PARTNERSHIP ON AI

# AI Disclosure Recommendations

Draft for Testing and Refinement

July 2026

# Contents

# 1. Introduction

The significance of AI systems to company strategy and business models means that investors and other stakeholders need high-quality information from companies to make informed decisions. This information should be included in financial and other public reports.

These Disclosure Recommendations help companies identify material information about the impacts, risks, and opportunities of AI to include in their reports.[1]

Over the past two decades, several interoperable standards have emerged to guide disclosures on impacts, risks, and opportunities, including the IFRS Sustainability Disclosure Standards (IFRS S1 and S2, developed by the ISSB), the European Sustainability Reporting Standards (ESRS), the SASB Standards, and the Global Reporting Initiative (GRI) Standards.[2]

**The Disclosure Recommendations aim to help companies use these existing reporting standards by providing an "AI dimension".** The Disclosure Recommendations do not introduce a new reporting standard or define new reporting requirements for companies. These Disclosure Recommendations:

- Focus on AI-related impacts, risks, and opportunities at the corporate level.
- Encompass all stages of the AI lifecycle, including development, deployment, and use.
- Cover the entire company value chain, including both upstream and downstream.
- Are relevant for all domains into which AI systems are deployed (e.g., healthcare, financial services, retail, infrastructure, energy, social media, public sector).
- Build on existing reporting standards to eliminate duplication and streamline reporting.

These Disclosure Recommendations were informed by discussions with investors, companies, civil society organizations, academics, and other experts. They will be improved over time based on practical experience, feedback, and evolution in the field of AI.

> In May 2026, Partnership on AI published a draft Corporate AI Risk Assessment Framework to help companies identify and manage AI-related risks.
>
> Risk management and disclosure are distinct activities. However, the results of using the Corporate AI Risk Assessment Framework can inform public reporting in accordance with the Disclosure Recommendations.

[1] See Annex 2 (Reporting Audience and Purpose) for a summary of the different disclosures made by companies and the primary audiences for each.
[2] See Annex 1 (Relationship with Leading Reporting Frameworks) for a summary of the main reporting standards and how these Disclosure Recommendations relate to them.

# 2. Scope and Definitions

Companies can use these Disclosure Recommendations to help determine what material information to include in formal financial and sustainability reports, as well as any reports focused solely on responsible AI.

Formal reporting differs from other forms of communication because it should adhere to principles of information quality, such as consistency, comparability, faithful representation, and verifiability. A core principle of reporting standards is that material information must be disclosed. 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.

These Disclosure Recommendations do not introduce a new definition of materiality. Companies should use existing definitions of materiality provided by the relevant jurisdictions and/or reporting standards being used by the company.

- **Financial materiality** refers to information considered material for primary users of general purpose financial reports, including existing and potential investors, lenders, and other creditors.
- **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.

Financial materiality and impact materiality are interconnected because a company's ability to make money over time depends intrinsically on its relationships with people, society, the economy, and natural resources.

These Disclosure Recommendations encompass **impacts, risks, and opportunities** of AI systems. The Disclosure Recommendations use the following definitions, which are consistent with the standards referenced above:

- **Impacts** are the effects that the company's development, deployment, or use of AI systems could have on people, society, and the environment in the short, medium, or long term. This includes impacts that are actual or potential, negative or positive, intended or unintended, and reversible or irreversible.
- **Risks and opportunities** are those arising from the company's development, deployment, or use of AI systems that could reasonably be expected to affect its prospects — its cash flows, access to finance, or cost of capital over the short, medium, or long term.

All companies can use the Disclosure Recommendations. However, disclosures should reflect the relative size and complexity of company operations, as well as their exposure to AI. For this reason, company disclosures, especially for smaller companies, may take on different forms.

# 3. Summary

## PAI Analysis: What should I actually disclose?

While reporting standards may seem complex, there is one overarching principle that keeps disclosure simple: materiality. ISSB Standards (IFRS S1 and S2), the revised ESRS (2026), and the SASB Standards all mandate that **companies should only disclose information that is material**. In fact, companies should disregard any requirement in a standard if the resulting information is not material - as lengthy disclosures and unnecessary details can obscure material information.

Information is material if it helps someone make a decision. Investors are making capital allocation decisions, while other stakeholders may assess a company's social impacts or performance. Consider the following questions:

- **Governance and accountability:** How is AI governed and managed across the company? Does internal accountability signal that AI impacts, risks, and opportunities are treated as core business priorities? How is executive accountability structured? Where does the ultimate authority reside?
- **Risks:** What are the company's AI-related risks? Where do they arise across operations and the value chain, how likely are they, and how are they mitigated?
- **Opportunities:** Does the company have opportunities or competitive advantages related to AI, including intangible advantages such as brand, culture, trust, and talent? How durable are they?
- **Impacts:** What is the potential for significant impact on people, society, and the environment, whether harmful or beneficial?
- **Financial position:** What are the potential effects on the company's financial position (e.g., revenue, cost structure, capital allocation, liability exposure, insurance costs, and valuation) and over what time horizon (short, medium and long term)?
- **Decision usefulness:** What information about the company's AI position would enable investors and stakeholders to make meaningful comparisons with competitors?

A four-part structure found in leading disclosure frameworks has been validated by investors as a useful way to identify material information on topics such as responsible AI, where impacts, risks, and opportunities are ambiguous and difficult to measure. The Disclosure Recommendations are organized according to this four-part structure; however, companies are not required to structure their reporting in this way.

| Summary of AI Disclosure Recommendations | | | |
|---|---|---|---|
| **A. Governance** | **B. Strategy** | **C. Impact, Risk, and Opportunity Management** | **D. Metrics and Targets** |
| Governance approach for AI-related impacts, risks, and opportunities. | AI-related impacts, risks, and opportunities and their interaction with the company's business model and strategy. | Processes for identifying, assessing, prioritizing, and managing AI-related impacts, risks, and opportunities. | Performance relating to AI-related impacts, risks, and opportunities. |
| 1. Board's oversight of AI-related impacts, risks, and opportunities.<br>2. Management's role in assessing, managing, and overseeing AI-related impacts, risks, and opportunities. | 1. AI-related risks and opportunities, and their effects on the company's strategy, business model, and financial position.<br>2. Impacts of the company's AI-related strategy on people, society, and the environment.<br>3. Interests, insights, and views of stakeholders concerning the company's AI-related impacts, risks, and opportunities. | 1. Company's processes for identifying, assessing, and prioritizing AI-related impacts, risks, and opportunities, including how this is integrated into the company's overall risk management system.<br>2. Company's policies, commitments, actions, and/or resources for managing AI-related impacts, risks, and opportunities. | 1. How the company tracks the effectiveness of its approach to managing AI-related impacts, risks, and opportunities, including feedback loops.<br>2. Metrics used by the company to track, measure, and monitor AI-related impacts, risks, and opportunities.<br>3. Goals, targets, or objectives used by the company to manage AI-related impacts, risks, and opportunities. |

# 4. Disclosure Recommendations

## A. Governance

Responsible AI requires executive attention to AI-related impacts, risks, and opportunities, as well as Board oversight. Effective governance underpins successful strategy, management, and performance.

The Corporate AI Risk Assessment Framework provides one structured approach to organizing the disclosures in this section. Companies that use a recognized AI governance framework can map their governance approach to the disclosure prompts below.

### PAI Analysis: What should I actually disclose?

Stakeholders have a high interest in responsible AI governance, but are unlikely to find long descriptions of internal company structures to be material. Instead, consider these questions:

- **Board oversight:** What is the Board's involvement in responsible AI? How does the Board oversee AI risk across areas like strategy, technical development, operations, workforce, and legal and compliance (including liability exposure and societal impact)? Who on the Board has responsibility for AI oversight? What expertise do they bring? What information does the Board receive, and how is AI-related information escalated?
- **Executive accountability:** How is executive accountability for AI strategy and risk structured? Who owns each aspect of the strategy and each risk area? How are AI outcomes reflected in performance evaluations?

| A. Governance Disclosure Recommendations | |
|---|---|
| **Disclosure** | **Considerations** |
| 1. Board's oversight of AI-related impacts, risks, and opportunities. | • Whether the Board has the necessary competency, knowledge, expertise, and skills relating to the impacts, risks, and opportunities of AI systems, and prioritizes continuous learning.<br>• The Board and executive team's role in developing an AI strategy that is aligned with the company's vision, objectives, and core values.<br>• How the Board and/or Board committees are informed about the impacts, risks, and opportunities of AI systems, and assess the relevance for the company's strategy.<br>• How the Board and/or Board committees monitor and oversee progress against goals, targets, and objectives for AI systems.<br>• Whether the Board receives, considers, and signs off the results of the AI risk assessment and/or audits of discrete AI systems to assess safety, reliability, fairness, transparency, and privacy.<br>• Whether there is a Board-approved public commitment to Responsible AI principles and systematic risk assessment, governance, and reporting. |
| 2. Management's role in assessing, managing, and overseeing AI-related impacts, risks, and opportunities. | • How corporate values support a culture of responsibility and risk management.<br>• The policies, processes, and practices in place to consider the impact of AI systems on people, society, and the environment over the short, medium, and long term.<br>• The roles and responsibilities (e.g., teams, cross-functional groups, committees) accountable for the development, use, and outcomes of AI systems, including impact, risk, and opportunity assessment and management.<br>• How legal and regulatory requirements for AI systems are understood, managed, and documented.<br>• How AI strategy execution and outcomes are integrated into executive performance evaluations with aligned incentives and penalties for failures or breaches of responsible AI commitments. |

## B. Strategy

Responsible AI requires an understanding of how AI systems affect a company's impacts, risks, and opportunities over the short, medium, and long term. Responsible AI also requires meaningful and effective engagement with stakeholders who may be impacted by AI or who may cause or contribute to its impacts.

### PAI Analysis: What should I actually disclose?

Strategy disclosures should enable readers to genuinely understand the context in which a company operates, how it navigates impacts, risks, and opportunities, and how it compares to competitors. Consider these questions:

- **Value creation and business model:** How does AI create value for the company? How does AI reshape the company's business model, products, or services? What opportunities and competitive advantages does AI create, including intangible advantages related to brand, culture, trust, and talent? How durable are these advantages given the pace of change?
- **Financial exposure:** What are the potential effects on the company's financial position (e.g., revenue at risk, cost implications, capital allocation, insurance and liability exposure, valuation impact)?
- **Value chain:** Where do AI-related risks concentrate across the value chain (e.g., in training data provenance, model provider dependencies, deployment context, downstream users and customers, third-party integrations)?
- **High-risk applications:** Does the company or its customers engage in high-risk AI applications?[3] What percentage of revenue is associated with these uses? Does the company place restrictions on the use or sale of AI that go beyond industry standards or regulations? How does the company assess the potential revenue of a given AI use case against the risks it might entail?
- **Liability exposure:** How is liability allocated across the value chain through contracts, warranties, and indemnification?[4] How does liability exposure shape strategic decisions about what to build, deploy, and sell?
- **Regulations:** Does the company anticipate risks or challenges in complying with AI regulations?

[3] Examples of high-risk AI applications include: defense and security; critical infrastructure; employment decisions; access to essential services; law enforcement and administration of justice; migration, asylum, and border control; educational or vocational training; mental health advice or companionship; and other contexts posing elevated safety, human rights, or civil liberties risks.

[4] Examples of litigation exposure include: product liability, professional malpractice, IP infringement in training data and outputs, discrimination and employment claims, defamation and misinformation from generative systems, and downstream misuse.

| B. Strategy Disclosure Recommendations | |
|---|---|
| **Disclosure** | **Considerations** |
| 1. AI-related risks and opportunities, and their effects on the company's strategy, business model, and financial position. | • Risks and opportunities for the business model and strategy over the short, medium, and long term, including:<br>  ○ Products and services<br>  ○ Supply chain<br>  ○ Research and development<br>  ○ Technology<br>  ○ Workforce<br>  ○ Operations, including cybersecurity<br>  ○ Competitive advantage/disadvantage<br><br>• Risks and opportunities for financial position over the short, medium, and long term, including:<br>  ○ Financial performance and cash flow<br>  ○ Operating costs and revenues<br>  ○ Capital expenditures and capital allocation<br>  ○ Acquisitions or divestments<br>  ○ Business transformation, innovation, and new business areas<br><br>• When disclosing the risks and opportunities of AI systems, companies should pay special attention to:<br>  ○ Legal and compliance, including adherence to the spirit and letter of laws, regulations, and standards.<br>  ○ Reputation, including alignment with societal expectations of AI systems.<br>  ○ AI value chain, including risks and opportunities arising from upstream (vendor) and downstream (customer and user) business relationships.<br>  ○ Overall efficacy of AI systems and their relevance for value creation.<br>  ○ Liability exposures<br>  ○ Unknown risks, risks with incomplete information, and/or risks that vary by context |

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| 2. Impacts of the company's AI-related strategy on people, society, and the environment. | ● Impacts on workers, such as on job quantity, job quality, and hiring/performance management.<br>● Impacts on all internationally recognized human rights, including:<br>○ Non-discrimination and privacy.<br>○ Other rights that are specific to/salient for the domains in which AI systems are developed and deployed (e.g., freedom of opinion and expression; rights of the child; bodily security; rule of law).<br>● Environmental impacts, such as energy and nature-based impacts (e.g., water, biodiversity).<br>● Special attention should be paid to the impacts of AI systems (or the absence of AI systems) on groups or populations that are or may be at heightened risk of becoming vulnerable or marginalized.<br>● When disclosing the impact of AI systems on people, society, and the environment, companies should pay special attention to impacts arising from:<br>○ Technology development and deployment, such as whether AI models, products, and systems ensure accuracy, reliability, robustness, resiliency, and fairness, across all the domains that AI systems are deployed into.<br>○ Upstream (vendor) and downstream (customer and user) business relationships.<br>○ Business relationships with implications for global and/or national security. |
| 3. Interests, insights, and views of stakeholders concerning the company's AI-related impacts, risks, and opportunities. | ● Policies, processes, and practices for collecting, considering, prioritizing, and embedding feedback from external stakeholders on the short-, medium-, and long-term impacts of AI systems on people, society, and the environment.<br>● The stakeholder groups involved, including workers, consumers, end-users, affected communities, and/or their representatives.<br>● The key results of stakeholder engagement processes and the perspectives obtained.<br>● How stakeholder engagement in relation to AI systems pays particular attention to the rights, needs, and challenges of groups or populations that are or may be at heightened risk of becoming vulnerable or marginalized.<br>● How stakeholders' interests, insights, and views affect the company's strategy and business model regarding AI systems. |

## C. Impact, Risk, and Opportunity Management

Responsible AI requires that the impacts, risks, and opportunities of AI systems be identified, assessed, and managed, and that the processes used to do so be integrated into existing risk management processes.

### PAI Analysis: What should I actually disclose?

These disclosures should enable readers to understand how the company ensures the informed, effective, and ongoing management of impacts, risks, and opportunities over time. Consider these questions:

- **Identification and escalation:** How does the company identify, prioritize, and escalate AI-related impacts, risks, and opportunities? What processes surface them (e.g., technical performance failures, operational incidents, workforce impacts, legal or compliance breaches, downstream misuse, stakeholder engagement)? What thresholds trigger Board attention, executive intervention, or public disclosure?
- **Enterprise risk:** How does the company integrate AI-related risk management processes into enterprise-wide risk management?
- **Human rights due diligence:** How does the company conduct human rights due diligence for AI systems, including impacts on vulnerable populations (e.g., children, racial and ethnic minorities, low wage workers)?
- **Value chain:** How does the company assess impacts, risks, and opportunities across the value chain (e.g., upstream vendor and data risks, downstream customer and user risks)? What risks can the company mitigate, and which require action by other entities, such as vendors, customers, or governments? What leverage is used to address risks held by other entities?
- **Remedy and grievance:** What incident reporting, remediation, and grievance mechanisms are in place? How does the company provide access to remedy?
- **Audits and feedback:** How are audits and assessments conducted, by whom, and how often? How do audits and assessments inform ongoing AI development and deployment?

| C. Impact, Risk, and Opportunity Management Disclosure Recommendations | |
|---|---|
| **Disclosure** | **Considerations** |
| 1. Company's processes for identifying, assessing, and prioritizing AI-related impacts, risks, and opportunities, including how this is integrated into the company's overall risk management system. | • How the relative priority of the impacts, risks, and opportunities relating to AI systems is determined:<br>  ○ For risks and opportunities, prioritization may include financial (e.g., costs, revenues), operational (e.g., technology, workforce, compliance), and strategic (e.g., competitiveness, reputation) effects.<br>  ○ For impacts, prioritization may include signals of severity of impacts on people and the environment, namely the scope (how widespread the impact is, such as the number of people), scale (how grave or beneficial the impacts), and remediability (whether people or the environment can be restored to their prior state).<br>  ○ For impacts, risks, and opportunities, prioritization may include likelihood and risk tolerance.<br>• Whether/what national and international frameworks for assessing the risks of individual AI models, products, and systems are used, such as the NIST AI Risk Management Framework, ISO/IEC 42001, and OECD Due Diligence Guidance for Responsible AI.<br>• Whether/how risk assessment considers the context (e.g., laws, norms, communities, organizations, domains) in which AI systems are deployed.<br>• Whether/how risk assessment includes meaningful and effective engagement with external stakeholders about the impact of AI systems on people, society, and the environment over the short, medium, and long term.<br>• How processes for identifying, assessing, prioritizing, and managing impacts, risks, and opportunities related to AI systems are integrated into:<br>  ○ Enterprise risk management, including the determination, management, and disclosure of material risks and opportunities.<br>  ○ Responsible business conduct and sustainability, including the determination, management, and disclosure of material impacts, and/or the conduct of environmental and/or human rights due diligence. |

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| 2. Company's policies, commitments, actions and/or resources for managing AI-related impacts, risks, and opportunities. | ● How the impacts, risks, and opportunities related to AI systems are avoided, prevented, mitigated, transferred, accepted, and/or controlled<br>● Whether/what technical standards are used to manage the risks of individual AI models, products, and systems<br>● How the impacts, risks, and opportunities of AI systems are documented and disclosed.<br>● The resources (people, budget, and time) allocated to assess, manage, and disclose impacts, risks, and opportunities related to AI systems.<br>● How the company's AI strategy aligns with its overall vision and objectives.<br>● Disclosures should refer to:<br>○ Strategies for identifying, avoiding, preventing, and mitigating adverse impacts (e.g., human oversight and control; data quality, integrity, privacy, security).<br>○ Methods to provide remedy (or collaborate in efforts to provide remedy) for adverse impacts.<br>○ Strategies for supporting the fulfilment, realization, and enjoyment of the benefits arising from deploying AI systems.<br>○ Efforts taken alone and efforts undertaken in collaboration with other companies and stakeholders. |

## D. Metrics and Targets

Metrics and targets are often used by companies to assess their performance against strategies and objectives, as well as their overall exposure to impacts, risks, and opportunities. Metrics and targets can provide a basis for investors and other stakeholders to compare companies.

However, metrics for AI impacts, risks, and opportunities are in the early stages of development, and many AI-related impacts, risks, and opportunities are not suited to numeric measurement. Companies should use their best efforts and expert judgment to determine which metrics are decision-useful to disclose.

### PAI Analysis: What should I actually disclose?

For complex issues like AI, quantitative metrics or targets may not be material on their own. However, decision makers often find that the *combination of qualitative and quantitative information* (or numbers with context) is what makes information material. Consider these questions:

- **Performance metrics:** What metrics does the company use to track AI-related impacts, risks, and opportunities? Which metrics inform executive and Board oversight?
- **Financial metrics:** What AI-specific financial performance metrics are tracked (e.g., revenue growth, operational costs, efficiency, liability exposure)? How is ROI for responsible AI calculated (e.g., cost reduced or avoided; revenue generated or protected)?
- **Impact metrics:** What goals or targets are set for AI-related impacts, such as system performance and safety, audit outcomes, human rights (e.g., privacy, non-discrimination), environmental and community impacts, or AI incidents?
- **Domain calibration:** How are metrics and targets calibrated to the domains in which AI systems are developed and deployed?
- **Existing metrics reshaped:** How might AI influence existing sustainability metrics and targets, such as greenhouse gas emissions or responsible supply chains?
- **Feedback loop:** What is the feedback loop between metrics, audit findings, incident data, and governance?

| D. Metrics and Targets Disclosure Recommendations | |
|---|---|
| **Disclosure** | **Considerations** |
| 1. How the company tracks the effectiveness of its approach to managing AI-related impacts, risks, and opportunities, including feedback loops. | ● How the effectiveness of its approach is tracked, including:<br>○ Qualitative and quantitative indicators.<br>○ Feedback from internal and external sources, including affected stakeholders.<br>○ Internal reporting processes, performance contracts, reviews, surveys, assessments, and audits.<br>○ Operational-level grievance mechanisms |
| 2. Metrics used by the company to track, measure, and monitor AI-related impacts, risks, and opportunities. | ● How AI-related risks and opportunities are measured, such as:<br>○ Revenue growth/decline arising from the development, deployment, and decommissioning of AI systems.<br>○ Operational costs, capital expenditures, and savings arising from the development, deployment, and decommissioning of AI systems.<br><br>● How AI-related impacts are measured, such as:<br>○ Measures of AI model, product, or system performance.<br>○ Safety of AI systems and AI incident reports.<br>○ Results of audits and assessments.<br>○ Impacts on job quantity and job quality.<br>○ Human rights impacts (e.g., privacy, equality).<br>○ Operational impacts (e.g., environmental, community).<br>○ Other metrics and targets relevant for the domains in which AI systems are developed and deployed. |
| 3. Goals, targets, or objectives used by the company to manage AI-related impacts, risks, and opportunities. | ● What goals, targets, and objectives relating to the risks and opportunities of AI systems have been established, such as:<br>○ Revenue growth arising from the development and deployment of AI systems.<br>○ Operational costs and savings arising from the development and deployment of AI systems.<br><br>● What goals, targets, and objectives relating to the impacts of AI systems have been established, such as:<br>○ Model, product, or AI system performance.<br>○ Safety of AI systems and AI incident reports.<br>○ Results of audits and assessments.<br>○ Impacts on job quantity and job quality.<br>○ Impacts on human rights (e.g., privacy, equality).<br>○ Operational impacts (e.g., environment, community)<br>○ Other goals, targets, and objectives for the domains in which AI systems are developed and deployed. |

# Annex 1: AI Disclosure Recommendations: Relationship with Leading Reporting Frameworks

The AI Disclosure Recommendations are not a new reporting standard and do not establish new reporting requirements for companies. However, they can serve as a useful and substantive input for understanding how to apply existing reporting standards to the context of AI strategies and systems.

## A. European Sustainability Reporting Standards (ESRS)

The ESRS specify the information companies must disclose under the EU Corporate Sustainability Reporting Directive (EU CSRD). The ESRS requires companies to disclose information about their material impacts, risks, and opportunities using the double materiality principle (impact materiality and financial materiality).

ESRS 1 *General Requirements* Standard sets out how companies should determine the materiality (or non-materiality) of their impacts, risks, or opportunities. ESRS 2 *General Disclosures* Standard sets out the required disclosures for companies regarding material impacts, risks, and opportunities. ESRS 2 disclosures are organized into four segments: governance; strategy, including financial effects; the management of impacts, risks, and opportunities, including related policies and actions; and metrics and targets.

Other ESRS Standards address specific topics. If a company concludes that a topic (such as responsible AI) related to a material impact, risk or opportunity is not covered, or not covered with sufficient granularity, by an ESRS, it is required to provide entity-specific disclosures on that topic. Companies may therefore report on AI as a separate entity-specific topic, or as part of their disclosures on existing ESRS topical Standards.

The AI Disclosure Recommendations draw on key terms, concepts, and definitions from the ESRS and can help provide “the AI dimension” for achieving compliance.

## B. IFRS S1 and S2 (ISSB Standards)

The International Sustainability Standards Board (ISSB) was established by the IFRS Foundation in 2021 to develop a comprehensive, global baseline of investor-focused, sustainability-related financial disclosures. The ISSB builds on the work of prior investor-focused reporting initiatives, including the Climate Disclosure Standards Board (CDSB), the Task Force on Climate-related Financial Disclosures (TCFD), the Integrated Reporting (IR) Framework, and industry-based SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* requires a company to disclose information on all sustainability-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance, or cost of capital over the short, medium, or long term. IFRS S2 *Climate-related Disclosures* addresses climate

issues. Similar to ESRS, the core content in S1 and S2 is separated into four segments: governance; strategy; risk management; and metrics and targets.

The AI Disclosure Recommendations draw on key terms, concepts, and definitions from IFRS S1 and can help provide "the AI dimension" for achieving compliance. Companies may report on AI as a distinct risk or opportunity (topic), or as part of their disclosures on other topics.

## C. SASB Standards

The SASB Standards provide industry-specific guidance for disclosing sustainability-related information that is financially material to investors. They comprise 77 standards mapped to distinct industries, each setting out a focused set of disclosure topics and associated metrics. Responsibility for the SASB Standards transferred to the IFRS Foundation in 2022, and the ISSB now maintains and updates them.

Companies may apply the SASB Standards in two ways: as a standalone framework for industry-based sustainability disclosure, or as a source of guidance when applying IFRS S1 and S2, which require companies to refer to and consider the applicability of the SASB Standards when identifying relevant risks, opportunities, and metrics. The AI Disclosure Recommendations support both uses.

The SASB Standards were published in 2018 and do not include an AI-specific disclosure topic. However, they encourage companies to consider and report on other matters not currently identified in a given Standard. Thus, the AI Disclosure Recommendations could provide the basis for an AI-focused topic, or for metrics reported as part of other topics.

## D. Global Reporting Initiative (GRI)

The GRI Standards enable companies to disclose their most significant impacts on the economy, environment, and people—including impacts on human rights—and how they manage those impacts. They are grounded in authoritative intergovernmental instruments such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

GRI 2 *General Disclosures* covers a company's activities, governance, and policies, while GRI 3 *Material Topics* guides how companies identify, prioritize, and manage their material topics. The core content required by the GRI Standards is organized into segments similar to those in the ESRS and IFRS S1, including governance; strategy, policies, and practices; and material topics, such as relevant policies, commitments, actions, goals, targets, and indicators.

The AI Disclosure Recommendations can help provide "the AI dimension" for achieving compliance with the GRI Standards, as AI is not covered by a GRI Sector or Topical Standard.

| | European Sustainability Reporting Standards (ESRS)[5] | ISSB Standards (IFRS S1 & S2) | Global Reporting Initiative (GRI) Standards |
|---|---|---|---|
| **Materiality basis** | Double materiality (impact and financial) | Financial materiality (cash flows, access to finance, cost of capital) | Impact materiality (economy, environment, and people, including human rights) |
| **Core content structure** | Governance; Strategy; Management of Impacts, Risks, and Opportunities; Metrics and Targets | Governance; Strategy; Risk Management; Metrics and Targets | Governance; Strategy, Policies and Practices; Material Topics (including policies, commitments, actions, goals, targets, and indicators) |
| **How AI is currently covered** | Not covered by a topical ESRS | Not covered by an IFRS Sustainability Disclosure Standard or SASB Disclosure Topic | Not covered by a GRI Sector or Topical Standard |
| **How information on AI should be reported today (if material)** | As an "entity-specific" topic or as part of an existing ESRS topical standard | As a risk/opportunity (topic) or as information relevant to other topics | As a material topic under GRI 3, with organization-defined disclosures |
| **How the Disclosure Recommendations help** | Provide the "AI dimension" for entity-specific disclosures or for integration into existing topical standards | Provide the "AI dimension" where no disclosure standard or topic exists | Provide the "AI dimension" for disclosures not covered by a GRI Sector or Topical Standard |
| **Authoritative basis** | EU Corporate Sustainability Reporting Directive (CSRD) | International Sustainability Standards Board (ISSB), building upon prior CDSB, TCFD, Integrated Reporting, and SASB Standards | Global Sustainability Standards Board (GSSB) |

[5] ESRS references reflect the revised standards adopted under the EU Omnibus package (3 July 2026), applicable from financial year 2027.

# Annex 2: Reporting Audience and Purpose[6]

| | |
|---|---|
| Primary | The report is widely used by this audience, often written for them |
| Relevant | The report is often used by this audience, though the primary users are different |
| Limited | Some in this audience may use the report |

| | | **Investors**<br><br>Material risks and opportunities for financial position | **Stakeholders**<br>*(e.g., civil society, labor)*<br><br>Material impacts on people, society, and the environment | **Regulators**<br><br>Assuring compliance and developing policy | **Enterprise Clients and Developers**<br><br>Operational risk and performance of AI model/system | **Insurers**<br><br>Risk exposure | **Safety Researchers**<br><br>Public good and infrastructure security |
|---|---|---|---|---|---|---|---|
| **SEC filings (or equivalent)** | Company's financial performance and risks | Primary | Relevant | Primary | Limited | Primary | Limited |
| **ESRS sustainability statements** | Company's sustainability impacts, risks, and opportunities | Primary | Primary | Primary | Limited | Relevant | Limited |
| **Model and system cards** | How an AI works, intended use cases, performance metrics, and limitations | Relevant | Relevant | Primary | Primary | Primary | Primary |
| **Voluntary ESG/ sustainability reports** | Company's sustainability impacts | Relevant | Primary | Limited | Limited | Limited | Limited |
| **Voluntary AI reports** | Company's responsible AI governance, strategy, and risk management | Relevant | Primary | Limited | Relevant | Limited | Relevant |
| **Transparency reports** | How user data is handled and content policy enforced | Limited | Primary | Relevant | Limited | Limited | Primary |
| **Regulated reports** | Public reports required by specific regulations (e.g., DSA) | Limited | Relevant | Primary | Limited | Relevant | Relevant |
| **Incident reports** | Documented failures, malfunctions, or unintended harms | Limited | Limited | Primary | Primary | Primary | Primary |

[6] This table is intended as a general analysis, as information needs vary among different report readers.