



# The Future of ESG & IR Collaboration

Redefining Roles, Skills, and Structures

COLLABORATIVE WHITEPAPER BY SUSTAINABLE SQUARE & MEIRA



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# Forewords



## Monaem Ben Lellahom

CEO & Co-founder - Sustainable Square

Capital markets are changing fast. The divide between sustainability and finance is closing, and ESG performance now sits at the very heart of market valuation, risk assessment, and capital allocation. For Investor Relations, this is not just an evolution; it is a reinvention. The role is expanding, the expectations are higher, and the stakes have never been greater.

This white paper captures that moment of change. We explore how organisations are navigating new disclosure requirements, sharper investor scrutiny, and the growing demand for transparency and authenticity. The message is clear: ESG and IR are no longer parallel tracks. They are converging, creating a single, more powerful engine for market engagement and long-term value creation.

What follows is the product of in-depth research, candid conversations with market leaders, and a shared belief that sustainable finance is the future of finance. Our recommendations are designed to help practitioners not just adapt, but lead, turning integration into a competitive edge that drives trust, resilience, and growth.

## Paolo Casamassima

CEO - MEIRA

As stewards of long-term value, we recognise that sustainability is no longer an external consideration. It is a financial imperative. ESG factors now shape reputational capital, investor confidence, and increasingly, access to investment. This is why more organisations are integrating ESG into Investor Relations responsibilities, marking a fundamental shift in how companies engage with the market.

This white paper, commissioned in the spirit of progress and transparency, captures the essence of that shift. It offers a timely framework for bridging ESG performance with investor engagement. In a world where capital seeks purpose and investors reward integrity, alignment between these two domains is mission-critical.

We are proud to support this initiative and to contribute to a broader dialogue that empowers companies, regulators, and investors alike. As the findings in this report demonstrate, meaningful transformation comes from collaboration, and we remain committed to leading by example.



# Executive Summary

Environmental, Social, and Governance (ESG) considerations have moved beyond compliance to become decisive factors shaping investment flows, corporate reputation, and long-term resilience. With 83% of global ESG investment concentrated in Europe, companies in the GCC and wider MENA region face mounting pressure to align with international standards, strengthen disclosures, and integrate ESG into investor engagement strategies.

As part of the Whitepaper's research a comprehensive survey was distributed across the region, which shows that regulation remains the dominant driver of ESG reporting, cited by more than 60% of respondents, underscoring a compliance-led approach. While over 80% of companies maintain Investor Relations (IR) functions, only 65% have dedicated ESG units, and fewer than 40% have established cross-functional committees. Skills gaps are evident, with nearly half of IR teams rating their ESG knowledge as moderate and ESG teams showing uneven investor communication capabilities.

The barriers to effective collaboration are largely structural rather than cultural. Time and resource constraints, fragmented responsibilities, and expertise shortages were the most frequently cited challenges, while cultural resistance appeared minimal, indicating willingness but limited capacity to advance integration. The financial services sector has emerged as the regional leader, propelled by regulatory scrutiny and investor expectations, offering a model for others to follow.

Taken together, these insights highlight that ESG-IR collaboration is no longer optional. Companies that redefine roles, build skills, and establish stronger governance structures will secure strategic advantage, while those that lag risk rising reputational, financial, and regulatory costs. This whitepaper provides a roadmap for organisations and policymakers to move beyond compliance and transform ESG-IR integration into a source of long-term value and resilience.

# Introduction

In today's capital markets, the convergence of ESG strategy with Investor Relations (IR) is no longer a forward-looking aspiration; it is essential in today's context. As sustainability topics increasingly become financially material, and as climate disclosure rules take hold, the separation between ESG and IR functions is rapidly weakening. Investors are no longer content with parallel reporting tracks. They demand clear, coherent, and credible narratives that integrate financial performance with long-term environmental and social impacts.

This shift is not just regulatory. It is being driven by an increasingly assertive investor base, growing expectations for corporate transparency, and the recognition that sustainability performance is a proxy for both risk resilience and future value creation. Yet, despite these pressures, most organisations continue to operate with siloed ESG and IR teams, which are missing critical opportunities for strategic alignment, cohesive communication, and collaborative innovation.

This whitepaper sets out to examine this transformation. Through survey responses, interviews with professionals, and an analysis of global and regional data, the current state of IR-ESG collaboration and governance structures is examined. Also, it is highlighted how companies are redefining roles and equipping both ESG and IR professionals with the cross-functional skills and tools needed to succeed, while also identifying emerging trends and the future requirements for effective collaboration. At the end of the Whitepaper, three practical steps for ESG-IR collaborations are suggested, which are designed to help companies build transparency, investor trust, and long-term value.

*At its core, this whitepaper asks*

***What does effective ESG-IR collaboration look like in 2025 and beyond, and how can companies get there?***

# The State of ESG and IR Today

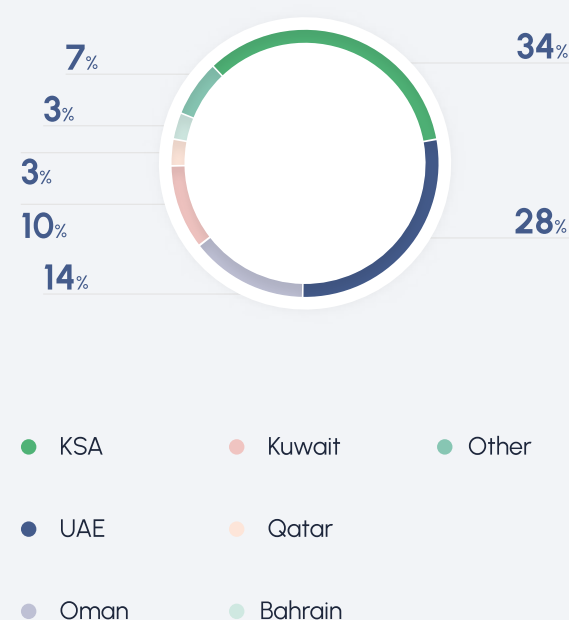
Traditionally, IR and ESG functions operated in parallel lanes. IR has been responsible for managing capital market communications, focusing on financial performance, shareholder expectations, and quarterly results. ESG teams, by contrast, have often evolved from corporate social responsibility departments into strategic units overseeing sustainability strategy, stakeholder engagement, and non-financial disclosures.

These distinct mandates have led to duplication, misalignment, and missed opportunities for synergy, particularly as investors demand more integrated narratives.

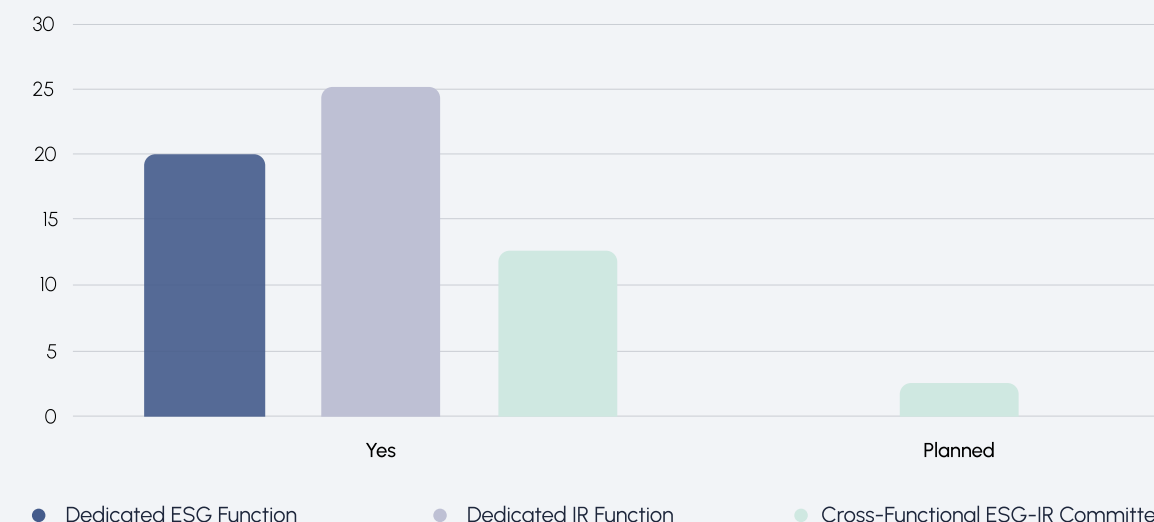
Looking at the survey responses from over 20 professionals across the region, the findings highlight a strong trend: many organisations acknowledged that closer ESG-IR collaboration plays a critical role in long-term risk mitigation and value creation. This indicates an evolving recognition that ESG is not only about disclosure, but also about strengthening capital markets engagement, reputation, and resilience.

This is further reflected in governance structures: 12 organisations already have cross-functional ESG-IR committees, 25 have a dedicated IR Function, 20 have a dedicated ESG function and 2 plan to introduce one in the future.

**Respondents by Country**



**Dedicated ESG - IR Functions**



The lack of structural integration is widely acknowledged. In many organisations, ESG and IR still report through separate hierarchies, use different data systems, and operate on disconnected timelines.

ESG reports are often released months after financial results, and investor questions about ESG risks or climate scenarios are not always channelled through the IR function.

This fragmentation can have real-world implications: it could weaken message consistency, dilute investor engagement, and potentially erode credibility, especially where ESG performance is linked to valuation and risk profiles.

However, changes are underway. In the GCC, for example, ESG reporting has surged. A recent study shows that 91% of companies in the region produce ESG reports, though only 63% publicly disclose them, indicating a gap between internal activity and external transparency.

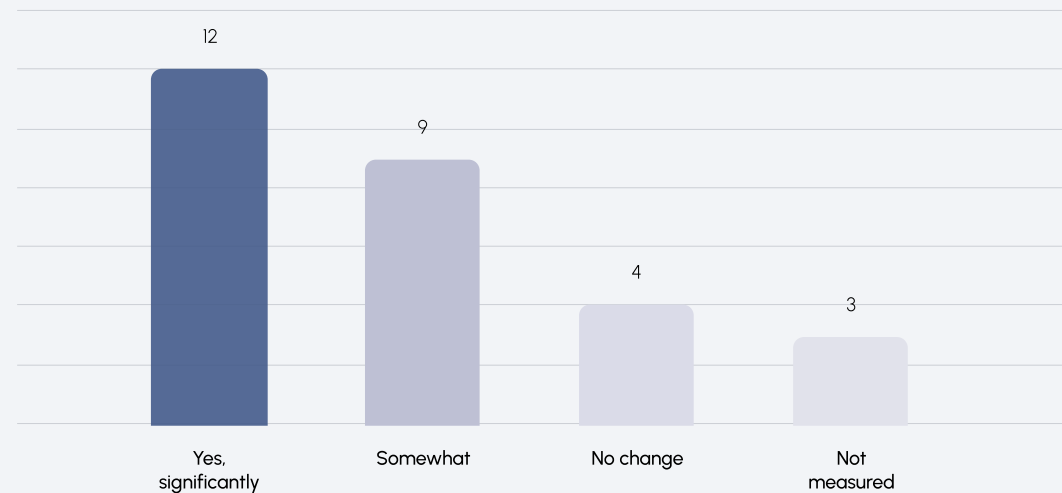
Furthermore, 43% of companies have ESG embedded in corporate strategy, while 23% follow distinct sustainability roadmaps. [State of ESG in the GCC, Sustainable Square].

Importantly, there is mounting evidence that ESG efforts, when linked to IR, enhance investor perception. In the GCC, 68% of firms reported improved investor relations as a direct result of ESG adoption, a significant increase from 43% in 2022 [State of ESG in the GCC, Sustainable Square].

Similarly, academic research in the U.S. confirms that when Investor Relations Officers (IROs) participate in earnings calls, companies see increased ESG rating coverage and improved scores, particularly when ESG topics are strategically framed [Masaya, Yale].

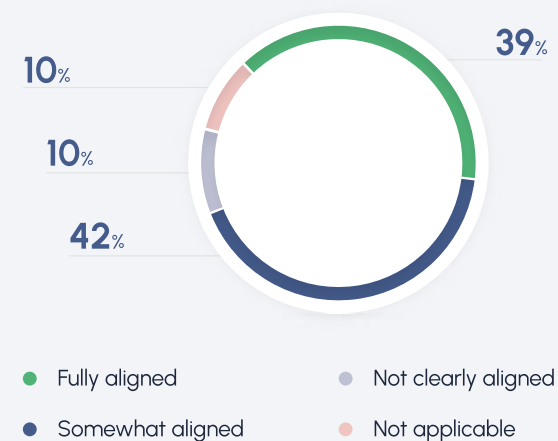
The survey results underscore these findings, where over 40% of respondents indicate that investor interest has significantly improved due to ESG-IR alignment.

### Respondents by Country



Despite these signals of progress, ESG-IR collaboration remains inconsistent and often informal. Some companies co-develop sustainability reports and investor Q&A documents; others still manage these interactions separately. The Middle East - Global North comparison further reveals uneven maturity: while international investors are actively seeking ESG data to guide long-term allocation, many regional organisations are still scaling up internal systems and teams to meet these expectations. An analysis of survey responses regarding the extent to which ESG and IR roles are clearly defined and structurally aligned reveals that 39% of respondents consider the roles to be 'fully aligned'. The largest proportion, 42%, indicated that the roles are 'somewhat aligned', while 10% stated that they are 'not clearly aligned'.

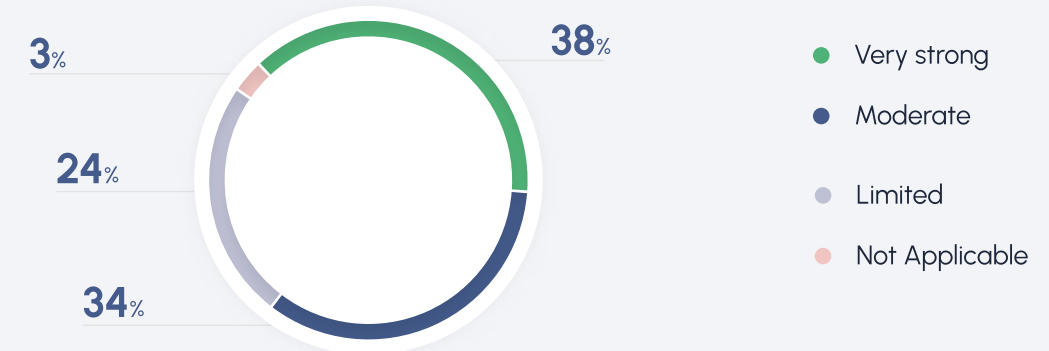
### Alignment of ESG and IR roles



IR teams are often the first point of contact for ESG-related questions from institutional investors, proxy advisors, and ESG ratings agencies. In this role, IR must go beyond disclosure logistics and engage substantively on climate targets, human capital development, supply chain ethics, and other core ESG themes.

Academic research confirms that IR's involvement in ESG communication drives outcomes. A Yale study showed that companies with IROs participating in earnings calls saw increased ESG rating coverage and improved scores, especially when ESG themes were positively framed [Masaya, Yale]. Yet, the same study noted that these teams do not necessarily use more ESG language, suggesting that quality of framing, not quantity of jargon, makes the difference. The survey results show 38% of respondents indicated that the ESG team's investor communication skills are very strong, 34% rated them as moderate, and 24% described them as limited.

### Investor Communication Skills of ESG Teams

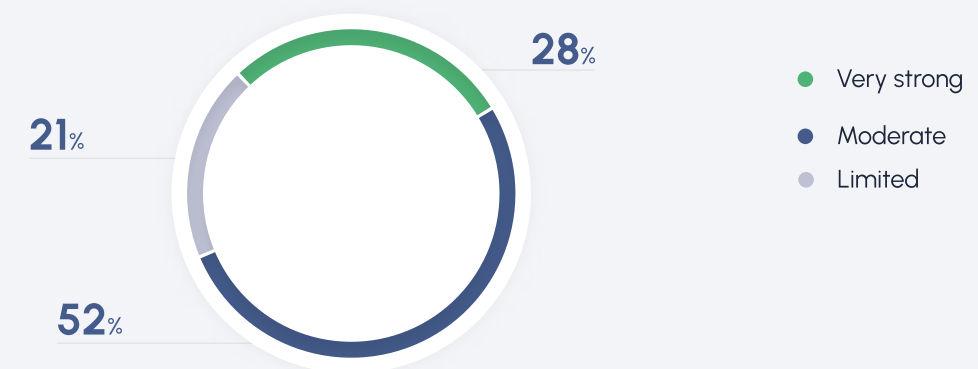


Answers show that both IR and ESG teams face gaps in cross-functional expertise. IR professionals tend to have moderate ESG knowledge, while ESG specialists display uneven investor communication skills.

This asymmetry reflects the lack of structured capacity-building programmes to bridge the knowledge divide. It also suggests that collaboration is limited not by intent, but by the absence of shared technical language and confidence across the two domains.

These findings are reinforced by survey results, which show that 28% of respondents consider ESG knowledge within the IR team to be very strong, while a majority of 52% rate it as moderate, and 21% describe it as limited.

### ESG Knowledge within IR Team



The current state of ESG and IR collaboration can best be described as transitional. Silos persist, but the drivers for change are accelerating. As ESG issues become more financially material and as capital markets respond with increasing scrutiny, the integration of ESG and IR functions is evolving from best practice into a strategic necessity.



# ESG and Investor Relations

*Integrating Value and Transparency at FAB*



As the banking sector evolves, environmental, social and governance (ESG) considerations have become integral to organisational strategy and stakeholder relations. Sofia El Boury, Head of Investor Relations at First Abu Dhabi Bank (FAB), offers insight into how the bank's ESG and Investor Relations (IR) teams integrate these critical themes into their daily practice and long-term vision. At FAB, ESG and IR work together to foster transparency and long-term value, responding to the shifting expectations of investors and the wider market.

## From Governance to Core Business

ESG at FAB began within the Risk function, forming a key part of the bank's overall risk management approach. 'What began as a risk framework now shapes how we think about growth, from Scope 3 emissions measurement to ambitious sustainable finance targets and the intentional matching of green assets with green finance,' Sofia explains.

Notable milestones, such as FAB's AED 500 billion commitments to sustainable finance by 2030 and the issuance of the region's first green bond. These achievements reflect ESG's evolution from a supporting function to a central driver of strategy and operations.

## Collaboration and Organisational Structure

At FAB, Investor Relations reports to Finance, while ESG reports to Risk. However, collaboration between the teams is not bound by reporting lines, but by a shared commitment to robust disclosure, transparency and proactive investor engagement. 'Our close teamwork, for example, through the Sustainable Finance Committee, is what makes the difference to evolve to more integrated disclosures and reporting,' Sofia suggests. As ESG becomes increasingly prominent in investor dialogue, this collaboration enables FAB to align its reporting and communication with leading international standards.

## Skills, Mindset and ESG Literacy

Sofia highlights that effective collaboration arises from "a commitment to work together and an openness to continuous learning." ESG literacy has become essential for IR professionals at FAB, who actively pursue external training and regularly participate in workshops, including those delivered by the Middle East IR Association (MEIRA), in order to strengthen expertise and bridge any knowledge gaps. 'Ongoing training and participation in external programmes really help us handle growing investor demands. We're also actively looking at ways to formalise internal cross-learning in the future,' she adds.

## The Role of Data and Technology

Centralised data remains the foundation of trust and transparency. FAB's ESG and IR teams leverage shared data platforms to ensure accuracy in reporting and analysis. Sofia notes: "Everyone needs to work from the same source of truth." She also points to the growing role of technology: 'We're investing in shared platforms and exploring artificial intelligence to streamline both reporting and analysis.' The adoption of new technologies is accelerating, helping the bank to meet evolving demands from regulators and stakeholders alike.

## Impact, Regulation and the Regional Context

FAB's coordinated approach to ESG and IR has earned notable external recognition, with the bank recently ranked the EMEA region's best financial company for ESG in a global investor survey. Tracking the proportion of ESG-focused investors forms part of FAB's planning and funding strategies, reflecting the growing significance of external perception.

Across the Middle East, ESG adoption is accelerating, underpinned by regulatory progress such as mandatory reporting and alignment with international standards. Reflecting on the regional landscape, Sofia observes: 'We're seeing rapid acceleration in ESG uptake, through both regulation and investor scrutiny. It's a positive trend, though the need for regional convergence and continued innovation remains.'

Despite ongoing challenges, it is clear that ESG is continuing to shape investor expectations and set the direction for the region's banking sector in the years ahead.

# What's Changing *Key Trends* Driving Integration

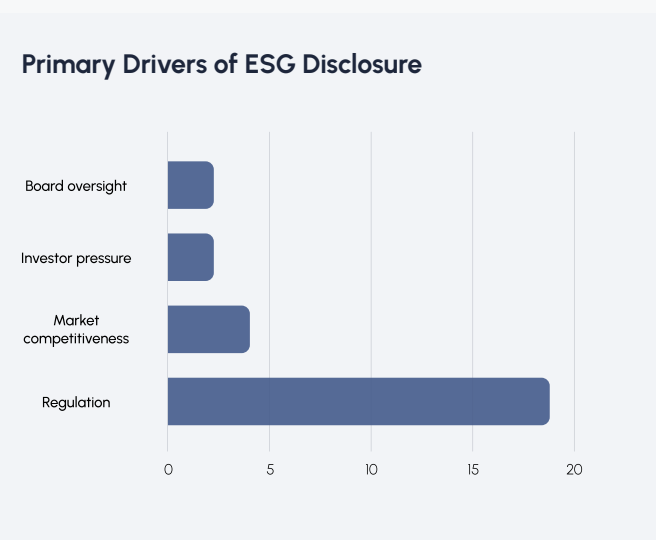
The synergy between ESG and IR is being shaped by a series of global, interlinked shifts. These trends, regulatory, market-based, and technological, are reshaping the expectations placed on companies and accelerating the need for integrated ESG-IR collaboration. What was once optional is fast becoming a strategic and operational imperative.

## Regulatory Convergence and Rising Disclosure Demands

The most immediate driver of ESG-IR integration is regulatory transformation. Frameworks like S1 and S2 by the International Sustainability Standards Board are ushering in an era of standardised, investor-grade sustainability reporting. These regulations explicitly require companies to address material ESG risks and opportunities in ways that are comparable, auditable, and financially relevant, placing responsibility squarely within the IR domain.

An overwhelming majority of survey respondents indicated that regulatory requirements, rather than investor pressure or internal strategy, remain the primary motivator for ESG reporting.

This suggests that many organisations view ESG as an obligation to fulfil external mandates, rather than as a strategic tool for value creation. While compliance is a strong catalyst for standardisation, it also highlights the risk that ESG remains a reactive, rather than proactive, strategy. Survey data supports this: Regulation was cited as the primary driver by 65% of respondents.



## Investor Expectations and Shareholder Stewardship

Investor interest in ESG has reached a tipping point. ESG investing is projected to exceed \$35 trillion by 2025, representing over 50% of all professionally managed assets, and 89% of investors globally now consider ESG factors in their investment decisions [50 Sustainability Statistics, KEY ESG].

Beyond capital allocation, investors are becoming active stewards, demanding transparent ESG strategies, credible transition plans, and consistent board-level accountability.

This shift is reflected in growing shareholder activism. In Q1 2024, the U.S. saw 181 social-focused ESG campaigns, more than double the number of environmental campaigns [ESG Engagements 2024, Diligent].

Meanwhile, 76.2% of the top 3,000 US companies now include climate risk in their 10-Ks, and nearly 99% of the top 500 voluntarily disclose Scope 3 emissions [ESG Engagements 2024, Diligent].

Compared to European markets, GCC-based investors are generally less demanding on ESG matters, though interest is steadily rising.

This trend is underscored by Hana Al Maana from Ominvest, who states: 'We've noticed growing interest in ESG, especially from regional investors. That's why we take a proactive approach. In our twice-yearly investor meetings, adding just one ESG slide made a big difference. It quickly became the section investors asked most questions about, so now we always make sure ESG is the last thing they see in our presentation.'



## Hana Al Maani

Head of Investor Relations and Oman  
Chapter Head

**ominvest**  
Muscat, Oman

### How are ESG and IR responsibilities distributed, and how do the teams collaborate on investor engagement?

We have both a dedicated IR team and a dedicated ESG team, but we work very closely together. Embedding ESG into the financials is a priority for us, especially when it comes to communicating responsible investment and capital allocation.

We also work cross-functionally with risk, legal, and finance, and everything is aligned with the Muscat Stock Exchange mandate.

When it comes to engagement, our interaction is limited to shareholders, but we've noticed growing interest in ESG, especially from regional investors.

That's why we take a proactive approach. In our twice-yearly investor meetings, adding just one ESG slide made a big difference. It quickly became the section investors asked most questions about, so now we always make sure ESG is the last thing they see in our presentation.

### What capabilities do ESG and IR teams need, and how do you build them?

For investors, especially institutional and high-net-worth, governance is critical. IR officers need to be ESG literate to explain not just our financials but also our progress on diversity, CSR, and governance. If we don't have that background, it's hard to communicate credibly.

It also has to be data-driven. Investors want to see where we were, where we are, and where we're going. That's why we started training early, not only for our staff but also for portfolio companies. For example, we ran IFRS/ISSB workshops for CFOs to prepare them for upcoming disclosures. We also encourage peer learning.

Sometimes our subsidiaries bring in insights from trainings or seminars we didn't attend, so we all learn from each other. It's about building local capacity and long-term value together.

### Are ESG and IR teams working with shared platforms, and how could technology improve collaboration?

Right now, ESG and IR use different tools. IR has systems for tracking investors and portfolio performance, while ESG manages its own data. But we aspire to move to one integrated platform.

We've already looked at a system that could serve as a one-stop shop for investor and portfolio company data. It's promising, but as a listed company, we face regulatory restrictions, so it's still under discussion. Associations like MEIRA can be helpful here. By engaging with regulators, they open the door for more innovation, not just for us, but for the whole region.

### How does ESG-IR collaboration shape investor relationships, and what are the main challenges?

Investor appetite for ESG is definitely growing, but it varies. Local investors often still see ESG as CSR and focus on community projects.

Regional investors are more engaged with frameworks, while international investors tend to care most about governance and disclosures.

That makes communication tricky. Sometimes investors lump all financial services, banks, insurers, and investment firms into one bucket, even though there are clear differences. So clarity and consistency in messaging are key.

As for ratings, they haven't been a big driver yet. Investors don't usually ask about them, but for us, they're important because they build credibility and long-term value. We're working on frameworks and KPIs to strengthen that area.

### Can you share a case where ESG-IR collaboration made a strategic difference?

Yes, the first time we added an ESG slide to our investor presentation. The change in engagement was immediate.

More investors came, and many of the questions shifted to ESG. It also positioned us as one of the first companies in Oman to issue an ESG report, even before it was required. That small step really sparked interest.

### Looking ahead, what is the way forward for ESG-IR collaboration at Ominvest?

There's no one-size-fits-all model, but we want ESG and IR to work in a much more fluid, integrated way. As MEIRA's Oman chapter head, I also see a strong appetite across the region to build ESG-IR capacity.

The future is about aligning with global best practices, being transparent and accountable, and making sure our investors drive ESG integration across our portfolio. That's where I see real long-term value creation coming from.

## Technological Transformation and Data Transparency

Technology is playing a critical role in enabling ESG-IR integration. Digital platforms such as are being adopted to manage integrated reporting workflows, streamline data collection, and align ESG disclosures with financial performance [Hinckley]. At the same time, advances in natural language processing and ESG analytics allow IR teams to track sentiment, benchmark disclosures, and tailor sustainability narratives to investor concerns.

From the survey results, it is seen that almost 20% of respondents do not have any shared platform or tool in place. Those that do mainly use them for reporting purposes. However, the more structurally aligned IR and ESG teams are, the clearer the upward trend in the use of shared tools, particularly rating platforms and data analytics tools, as common areas of work require information exchange and access to shared data.

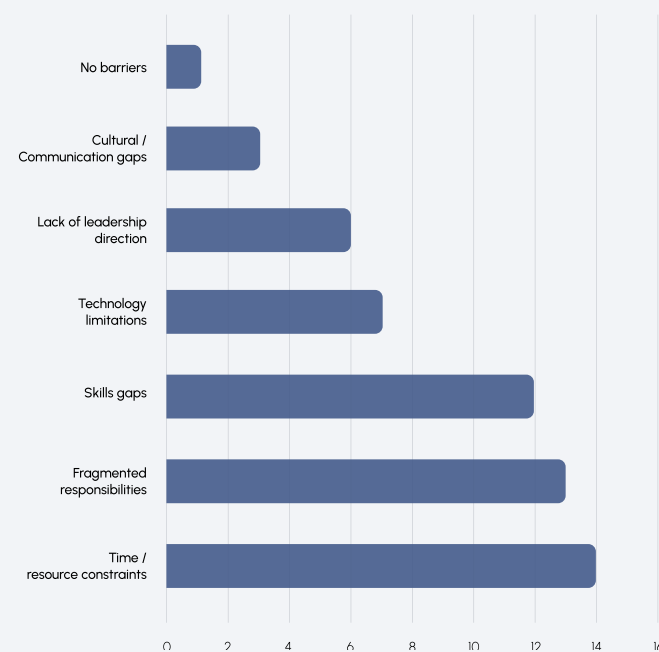
Yet these tools are only as effective as the coordination between teams using them. Data silos, inconsistent metrics, and fragmented reporting processes remain barriers. To address this, companies are investing in shared data platforms and governance systems that allow ESG and IR functions to work from the same foundation.

## Regional Momentum and Policy Pressure

While regulatory drivers are strongest in Europe and North America, ESG momentum is building rapidly in the Middle East and emerging markets. In the GCC, governments have introduced national ESG strategies, reporting mandates and green financing obligations. At the same time, 83% of global ESG investment is concentrated in Europe, creating competitive pressure for non-European firms to strengthen their ESG disclosures [50 Sustainability Statistics, KEY ESG].

In this environment, regional companies are increasingly seeking to align ESG reporting with internationally recognised standards, harmonise it with financial disclosure cycles, and link it to investor engagement.

### ESG - IR Barriers



However, despite the international trends, the regional survey results indicate that barriers to ESG-IR integration persist.

The most significant one being time and resource constraints, cited by almost 50% of respondents, followed by fragmented responsibilities, skills gaps, technology limitations and lack of leadership direction.

Addressing these key barriers would significantly facilitate smoother ESG-IR integration.

Cultural resistance or outright opposition, however, appeared far less frequently, indicating that organisations are generally open to collaboration but lack the practical enablers to make it work effectively.

## Nazih El Hassanieh

Head of Investor Relations



Abu Dhabi, UAE

### How have you set up ESG and IR at e&, and what does collaboration between them look like?

Until 2022, sustainability was not a standalone function. But with growing importance to investors and stakeholders, we created a dedicated sustainability function under Strategy.

IR, long established, sits under Finance. The sustainability team now coordinates ESG across our 38-country footprint, drives reporting, and engages with rating agencies like MSCI, S&P, Sustainalytics, and CDP. IR remains the main financial interface, handling disclosures, analyst relations, ratings, dividend policy, and regulatory requirements. Each function has its own remit, but collaboration is strong. IR leads investor engagement, with sustainability joining when ESG topics are raised, whether in investor meetings, detailed queries, or surveys. We also co-develop the annual integrated report, where the sustainability section is a critical component. And all roadshows and capital market days now include dedicated sustainability updates by default.





### From your experience, what strengths do ESG and IR teams need to make collaboration effective?

In this region, both ESG and IR are still evolving, so resources are often stretched. That makes cross-functional collaboration essential, not only between ESG and IR but also with Finance, M&A, procurement, and operations. Both teams must have strong data validation and analytical skills. Accuracy is non-negotiable when dealing with investors. They also need alignment at the strategic level, since ESG is one of e&s four strategic pillars. Integrating sustainability into our equity story requires IR and ESG to be on the same page.

Equally, it's about mutual fluency: sustainability teams must understand the financial implications of their initiatives, while IR needs familiarity with ESG frameworks, standards, and regulations. And finally, communication skills are essential for both sides to tell one consistent story to investors.

### What steps have you taken to raise ESG-IR awareness inside the organisation?

Since the sustainability function is still new, the first focus was building the foundation, strategy, governance, and reporting. But we've already run workshops for 40-50 representatives across the group, identifying priorities, sharing progress, and aligning functions.

We also have a Sustainability Steering Committee, chaired by our Group CEO, which meets regularly to cascade updates. Sometimes external experts are invited to deepen the discussion. The next step is upskilling, meaning creating ESG champions inside each function who can support the integration of sustainability into their areas.

So far, we haven't rolled out IR-specific training for the sustainability team, but we see value in it going forward.

### How are you approaching systems and data sharing between ESG and IR?

At the moment, ESG and IR work with different KPI sets and data sources. We overlap mainly in the integrated report. IR uses data from our internal platform, while the sustainability team is considering either adding a module within the platform or adopting an off-the-shelf solution. A unified platform would clearly be beneficial. Ensuring consistency, accuracy, and easier access. The bigger question is governance: who owns the non-financial data? With IFRS S1 and S2 coming, ESG data will need to be audited and integrated into financial reporting tools. That shift will reshape responsibilities and bring finance and sustainability even closer together.

### From an IR perspective, how has ESG integration made a difference, and what's next?

Although ESG is a newer function compared to IR, progress is clear. Our latest integrated report is one of the strongest examples of alignment between strategy, governance, and sustainability. Another milestone was Capital Market Day, where our Head of Sustainability presented directly to investors, a signal of how far integration has come.

Looking forward, we see opportunities for joint materiality assessments, ESG-focused investor targeting, and eventually dedicated ESG roadshows. International investors already expect this, and regional investors are catching up quickly. As that shift happens, IR teams will need greater ESG literacy to answer more detailed questions on valuation, risks, and opportunities.

Regulation is moving in the same direction. Sustainability reporting is mandated in the UAE, and IFRS sustainability standards will soon be audited as part of financial statements. Over time, more convergence across the region will help. For us, the opportunity is clear: build strong ESG-IR integration now to stay ahead of expectations.

### Evolving Roles and Responsibilities

As ESG becomes central to investor decision-making, the traditional boundaries between IR and sustainability functions are dissolving. Roles that were once clearly delineated are becoming increasingly fluid, with IR professionals now expected to speak credibly on ESG topics, and sustainability leaders increasingly engaging directly with capital markets. This evolution is not only changing who does what, but also reshaping the organisational structure, culture, and purpose of both functions.

The most visible shift is the emergence of hybrid roles and cross-functional mandates. Titles such as Head of ESG Investor Engagement, VP of ESG Strategy & IR, or Sustainability Communications Lead are appearing more frequently, particularly in firms with advanced ESG integration. These roles often sit at the intersection of strategy, finance, sustainability, and corporate affairs, and are tasked with ensuring that the company speaks with one voice to the capital markets.

An examination of organisations operating in the region shows similar trends: ESG teams are not always integrated and governed by a single function but instead fall under different departments, ranging from Marketing to Strategy. As highlighted by Abdulwahab Hani Zarah, he observed that 'At that stage, ESG was still new to the organisation, so responsibilities were shared across different teams - Investor Relations, Strategy, Governance and Compliance, and Marketing.'

Data support this trend: in 2024, 35% of IR professionals reported a significant increase in ESG-related responsibilities, more than double the percentage from just four years earlier [Nasdaq]. This shift reflects the growing expectation that IR professionals not only understand sustainability risks and opportunities but are capable of articulating them to analysts and investors with the same rigour as financials.

Nazih El Hassanieh, Head of Investor Relations at e&, adds to this: 'Regulation is moving in the same direction. Sustainability reporting is mandated in the UAE, and IFRS sustainability standards will soon be audited as part of financial statements. Over time, more convergence across the region will help. For us, the opportunity is clear: build strong ESG-IR integration now to stay ahead of expectations.'

The growing investor focus on ESG is also prompting changes at the top. In the GCC, board-level ESG discussions increased from 51% to 61%, with the majority now taking place every quarter [State of ESG in the GCC, Sustainable Square]. This shift indicates that ESG is no longer the sole domain of mid-level teams but has become a regular feature of strategic oversight. In parallel, responsibility for ESG is migrating from general executive roles to specialised leadership.

In 2023, many Middle Eastern firms reported moving ESG ownership from the CEO (previously at 55%) to dedicated sustainability officers and teams [State of ESG in the GCC, Sustainable Square]. This structural evolution suggests that organisations are beginning to treat ESG as a technical and strategic discipline, requiring expertise and dedicated leadership.

Overall, the evolving roles of ESG and IR professionals signal a broader transformation: from compliance to communication, from reporting to strategic engagement. As these roles continue to blend, successful companies will be those that define clear mandates, build complementary skillsets, and establish joint accountability across the ESG-IR interface.

# Abdulwahab Hani Zarah

Senior Director, IR



**Current Employer** SAL - Saudi

Logistics Services Co.



**Prior Employer** First Mills Co.

Jeddah, KSA

## How were ESG and IR responsibilities organised when you first started working on sustainability reporting?

Although I am now at SAL, I'd like to draw on my earlier experience at First Milling Company when we prepared our very first ESG report.

At that stage, ESG was still new to the organisation, so responsibilities were shared across different teams - Investor Relations, Strategy, Governance and Compliance, and Marketing. Management wanted to be proactive and begin reporting ahead of any future requirements, supported by an external advisor who guided us in building internal capability and aligning with best practices.

Investor Relations played a central role in communicating outcomes to investors and the market, while Strategy and Governance worked on embedding ESG priorities into KPIs and raising internal awareness.

Although the structure was still informal, it provided a solid foundation, and over time, we could see how a dedicated ESG function would further strengthen the process and give IR more room to focus on messaging.

## Did ESG and IR teams collaborate on investor engagement, and how structured was that collaboration?

Yes, collaboration certainly took place, though it was mostly project-driven. For example, during the first sustainability report, Investor Relations and Strategy worked hand in hand to align material topics with investor messaging. While the process wasn't yet formalised, there was a clear recognition of the need to strengthen integration, especially as ESG questions began to feature more often in investor discussions.

## What capabilities do ESG and IR teams need to work together more effectively?

The most important capability is a shared understanding. For Investor Relations, this means becoming familiar with ESG frameworks, disclosure standards, and the metrics investors care about. For ESG specialists, it means learning how investors think and what information shapes their decisions. At First Milling, we leaned on our advisor to bridge that gap, which was very valuable. But over time, both sides need to build stronger in-house skills. IR professionals should be able to connect ESG performance to risk, opportunity, and valuation, while ESG specialists need expertise in frameworks, compliance, and data assurance. Ultimately, it's about appreciating each other's perspectives and being able to translate ESG outcomes into the language of long-term value creation.

## Were there any training or cross-learning initiatives at that stage?

Training was mainly embedded in the project work itself. Working alongside experienced ESG consultants gave everyone valuable exposure. Investor Relations gained insight into how investors assess ESG performance, while Strategy and Operations deepened their understanding of materiality and sustainability priorities.

Although formal internal training hadn't yet been rolled out, several of us pursued external courses and workshops. Personally, I attended the first MEIRA CESG-IR Training and plan to sit for the certification exam. These opportunities helped us build expertise step by step and laid the groundwork for more structured training in the future.

## Were ESG and IR teams working from the same datasets and platforms? What could have improved the process?

At that time, data collection was manual, with different business units providing information in different formats.

ESG data wasn't centralised or fully integrated with financial reporting, which naturally made it harder for Investor Relations to use in real time.

A central ESG data management platform connected to existing company systems would have made a big difference. Regular updates, aligned reporting cycles, and assigning clear ownership for each metric would also have helped collaboration become more consistent.

## How did ESG-IR collaboration influence investor relationships or ratings? Can you share an example?

Even at the early stage, the collaboration made a tangible difference. Publishing the first sustainability report gave IR a stronger foundation with investors; instead of responding ad hoc, we could point to a structured strategy. Investors appreciated that we had started the journey, and it gave us a formal basis for engaging with rating agencies such as MSCI.

One clear example was the preparation of the first report: Strategy and Governance set out the targets and aligned them with best practices, while Investor Relations translated those insights into clear market messages. It was the first time these functions worked so closely together on ESG, and it showed how powerful cross-team collaboration could be.

## How does being based in the GCC influence ESG-IR strategy and expectations? What changes would help accelerate integration?

Being in the GCC means operating in a region where ESG requirements are evolving quickly and investor expectations are rising. Regulators are pushing for more transparency and alignment with global standards, while international investors benchmark regional companies against peers in more mature markets. That creates both opportunity and momentum. It pushes us to move faster but also allows us to position ESG as an area of growth and improvement.

Clearer, standardised reporting requirements would really help. If regulators aligned more closely with frameworks like GRI, SASB, or ISSB, and phased in requirements, it would reduce complexity and allow for more consistent disclosures. This would benefit both companies and investors, creating a shared language and stronger ESG-IR integration across the region.



# The Way Forward

After examining the current state of ESG and IR collaboration at both regional and global levels, drawing on secondary research as well as primary insights from survey respondents and interviews, we outline a way forward. This includes how the identified challenges can be addressed, how collaboration can be strengthened, and what the future outlook may hold.

## 1. Required Skills and Capabilities

As ESG and Investor Relations functions converge, technical knowledge alone is no longer sufficient for both functions. Professionals on both sides must develop a shared skillset to credibly engage investors and articulate how sustainability drives long-term value.

In this context, the success of ESG-IR collaboration depends not only on organisational structure but on individual and collective capability.

Effective ESG-IR integration requires cross-disciplinary fluency.

For IR professionals, this means moving beyond financial disclosures to confidently address topics such as climate targets, social impact metrics, and sustainability-linked performance indicators.

For ESG teams, the shift demands stronger familiarity with investor expectations, capital markets language, and materiality from a financial lens.

Cross learning should be centred around four key competencies:

### • Strategic communication

The ability to translate technical ESG topics into investor-relevant narratives, aligned with corporate strategy.

### • Financial literacy for ESG

Understanding valuation, cost of capital, and investor sentiment as they relate to ESG risks and opportunities.

### • Sustainability literacy for IR

Grasping the frameworks (e.g., TCFD, ISSB), metrics (e.g., Scope 3, DEI), and transition pathways shaping ESG decision-making.

### • Data fluency

Grasping the frameworks (e.g., TCFD, ISSB), metrics (e.g., Scope 3, DEI), and transition pathways shaping ESG decision-making.

## 2. Upskilling and Cross-Training

Organisations should prioritise targeted upskilling and cross-functional learning to strengthen collaboration between IR and ESG teams.

This can be achieved through a mix of in-house training programmes, external certifications such as MEIRA's ESG/Sustainability Certificate or the CFA ESG Certificate, and rotational experiences between the two functions.

For example, onboarding modules can integrate tailored lessons on ESG for IR staff and vice versa, ensuring both teams understand each other's priorities from the outset.

Cross-training builds mutual understanding and reduces silos. It enables IR professionals to avoid the risk of greenwashing by applying ESG concepts with greater rigour, while equipping ESG teams to better communicate their work in investor-relevant language.

This shared foundation is particularly valuable when the two functions co-develop annual reports, respond to investor questionnaires, or prepare joint capital markets messaging.

## 3. Managing Complexity

It is continuously observed that ESG and IR teams are often governed under different structures and operate on separate tools and platforms that are not harmonised. This siloed approach risks creating scattered or inconsistent data. With the rise of regulatory requirements, increasing investor scrutiny, and the demand for integrated reporting, this lack of alignment becomes a critical challenge. Both functions increasingly rely on the same data sets that connect sustainability with financial KPIs.

A more effective approach would be to align the functions more closely from a governance perspective, for example, by having streamlined reporting lines. Such alignment would not only improve information flow but also help to collaborate more closely and share accountability between teams. It would also help clarify ownership of critical data points and reduce the risk of gaps or inconsistencies in reporting.

This is particularly valuable in areas where sustainability KPIs overlap with financial KPIs, such as climate risk indicators, which are increasingly relevant to investors. By ensuring that both ESG and IR teams operate under a coordinated governance structure and by leveraging the same platforms or technologies for data management, organisations can strengthen the quality and credibility of their disclosures, while also enhancing investor confidence in the robustness of their integrated reporting.

# Conclusion

The findings of this whitepaper show that bringing ESG and Investor Relations together is no longer optional but essential. New regulations, growing investor demands, advancing technology, and regional policies are all pushing for closer collaboration. While progress has been made internationally and in GCC, silos in governance, tools, and skills continue to limit the potential of ESG-IR partnerships.

The way forward lies in aligning governance structures, investing in shared platforms and data systems, and equipping professionals with the cross-functional capabilities required to speak a common language of value creation. Companies that succeed in building this alignment will not only meet compliance expectations but also unlock long-term resilience, attract investment, and strengthen credibility in increasingly competitive capital markets.

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