## Report



Report about your role in sponsoring forests that can help fight the global challenges of climate change and biodiversity loss.

# Going beyond value chain mitigation (BVCM)

Going beyond your value chain mitigation means supporting carbon removals and biodiversity projects outside of your direct operations.

BVCM is rooted in the mitigation hierarchy. A company should reduce emissions within its own operations and value chain.

When further reductions aren't possible but net zero hasn't yet been achieved, companies can support credible, high-impact projects beyond their value chain to close the gap.

## Examples:

- ✓ Restoring ecosystems
- ✓ Funding biodiversity initiatives
- ✓ Investing in carbon capture projects





# What you can do now

□ **Map your forest footprint:** Identify where your operations and value chain intersect with forests.

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□ **Choose inseting or contribution:** Decide whether to address impacts within your value chain or support projects beyond it.

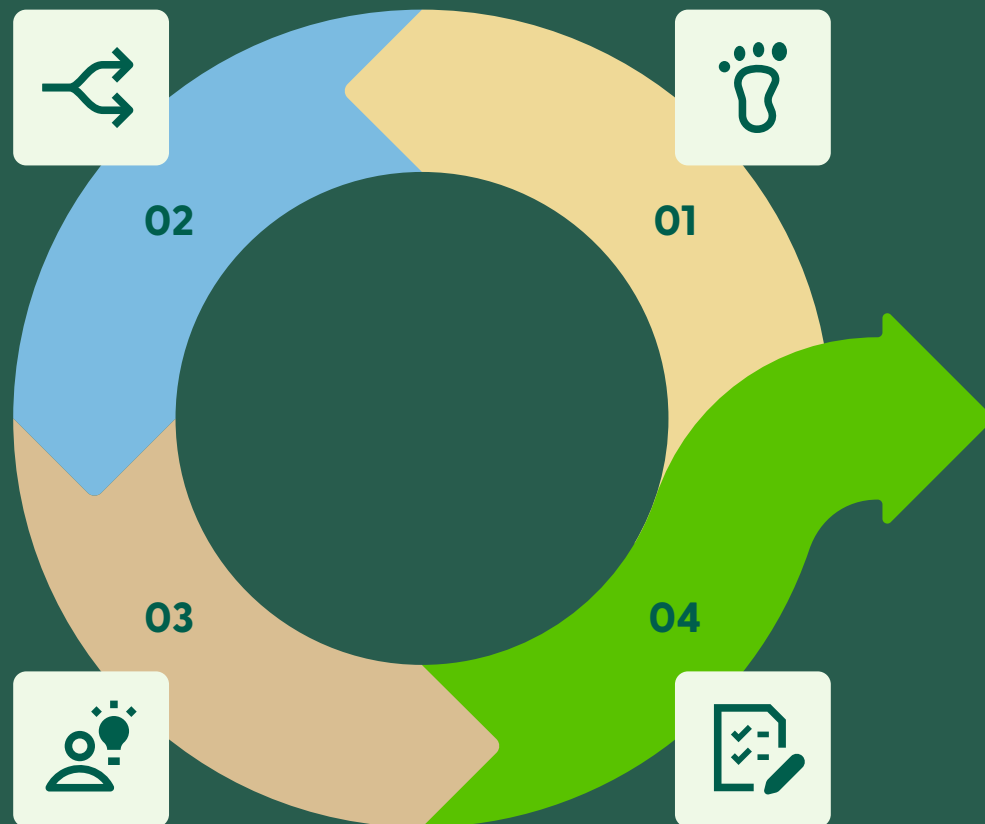
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□ **Start with a pilot project:** Test your approach on a smaller scale to learn and iterate.

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□ **Use FSC data in reports:** Strengthen credibility by integrating third-party verified impact data.

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# What you can do now

FSC Verified Impacts transform sustainability from broad intentions into measurable, science-backed outcomes.

By embedding verified carbon and biodiversity benefits into your strategy, you align with global frameworks, strengthen credibility, and build a story that resonates with both regulators and the public.

Strengthen your climate credibility with FSC certification and make a measurable impact today.

Take action →

Contact [ecosystems@fsc.org](mailto:ecosystems@fsc.org)  
for additional assistance on aligning  
Verified Impact in your sustainability strategy.

