PARTNERSHIP ON AI

Disclosure of AI-related impacts, risks, and opportunities

Landscape Analysis Brief

NOVEMBER 2025

Introduction

Artificial intelligence (AI) is becoming a strategic necessity for many companies in the economy, including both developers and deployers of AI systems. The Stanford HAI 2025 AI Index Report found that 78% of organizations reported using AI, up from 55% the previous year.

The significance of AI systems to company strategy and business models means that investors and other stakeholders need high-quality information from companies about the material impacts, risks, and opportunities of AI to make informed decisions. This information should be included in formal financial and sustainability reports.

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We have undertaken a landscape analysis of the current state of formal reporting to determine how the material impacts, risks, and opportunities related to AI systems are disclosed today. The analysis has been conducted to support the development of disclosure recommendations that apply well-established international reporting standards to the AI context.

This briefing paper summarizes our findings and aims to connect specialists in responsible AI with specialists in formal reporting. The full results of this work are available in the accompanying landscape analysis.

The Importance of Formal Reporting

Formal reporting differs from other communications because it follows principles for information quality, such as consistency, comparability, faithful representation, and verifiability.

A core principle of formal reporting is that material information must be disclosed in formal reports. Information is considered material if its omission, misstatement, or obscuring could reasonably be expected to influence the decisions of the primary users of the report.

Over the past two decades, several interoperable standards have emerged to define how the materiality principle should be interpreted in the context of societal impacts, including the International Sustainability Standards Board (ISSB), the Global Reporting Initiative (GRI), and the European Sustainability Reporting Standards (ESRS). They define materiality as follows:

- **Financial materiality** refers to information considered material for primary users of financial reports, such as investors, lenders, and other creditors. This includes items such as financial performance, cash flow, and cost of capital.
- **Impact materiality** refers to information considered material for the primary users of sustainability or social impact reports, such as civil society organizations, governments, and academics. This includes impacts on people, society, or the environment.

While distinct concepts, financial materiality and impact materiality are interconnected because impacts on people and the environment often have consequences for financial success.

However, while there has been increasing focus on transparency and accountability in AI, this has mainly centered on information related to individual **AI models and systems**, such as model cards and system cards. More attention is needed on the implications of AI on the content of formal reports that address **corporate-level** impacts, risks, and opportunities.

Landscape Analysis Methodology

The analysis is based on a review of disclosures made by 25 large technology companies (e.g., AI developers, enterprise software providers, and chip manufacturers) and 25 large companies from other industries (e.g., financial services, healthcare, automotive, retail, and entertainment companies). The research was limited to formal company reports and disclosures, and did not include informal communication, websites, or public relations materials. The information was organized into three categories:

- Formal financial reports (e.g., SEC Filings, including Proxy Statements and Form 10-K)
- Formal sustainability reports (e.g., sustainability, ESG, and/or "integrated" reports)
- AI-specific reports and official AI policies

The quantitative benchmarking that follows focuses on whether a topic was "covered" rather than the quality of the disclosure; however, qualitative observations about the quality of disclosure are also provided below. Reviewed information was available on or before July 31, 2025.

Findings and Analysis

The analysis showed that the quality, quantity, and location of disclosures differ considerably among companies. The table below highlights the variance with a sample of the AI-related disclosures receiving the most and least coverage; full results are available in the accompanying landscape analysis. The following seven observations are most notable:

QUALITY

The amount of AI-related disclosure has increased significantly, but its quality can be enhanced. For example, several key risks (such as bias, privacy, accuracy) were often listed without further specificity that would make this information decision-useful—like trends, severity, likelihood, or impact on business performance. This finding implies a need to develop and share best practices for disclosure quality.

CONSISTENCY AND COMPARABILITY

Disclosures cover many similar topics (e.g., bias, privacy, liability, security), but the substance of disclosures varies significantly from company to company. New assessment and reporting guidance can improve the consistency and comparability of corporate-level disclosures.

LOCATION OF DISCLOSURE

Companies often make high-level disclosures about risks in the Form 10-K or 20-F "Risk Factors" section, while sustainability reports frequently include disclosures about AI policy, governance, and impacts. However, the location of disclosure varied significantly within and between reports, making the analysis of AI impacts, risks, and opportunities challenging. Some companies published standalone AI reports, which provide an opportunity for deeper analysis targeted at specialist audiences; however, these disclosures should complement rather than replace material information in mainstream financial and sustainability reports required by analysts using them.

TECH VS. NON-TECH COMPANIES

Unsurprisingly, AI developers and technology companies generally have more AI-specific disclosures than other industries. However, AI topics are becoming increasingly important for companies across all sectors, so a more balanced volume of disclosure should be expected over time. Companies within the same industry show inconsistent disclosures, so developing industry-specific disclosure guidance (e.g., for healthcare, financial services, or retail) could improve consistency and comparability.

QUANTITATIVE METRICS ARE MISSING FROM DISCLOSURES

Almost all AI disclosures regarding impacts, risks, and opportunities of AI for people and society are presented as qualitative information, such as principles, commitments, policies, processes, and programs. Effective reporting requires a mix of numbers and narratives, so it is crucial to explore which corporate-level quantitative metrics are decision-useful.

RISKS OF SPECIFIC AI MODELS ARE NOT DISCLOSED

Significant progress has been made in developing risk assessment frameworks and benchmarks for AI models and systems. Some companies publish model or system cards as a form of transparency; however, while their existence is sometimes referenced in formal corporate disclosures, their findings are not. It would be helpful to consider whether mainstream financial and sustainability reports should include information about the results of AI model and system risk assessments and benchmarking, or whether this information should be kept separate from corporate reporting.

LINKS BETWEEN IMPACTS, RISKS, AND OPPORTUNITIES ARE IMPORTANT

In theory, this analysis should have found business risks and opportunities in mainstream financial reports and impacts on people and society in mainstream sustainability reports. However, in practice, the opposite often occurred—many financial reports mentioned impacts on people and society, while many sustainability reports highlighted the business value of AI. This finding illustrates the natural connection between impacts, risks, and opportunities, such as how risks to enterprise value creation can stem from negative impacts on people.

Table: Summary of Findings

This table shows a sample of AI-related disclosures that receive the most and least coverage in formal financial, sustainability reports, and AI reports. Notably, some topics that are heavily debated (e.g., the impacts of AI on the workforce and the environment) received little attention. Disclosures are found in various locations, which can make comparability difficult.

Each company should determine its own material topics and ensure that non-material information does not obscure material information, so it is not necessarily the case that every company should disclose every topic in this table.

Sample of disclosures with >50% coverage

		COMPANIES		REPORTS		
TOPIC	ALL COS.	TECH	NON-TECH	FINANCE REPORTS	SUST. REPORTS	AI REPORTS
Commitment to **responsible AI**, such as principles or policy statements	**64%**	88%	40%	30%	36%	52%
Board/Board Committee engaged in discussion about AI risks, opportunities, and impacts	**58%**	60%	56%	48%	14%	12%
Risk of non-compliance with **legal and regulatory requirements** for tech/liability issues	**84%**	88%	80%	82%	8%	0%
Risk of **cybersecurity** breaches, data loss, and IT systems failure	**80%**	92%	68%	78%	10%	10%
Privacy, data protection, and security impacts	**68%**	80%	56%	36%	30%	40%
Fairness, **bias**, non-discrimination and/or representation impacts	**64%**	80%	48%	36%	22%	44%

Sample of disclosures with <50% coverage

TOPIC						
Impacts on the **workforce**, such as job quality and job quantity	**32%**	44%	20%	18%	18%	8%
Adverse **environmental impacts** of developing and deploying AI	**30%**	48%	12%	12%	24%	8%
Risks and opportunities arising from **downstream customers/users** using AI	**30%**	44%	16%	26%	8%	10%
Risks and opportunities arising from **upstream vendors** using AI	**20%**	28%	12%	16%	6%	0%
Description of issues, insights, views, priorities, or **concerns raised by stakeholders**	**10%**	12%	8%	2%	6%	4%
Impacts on **global and/or national security**	**6%**	12%	0%	4%	2%	2%

Opportunities for Progress

The sustainability reporting standards in use today (i.e., GRI, ISSB, and ESRS) are based on many years of thorough analysis and have improved through extensive testing, stakeholder input, and refinement. They offer clear, consistent, and compatible frameworks for official company disclosures.

However, these standards mainly focus on "traditional" impacts, risks, and opportunities, like those related to climate change, community impacts, and supply chain labor standards. These topics are relevant to AI, but significant investment is necessary to develop additional disclosure recommendations that specifically address AI's impacts, risks, and opportunities.

Our premise is a two-step process. First, establishing a **corporate-level AI assessment framework** will allow companies to identify and prioritize a full range of AI-related impacts, risks, and opportunities across their value chains. Second, using this framework can guide the development of **disclosure recommendations** that enhance the quality and decision usefulness of company disclosures. Sector-specific and issue-specific resources might be necessary for both the AI assessment framework and disclosure recommendations.

Furthermore, these resources should be developed with the full participation of both (1) companies, as they are the focal point of the responsible development and deployment of AI, and (2) investors and other stakeholders, because only they can assess the value of disclosures and identify what additional material information could improve decision-making.

Authors and Acknowledgements

This analysis was written by Dunstan Allison-Hope, Mary Beech, and Stephanie Bell. The authors are grateful for feedback and partnership from Rebecca Finlay, Albert Tanjaya, and Sarah Villeneuve.