

THE CFO'S ESG PLAYBOOK

Reporting, risk & value creation in the GCC



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About BDO

BDO is one of the world's largest networks of professional services firms, providing assurance, tax, and advisory services to a wide range of publicly traded and privately held companies. With presence in more than 160 countries and territories, and a global team of over 100,000 people, BDO helps clients navigate the opportunities and challenges of a rapidly changing business environment. In the UAE, BDO has a longstanding reputation for delivering high-quality, locally informed services underpinned by global standards for more than 50 years.

About Olive Gaea

Olive Gaea is a UAE-based sustainability tech company enabling organizations to transform ESG from a reporting obligation into a strategic advantage. Through its AI-native proprietary platform "Zero", Olive Gaea leverages advanced analytics, machine learning, and automation to convert complex, fragmented data into real-time, decision-grade ESG intelligence.

By combining cutting-edge technology with deep domain expertise, Olive Gaea empowers businesses to streamline disclosures, enhance transparency, and drive measurable environmental and financial outcomes. Working with leading organizations across the GCC, Olive Gaea supports the transition toward more resilient, data-driven, and climate-aligned business models.

EXECUTIVE SUMMARY

If you're a CFO or finance leader, you've probably noticed that ESG reporting requests no longer stop at the sustainability team's desk only: they land on yours too. Investors want comparable data. Lenders want assurance-ready disclosures. Regulators want double materiality. And conspicuously, all of it is expected to hold up to the same scrutiny as your financial statements.

This paper is a reference for finance leaders navigating that shift. It draws on the themes discussed during "The CFO's ESG Playbook: Reporting, risk & value creation in the GCC" - a joint webinar bringing together perspectives from BDO UAE (Hitesh Kataria - Associate Director - ESG & Sustainability), the Global Reporting Initiative (Elisa Pirisi - Senior Manager, Reporting Services), and Olive Gaea (Vivek Tripathi - CEO & Co-founder).

This discussion aims to help finance leaders understand what is changing in global sustainability reporting, explain why GRI sits at the center of that system, discuss the specific pain points finance teams are encountering today, and suggest a practical, phased path toward readiness.

Why ESG reporting now sits with finance

Most ESG conversations across the globe are traditionally centered around sustainability, communications, or compliance functions. However, as ESG becomes increasingly embedded in business strategy, risk management, and value creation, finance leaders are playing a more prominent role in driving ESG reporting, governance, and decision-making. This is particularly evident in the four themes below:



ESG reporting is integrating with the finance function

Globally, ESG reporting is being pulled into the same governance structures, controls, and accountability lines used for financial reporting. This suggests a need for embedding it into financial reporting workflows, enterprise systems, procurement and operational data, risk management, and strategic planning; not running it as a parallel, standalone exercise. For finance leaders, this is a governance, risk management, and capital allocation issue, not a branding one.



Scattered, fragmented data

Sustainability data typically lives across many disconnected systems and teams – operations, procurement, HR, utilities, finance, and suppliers – each with its own format, significance, and level of accuracy. This scenario makes reporting depend on extensive collaboration to compile and validate data, which can make comparability across periods and business units more difficult.



Scope 3 and financed emissions are becoming strategic risks

Value-chain Greenhouse Gas (GHG) emissions and, for financial institutions, financed emissions arising from lending and investment portfolios are consistently the hardest parts of ESG reporting to get right, precisely because the primary data sits outside the reporting organization's direct control. They are also increasingly becoming a key focus for investors, lenders, and regulators, as they often represent the largest share of an organisation's total climate exposure and the greatest transition risk.



Assurance readiness

As sustainability disclosures move closer to the standard of financial reporting, organisations are expected to demonstrate the same rigor auditors apply to financial data: clear data trails, transparent calculation methods, version control, supporting evidence, and documented approvals. Many organisations discover assurance readiness gaps only when a lender, investor, or regulator asks for them, by which the process becomes cumbersome and time-consuming.



Understanding GRI: The global language for sustainability reporting

As GRI featured prominently in the discussions that informed this paper and continues to support the majority of sustainability reporting globally, this section explores the framework in greater detail. Understanding what GRI is, and how it fits alongside financial-materiality frameworks like IFRS S1 and S2, is arguably the single most useful piece of context for a CFO building an ESG reporting strategy.

What is GRI?

The Global Reporting Initiative (GRI) is an independent, international organisation that sets the world's most widely used standards for sustainability reporting. Where financial accounting standards define how an organisation's financial position is measured and disclosed, GRI does the equivalent for an organisation's impact; it evaluates the firm's effects on the economy, environment, and people, including human rights. GRI standards help organisations identify, understand, and disclose the impact their activities have on the world, so that investors, customers, regulators, and communities can assess them on a consistent, comparable basis.



An aerial photograph showing a red car driving on a paved road that curves through a landscape. To the left of the road is a dense green forest, and to the right is a sandy, cleared area with some sparse vegetation. The car is positioned in the lower-left quadrant of the image, moving towards the right.

GRI and the Evolving Sustainability Reporting Landscape

1. Thirty years of setting the global standard

GRI has spent three decades building what is often described as the global language for measuring, comparing, and reporting on sustainability impacts. That maturity shows up in the numbers: GRI-based reporting is used by roughly 90% of the world's largest companies, and GRI reporters collectively represent around 61% of global market capitalisation. GRI Standards are referenced in policy across 128 countries, and around 40% of global GDP is now covered by double-materiality (impact and financial) regimes for mandatory reporting. Perhaps most tellingly for finance leaders: approximately 96% of reporting instruments referenced in ESG guidance issued by stock exchanges globally reference the GRI Standards – from the Dubai Financial markets, Abu Dhabi Securities Exchange, Saudi Stock Exchange (Tadawul) and Bahrain Bourse to the London Stock Exchange, NYSE, and Nasdaq.

2. The expanding global reporting system: GRI + ISSB

The global reporting system is expanding quickly, and GRI increasingly sits alongside the ISSB's IFRS sustainability disclosure standards rather than in competition with them. Mandatory regimes referencing GRI, ISSB, or both are now in place or emerging across a wide range of markets: the EU's CSRD/ESRS, China's Ministry of Finance guidelines, India's BRSR, Brazil's CVM requirements, and South Africa's King IV/V governance code, among others. Within the GCC and neighboring markets specifically, Oman has moved toward combined GRI and ISSB requirements, Egypt has introduced GRI-based reporting for banks, Indonesia is layering ISSB requirements onto impact reporting, Australia has introduced GRI 207 tax disclosure requirements, and listed companies in Taiwan and China increasingly face mandatory GRI-based reporting. For a GCC-based finance leader, this matters because it signals where regional regulation is likely headed next.

Two lenses on materiality: Impacts first, financial consequences next

A useful starting point for any finance leader is understanding the two lenses through which sustainability information is assessed:

- **Impact materiality** (“inside-out”) – how an organisation's activities affect the world: its contribution to, or detracting from, sustainable development. This is GRI's core domain.
- **Financial materiality** (“outside-in”) – how sustainability-related risks and opportunities affect the organisation financially. This is the domain of frameworks such as IFRS S1 and S2.

GRI helps organisations identify and disclose significant impacts; IFRS S1 and S2 then help disclose the financially material risks and opportunities that often emerge from those same impacts. Increasingly, regulators and investors expect both lenses together (a “double materiality” view) because the two are interconnected rather than separate exercises.

3. Impacts drive risks

A company's impacts are not separate from its risk profile; they are often the very source of the risks it faces. Three principles are worth mentioning here:

- impacts and risks are interconnected, so measuring impact is essential to understanding the full scope of risk and opportunity;
- organisations can significantly affect the world around them, and those effects, on climate, ecosystems, and communities, must be identified and actively managed; and
- impact assessment is a necessary first step in identifying risk, not an optional add-on. In practice, this means a company cannot effectively manage a risk it has not first identified as an impact.

4. What investors and stakeholders expect today

Investors and stakeholders expect credible, comparable information on impacts, how they are managed, and how they connect to strategy, risk, and opportunity. Across investor, lender, customer, employee, and regulator groups, expectations tend to converge on four themes:



Understanding impacts and addressing them through strategy - mapping activities and the value chain, identifying significant impacts, and informing strategic priorities



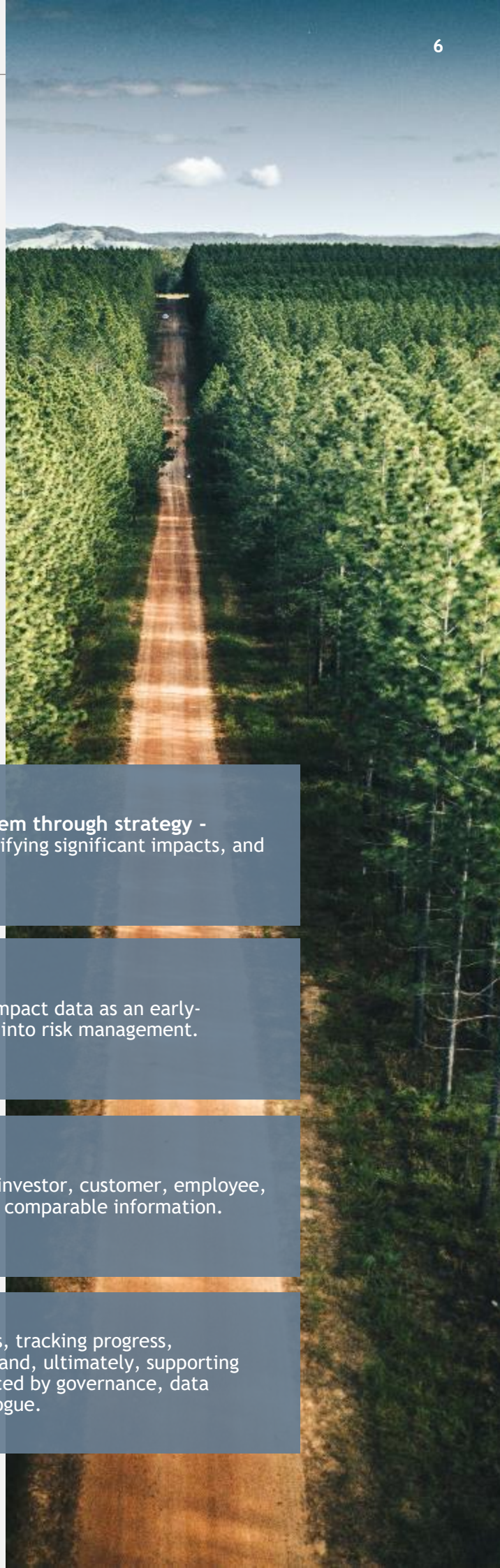
Managing risks and opportunities - using impact data as an early-warning signal and translating impact insight into risk management.



Building stakeholder trust - responding to investor, customer, employee, and regulator expectations with transparent, comparable information.



Competitive differentiation - setting goals, tracking progress, strengthening governance and data systems, and, ultimately, supporting better access to capital. All of this is reinforced by governance, data systems, due diligence, and stakeholder dialogue.



5. From a CFO's perspective: Turning impact data into financial decisions

Impact data captured under GRI Standards, such as emissions and climate, biodiversity and water, labor practices and communities, business conduct and supply chain, feeds directly into how investors assess financial risk: accounting provisions and estimates, regulatory and compliance costs, litigation and provisions, reputational and social-license effects, and sector exposure to transition risk. That, in turn, shapes concrete financial system decisions: risk pricing, credit conditions, investment and divestment decisions, insurance and reinsurance terms, and capital allocation. The table below illustrates this chain with practical, non-exhaustive examples from a value-chain perspective.

IMPACT AREA	IMPACT REPORTING PERSPECTIVE	SUSTAINABILITY-RELATED FINANCIAL CONSEQUENCE	DECISION AFFECTED
Carbon emissions	High emissions in the value chain	Carbon costs, customer requirements, transition capex	Supplier engagement, pricing, investment
Water	High water usage in a water-stressed area	Higher costs, business continuity risk, community opposition	Site planning, insurance, opex
Employees	Supplier labour issues	Litigation, disruption, customer loss	Procurement, contracts, market access

*Impact-to-financial consequence examples, value-chain perspective.
Source: Adapted from GRI.*



6. Closing the readiness gap: A value-chain view

Companies are expected to be asked for impact information by customers, lenders, investors, and regulators, and most organisations currently have real gaps to close. Common gaps include weak value-chain mapping, high-risk locations that are not mapped properly, limited supplier-level data, heavy reliance on estimates rather than measured data, and inconsistent internal controls. A practical way to sequence readiness is to separate what can reasonably be disclosed now from what needs to be improved over time.

Disclose now	Improve over time
▶ Own operations data ▶ Known high-impact areas ▶ Key operational risks ▶ Policies, actions and targets ▶ Assumptions and limitations	▶ Supplier-specific data ▶ Site-level metrics ▶ Double materiality assessment ▶ Assurance-ready controls

*A phased approach to closing common data and disclosure gaps.
Source: Adapted from GRI.*

7. Aligning impacts, risks and opportunities with business strategy

Double materiality assessment is not the end goal, it is the starting point for a chain that should ultimately run through strategy and capital allocation, risk management integration, investor, lender, and regulator alignment, and finally reporting, transparency, and trust. Two takeaways are worth holding onto: first, impact assessment is not the destination, the real value comes from managing, tracking, and communicating how impacts are addressed over time. Second, double materiality connects climate impacts to strategic responsibility and climate risks to financial resilience, enabling better decisions, stronger risk management, and more globally credible reporting.

8. GRI as the universal language: Inter-operability with other frameworks

One of GRI's most practical benefits for finance teams is inter-operability. GRI develops free inter-operability mappings and guidance that identify aligned disclosures and shared metrics across GRI and other standards, including ESRS (via EFRAG), the Taskforce on Nature-related Financial Disclosures (TNFD), CDP, and IFRS. Many ESRS, TNFD, and CDP disclosures are already substantially covered by GRI's Universal and Topic Standards, which means organizations can reference the same underlying dataset across multiple frameworks instead of collecting the same information repeatedly. The GRI Report Services team encourages cross-referencing other standards within the GRI content index, resulting in reporting that is more streamlined and resource-efficient. Training internal teams to use these inter-operability tools effectively is a worthwhile early investment for any finance function taking on ESG reporting ownership.

9. How GRI's ecosystem supports reporters

For finance teams building this capability from scratch, GRI's own ecosystem is structured around four steps that map well into a maturity journey:

- ▶ **Understand – GRI 1:** Universal standards, GRI's free resources (available on its website and through events), GRI academy courses and professional certification, and the wider GRI Community for peer learning.
- ▶ **Report on what matters – GRI 3:** Material topics and the GRI sector standards, supported where needed by consultants from the GRI community or GRI certified sustainability professionals.
- ▶ **Disclose – GRI 2:** General disclosures, combined with GRI 3 and relevant sector or topic standards, using digital tools such as GRI licensed software partners and the free GRI content index template.
- ▶ **Publish:** The GRI content index service for expert review & recognition and notify GRI through its report registration system.

10. A high-level CFO roadmap

BDO's 2025 CFO sustainability outlook survey suggests that translating sustainability impacts into business insights can create added advantages into decisions around risk, investment, operational performance, and long-term value creation.

Bringing the themes above together, a reasonable default sequence for building ESG reporting maturity over a 24-month horizon looks like this. The order and pace should be adapted to each organisation's resources, sector, and existing maturity.

Months 1-12: Build the foundation

1	Confirm governance and accountability for sustainability reporting.
2	Complete an impact materiality assessment: Map the value chain, identify the relevant stakeholders, and build an impact inventory.
3	Complete a financial materiality assessment: Translate sustainability impacts into risks and opportunities.
4	Identify material topics: Those that are high-impact and/or high-risk/opportunity.
5	Assign data owners for key metrics.
6	Use GRI and IFRS reporting as the methodological foundation, for both method and metrics.

Months 12-24: Connect data to decisions

1	Link impacts, risks and opportunities to financial planning, capex and strategy.
2	Use impact data in capital allocation and financing discussions.
3	Improve internal, supplier and value-chain data quality.
4	Prepare for external assurance and strengthen internal controls.
5	Strengthen reporting, from disclosure to decision support.



The data challenge behind every ESG report

For most organisations, ESG reporting is fundamentally a data problem rather than a disclosure-writing problem. Common issues include limited visibility into data quality for assurance and compliance purposes, a high level of manual reporting effort every quarter, and fragmented emissions and ESG data spread across many functions – procurement, finance, HR, operations, utilities, waste management, enterprise systems, and supply-chain partners – with no single source of information.

From manual collection to connected systems

The traditional ESG reporting workflow follows a largely manual sequence: collect data, validate it, chase stakeholders for missing information, consolidate everything, and then report. This cycle repeats every reporting period, consuming significant finance and sustainability team's resources and time on collection rather than analysis.

A growing number of organisations are moving toward a connected model: systems and data sources are integrated once, data flows are automated, performance is monitored continuously, and reporting becomes a byproduct of an always-current dataset rather than a periodic scramble. In practice, this relies on a combination of technologies working together:

- ▶ **System integration (APIs):** Connecting ERP systems, IoT devices, smart meters, and vendor platforms for live data flows.
- ▶ **Machine learning:** Automating data classification, detecting anomalies, and learning from historical patterns.
- ▶ **NLP and OCR:** Extracting structured ESG information from unstructured sources such as policies, invoices, and supplier documents.
- ▶ **Large language models:** Contextualizing sustainability data to support more advanced automation and decision-making.
- ▶ **Predictive analytics:** Modelling emissions scenarios, forecasting risk, and helping to optimise decarbonization pathways.
- ▶ **Generative AI:** Assisting with first-draft disclosures and narrative reporting, subject to human review.

The practical benefit is a shift from annual, backward-looking reporting toward continuous visibility: live emissions tracking, facility-level performance monitoring, supplier risk dashboards, and ongoing target-progress monitoring – enabling faster intervention and better-informed decisions, rather than discovering issues only at year-end.

Building trust in the data

Whatever the level of automation involved, auditors and assurance providers assess ESG data against the same fundamental criteria applied to financial data: data lineage, calculation transparency, version control, supporting evidence, and clear approval trails. A useful internal framework is to think of ESG data moving through five stages that each need to be defensible: source data, validation, workflow, audit trail, and disclosure.



Conclusion: From compliance cost to strategic asset

Most organisations today use ESG data primarily for one purpose: reporting. Organisations further along this journey increasingly use the same underlying data for a much broader set of financial and strategic decisions; investment decisions, supplier selection, capital allocation, cost optimisation, risk management, and customer engagement.

The distance between these two states is not primarily a disclosure-writing gap. It is a data governance and infrastructure gap, one that finance functions are well placed to close, given their existing experience building auditable, decision-grade systems for financial data. Impact assessment is not the destination; the value comes from managing, tracking, and communicating how impacts are addressed over time, and from connecting that work, deliberately, to how capital is priced, allocated, and protected.



Contributing speakers



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