



GCCs as the ESG Centres of Excellence

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GCCs: The ESG Centres of Excellence

Global Capability Centres are redefining their role, evolving from cost centres to integrated hubs that drive strategic priorities through innovation and execution excellence. In the GCC 3.0 landscape, these centres have moved beyond functional ownership to become drivers of the enterprise's sustainability transition. GCCs are well placed to serve as the foundation for establishing Environment, Social and Governance (ESG) Centres of Excellence, given their ability to standardise tech stacks and combine cross-functional expertise to scale sustainability efforts across the organisation.

There has been a significant increase and shift in ESG regulations, with new ones emerging steadily. Under growing scrutiny from regulators, investors and customers, and against a backdrop of continuous global disruption and evolving ESG mandates, leadership teams are seeking functions that can translate ESG commitments into long-term enterprise value. This is where a GCC-led ESG CoE can step into a pivotal role of bringing together technology, innovation, a high-calibre blend of expertise and diverse skill sets to create a cohesive environment for centralising organisational ESG initiatives.



1. Why pick GCC as an extended ESG arm?

Organisation-wide ESG priorities, such as climate targets, decarbonisation strategies, supply chain transformation, reporting alignment, social impact and workforce programmes, governance protocols and other critical mandates, are more often set at the corporate level. Translating them into consistent, on-ground execution across geographies and business units remains a complex challenge. Serving as the organisation’s “engine room” for sustainability, a GCC-led ESG CoE enables the transition from monitoring to business process reengineering.

By offering a technology-led approach to addressing this execution challenge, the CoE can enable real-time insights, predictive decision-making and build integrated sustainability solutions. For example, the CoE does not just report a spike in carbon emissions; it identifies the supply chain inefficiency causing it and proposes a practical solution. As institutionalising ESG capabilities becomes a priority, a CoE can act as a unifying layer that orchestrates alignment, standardisation and execution across multiple dimensions of sustainability.

1.1 GCC technological capabilities and their ESG applications

 Capability anchor	 How can it be applied in ESG	 What the CoE enables
Advanced analytics and simulation	AI/ML and simulation tools can be used to model emissions pathways, assess climate risks and track progress against sustainability targets	Moves ESG from retrospective reporting to forward-looking decision-making, enabling better planning and forecasting
Data platforms and cloud infrastructure	Integrated ESG data ecosystems can be built that consolidate data across functions, support disclosures and enable audit-ready, real-time insights	Improves data consistency and transparency for ESG reporting across internal and external stakeholders
Automation	Automation can be embedded into processes such as compliance tracking, audit trails and regulatory updates	Reduces manual effort and errors while ensuring consistency and scalability of operations
Traceability and distributed systems	Technologies such as blockchain can be applied to improve traceability across value chains, including carbon tracking and supplier compliance	Strengthens credibility and enhances visibility into complex areas such as Scope 3 emissions and supply chain risks
Geospatial and location intelligence	Geospatial tools can be used to assess environmental risks, biodiversity impact and asset-level exposure to climate events	Enables more precise, location-based decision-making for risk management and site planning

As the GCC-led ESG CoE drives the shift from fragmented compliance to integrated value creation, it streamlines processes, sharpens risk intelligence and turns ESG data into decision-grade insights. This will enable faster execution, develop future-ready talent and strengthen trust through transparency.

2. How to set it up?

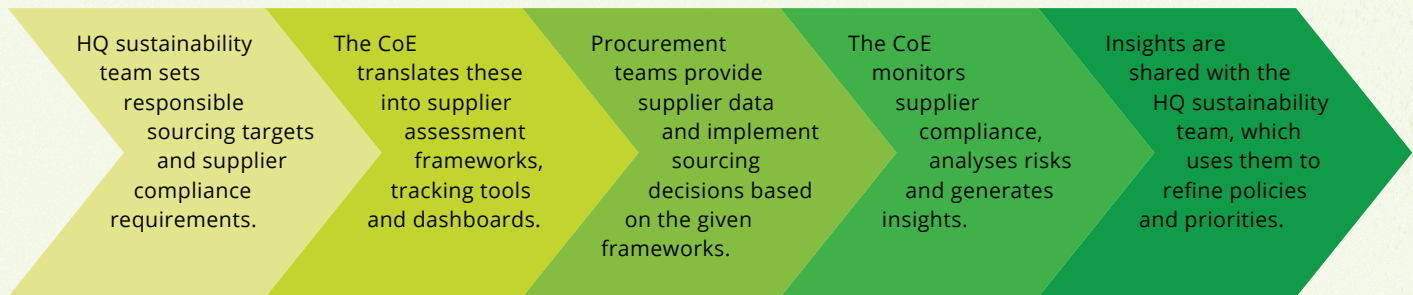
2.1 Governance, structure and roles

Realising ESG impact at scale requires coordinated decision-making, organisational capability and disciplined execution. A structured governance model serves as the foundation, bringing together the right blend of control, coordination and accountability while establishing a clear oversight mechanism.

The following governance models illustrate approaches organisations can adopt based on their organisational length and breadth and strategic ESG priorities.

 Model	 Structure and role	 Unique advantages	 Control vs. flexibility
Centralised GCC-led ESG CoE model	A single, centralised ESG CoE within the GCC shall own strategy, execution and governance for all business units and geographies, ensuring uniformity. It is a hub through which all ESG-related activities are routed	• Faster enterprise-wide rollout of ESG initiatives due to centralised ownership • Strong data integrity and visibility enabling better leadership decision-making	High control, low flexibility Best for highly regulated industries requiring strict data privacy
----- Federated (hub-and-spoke) model	----- A core ESG CoE (hub) defines strategy, frameworks and tools, while execution is distributed across business units or regions (spokes), with local ESG teams aligned to the CoE	----- • Consistent yet adaptable governance frameworks • Reduced resistance to change through localised execution	----- Moderate control, high flexibility Best for global MNCs operating across multiple geographies and operations
----- Capability-driven (service-based) CoE model	----- The CoE operates as an enablement layer, delivering specialised ESG capabilities that business units can tap into as and when needed, while retaining ownership and accountability for outcomes	----- • Optimised resource utilisation by pooling specialised ESG expertise • Faster deployment of high-impact initiatives without building local capabilities	----- Low control, very high flexibility Best for mid-size firms with the mindset to keep their headcount lean

Illustration of day-to-day interaction between the CoE, headquarters sustainability teams and business functions:



2.2 Building Capability – People, domain and technology

A successful CoE begins with a clear understanding of the skills required across different maturity stages. Its effectiveness depends on building a pool of “Purple People”, specialists who bring together ESG expertise, technology fluency and business acumen. By adopting a skills framework, organisations can map existing technology skills within GCCs to ESG capability needs, supporting the development of specialised and highly skilled teams.



Assessing workforce roles and capability development follows a structured approach, enabling clear progression across seven levels of responsibility, from foundational tasks to strategic leadership. Each level, from level 1 (the lowest) to level 7 (the highest), represents increasing expertise and responsibility in professional roles.



The framework below translates this seven-level progression into a structured ESG CoE capability maturity model, linking role maturity with outcomes, domain expertise, technology enablement and operating model considerations.

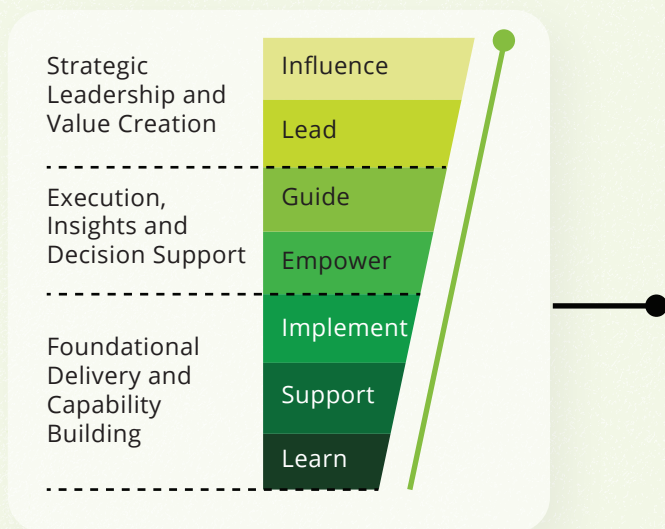


Figure 1:
ESG CoE capability maturity approach for a GCC



Skill and technology enablement

What tools, platforms, and technical skills are required at each level?

- Consider analytics, automation, data architecture, and integration with ESG systems.



ESG domain expertise

How effective are ESG frameworks, metrics, and regulatory requirements understood and applied?

- Consider alignment with standards, disclosures, and performance tracking.



Capability outcomes

How does capability maturing improve ESG performance and decision-making

- Consider impact on reporting quality, risk management, regulatory alignment, and business insights.



Talent and operating model

How are roles structured, governed, and scaled across the CoE?

- Consider hiring strategy, upskilling, leadership development and cross-functional collaboration.

The following table structures and defines roles, how they evolve, how they progress and how responsibilities shift from foundational activities to execution and strategy over time.

 Level and its description	 Expected technological skills at the level	 Alignment with ESG-specific skills	 Progression path
Learn-support-implement			
Talent performs defined tasks under supervision, builds a foundational understanding of ESG and business context, and gradually assumes greater ownership of deliverables with guidance	Works with Excel, visualisation and dashboarding tools, structures documentation and performs data validation, can understand and implement basic automation	Applies foundational ESG knowledge with awareness of key ESG standards, supporting metric tracking and basic framework alignment	Talent progresses to the next levels through ESG fundamentals training, certifications and hands-on project exposure They move forward by demonstrating contextual understanding and the ability to independently manage defined modules
Empower-guide			
Talent independently leads workstreams and defines problem areas, while influencing cross-functional decisions through the execution of ESG priorities	Integrates advanced analytics, visualisation, process automation and workflow tools to generate insights and support decision-making	Applies ESG expertise across areas to support regulatory alignment, performance tracking and business advisory	Talent progresses through domain specialisation and leadership development They move forward by solving complex problems and influencing execution decisions
Lead-influence			
Talent shapes enterprise direction by embedding ESG into business strategy while defining long-term vision and driving value creation with leadership and external stakeholder influence	Designs enterprise data architecture and sets digital and innovation strategy to enable ESG transformation at scale	Drives ESG strategy execution, transformation roadmaps, stakeholder engagement and positions ESG as a core driver of growth, risk management and long-term value	Progression is driven by strategic leadership, sustained impact and the ability to influence enterprise direction, market positioning and stakeholder confidence

By integrating targeted hiring, continuous upskilling and leadership development, a GCC-led ESG CoE can evolve into a strategic centre that cultivates a high-quality, future-ready talent pool that scales with evolving ESG priorities.

3. How to scale it up?

3.1 The CoE maturity path and implementation roadmap

Setting up a GCC-led ESG CoE is a progression. GCCs need a phased approach that delivers early wins while systematically strengthening capabilities, enabling the CoE to move from execution to influencing enterprise-wide ESG outcomes. The image below illustrates the evolution that unfolds across four distinct stages of maturity as follows:

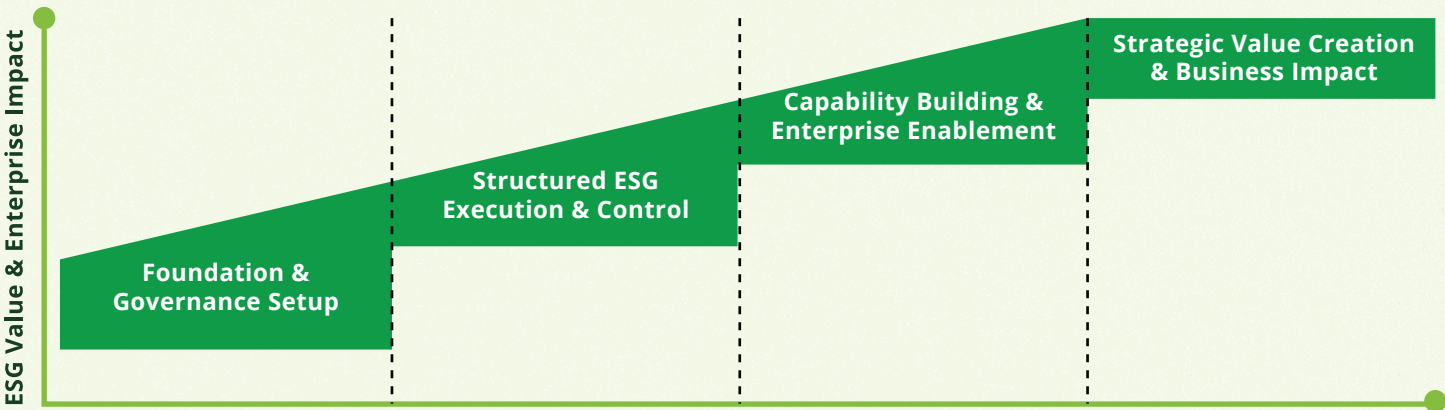
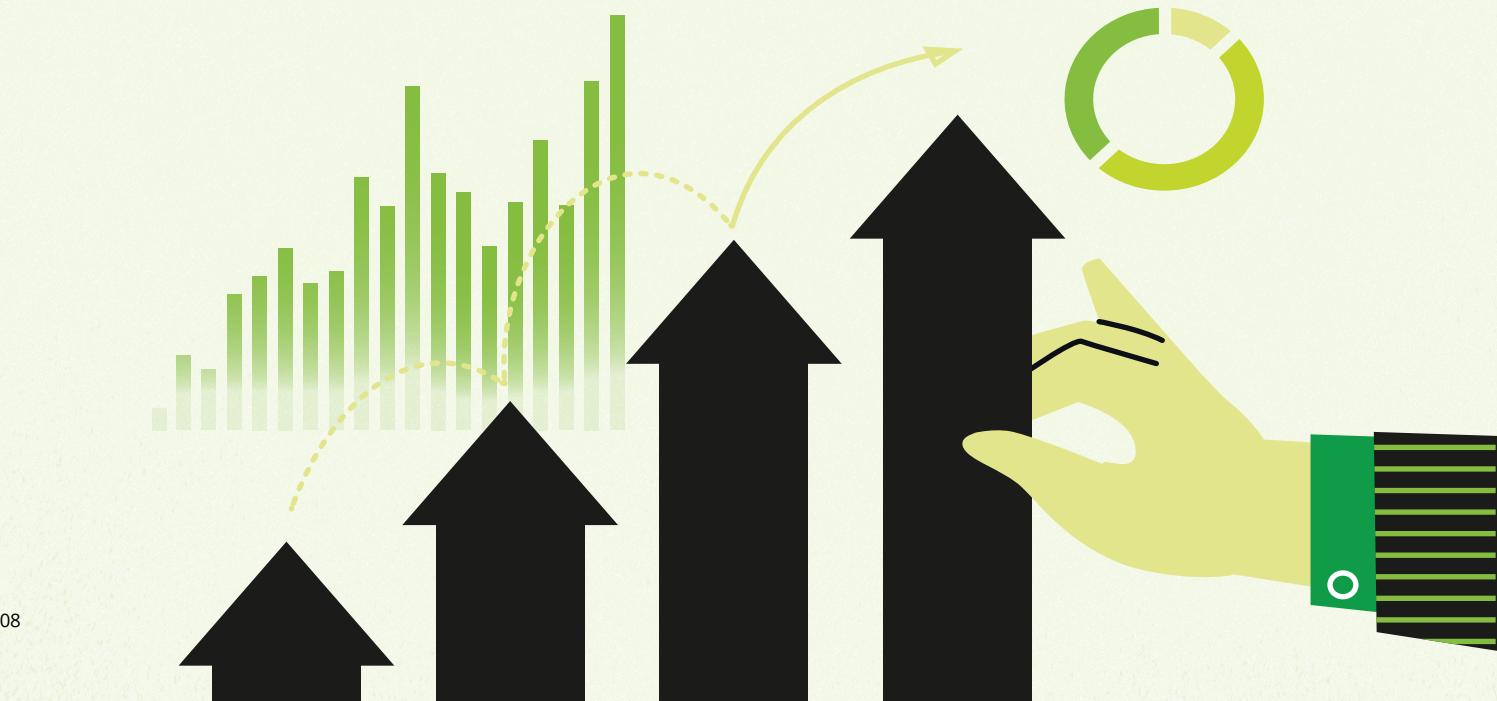
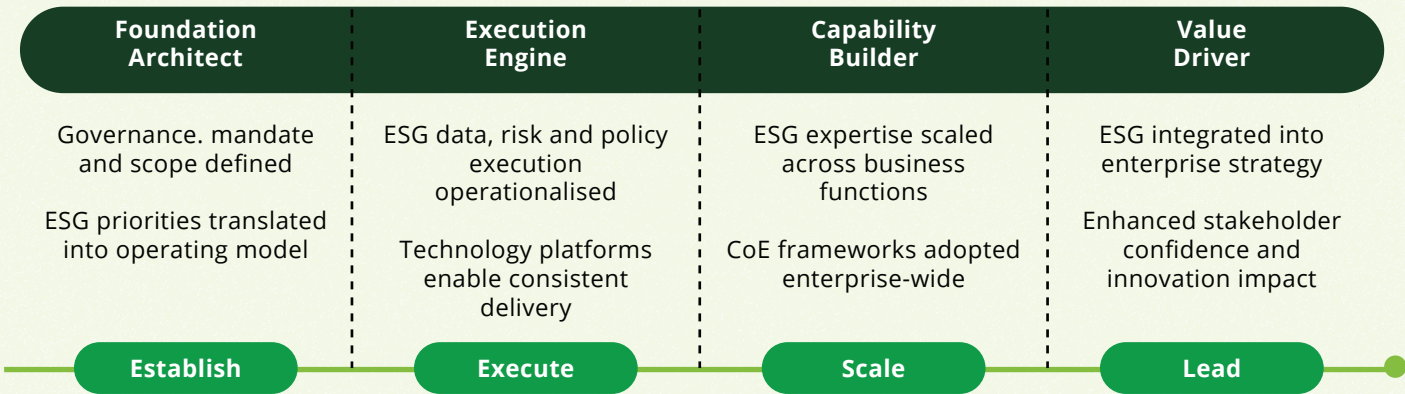


Figure 2: ESG CoE maturity path: Evolving from execution to enterprise value creation





Phase 1: Foundation architect

This phase sets the base by establishing the CoE's governance, mandate, scope and core processes. HQ defines ESG priorities and expectations, and the CoE translates them into a clearly defined system for programme delivery, including how ESG data, risk, policies and programmes will be managed and executed across the organisation.

- **Accountability:** HQ spearheads the strategic direction, while the CoE designs and provides a roadmap, supported by clear decision rights, escalation paths and interaction models across business functions.
- **Performance tracking:** Success is measured by formal approval of the CoE mandate, clarity of roles and decision rights and readiness of the operating model for execution.

Phase 2: Execution catalyst

At this stage, the focus is on executing defined ESG activities consistently and in a controlled manner. The CoE anchors ESG execution across data management, risk oversight, policy deployment and programme implementation, enabled by integrated technology platforms.

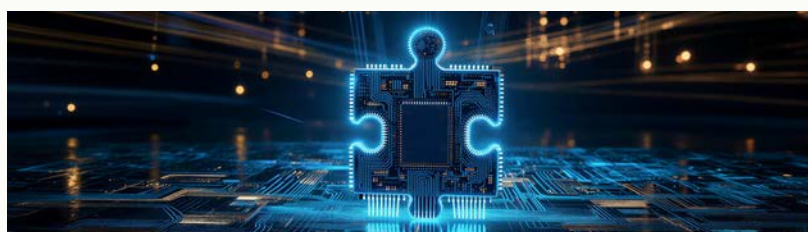
- **Accountability:** The CoE leads execution while HQ provides oversight and ensures alignment with enterprise priorities.
- **Performance tracking:** Success is measured through adherence to defined processes, consistency and quality of outputs and effective rollout of ESG initiatives.



Phase 4: Value driver

At this stage, the focus is on driving measurable outcomes while shaping enterprise strategy and delivering sustained long-term ESG value. The CoE leads enterprise-wide ESG initiatives and drives execution end-to-end.

- **Accountability:** The CoE operates as a strategic collaborator to HQ and enterprise leadership with shared accountability for long-term outcomes.
- **Performance tracking:** Success is defined through measurable business impact and contribution to business strategy, progress against ESG targets, stakeholder confidence and innovation outcomes.



Phase 3: Capability builder

At this stage, the CoE builds deep ESG expertise, enables independent execution through existing technology capabilities, and scales enterprise-wide initiatives while supporting cohesive ESG delivery.

- **Accountability:** The CoE leads capability development and domain execution while business functions begin to take greater ownership of ESG implementation.
- **Performance tracking:** Success is measured by reduced dependency on HQ, increased adoption of CoE frameworks by business functions, improved quality of ESG execution and improved risk management and sustainability outcomes.

4. Way forward

Choosing to establish a GCC-led ESG CoE is a resilience strategy.

Organisations that embed ESG expertise, technology and governance into a scalable GCC operating model will be better equipped to navigate regulatory complexity, accelerate business transformation and strengthen long-term competitiveness. A GCC-led ESG CoE not only strengthens the organization's ability to meet evolving stakeholder expectations but also creates long-term strategic and financial value across the business.

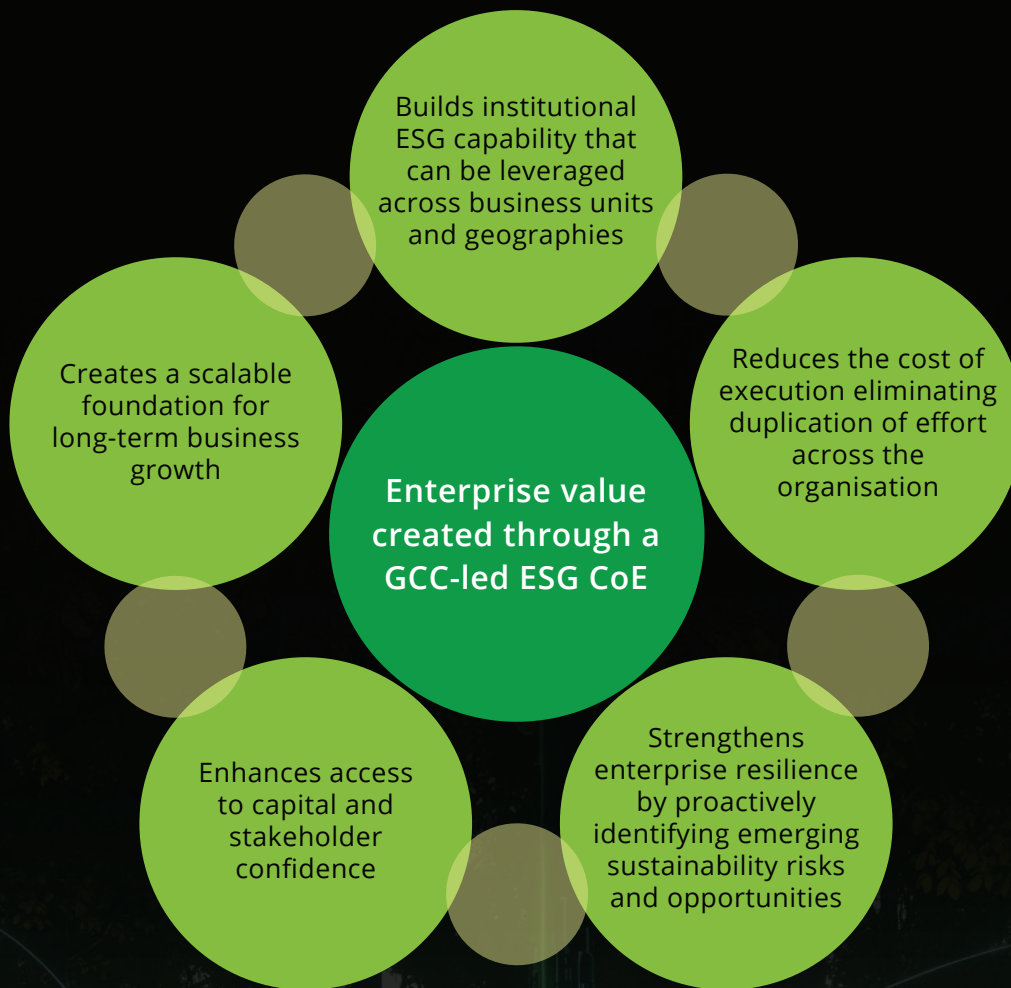


Figure 3: Enterprise value created through a GCC-led ESG CoE

An ESG CoE creates enduring enterprise assets that extend well beyond compliance, including institutional knowledge, digital platforms, standardised operating models and decision intelligence. The case for embedding an ESG Centre of Excellence within the GCC rests on a simple premise: technology applied with intent, compounds.

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