CIRANO
Knowledge into action

ALIGNING SUSTAINABILITY DISCLOSURE STANDARDS WITH TRUSTWORTHY AI GOVERNANCE

ANNE-MARIE HUBERT
NATHALIE DE MARCELLIS-WARIN
TANIA SABA
THIERRY WARIN

PR
2025PR-14
FOR REFLECTION

CIRANO
Knowledge into action

The papers For Reflection*... aim to propose, through applied research results or discussion documents*, actionable pathways for Quebec and Canada to enhance productivity, foster sustainable economic growth, strengthen regional vitality, and ensure responsible public finances, while maintaining adequate funding for health and education; these documents reflect the sole responsibility of their authors.

Les documents Pour Réflexion... visent à proposer, par l'entremise de résultats de recherche appliquée ou de documents d'analyse, des pistes d'action pour le Québec et le Canada visant à soutenir la productivité, une croissance économique durable, la vitalité des régions et une gestion responsable des finances publiques, tout en maintenant un financement adéquat de la santé et de l'éducation; ces documents sont publiés sous la seule responsabilité de leurs auteurs.

CIRANO is a private non-profit organization incorporated under the Quebec Companies Act. Its infrastructure and research activities are funded through fees paid by member organizations, an infrastructure grant from the government of Quebec, and grants and research mandates obtained by its research teams.

Le CIRANO est un organisme sans but lucratif constitué en vertu de la Loi des compagnies du Québec. Le financement de son infrastructure et de ses activités de recherche provient des cotisations de ses organisations-membres, d'une subvention d'infrastructure du gouvernement du Québec, de même que des subventions et mandats obtenus par ses équipes de recherche.

CIRANO Partners - *Les partenaires du CIRANO*

Corporate Partners – Partenaires Corporatifs	**Governmental partners - Partenaires gouvernementaux**	**University Partners – Partenaires universitaires**
Autorité des marchés financiers Banque de développement du Canada Banque du Canada Banque Nationale du Canada Bell Canada BMO Groupe financier Caisse de dépôt et placement du Québec Énergir Hydro-Québec Intact Corporation Financière Manuvie Mouvement Desjardins Power Corporation du Canada Pratt & Whitney Canada VIA Rail Canada	Ministère des Finances du Québec Ministère de l'Économie, de l'Innovation et de l'Énergie Innovation, Sciences et Développement Économique Canada Ville de Montréal	École de technologie supérieure École nationale d'administration publique de Montréal HEC Montreal Institut national de la recherche scientifique Polytechnique Montréal Université Concordia Université de Montréal Université de Sherbrooke Université du Québec Université du Québec à Montréal Université Laval Université McGill

CIRANO collaborates with many centers and university research chairs, list available on its website. *Le CIRANO collabore avec de nombreux centres et chaires de recherche universitaires dont on peut consulter la liste sur son site web.*

ISSN 2563-7266 (online version)

Aligning Sustainability Disclosure Standards with Trustworthy AI Governance

Anne-Marie Hubert
CIRANO

Nathalie de Marcellis-Warin
Polytechnique Montréal, CIRANO, Obvia

Tania Saba
Université de Montréal, Obvia

Thierry Warin
HEC Montréal, CIRANO, CEMIA – GPAI/OCDE

December 2025

Résumé/Abstract

Ce rapport examine la convergence entre l'émergence d'un socle mondial de normes de divulgation en matière de durabilité à destination des marchés financiers et la nécessité d'une gouvernance transparente et responsable de l'intelligence artificielle (IA) dans le monde du travail. Il analyse comment les progrès significatifs réalisés pour améliorer l'alignement et l'interopérabilité du paysage des normes de divulgation en durabilité pour les marchés financiers peuvent éclairer l'élaboration d'indicateurs permettant de suivre les six engagements du « *Pledge for a Trustworthy AI in the World of Work* », (le Pledge) adopté en 2025.

Le rapport identifie des indicateurs ESG existants qui s'alignent sur le Pledge, notamment ceux portant sur les conditions de travail, le dialogue social, la santé et la sécurité, la formation et le développement des compétences, l'engagement des travailleurs et l'absence de biais, ainsi que la protection des renseignements personnels, tout en mettant en lumière des lacunes importantes dans la mesure et la communication des opportunités et des risques associés aux systèmes d'IA. Certaines de ces lacunes pourraient être comblées en s'appuyant sur les avancées majeures réalisées dans l'élaboration de normes internationales de commerce (ISO/IEC 42001, ISO/IEC 38507 et ISO/IEC 5338), qui ont également évolué à un rythme accéléré et intègrent désormais des considérations éthiques relatives aux personnes et à l'environnement.

Afin de soutenir l'adoption d'une IA de confiance dans le monde du travail, le rapport propose une collaboration stratégique franco-canadienne visant à permettre et institutionnaliser l'échange de connaissances, une gouvernance participative et un engagement renforcé des parties prenantes, au sein d'un forum neutre et fondé sur la science. Cette collaboration viserait à appuyer l'élaboration et l'adoption d'indicateurs volontaires pour le Pledge, ainsi qu'à coordonner les contributions aux projets de normes européennes ESRS et aux consultations de l'ISSB portant sur l'évolution des normes SASB, le projet sur le capital humain et les priorités de travail pour la période 2026-2028.

Les résultats soulignent que l'intégration d'une IA de confiance dans la divulgation de durabilité constitue à la fois un impératif éthique et financier, à mesure que les actifs immatériels deviennent des moteurs centraux de la valeur des entreprises. Le rapport formule des recommandations opérationnelles visant à aligner les pratiques de divulgation des entreprises sur les attentes émergentes en matière de gouvernance de l'IA, renforçant ainsi la confiance du public et des investisseurs, la cohérence et l'adoption réglementaires à l'échelle internationale, tout en réduisant les barrières commerciales et la charge réglementaire, et en améliorant l'accès aux marchés de capitaux ainsi qu'aux marchés des biens et services.

This report examines the convergence between the emerging global baseline of sustainability disclosure standards for financial markets, and the need for transparent, accountable artificial intelligence (AI) governance in the workplace. It explores how the significant progress being made to improve alignment and interoperability of the sustainability disclosure landscape for financial markets can inform the development of indicators to monitor the six commitments of the "*Pledge for a Trustworthy AI in the World of Work*," (The Pledge) endorsed in 2025. The report identifies existing ESG indicators that align with the pledge—such as those addressing work conditions, social dialogue, health and safety, training and skills development; engagement of workers and absence of bias, protection of personal information—while highlighting critical gaps in measuring and reporting on opportunities and risks associated with AI systems that could be further developed by leveraging the significant progress in the development of standards for trade (ISO/IEC 42001, ISO/IEC 38507 and ISO/IEC 5338) that have also matured at an accelerated pace and now encompass ethical people and environment considerations.

In support of adoption of trustworthy AI in the world of work, it proposes a strategic Franco-Canadian collaboration to enable and institutionalize knowledge exchange and participative governance and enhanced stakeholder engagement through a neutral, science-led forum to support the development and adoption of voluntary indicators for the pledge, and to coordinate feedback to the Draft European ESRS standards and to the ISSB's consultations on SASB standards enhancements, Human Capital project and priority agenda for 2026-2028.

The findings underline that integrating trustworthy AI into sustainability reporting is both an ethical and financial imperative, especially as intangible assets increasingly drive corporate value. The report offers actionable recommendations to align corporate reporting practices with evolving expectations around AI governance, thereby reinforcing public trust, investor confidence, international regulatory coherence and adoption, while reducing trade barriers and regulatory burden, and improving access to capital markets and to markets for products and services.

Mots-clés / Keywords : Gouvernance de l'intelligence artificielle, divulgation en durabilité, capital humain, actifs immatériels, normes ESG, marchés financiers

Codes JEL / JEL Codes : M14 (Corporate Culture; Social Responsibility), O33 (Technological Change: Choices and Consequences; Diffusion Processes)

Pour citer ce document / To quote this document

Hubert, A.-M., De Marcellis-Warin, N., Saba, T., & Warin, T. (2025). Aligning Sustainability Disclosure Standards with Trustworthy AI Governance (2025PR-14, Pour réflexion, CIRANO.)
https://doi.org/10.54932/KXEE5307

Note: T*his reflection is part of an ongoing dialogue and co-construction process with key stakeholders from the research community, public policy, civil society, and the private sector. It draws in particular on the discussions held during the Strategic Roundtables on Artificial Intelligence organized in Montréal on June 16, 2025 by CIRANO, in collaboration with OBVIA, the BMO Chair in Diversity and Governance at Université de Montréal, the Human Technology Foundation, the Fonds de recherche du Québec, and CEIMIA, as well as on the France–Canada Strategic Dialogue "Governing AI for Sustainable Jobs" held on June 17, 2025 at CORIM. This process also builds on the continuity of international discussions and commitments addressed at the Paris AI Summit in February 2025. The authors wish to thank all participants in these exchanges for the quality of their contributions and their commitment to advancing responsible, inclusive, and value-creating AI governance.*

Executive summary

This report examines the convergence between the emerging global baseline of sustainability disclosure standards for financial markets, and the need for transparent, accountable artificial intelligence (AI) governance in the workplace. It explores how the significant progress being made to improve alignment and interoperability of the sustainability disclosure landscape for financial markets can inform the development of indicators to monitor the six commitments of the "Pledge for a Trustworthy AI in the World of Work," adopted in 2025. The report identifies existing ESG indicators that align with the pledge—such as those addressing work conditions, social dialogue, health and safety, training and skills development; worker engagement and absence of bias, protection of personal information—while highlighting critical gaps in measuring and reporting on opportunities and risks associated with AI systems that could be filled by leveraging the significant progress in the development of standards for trade (ISO/IEC 42001, ISO/IEC 38507 and ISO/IEC 5338) that have also matured at an accelerated pace and now encompass people and environment considerations. The findings underline that integrating trustworthy AI into sustainability reporting is both an ethical and financial imperative, especially as intangible assets increasingly drive corporate value.

In support of adoption of trustworthy AI in the world of work, it proposes a strategic Franco-Canadian collaboration to enable and institutionalize knowledge exchange and participative governance and enhanced stakeholder engagement through a neutral, science-led forum to support the development and adoption of voluntary indicators for the pledge, and to coordinate feedback on international consultation processes such as the ISSB's consultations on exposure drafts for SASB standards enhancements. This is particularly relevant considering the Application Guidance in ESRS 1, which indicates that, when developing entity-specific disclosures, the undertaking may draw on available best practices, frameworks or reporting standards, including IFRS industry-based guidance.

The report is organized into three main parts, followed by policy recommendations and a conclusion. It offers actionable recommendations to align corporate reporting practices with evolving expectations around AI governance, thereby reinforcing public trust, investor confidence, international regulatory coherence and adoption, while reducing trade barriers and regulatory burden, and improving access to capital markets and to markets for products and services.

Part 1 sets out the structure and underlying rationale of sustainability disclosure standards for financial markets, providing the conceptual and institutional foundations needed to understand their role in supporting transparency, comparability, and decision-useful information for investors. In 2023, the International Sustainability Standards Board (ISSB) introduced IFRS S1 (General Requirements) and IFRS S2 (Climate) – the first global baseline standards for sustainability disclosure. These standards integrate industry-specific metrics via SASB (Sustainability Accounting Standards Board) guidance and emphasize interoperability, proportionality, and materiality. They require companies to report on governance, strategy, risk management, and performance (measures and targets) for sustainability topics, focusing on information material to investors. The global baseline approach aims to harmonize reporting and reduce duplicative efforts, allowing jurisdictions to add additional requirements. This section explains how the ISSB standards are structured, how they are developed in collaboration with other international standard setting organizations to enhance interoperability and why– responding to market crises and demands for consolidation and simplification of the fragmented sustainability disclosure landscape, addressing the need for consistent, comparable ESG information to better assess risks adjusted returns for investors, and providing a level playing field for business.

Part 2 examines how sustainability disclosure frameworks developed for financial markets can be leveraged to design and operationalize indicators for monitoring progress on the commitments of the Pledge for a Trustworthy AI in the World of Work. The "Pledge for a Trustworthy AI in the World of Work" (launched Feb 2025) sets out six commitments for companies, ranging from promoting social dialogue and investing in worker skills to ensuring non-discrimination, privacy, and inclusive AI adoption across value chains. To monitor these commitments, employers can draw on existing sustainability indicators for financial markets that issuers already have to use and on ISO/IEC standards for AI systems developments already embedded in prudential requirements for financial institutions and/or leveraged by business to provide trust in responsible development and use of AI systems. This section analyzes potential indicators for each commitment drawn from sustainability reporting standards for financial market and identifies and limitations (areas where greater convergence or new or refined metrics are needed).
Part 3 explores avenues for Franco-Canadian collaboration to advance the development, alignment, and adoption of metrics for monitoring trustworthy AI in the world of work. France and Canada are well-positioned to jointly advance

trustworthy AI governance through aligned disclosure practices. The report recommends three avenues for collaboration: (i) co-developing and harmonizing a set of voluntary indicators to track pledge commitments, ensuring these metrics are credible and comparable across both countries; (ii) coordinating feedback on international consultation processes such as the ISSB's consultations on exposure drafts related to enhancements to the SASB standards (IFRS industry-based guidance), and (iii) establishing structured bilateral exchanges – such as joint innovation labs, observatories, and shared data platforms – to continuously share knowledge, pilot new metrics, and build capacity around AI governance. By uniting efforts, France and Canada can influence the convergence of voluntary pledges with mandatory frameworks, support the work of the Taskforce on inequality and social-related financial disclosures (TISFD), support companies in measuring intangibles like human and social capital and set a global example for trustworthy AI reporting.

Overall, this report highlights that as intangible assets—such as data, algorithms, and human capital—now dominate corporate value creation (with nearly 79% of global intangible value remaining unreported on balance sheets; Brand Finance, 2024), integrating trustworthy AI governance into sustainability disclosure is both a values-driven and value-creating imperative. It demonstrates how aligning AI governance with sustainability disclosure frameworks can strengthen transparency, accountability, and long-term value creation, and provides actionable guidance for policymakers and corporate leaders.

Introduction

Artificial Intelligence (AI) is rapidly reshaping the world of work, bringing both unprecedented opportunities for productivity and complex challenges for governance. Ensuring that AI deployment is trustworthy and human-centric has become a policy priority, exemplified by initiatives like the *Pledge for a Trustworthy AI in the World of Work*[1] launched in early 2025. This shift toward trustworthy and human-centric AI is also reflected in the growing emphasis on *augmented intelligence*—an approach that frames AI not as a substitute for human judgment, but as a tool that enhances human capabilities and responsibility in decision-making (Jablokov & Warin, 2022). The Pledge, endorsed by over 200 employers and labor organizations globally, commits companies to six objectives: from promoting social dialogue with workers on AI adoption to protecting worker privacy and ensuring AI's benefits are inclusively shared across value chains. These commitments reflect broader concerns that AI's fast progress should not outpace the capacity of organizations to manage its ethical, social, and economic implications.

The accelerated development of artificial intelligence has sparked growing concerns about how data and algorithms shape processes and outcomes, often introducing biases or opacity that challenge accountability. In response, ethical AI frameworks have emerged globally to guide responsible innovation—among them *The Montréal Declaration for a Responsible Development of Artificial Intelligence*[2]*,* which emphasizes principles such as well-being, autonomy, and equity, and the OECD AI Principles, which advocate for transparency, robustness, and human-centered values. These frameworks are increasingly being translated into formal standards, notably ISO guidelines for AI system management and governance, embedding ethical principles into operational requirements. Recent research on risk-based approaches to AI regulation further reinforces this evolution, suggesting that proportionate governance frameworks are essential to translate ethical principles into effective oversight mechanisms and credible accountability practices in real-world organizational settings (De Marcellis-Warin, Marty & Warin, 2025).Interestingly, these ISO-based controls often result in deeper reflection and more rigorous oversight of AI-driven processes than those traditionally applied to human-led decision-making, signaling a fundamental shift in governance expectations.

At the same time, investors and financial markets are increasingly focused on how intangible factors – such as human capital, innovation, and data governance – drive long-term corporate value (Saba et al, 2025). In fact, recent analysis shows intangible assets have reached an all-time high of around USD 80 trillion, accounting for most of the corporate value globally, yet roughly 79% of this intangible value is not captured on balance sheets under traditional accounting (Brand Finance 2024).

Drivers like technology, innovation, and AI are central to this growth. The CFA Society New York Institute's publication highlights that the technology sector accounted for almost 41% of the S&P 500 by Q4 2024, marking a historically high concentration[3]. This reality underscores why investors are seeking greater transparency on how companies harness opportunities related to AI and data, and how they manage the attendant risks – be it cybersecurity, workforce disruption, or ethical lapses. In short, trustworthy AI governance is now integral to business value and resilience.

Responding to these trends, regulators and standard setters have been converging voluntary sustainability practices into mandatory disclosure requirements. In 2023, the IFRS Foundation's ISSB (International Sustainability Standards Board) issued its inaugural sustainability disclosure standards – IFRS S1 (covering general sustainability-related disclosures) and IFRS S2 (climate-specific) – which aim to provide a global baseline for ESG reporting in capital markets. These standards were developed in response to

[1] https://www.elysee.fr/emmanuel-macron/2025/02/11/pledge-for-a-trustworthy-ai-in-the-world-of-work

[2] https://declarationmontreal-iaresponsable.com/wp-content/uploads/2023/04/UdeM_Decl-IA-Resp_LA-Declaration-ENG_WEB_09-07-19.pdf

[3] https://cfany.org/wp-content/uploads/2025/05/Concentration-Risks-in-the-SP-and-The-Benefits-of-Diversification.pdf

calls from the G20 and others for consistency and comparability in sustainability information. Crucially, they incorporate and build upon prior voluntary frameworks (such as the TCFD recommendations and SASB Standards), effectively translating them into what many jurisdictions and companies intend to adopt as mandatory practice.

The European Union's CSRD (Corporate Sustainability Reporting Directive) and other regimes are also focused on better alignment with ISSB standards and IFRS S1 principles to facilitate dual compliance. The European Financial Reporting Advisory Group (EFRAG) released its finalized proposed revision of the European Sustainability Reporting Standards (ESRS) in November 2025, aimed at significantly simplifying and reducing sustainability reporting requirements for companies under the EU's Corporate Sustainability Reporting Directive (CSRD) and highlighted the revised ESRS' increased interoperability with the IFRS Foundation's International Sustainability Standard Board's (ISSB) standards.

Against this backdrop, this policy report explores how the structure and rationale of the new sustainability disclosure standards can support the objectives of the *Trustworthy AI Pledge*, and vice versa. We begin by explaining the ISSB's IFRS S1 and S2 standards – their content, use of SASB industry-specific indicators, and key principles like materiality and proportionality – to set the foundation. We then identify which disclosure requirements from SASB standards or draft ESRD standards could be leveraged to track the pledge's six commitments and where ISO standards on AI Management systems (ISO/IEC 42001), governance of IT (ISO/IEC 38507) and AI system life cycle processes (ISO/IEC 5338) can be leveraged to fill the gaps. Finally, we present concrete recommendations for how France and Canada can collaborate to develop these indicators, influence international standard-setting (notably the ISSB's ongoing enhancements of SASB Standards and Human Capital Projects and the TISFD regional councils providing insights and strategic feedback to address inequalities through financial and social disclosures, and create bilateral mechanisms (labs, observatories, data-sharing platforms) for continuous learning and alignment.

The convergence between voluntary initiatives (like the *Trustworthy AI Pledge* and TISFD) and mandatory frameworks (like ISSB standards) is a central theme. Convergence ensures that what companies report to demonstrate ethical AI practices can also satisfy investors, workers, customers and regulatory expectations, thereby embedding trustworthiness into the core definition of corporate success. By aligning metrics and collaborating across borders, policymakers and corporate leaders can turn principles into practice – making AI an engine of sustainable growth, innovation, and societal benefit, while transparently managing its risks.

1. Sustainability Disclosure Standards for Financial Markets: Structure and Rationale

The IFRS Foundation's move into sustainability reporting marks a watershed in financial markets' approach to ESG (environmental, social, governance) information. Historically, corporate sustainability disclosure was guided by voluntary standards (e.g., GRI, SASB, TCFD), leading to heterogeneous practices. With the establishment of the ISSB and the issuance of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), a more unified structure is now in place. These standards are designed to meet the needs of investors and other providers of capital by focusing on financial materiality – i.e., how sustainability matters affect a company's enterprise value.

1.1 IFRS S1 and IFRS S2: overview and content

IFRS S1 provides a set of general disclosure requirements applicable to *all* sustainability topics, while IFRS S2 focuses specifically on climate-related risks and opportunities. Both standards fully incorporate the well-known TCFD (Task Force on Climate-related Financial Disclosures) framework, which means they are organized around four core content areas for any material sustainability topic: (1) Governance – the company's governance around sustainability risks and opportunities; (2) Strategy – the actual and potential effects of these risks and opportunities on the company's business model, strategy, and financial planning; (3) Risk Management – how the company identifies, assesses, and manages sustainability-related risks; and (4) Metrics and Targets – the metrics and targets used to assess and manage those risks and opportunities. This structure ensures that disclosures are comprehensive (covering oversight, strategy, processes, and performance) and comparable, as it mirrors the approach companies already use for climate under TCFD and extends it to other topics.

Notably, IFRS S1 does *not* prescribe a fixed list of sustainability topics that every company must report. Instead, IFRS S1 requires companies to disclose material sustainability-related risks and opportunities that could reasonably affect their prospects (cash flows, access to finance, cost of capital) and explicitly refer to SASB Standards as a source of guidance to identify the sustainability-related issues that are material to their enterprise value and disclose information on those, following the four core content elements above.

1.2 The structure of SASB standards

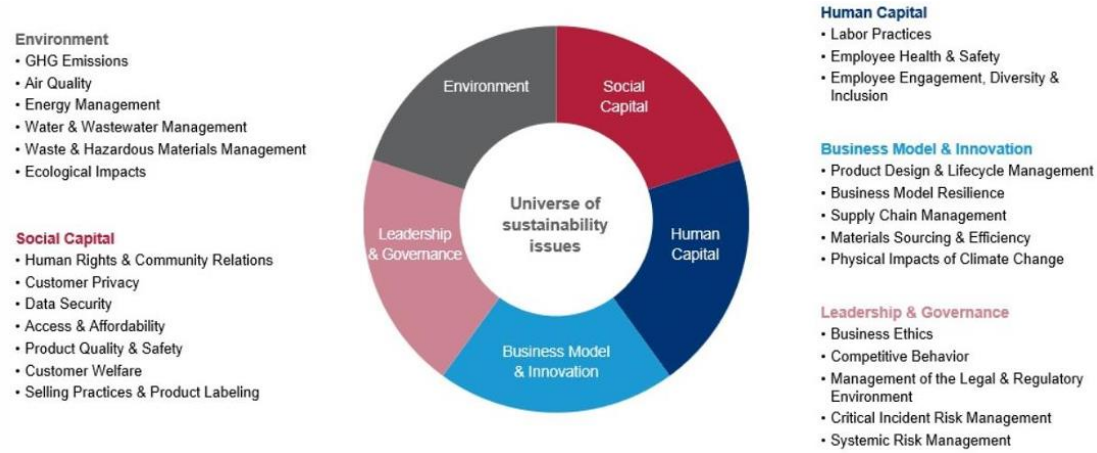
The SASB Standards organize sustainability issues into five key dimensions – environment, human capital, social capital, business model and innovation, and leadership and governance – that together capture the factors most likely to affect a company's long-term value creation.

- The environment dimension covers greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and broader ecological impacts.
- The human capital dimension focuses on labor practices, employee health and safety, and employee engagement, including diversity and inclusion.
- The social capital dimension addresses human rights and community relations, customer privacy, data security, product access and affordability, product quality and safety, and responsible selling practices and product labeling.

- The business model and innovation dimension includes product design and lifecycle management, business model resilience, supply chain management, materials sourcing, and exposure to physical impacts of climate change.
- The leadership and governance dimension encompasses business ethics, competitive behavior, management of the legal and regulatory environment, critical incident risk management, and systemic risk management.

Together, these five dimensions provide a structured framework to identify and disclose the sustainability issues that are most material, depending on an organization's industry and specific context.

Graph 1: SASB Sustainability Dimensions and Key Issues



SASB provides a set of 77 industry-specific standards, each outlining the most likely material sustainability topics and associated metrics for that industry, on average thirteen topics by industry when first issued in July 2023. By leveraging SASB in this way, the ISSB Standards achieve a balance between cross-industry comparability and industry-specific relevance, guided by SASB's research on what is financially material in each sector.

This addresses a long-standing issue: sustainability risks and opportunities are not one-size-fits-all. Water management is critical in mining but not in banking; data privacy is material for tech firms but perhaps less so for a utilities company. SASB standards help companies pick the relevant topics for disclosure but ultimately leaves the onus on each company to apply its judgment – using SASB and other guidance – to ensure they disclose all material information and omit what is not material. The materiality definition under ISSB is consistent with that in financial reporting: information is material if omitting or misstating it could reasonably influence investor decisions.

Rationale and Key Principles

The establishment of IFRS S1 and S2 was driven by market demand for high-quality, decision-useful sustainability information for the financial market, and for a reduced reporting burden and a level playing field for business. The G20, Financial Stability Board, and IOSCO (International Organization of Securities Commissions) all advocated for a global baseline to reduce fragmentation in ESG reporting. Companies were facing a proliferation of disclosure requests – different frameworks from different investors and jurisdictions – leading to redundant requests on similar topics and inconsistency. By developing a common language and set of standards, the ISSB aimed to make life easier for preparers and ensure that investors get comparable, reliable data wherever a company operates. Erkki Liikanen, Chair of the IFRS Trustees,

described this as the “global baseline approach”: deliver disclosures that could *move markets* (i.e., are material to enterprise value), while allowing jurisdictions to layer on additional requirements without duplicative effort. In other words, IFRS S1 and S2 act as foundational blocks – jurisdictions can add requirements for impacts on stakeholders, but companies can fulfill the core by reporting to ISSB standards once.

This “building blocks” concept promotes *interoperability*: regulators can align their local rules on top of the global baseline, and ISSB actively coordinates with bodies like Global Reporting Initiative (GRI), EFRAG, Green House Gas protocol (GHG).

Another key principle baked into the ISSB standards is *proportionality* and *scalability*. The ISSB recognized that companies vary greatly in their resources and readiness to report sustainability data, especially small-to-medium enterprises (SMEs) and entities in emerging markets. To address this, IFRS S1 includes provisions such as allowing companies to omit certain information if it is not available without *undue cost or effort*, if they disclose that fact. There are also phased implementation provisions: for example, companies can initially limit sustainability disclosures to climate-related information in the first year if other information is not yet available – a nod to prioritizing climate while ramping up capacity for broader ESG.

The ISSB has launched a Transition Implementation Group and capacity-building initiatives to support first-time adopters. These efforts speak to proportionality: the goal is to bring as many companies as possible onboard the global baseline over time, rather than set an unachievable bar that only the largest multinationals can clear. Additionally, ISSB explicitly decided *not* to issue separate simplified standards for SMEs; instead, it prefers to maintain one high-bar set of standards with flexibility mechanisms, to avoid segmenting the market. This is in line with the “building blocks” approach: large firms and regulators are encouraged to help SMEs in their value chains comply gradually.

Interoperability is another principle repeatedly emphasized. The ISSB has worked closely with jurisdictions like Europe (EFRAG) and with GRI to ensure alignment where possible and to minimize duplication when companies report under multiple regimes. The benefit for companies is clear: report once, use for many purposes. For policymakers, interoperability ensures that advancing national or regional priorities (such as the GDPR’s influence on data privacy practices) can be done in a way that feeds into global investor information, rather than existing in a silo.

Focus on Investors and Intangibles

The overarching rationale for these standards is to improve the informational efficiency of capital markets. Emmanuel Faber, ISSB Chair, noted that better information leads to better economic decisions, and that the ISSB consulted extensively to ensure the standards result in disclosures that are *relevant* for investors but also proportionate for companies to produce. Importantly, by bringing sustainability factors into the same realm as financial reporting (IFRS S1 and S2 are meant to be released alongside financial statements, forming one integrated report), the ISSB is acknowledging that ESG issues like climate change, human capital, or technological innovation are not separate from a company’s financial story – they are integral to it. This connectivity extends to the IASB (International Accounting Standards Board) work on accounting for intangibles, which is happening in parallel.

Therefore, the ISSB’s sustainability disclosure standards provide a structured, investor-oriented approach to reporting on ESG issues across industries. They bring together the *rationale* of several key ideas: *materiality* (focus on what matters financially, to cut through noise), *interoperability* (play nicely with other standards and local regulations), *proportionality* (recognizing different capabilities among companies), and *future-oriented evolution* (with plans to tackle emerging areas like human capital and biodiversity next).

For policymakers and corporate leaders, IFRS S1 and S2 represent a new baseline expectation – one that elevates sustainability information to the rigor and status of financial reporting. Understanding this structure and rationale is crucial as we turn to the question of how specific trustworthy AI-related issues can be reflected in disclosure to support the needs of investors for better disclosure on opportunities and risks that impact their due diligence, evaluation and portfolio management processes.

The next section will bridge these standards to the real-world indicators that could track progress on the *Trustworthy AI Pledge*'s commitments, highlighting how the ISSB/SASB framework can be applied and where it may need to adapt or evolve.

2. Indicators for the Pledge for a Trustworthy AI in the world of work: Leveraging sustainability disclosure for financial markets to monitor progress

This section examines how sustainability disclosure standards for financial markets can be mobilized to operationalize indicators for monitoring progress on the six commitments of the Pledge for a Trustworthy AI in the World of Work, which are summarized below based on the Élysée's announcement[4] :

1. Promoting Social Dialogue – Engage workers and their representatives in decisions on AI adoption, including via collective bargaining, to ensure AI at work is implemented responsibly.
2. Investing in Human Capital – Equip workers with the skills to benefit from AI, through training and upskilling, and support a fair transition for those whose jobs evolve.
3. Ensuring Occupational Safety, Health, Autonomy, and Dignity – Leverage AI to improve job quality and safety; address risks to both physical and mental health, and safeguard workers' agency and dignity in AI-augmented workplaces.
4. Ensuring Non-Discrimination in the Labour Market – Prevent AI systems from introducing bias in recruitment or career development; promote equitable access to opportunities and decision-making roles.
5. Protecting Worker Privacy – Ensure AI's use (especially involving worker data or monitoring) respects privacy and fundamental rights, guard against abusive surveillance or algorithmic management.
6. Promoting Productivity and Inclusiveness Across Companies and Value Chains – Share AI's productivity gains broadly; bridge digital divides so that all firms and workers can benefit; uphold labor standards throughout the AI value chain (e.g., for gig workers or data annotators) and foster innovation that supports inclusive growth.

These objectives span multiple ESG topics and sub-topics: Commitments 1 to 4 primarily involve human capital (how a company manages and empowers its workforce), commitment 5 touches on social capital (trust, privacy, and stakeholder relationships), and commitment 6 mixes business model & innovation (AI-driven innovation and productivity) with both human and social capital considerations (value chain labor practices and inclusion).

Translating the six commitments of the *Trustworthy AI Pledge* into measurable indicators is essential to ensure accountability and foster learning. The French Ministry of Labor, supported by the international working group intends to propose a *limited set of voluntary indicators* by February 2026 to help companies monitor their progress against the pledge commitments. These voluntary indicators are expected by February 2026, to allow the integration of content from EFRAGs Draft ESRS Standards and from its Comment Letter to the Exposure Draft - *Proposed Amendments to the (Sustainability Accounting Standards Board (SASB) Standards*.

The global investment community expressed similar needs in the ISSB global consultation on priorities for 2024-2026. Market participants pointed out that human capital is a critical driver of value that is poorly captured in current disclosures. They seek more consistent, comparable and verifiable disclosure to help them carry out risk-and-return assessments in a rapidly changing labor market. Market participants consider that developments in telecommunications, automation, artificial intelligence, demographics, education and employee expectations have all led to structural changes in the labor market, and that increasing regulatory and scrutiny on workforce management also presents risks to investors, including

[4] https://www.elysee.fr/emmanuel-macron/2025/02/11/pledge-for-a-trustworthy-ai-in-the-world-of-work

risks that may arise in the value chain. Investors have also explicitly suggested building these standards from existing frameworks including SASB, GRI, ESRS, and even tying into the IASB's intangibles project.

This reflects a recognition that intangible assets and ESG performance are increasingly two sides of the same coin: for example, a company's ability to innovate in AI (an intangible asset driver) depends on its talent and governance (human capital), which in turn could be de-risked or enhanced by adhering to trustworthy AI principles, linking fair and safe AI use to broader workforce outcomes. As such, the ISSB has prioritized Human Capital as one of its next areas for standard-setting.

The voluntary indicators that will be adopted by signatories of the pledge have the potential to serve as a useful foundation to support the development of human capital disclosure for financial markets that better reflect the fact that human capital disclosure can no longer be separated from system management disclosure. Considering AI systems represents not merely a refinement of disclosure practice but an essential step toward capturing how value is created, transformed, and distributed in an economy where human and machine cognition increasingly coexist. The positive impact of AI can also result in material risks and opportunities for other topics, where providing transparent and consistent disclosure on policies, actions, metrics and targets on material negative impacts will be important to drive trust, adoption and return on investment. Helping investors embed the right questions in their stewardship practices and get relevant information to assess risk adjusted return is one of the most effective ways to contribute to the adoption of trustworthy AI in the world of work.

Accordingly, this section examines for each of the six commitments, the opportunity to leverage the ISSB structured, investor-oriented approach to reporting on ESG issues across industries. drawing from existing SASB standards (where established metrics can be readily applied), or from existing frameworks where we see gaps. Given the gaps in human capital disclosure in existing SASB standards, our analysis refers first to limited human capital metrics included in the recent ISSB consultation on SASB enhancement, second to the content to the Draft ESRS Standards just released by EFRAG at the end of November that were also developed in collaboration with GRI, ISSB and ILO. Draft ESRS Standards are requiring the undertaking to disclose information about material impacts on people and the environment and about its material sustainability-related risks and opportunities.

For remaining gaps, we are suggesting to leverage regulatory and standardization regimes for system lifecycle governance, including ISO/IEC 42001 Management system standards for AI governance at strategic and organizational level (policy, leadership, continual improvement), ISO 42201 Lifecycle governance standard (operational level, ensuring responsible AI practices throughout all phases), ISO/IEC 38507 Governance of IT — Governance implications of the use of artificial intelligence by organizations (roles and responsibilities for AI outcomes and integration of AI in risk management practices) and ISO/IEC 5338 Technical lifecycle processes (engineering and validation). ISO standards have matured at an accelerated pace and now encompass human impact considerations across all system phases, from design and development to deployment, monitoring, change management, and decommissioning, including third-party and vendor models. Close attention should also be given to ISO/IEC 42005 on AI impact assessment, as it focuses specifically on the societal impact of AI.

Finally, evidence from financial services sector demonstrated that such governance foundations are already operational. In Canada, the Office of the Superintendent of Financial Institutions (OSFI) issued Guidelines E-23 Model Risk Management[5], aligned with Basel Committee principles, requires lifecycle governance of AI models and closely mirrors ISO/IEC 42201 and 5338. This illustrates that meaningful disclosure on AI systems is not only feasible but increasingly necessary to reflect material risks and opportunities in digitally enabled business models.

[5] https://www.osfi-bsif.gc.ca/en/guidance/guidance-library/guideline-e-23-model-risk-management-2027

2.1 Structure of the Draft European Sustainability Reporting Standards (ESRS)

In November 2025, The European Financial Reporting Advisory Group (EFRAG) announced the release of its proposed revision of the European Sustainability Reporting Standards (ESRS)[6], aimed at significantly simplifying and reducing sustainability reporting requirements for companies under the EU's Corporate Sustainability Reporting Directive (CSRD) to foster greater competitiveness for European businesses and increased interoperability with the IFRS Foundation's ISSB Standards.

The Draft ESRS are requiring the undertaking to disclose information about material impacts on people and the environment and about its material sustainability-related risks and opportunities. Understanding their structure is important to identify and propose relevant topics for disclosure and related disclosure requirements for the Pledge, Draft ESRS 1 General requirement provides an amended definition of materiality in paragraph 2: ESRS requires the undertaking to disclose information about the material impacts on people and the environment and about its material sustainability-related risks and opportunities. Reporting under these two perspectives constitutes the double materiality principle. Chapter 3 of ESRS 1 provides further guidance on double materiality as the basis for sustainability reporting and introduces concepts similar to IFRS S1: Information is material when omitting, misstating or obscuring that information could reasonably be expected to influence a) decisions that primary users of general purpose financial reports make based on those reports, including financial statements and the sustainability statement, relating to providing resources to the undertaking; or b) decisions, including informed assessments, that other users of general purpose sustainability statements make based on the sustainability statement regarding the undertaking's material impacts, risks and opportunities and how the undertaking manages them.

Appendix A of ESRS S1 provides a list of topics and sub- topics to consider, providing non-binding guidance to support the application of the provisions of ESRS S1. The related application requirements also suggest the use of available best practices, frameworks and reporting standards, such as IFRS industry-based guidance (the 77 SASB standards by industry) and GRI standards in developing its entity-specific disclosures. Like SABS standards, it highlights the fact that some relevant disclosure topics for the entity might not be covered in the guidance or might not be covered with enough granularity.

The Draft ESRS standards include twelve standards: two cross sector standards and ten thematic standards (five environment, four social and one business conduct).

- ESRS 1 General requirements sets out the overall architecture of the ESRS framework, defines concepts, principles and explains how companies should determine material sustainability topics and apply the standards consistently for each topic. The application guidance also says that Amended ESRS 2 are fundamental in nature and therefore likely to result in material information for all undertakings.

- ESRS 2 General disclosures sets out the Disclosure Requirements (DRs) that apply across sustainability topics (i.e. crosscutting). It also says that the undertaking shall apply the DRs defined in this Standard when providing information on material impacts, risks and opportunities and the topics related to them and present such information in accordance with ESRS 1.

On environment, E1 to E5 address climate change, pollution, water, biodiversity and ecosystems and resource use and circular economy topics and related subtopics. On social and business conduct standards, ESRS S1 to S4 and ESRS G1 provide thematic content. The following is an extract of Appendix

[6] https://knowledgehub.efrag.org/eng#draft-simplified-esrs-technical-advice-30-november-2025

A to ESRS 1, a table with the list of topics and sub-topics covered by topical standards as one of the inputs to the double materiality assessment.

Table 1: List of topics and sub-topics covered by topical standards as one of the inputs to the double materiality assessment (Source: Appendix A to ESRS S1 November_2025_ESRS_1.pdf)

Topics	Sub-topics
Own workforce and workers in the value chain (ESRS S1/S2)	▪ Working conditions (including adequate wages, work-life balance, working time, secure employment, social protection ▪ Social dialogue, freedom of association, work councils, participation rights of workers, and collective bargaining ▪ Health and safety ▪ Training and skills development ▪ Diversity and equal treatment (including gender equality, equal pay for work of equal value, employment and inclusion of people with disabilities, non-discrimination, anti-harassment, measures against violence) ▪ Other labor-related human rights (including child labor, forced labor, privacy and adequate housing, water and sanitation)
Affected communities (ESRS S3)	▪ Community's economic, social and cultural rights (including land-related impacts, security-related impacts, adequate housing and food, water and sanitation) ▪ Community's civil and political rights (including freedom of expression, freedom of assembly, impacts on human rights defenders) ▪ Rights of indigenous people (including free, prior and informed consent (FPIC), self-determination, cultural rights)
Consumers and end users (ESRS S4)	▪ Information related impacts for consumers or end-users (including privacy, access to information, freedom of expression) ▪ Personal safety of consumers or end-users (including health and safety, protection of children, security of a person) ▪ Social inclusion of consumers or end-users (including access to products and services, responsible marketing practices, non-discrimination)
Business conduct (ESRS G1)	▪ Corporate culture, including anti-corruption and bribery, the protection of whistle-blowers and animal welfare ▪ Political influence, including lobbying activities ▪ Management of relationships with suppliers, including payment practices, especially late payments to SMEs

2.2 Commitments of the pledge vs SASB, ESRS and ISO standards

The proactive stance of the pledge for trustworthy AI and its structure shed light on a significant consideration for management teams and board members in a digital era: to what extent do we provide investors with the information they need to properly assess the opportunities and risks associated with our AI adoption?

The potential of AI directly affects business models, organizational resilience, and human capital strategies in a world where the cognitive skills of people are increasingly augmented or replaced by machine-based cognitive capabilities. Access to Generative AI accelerates the pace of adoption by all, with or without

employer support or approval. Workers use it to augment their cognitive skills to save time, make their jobs easier, augment their productivity or their ability to tackle increasingly important tasks, impacting valuation and resilience of most businesses.

To date, standard setters and regulators have mainly focused on risks, while investors have been more concerned with identifying opportunities. This difference explains investors' growing demand for greater transparency on how companies use AI and data to create value, and how they manage the related risks (Registre & Saba, 2025). In response, issuers must rely on existing standards and guidance to address this market need. Both SASB and ESRS help companies identify material impacts, risks, and opportunities, but they also make clear that issuers themselves are responsible for deciding which topics are material to their business and which metrics should be disclosed.

The comparison between ISO standards for trade and sustainability standards for financial markets shows that while ISSB standards focus on disclosing sustainability-related risks, opportunities, and governance structures, ISO/IEC 42001 and ISO/IEC 38507 provide operational guidance for establishing and governing AI systems within organizations. Increasing convergence between ISSB and ISO standards would enhance interoperability by ensuring that the risks and governance practices reported under ISSB or ESRS are grounded in well-defined, internationally recognized processes. This alignment would reduce inconsistencies, ease compliance burdens, and improve comparability across organizations, ultimately strengthening transparency, accountability, and trust in how AI and sustainability objectives are managed. On all those specific topics, more than 40 ISO/IEC standards are already available to support an AI governance ecosystem based on ISO/IEC 42001 (such as ISO/IEC 12792 on AI transparency, ISO/IEC 23894 on AI risk management, ISO/IEC 24027 on bias in AI to just name a few).

While further research and analysis are continuously required on the intersection of human capital and system lifecycle management and governance, a strong conceptual foundation is already emerging. Because the Pledge for a Trustworthy AI in the World of Work is explicitly grounded in labor practices and workforce impacts, the development of voluntary indicators to monitor progress on its commitments has the potential to accelerate the establishment of a more relevant baseline for sustainability disclosure requirements in the digital era.

2.3 Thematic Analysis and Standards Alignment for Monitoring Trustworthy AI Commitments

This section will address each thematic group in turn, highlighting relevant topics and sub-topics from the SASB and ESRS guidance to consider, and related disclosure requirements and highlight areas where ISO/IEC standards should be leveraged to monitor progress on commitments.

Human Capital Indicators (Commitments #1– #4)

Commitment # 1: Promoting Social Dialogue

SASB standards offer limited guidance on this topic. ESRS S1 Own workforce and EFRS S2 Workers in the value chain provide some general guidance under the sub-topic of social dialogue, freedom of association, works councils, participation rights of workers and collective bargaining.

The following elements highlight how existing sustainability disclosure standards address this commitment, outlining the scope and limitations of guidance provided under the SASB and ESRS frameworks, as well as the key materiality principles that should inform the identification and disclosure of related impacts, risks, and opportunities:

- ESRS 1 General requirements, par. 11 states that if a topic is material and not covered or not covered with sufficient granularity in ESRS topical requirements, it shall provide specific disclosure.
- Par.41 refers to negative impacts: materiality shall be based on the likelihood and severity of the impact. In case of human rights impact, the severity of the impact takes precedent over its likelihood.
- Par. 42 refers to positive impact; materiality should be assessed based on the scale and scope of the impact.
- Par 43 refers to the results of the engagement with affected stakeholders (workers representatives, own workforce, workforce in value chain, communities affected, consumers and end users of products) as key input to impact materiality assessment.
- Par 49 refers to risks and opportunities that might arise from dependencies on natural, human and social resources.
- Par 52 refers to situations where actions taken to address certain impacts result in material risks for one or more topic. The application guidance refers to the impact of climate transition plans on workers and communities.

With the accelerated adoption of AI since the release of Chat GPT, management teams, boards and investors are adapting their management, governance and stewardship processes to establish formal governance structures, assigning board level accountability for AI, data governance and digital transformation and clarifying management responsibilities. They also adopt recognised frameworks and standards like ISO/IEC to communicate their management, governance and risk management practices to stakeholders and build trust with investors, workers, customers, regulators and to engage with suppliers.

ISO/IEC Standards were built on the premise that worker engagement and social dialogue are critical for trustworthy AI and require ethical, transparent and inclusive decision making across governance frameworks, management systems and lifecycle processes. Key ISO/IEC Standards & References are related to:

- Impact Assessment: Workers consulted early (ISO 42005).
- Management System: Workforce needs embedded in governance (ISO 42001).
- Lifecycle Governance: Participative processes and training (ISO 42201 & ISO 5338).
- Strategic Oversight: Board-level accountability for social dialogue (ISO 38507).

In the absence of specific guidance in ISSB or ESRS, we would recommend the use of ISO standards to provide the operational backbone for implementing new sustainability disclosure requirements. While ISSB and ESRS define what organizations must disclose and how information is presented to investors, ISO standards focus on the how: offering established frameworks for governance, risk management, measurement, and verification that ensure this information is robust, consistent, and auditable.

Commitment # 2 Investing in Human Capital

Commitment #2 is about empowering workers with skills for an AI-driven workplace. Many companies already track training investments and outcomes as part of sustainability or HR reports. While SASB enhancement project did not universally suggest training or upskilling metrics, the topic is in scope for the ISSB Human Capital Project underway. ESRS S1 (Own Workforce) and ESRS S2 (Workers in the Value Chain) explicitly address training and skills development, recognizing human capital development as a material social topic under the CSRD framework. Disclosures on training and skills development are intended to support a fair transition in the digital and green economy, enhance the employability and resilience of workers, and demonstrate alignment with international labor standards and human rights principles.

Table 2: Objective and key elements of disclosure requirements under Draft Simplified ESRS S1 (own workforce) and ESRS S2 (workers in the value chain) – training and skills development sub-topic

ESRS S1 Own Workforce	
Objective	Provide transparency on how the undertaking supports continuous learning and skills enhancement for its own workforce.
Key Elements	
Policies and Practices	Describe policies for training and upskilling, including digital skills and sustainability-related competencies.
Metrics	▪ Average training hours per employee (broken down by category such as gender, job level, and employment type). ▪ Percentage of employees receiving training during the reporting period. ▪ Investment in training (monetary terms).
Targets	Any quantitative or qualitative targets for workforce development.
Link to Strategy	Explain how training initiatives align with business strategy and address material risks/opportunities (e.g., technology transition, sustainability goals).
Application Guidance	Encourages disclosure of initiatives aimed at closing skills gaps and supporting employability in the context of digitalization and green transition.
ESRS S2 Workers in the Value Chain	
Objective	Ensure visibility on how the undertaking promotes training and skills development for workers in its upstream and downstream value chain.
Key Elements	
Assessment of Skills Gaps	Identify critical skills gaps among value chain workers.
Training Programs	Describe initiatives to provide or support training (directly or through suppliers).
Metrics	▪ Number or percentage of workers in the value chain covered by training programs. ▪ Types of training offered (e.g., health & safety, sustainability, digital skills).
Governance	Outline responsibilities for implementing training programs within the value chain

Application Guidance	Suggests reporting on collaboration with suppliers and industry bodies to enhance workforce capabilities and resilience.

The guidance for disclosure on training and upskilling provided in SASB and ESRS standards offers limited disclosure guidance on the opportunity of leveraging AI to augment the potential of workers and other stakeholders through AI enabled innovation in skills development (Saba & Langlois, 2025). ISO/IEC 42005 on AI impact assessment can be leveraged as a useful tool to support the development of a narrative on the positive and negative impacts of AI and actions taken to drive the value and build appropriate safeguards.

The community of signatories of the pledge represents employers, but also labour organisations that have a clear understanding of the fact that data and AI can drive productivity and value creation and want every worker to be able to leverage the AI potential to enhance its personal potential. Workers and labour organisations alike are fully aware of the fact that machines outperform humans in many tasks and that business leaders in the current economic environment face unprecedented pressure to drive productivity.

Labour organizations emphasize the importance of participating in the development of new measures of value creation, measures that recognise the fact that a lot more value will be created if we augment the potential of each worker and provide support for job transitions where required. They want to contribute to business strategies with a focus on long term value creation through the potential of AI to enable innovation costs by replacing salaries by license fees.

Several reports on the return on investment in artificial intelligence consistently show that value creation from AI goes hand in hand with trust—particularly trust from workers[7].).Trust, ethics, and effective governance are not peripheral considerations but core enablers of AI adoption, organizational transformation, and long-term performance. They point in the same direction: organisations that successfully engage workers to drive innovation in products and services and to transform production, consumption and work drive greater long term value creation than the ones developing digital strategies without labour engagement.
A report from Yann Ferguson, scientific director at LaborIA of the INRIA on Shadow AI also clearly demonstrated that a large proportion of employees leverage AI to augment their productivity with or without structured governance programs, and that organisations that are able to leverage and implement suggestions coming from workers to drive innovation in products and services, to transform production consumption and work drive greater benefits than the ones developing digital strategies without labour engagement (Ferguson, 2025).

As clearly stated in the first commitment in the Pledge, workers also want to be at the table when the business cases of being made to invest or divest in technology to help organisations drive the full benefits of the combination of human and machine capabilities.

They also recognize that data feeds algorithms that shape organizational processes and they want to understand how the quality of data is managed for all processes, and they also want employers and governments to have access to the data required to invest in programs to support the evolution of the labour

[7] https://hal.science/hal-03819673/document
https://www.ey.com/en_gl/insights/public-policy/how-ai-assessments-can-enhance-confidence-in-ai
https://www.mckinsey.com/capabilities/quantumblack/our-insights/building-ai-trust-the-key-role-of-explainability

market, for large businesses but also for the SMEs in their value chains. They want to be at the table to support the necessary dialog on how employee data will be used to support just transitions and enable every worker to contribute to value creation and productivity. The following table provides examples of practices that were negotiated between labour organisations and workers to enable the use of employee data in support of upskilling programs.

Table 3: A baseline of considerations to include in data governance practices in support of reskilling planning

Lawful Basis for Processing	Identify and document the legal basis (e.g., consent, legitimate interest, contractual necessity) for collecting and using employee data.
Transparency and Communication	Provide clear privacy notices explaining: - What data is collected. - Why it is needed for reskilling planning. - How it will be used and stored.
Data Minimization	▪ Collect only the data necessary for skills gap analysis and training planning. ▪ Avoid unnecessary personal identifiers.
Purpose Limitation	Ensure data is used exclusively for reskilling and workforce development purposes.
Security Measures	Implement technical and organizational safeguards (e.g., encryption, access controls) to protect personal data.
Employee Rights	Enable employees to: - Access their data. - Request corrections. - Withdraw consent where applicable.
Retention Policy	▪ Define and enforce retention periods for workforce data. ▪ Securely delete or anonymize data after the purpose is fulfilled.
Data Protection Impact Assessment (DPIA)	Conduct DPIAs for large-scale or sensitive data processing related to reskilling.
Third-Party Compliance	Ensure vendors or training partners handling employee data comply with GDPR requirements.
Incident Response	Establish procedures for reporting and managing data breaches promptly

The thematic analysis of the commitment # 5 (Protecting worker privacy) will include references to existing or proposed disclosure standards for financial markets to consider. The examples provided above are designed to illustrate emerging leading practices for collaboration and trust building between employers and labor organizations to enable just digital transitions.

Commitment # 3 Ensuring Occupational Safety, Health, Autonomy and Dignity

Commitment #3 expands the traditional workplace safety lens to include not just physical safety but also mental health, autonomy, and dignity.

Workplace safety is an area with well-established metrics: SASB standards across manufacturing, energy, transportation and others often require disclosure of the Total Recordable Incident Rate (TRIR) and the fatality rate among employees (and sometimes contractors). TRIR, which measures work-related injuries per 200,000 hours worked, is a key indicator of occupational safety performance. These metrics are applicable for tracking the “improve job quality and prevent work-related injuries” aspect of the pledge, but more guidance is needed on the impact of technology on mental health, dignity and well-being.

ESRS S1 and ESRS S2 provide guidance on health and safety disclosure requirements, with the shared objective of protecting workers’ physical and mental health, promoting dignity and fair treatment in employment relationships, and supporting well-being through safe working conditions, social protection, and work-life balance.

Table 4: Objective and key elements of disclosure requirements under Draft Simplified ESRS S1 (own workforce) and ESRS S2 (workers in the value chain) – Health & Safety, Work-Life Balance, Adequate Wage, Social Protection, Persons with Disabilities and Well Being of Workers in Suppliers Workforce

ESRS S1 – Own Workforce	
Disclosure Requirement S1-13: Health and Safety Metrics	
Objective	Provide transparency on how the undertaking ensures safe and healthy working conditions.
Key Elements	Policies and procedures for occupational health and safety (OHS). Metrics such as: – Number and rate of work-related injuries and fatalities. – Lost-time injury frequency rate (LTIFR). – Coverage of health and safety training. Description of preventive measures and risk assessments.
Application Guidance	Encourages reporting on psychosocial risks and mental health initiatives, linking to well-being programs.
Disclosure Requirement S1-14: Work-Life Balance Metrics	
Objective	Disclose measures supporting employee well-being and dignity through flexible work arrangements.
Key Elements	Availability of flexible working hours and remote work options. Indicators on overtime and rest periods. Initiatives promoting mental health and stress management.
Other Related Disclosures	
S1-9 (Adequate Wages) and S1-10 (Social Protection)	These indirectly support dignity and well-being by ensuring fair remuneration and benefits.
S1-11 (Persons with Disabilities)	Addresses inclusion and accessibility, reinforcing dignity in the workplace.
ESRS S2 – Workers in the Value Chain	
S2-1: Policies Related to Workers in the Value Chain	Requires disclosure of policies ensuring health, safety, and respect for dignity across suppliers and contractors. Alignment with international labor standards (ILO conventions, UN Guiding Principles).
S2-2: Engagement and Grievance Mechanisms	Channels for workers to raise concerns about health, safety, and well-being. Processes for remediation of negative impacts.
S2-3: Actions and Ressources	Initiatives to improve health and safety conditions in the value chain. Training programs on OHS and well-being for suppliers' workforce.
S2-4: Metrics and Targets	Indicators such as: – Number of suppliers audited for health and safety compliance. – Incidents reported in the value chain. – Targets for reducing work-related injuries among third-party workers.

The guidance for disclosure on health & safety, dignity and well-being provided in SASB and ESRS standards offers limited disclosure guidance on the opportunity of leveraging AI to improve the lives of

workers and other stakeholders through AI enabled innovation in health & safety ISO/IEC 42005 on AI impact assessment can be leveraged as a useful tool to support the development of a narrative on the positive and negative impacts of AI and actions taken to drive value and build appropriate safeguards.

Commitment #4 Ensuring Non-Discrimination in the Labour Market

The pledge's commitment #4 is to ensure non-discrimination in the labour market, to prevent AI from introducing bias un recruitment or career development, promote equitable access to opportunities and decision-making roles.

This maps closely to the corporate goal of diversity, equity, and inclusion (DEI), particularly in talent-driven industries (tech, finance) where a diverse workforce can drive innovation and reflect customer bases.

SASB currently had explicit diversity metrics in 13 of 77 industry standards (as of 2020), for industries where evidence linked diversity to financial outcomes or risk. Stewardship, governance and management practices are evolving to place greater focus on non-discrimination in policies and practices, a shift that has been considered in Draft ESRS standards and that will likely be considered in the ISSB Human Capital project.

ESRS S1, ESRS S2, and ESRS G1 include guidance on non-discrimination disclosure requirements aimed at preventing discrimination and promoting equal opportunities across the organization and its value chain. They also seek to ensure physical and mental well-being through safe working conditions and fair pay, while fostering a culture of respect and dignity in employment relationships.

Table 5: Objective and key elements of disclosure requirements under Draft Simplified ESRS S1 (own workforce) and ESRS S2 (workers in the value chain) and ESRS G1 Business Conduct

ESRS S1 – Own Workforce	
S1-1 to S1-4	Policies and processes for managing impacts on own workforce, including grievance mechanisms and remediation channels.
S1-8 (Diversity Metrics)	Indicators on gender, age, and other diversity dimensions.
S1-11 (Persons with Disabilities)	Measures for inclusion and accessibility.
S1-14 & S1-15 (Work-Life Balance and Fair Remuneration)	Policies and metrics supporting well-being and dignity through flexible work arrangements and fair pay.
S1-18 (Discrimination Incidents)	Disclosure of confirmed cases of discrimination and corrective actions taken.
ESRS S2 – Workers in the Value Chain	
S2-1 (Policies)	Policies ensuring equal treatment and respect for human rights in the value chain.
S2-2 (Engagement and Grievance Mechanisms)	Channels for workers to raise concerns about discrimination or well-being.
S2-3 & S2-4 (Actions and Targets)	Initiatives to prevent discrimination and promote decent working conditions, plus targets for improvement.
ESRS G1 – Business Conduct	
G1-1 (Corporate Culture and Business Conduct Policies)	Requires disclosure of policies promoting ethical behavior, respect for human rights, and whistleblower protection.
G1-2 (Supplier Relationships)	Management of supplier practices to prevent unfair treatment and late payments, supporting dignity in business relationships.

The guidance for disclosure on non-discrimination is useful, but investors and regulators place greater interest in the potential for inclusion. How do corporations leverage AI to lift the potential of all the workers and ensure equitable progress to create a future that advances technology and humanity?

Here again, SASB and ESRS standards offers limited disclosure guidance on the opportunity of leveraging AI to drive the inclusion of more workers, a critically important topic for many organisations facing labour shortages in geographies with ageing population. Once again, ISO/IEC 42005 on AI impact assessment can be leveraged as a useful tool to support the development of a narrative on the positive and negative impacts of AI and actions taken to drive the value and build appropriate safeguards.

So, for the human capital related commitments (#1 to #4), existing SASB/ISSB-aligned disclosure requirements provide useful content on a number of people related topics, but fall short on the transformative impact of AI systems on business models, operational resilience and human capital strategies in a world where cognitive skills of people are increasingly augmented or replaced by machine-based cognitive skills.

If a company determined that systems usage could pose a material opportunity or risk, then under IFRS S1 an entity is required to provide core content disclosure about:

a. the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities.

b. the entity's strategy for managing sustainability-related risks and opportunities.

c. the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and

d. the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

Similar disclosure requirements are included in ESRS 1 General requirements, and ISO standards provide a good source of guidance to develop a meaningful narrative on the promise to market, to regulators and to the workers of the organisation.

Social Capital and Societal Stakeholder Indicators (Commitment #5 and parts of #6)

Commitment #5 Promoting Worker Privacy

This pledge commitment resonates with the broader data privacy and data security issues that fall under SASB's "Social Capital" dimension while Draft ESRS standards provide implicit of explicit requirements in numerous standards. The landmark GDPR legislation in the European Union led to elevate data security and privacy to a material topic that undertaking must consider and report on in most industries.

ESRS S1 General requirements sets overarching principles for all disclosures, including treatment of classified and sensitive information

- Mentions that undertakings may omit or aggregate information if disclosure would compromise confidentiality or personal data protection, provided justification is disclosed.
- Requires alignment with EU data protection laws (GDPR) when reporting on workforce or consumer-related data.

ESRS S2 General Disclosures includes indirect privacy links

- Under Governance (GOV-4) and Risk Management, companies must describe internal controls over sustainability reporting, which includes data protection and security measures for personal information used in disclosures.
- No standalone privacy disclosure requirement, but privacy is embedded in risk management and due diligence processes.

ESRS S1 Own workforce provides implicit references to privacy

- While S1 focuses on working conditions, diversity, and health & safety, privacy is not a separate disclosure topic.
- However, undertakings must ensure that channels for raising concerns (S1-3) and grievance mechanisms respect confidentiality and personal data protection.
- Application guidance refers to compliance with human rights instruments, which include privacy rights.

ESRS S2 Workers in the Value Chain

Like S1, privacy is not a standalone metric but is implied in:

- Policies and grievance mechanisms (S2-1, S2-2) requiring secure handling of personal data.
- Due diligence processes must respect privacy and confidentiality when engaging with value chain workers.

ESRS S3 Affected Communities

- Implies data security in stakeholder engagement and impact assessments, especially when collecting sensitive community data.

ESRS S4 Consumers and End-users explicitly addresses information related impacts, including privacy and data protection for consumers and end users. Key disclosures:

- Policies (S4-1): Describe policies on protecting consumer privacy and personal data.
- Processes (S4-2, S4-3): Explain mechanisms for consumers to raise privacy concerns and how these are addressed.
- Actions and Targets (S4-4, S4-5): Report initiatives and targets to prevent misuse of personal data and enhance privacy safeguards.

ESRS G1 Business Conduct provides implicit references to privacy

- G1 focuses on ethics, anti-corruption, and whistleblower protection.
- While privacy is not explicitly listed, whistleblower protection policies (G1-1) require safeguarding personal data of reporters.
- Companies should disclose how they ensure confidentiality in reporting channels.

The European Commission led the charge with its landmark legislation on GDPR that resulted in heightened consideration by investors, board of directors and management teams of protection of personal information globally. Requirements are included in ISSB and ESRS, yet challenges remain with privacy and AI adoption in two areas:

- First, support businesses from certain industries improve their level of maturity in privacy management practices
- Second, uneven levels of maturity in privacy practices result in a lack of trust, negatively impacting effective planning of reskilling initiatives.

Organizations must establish trust in the data protection practices when processing workforce data. This includes establishing a lawful basis for data collection, maintaining transparency on how personal information is used for skills gap analysis, and implementing robust security measures.

Data Security and Cybersecurity: Ensuring AI is safe and secure intersects with both privacy and business continuity. SASB metrics on cybersecurity are relevant (e.g., whether the company has had breaches). If AI systems control critical processes, a security incident could impact operations and workers' safety (imagine an AI-driven robot malfunctioning due to a cyberattack). While that's maybe beyond the pledge's immediate scope, it highlights that trust in AI also means resilience. The pledge doesn't explicitly mention cybersecurity, but it is implied in "safe and secure AI" in general dialogues. From a disclosure standpoint, companies might incorporate AI systems into their existing cybersecurity risk disclosures ("we include AI in scope of our infosec audits, etc."). For pledge monitoring, perhaps not a top-line indicator, but worth noting that cyber preparedness is part of trustworthy AI (an AI that leaks worker data or gets hacked can't be

trustworthy).Trusted data ecosystems that support AI-driven talent planning and industrial transitions, while safeguarding employee privacy and fostering trust in reskilling programs are needed to drive value creation.

Commitment # 6 Promoting productivity and inclusiveness across companies and value chains

This commitment has multiple facets, bridging social and business model dimensions: Addressing digital divides and sharing AI benefits: uphold labour standards throughout the AI value chain (e.g. for gig workers and data annotators) and foster innovation that support inclusive growth.

From an investor perspective, the focus is first on positives impacts (opportunities), and second on risks and policies and actions to mitigate risks. ISO/IEC 42005 on AI impact assessment can be leveraged to support the development of a narrative on the positive and negative impacts of AI and actions taken to drive the value and build appropriate safeguards.

The more challenging issues will be the identification of relevant metrics to monitor progress on the opportunity in a world where investors and regulators are also rethinking the historical performance metrics for long term value creation.

Traditional Value Metrics Are Becoming Obsolete. Profit, revenue and ROI fail to capture the strategic impact of data driven and algorithmic capabilities. According to the 2025 Brand Finance's Global Intangible Finance Tracker[8], *in 2025, the value of intangible assets owned by the world's largest companies reached a record $97.6 trillion, up 23% from 2024. Intangibles—such as intellectual property, data, algorithms, brands, and trust—now dominate corporate value creation, with some sectors exceeding 80–90% of enterprise value attributed to these non-physical assets.* The report stresses that traditional tangible assets (machinery, buildings, inventory) have become marginal compared to intangibles and warns that 83% of global intangible value remains unreported in financial statements, creating transparency challenges.

Value creation increasingly depends on human-AI teaming, where trust, interoperability, and mutual knowledge gains amplify productivity and innovation. Signatories of the Pledge, business leaders and labour organisations alike understand this fundamental shift in value creation and the need to work together to drive value and agree on common metrics that will capture synergy effects, not just automation gains.

Workers, investors, employers and regulators are also calling for responsible AI frameworks and standards to mitigate risks and ensure sustainable value creation, and they understand that AI driven value creation is not static. It requires continuous adaptation of business models and operating processes, together with actions and measures to support speed of learning, data quality and algorithmic performance over time.

The community of signatories of the pledge committed to share best practices to monitor progress together with the network of AI Observatories can play a key role in supporting consensus building on new measures of long-term value creation that combine data monetization potential and algorithmic ROI, with human capital augmentation and ethical AI compliance and social trust.

To wrap this section, we observe that SASB/ISSB frameworks together with ISO standards offer a good starting point to establish a baseline of sustainability disclosure to monitor progress on promises to investors, workers, regulators, customers and to embed in requests for suppliers,
The limitations largely stem from novelty and lack of consensus: unlike emissions or injuries, for which measurement methods are well-established, concepts like "algorithmic bias incidents" or "worker

[8] Brand Finance. 2025. Global Intangible Finance Tracker / GIFT™ Global Intangible Finance Tracker (GIFT™) https://brandirectory.com/reports/global-intangible-finance-tracker-gift

autonomy" don't have clear units. This is why the pledge's voluntary nature is crucial – it's a trust-building exercise where companies step forward to report in good faith on things not yet mandated. Over time, as norms solidify, we might see elements of these voluntary disclosures being integrated into formal standards (that's the convergence we aim for).

Business Model & Innovation Indicators (Commitment #6 and Cross-cutting Intangibles)

We have touched on innovation metrics above, but to emphasize: the "Business Model & Innovation" sustainability dimension in SASB is about how companies create value and adapt – including through technology and R&D. One example from SASB is in the pharmaceutical industry, where they report "Pipeline efficacy and safety" or in auto manufacturing, "innovation in fuel efficiency". By analogy, a relevant indicator for AI could be "Percentage of revenue invested in responsible AI innovation" or "Existence of an AI ethics framework integrated into R&D (Yes/No)". While qualitative, the presence of an ethics-by-design approach in product development could be material, especially if ignoring it leads to product failures or boycotts.

Another angle is intangible asset value and management. The earlier statistic from Brand Finance indicated that 79% of intangible value is not on balance sheets due to accounting gaps. The implication is that disclosures outside financial statements (like sustainability reports) need to capture how companies nurture and protect those intangibles. Trustworthy AI governance is essentially about protecting a company's intangible assets: its reputation, its human capital (skills, culture), and intellectual capital (data and algorithms). One could propose an indicator such as "Brand or reputational value at risk due to AI issues", though quantifying that is more in the realm of risk management. Alternatively, companies can report if any portion of their brand value (as assessed by third parties) is tied to being ethical or inclusive – an indirect metric.

We should also mention connectivity with financial metrics: If AI governance is strong, a company might avoid certain costs (e.g., regulatory fines, turnover costs, downtime from strikes). While those avoided costs are invisible, any *actual* costs or investments can be tracked: for example, "Annual expenditure on AI ethics and compliance" (covering staff, audits, etc.). A small number might indicate a risk of underinvestment, a larger number indicates proactive management (although too high might raise eyebrows about efficiency).

Overall, commitment #6's monitoring will rely on a mix of social and innovation metrics, some of which are non-traditional. This commitment also explicitly asks companies to *develop a measurement framework and do self-assessments*, aiming to show collective impact by the 2026 G7 Summit. That implies not every metric has to be financial – they can aggregate, for example, "X companies reported a total of Y workers retrained," or "collectively, pledge companies reduced algorithmic bias in recruitment by Z%". Those kinds of roll-up figures could powerfully illustrate to G7 leaders that this voluntary pledge delivered tangible outcomes.

The exercise of crafting these indicators is not happening in a vacuum. The ISSB's consultation (July–Nov 2025) on enhancing SASB Standards explicitly invited input on human capital and "technology in the context of all industries", as indicated by the focus on targeted amendments to other industry standards like Labor Practices and Workforce Health & Safety suggested in the SASB enhancement exposure draft released for comments on July 3, 2025. The ISSB is paying attention to areas where metrics need updating or aligning globally – which includes many human capital metrics relevant to the pledge. In fact, Vice-Chair Sue Lloyd noted this is the first big chance to update SASB content considering the ISSB standards context. If Franco-Canadian cooperation through the pledge can crystallize some indicator recommendations (for instance, "we need a standardized metric on workforce digital training" or "on algorithmic accountability"), they could channel that into the ISSB consultation so that future iterations of the standards consider these.

It's a feedback loop: voluntary initiatives can pilot new metrics and make the case for their decision-usefulness, prompting standard-setters to adopt them.

The six pledge commitments can indeed be mapped to a variety of indicators, many of which have antecedents in SASB or other ESG frameworks. Opportunities include using well-understood metrics (safety rates, diversity percentages, training investment) to demonstrate progress, which also have the benefit of resonating with investors who see links to productivity, risk reduction, and innovation capacity. Limitations are mostly around novel concepts introduced by AI – bias audits, algorithmic management, digital divide – where we lack common metrics. Tackling these limitations will require collaboration (across companies, and with stakeholders) to experiment and share what works. The next section will delve into how France and Canada can collaborate to do exactly that: develop aligned indicators, influence the ISSB to incorporate them, and set up mechanisms to continuously refine this emerging area of disclosure.

3. Pathways for Franco-Canadian Collaboration on Trustworthy AI Metrics

The challenges and opportunities identified above highlight that no single country or company can resolve the "AI governance metrics" question alone. France and Canada, however, are uniquely positioned to lead together. The *Global Partnership on Artificial Intelligence* (GPAI) was officially launched by France and Canada with an office in Montreal focused on data governance and ethical AI, and an office in Paris focused on future of work and innovation and adoption. These roles enabled both countries to significantly influence global research in support of ethical AI adoption. France led the charge on the development of the Pledge for Ethical AI in the world of work released at the Paris AI Summit, and Canada, leveraged the extensive work that led to the Montreal declaration for responsible AI to advance the understanding of new risks associated with AI systems and related evolution of ISO/IEC standards The pledge itself was supported by French ministries and Canadian organizations (including leading Quebec organizations such as OBVIA, CIRANO and CEIMIA), reflecting a transatlantic partnership. By joining forces, France and Canada can ensure a coherent approach, avoid duplicated effort, and create a broader influence on international standards and practices.

To translate the *Pledge for a Trustworthy AI in the World of Work* into durable and impactful outcomes, France and Canada can build on their respective strengths through three complementary avenues for collaboration: (1) the joint development and alignment of pledge indicators; (2) a coordinated contribution to the consultation agendas of financial market standard setters and to support the work of the Taskforce on inequality and social-related financial disclosures (TISFD); and (3) the establishment of structured mechanisms for sustained bilateral knowledge exchange**.** Together, these avenues aim to connect science-based indicators, sustainability disclosure frameworks, and ongoing policy and practice learning, ensuring coherence, scalability, and long-term relevance in a rapidly evolving technological landscape.

3.1 Joint Development and Alignment of Pledge Indicators

Canadian research institutes have joined INRIA in the international network of AI observatories launch at the Paris AI Summit together with the International Labour Organization (ILO) and the OECD to Monitor AI's impact on jobs, skills, and workplace practices globally, share leading practices and tools to support employers in implementing trustworthy AI and provide science-based indicators for progress on commitments made under the Pledge for a Trustworthy AI in the World of Work.

This group would ideally include representatives from relevant ministries (such as Ministry of labour and Ministry of innovation and economic development), as well as experts from standard-setting bodies (e.g., Country leaders associated with ISSB, EFRAG and ISO), corporate sustainability officers, AI ethicists, and labor representatives. The goal would be to work together to evolve the initial set of indicators and refine each indicator's methodology, provide leading practices to enable organizations to provide decision useful sustainability disclosure on the opportunities and risks associated with AI. By uniting efforts, France and Canada can influence the convergence of voluntary pledges with mandatory frameworks and provide valuable contributions to the work of the Taskforce on inequality and social-related financial disclosures (TISFD) and support companies in measuring intangibles like human and social capital and set a global example for trustworthy AI reporting.

By working together, France and Canada can pilot these indicators in a variety of contexts (different industries, company sizes, public vs private sector) to test their robustness, offering a science-led approach to harmonize the disclosure and provide support for voluntary standards that could serve as a foundation for mandatory standards for financial markets just like the voluntary standards from the Taskforce for Climate-related Financial Disclosure (TCFD) and of the Taskforce for Nature-related Financial Disclosure (TNFD). A joint framework also facilitates benchmarking and mutual learning. If all pledge signatories in

France and Canada use the same indicators in the same way, it becomes easier to compile data and see, for instance, how French companies compare to Canadian ones on AI-related training or bias audits – not as competition, but to identify areas for improvement. It further ensures that any Franco-Canadian company (operating in both jurisdictions) isn't faced with two different metrics for essentially the same thing.

3.2 Coordinated Response to the Consultation Agenda of Standards Setters for Financial Markets

The ISSB, the International Public Sector Accounting Standards Board (IPSASB), EFRAG and GRI are collaborating to address the global financial market demand for decision-useful, comparable sustainability information. The global baseline of sustainability standards that jurisdiction can refer to and build upon is being developed at an accelerated pace.

Draft simplified ESRS standards were published December 3, 2025. The ISSB has an ambitious SASB refresh program delivered in collaboration with GRI and EFRAG, it also has a human capital priority project, and it will consult on priority agenda for future maintenance and new standards development next year. IPSAB concluded government sustainability standards should be aligned to ISSB standards, with incremental disclosure on government actions (regulations and incentives) to help the economy move towards targets.

Now is the time to join forces to contribute to the non-financial metrics that will shape the valuation equation and influence capital allocation decisions. Consultations are open for public comment and standard setters need support to enable greater stakeholder engagement and capacity building for adoption. France and Canada, through their scientific diplomacy, standard-setters or relevant ministries, should coordinate their input to this process. In practice, this could mean the French authority and the Canadian authorities collaboratively draft a comment letter – or at least ensure their separate letters complement each other.

By presenting a united front, France and Canada's comments will carry weight. IOSCO and others notice when multiple jurisdictions call for the same improvement. This will help institutionalize what the pledge started. It also ensures that companies won't have to double-report: the voluntary metrics they adopt now could soon become part of their mainstream investor reporting, making the exercise efficient rather than an extra burden.

3.3 Structured Mechanisms for Bilateral Knowledge Exchange

Beyond joint indicator development and contributions to standard-setting processes, France and Canada should invest in durable and structured mechanisms to support ongoing collaboration on AI governance in the world of work. Given the rapid evolution of technologies, organizational practices, and regulatory frameworks, one-off initiatives are insufficient to sustain meaningful progress. Long-term cooperation channels would enable continuous experimentation, mutual learning, and the translation of shared commitments into practical approaches that can adapt over time.

Such collaboration could be supported through a combination of shared spaces for experimentation, observation, data and knowledge exchange, and regular dialogue among governments, researchers, businesses, social partners, and training institutions. These mechanisms would allow for the pooling of expertise, the identification of emerging trends and best practices, and the alignment of policy and practice across jurisdictions. Particular attention could be paid to linguistic, cultural, and sectoral contexts, including the needs of francophone communities, to ensure that AI systems are developed and deployed in ways that reflect local values and workplace realities. Together, these structured exchanges would strengthen bilateral cooperation while enhancing France and Canada's collective contribution to international efforts on trustworthy AI and decent work.

The underpinning idea of these mechanisms is sustained, iterative learning. AI technologies and their uses will continue to evolve (e.g., the current explosion of generative AI was barely on the radar a few years ago). By having permanent collaboration channels, France and Canada can respond quickly to new developments – updating pledge indicators, adding new focus areas (imagine in 2 years the issue might be AI and remote work, or deepfake-related misinformation affecting companies, or post quantum encryption, etc.), and presenting a unified approach in shaping global norms. Through such collaboration, both countries also strengthen their international standing as leaders in responsible AI. They can present the pledge outcomes to the G7 in 2026 not just as France's achievement (as host) but as a joint success story, potentially rallying other G7 members to adopt similar measures. This could even pave the way for discussing these topics in trade agreements or cooperation agreements (ensuring a level playing field – companies in both countries adhering to higher standards so neither is disadvantaged).

In conclusion, Franco-Canadian collaboration can significantly amplify the impact of the *Trustworthy AI Pledge*. By jointly developing indicators, influencing the ISSB's standards, and institutionalizing knowledge exchange (labs/observatories), they can create a blueprint that others can follow. This partnership essentially bridges the gap between voluntary corporate responsibility and formal regulatory/standards frameworks, accelerating the convergence between the two. It also highlights the importance of transnational cooperation in tackling the ethical and social dimensions of technological change – a model that could be extended to other areas of AI governance beyond the workplace.

4. Key Recommendations for Policy, Strategies and Actions

Building on the analysis above, we set out below a set of recommendations aimed at decision-makers and corporate leaders. These recommendations are designed to translate the principles of the *Trustworthy AI Pledge* into concrete governance, disclosure, and implementation practices that can be operationalized across sectors and along value chains.

Embed Trustworthy AI Metrics into Corporate Reporting

Encourage and support companies (especially pledge signatories) to start reporting on the material impacts (opportunities and risks) leveraging indicators for the six pledge commitments as part of their regular sustainability disclosures. Even before any formal requirement, voluntary disclosure of metrics – such as workforce diversity, training hours, AI ethics audits, and supply chain labor standards – will prepare companies for future standards and demonstrate leadership. Policymakers can incentivize this by highlighting such disclosures in public procurement or investment criteria. For example, governments could give preference to suppliers who transparently report on AI and workforce metrics, signaling the market value of trustworthy AI practices.

Coordinate Franco-Canadian Leadership in Standard-Setting

France and Canada should jointly influence international sustainability standards to incorporate human-centric AI governance. In the immediate term, they should coordinate their responses to open consultation processes of EFRAG, ISSB, IPSASB advocating for enhanced human capital and social metrics (e.g., on worker well-being, diversity, and labor practices in tech supply chains) that align with pledge objectives. Beyond the ISSB, this collaboration can extend to engaging with the ILO, OECD, and G7 to promote the adoption of common principles and metrics for AI in the workplace. A unified Franco-Canadian voice in these forums can be a catalyst for broader international convergence by jointly shaping standards through coordinated positions, shared evidence, and aligned metrics across AI governance, human capital, and sustainability disclosure initiatives.

Strengthen Support for SMEs and Global Supply Chains

Recognizing the pledge's emphasis on broad applicability across companies of all sizes and in the value chain, measures should ensure that small and medium enterprises (SMEs) and suppliers are not left behind, while supporting interoperability and efforts and the scaling of the most promising initiatives in support of SMEs, the backbone of our economies. Now, global investors go one step further in support of SMEs and to get access to the information they need to assess their risk adjusted returns and manage their portfolios.

A coalition of global institutional investors representing USD 28 trillion in assets under management[9] has launched the *ESG Data Convergence Initiative* to promote greater consistency in sustainability metrics for private markets. The initiative provides a centralized portal offering guidance, training materials, and standardized templates to support private companies in reporting comparable, performance-based sustainability data across eight core topics. The objective is to improve data quality and comparability for benchmarking and decision-making, particularly in contexts where regulatory requirements remain limited or fragmented.

These developments reflect growing market-led efforts to address sustainability reporting challenges faced by private companies, including small and medium-sized enterprises (SMEs). In parallel, work is underway in Europe on the Voluntary Sustainability Reporting Standard for non-listed micro, small, and medium-sized enterprises (VSME), as well as within the International Organization for Standardization (ISO) on

[9] https://www.esgdc.org

sustainability-related standards tailored to SMEs. Greater alignment and interoperability across these initiatives could help reduce reporting fragmentation and implementation burdens.

In this context, France and Canada could support interoperable reporting approaches and contribute to the development of shared toolkits or "one-stop" resources to help SMEs implement trustworthy AI practices and report relevant metrics in a proportionate manner. Additional areas of focus could include the use of automation to facilitate data collection and the ability to reuse reported information across multiple stakeholder needs, including clients, investors, lenders, insurers, regulators, and public buyers.

Improved access to consistent sustainability and workforce-related data may also inform public decision-making, including the design of incentives related to technology adoption, skills development, and productivity. Finally, both countries could examine how existing trade, procurement, or development cooperation instruments may encourage higher standards across AI value chains, for example by promoting minimum labour standards and transparency requirements among overseas service providers involved in AI-related activities.

Leverage Sustainability in Public Infrastructure and Procurement

France and Canada could explore ways to leverage public spending as a tool to promote sustainability and transparency in large infrastructure and procurement projects. For major digital and physical infrastructure investments, existing frameworks such as the OECD Blue Dot Network certification, which focuses on quality infrastructure that is environmentally and socially sustainable, resilient, transparent, and economically efficient, and France's "Fast Infra" label, which aims to support the development of a sustainable infrastructure asset class, provide relevant reference points. Greater alignment between these frameworks and disclosure requirements could facilitate self-assessments and third-party verification.

Similar considerations apply to sustainable public procurement. Updating procurement approaches in line with internationally recognized guidance, such as the United Nations guidance on supply chain sustainability, could support more consistent practices across different levels of government. This may include integrating sustainability-related topics into procurement criteria, encouraging suppliers to demonstrate performance across the product life cycle, and prioritizing higher-risk suppliers for monitoring, audits, or capacity-building efforts.

Additional practices observed in existing procurement frameworks include the use of standardized templates for supplier self-assessments and corrective action plans, the integration of metrics and targets on material sustainability topics into procurement evaluation scorecards and contractual provisions, and mechanisms to monitor compliance over time. In some contexts, compliance is linked to incentives, such as preferred supplier status, or to contractual remedies, including financial adjustments or contract termination, depending on applicable rules and risk profiles.

Institutionalize Continuous Bilateral Monitoring and Review

Establish a formal mechanism for France and Canada to review progress on the *Trustworthy AI Pledge* and its integration into disclosure frameworks on a regular basis (e.g., an annual summit or joint ministerial meeting). At these junctures, evaluate the uptake of recommended indicators, share best practices and challenges encountered by companies, and update the indicators or strategies as needed. This echoes the agile governance approach – policies must evolve with technological advances. For example, if new risks like generative AI misinformation affecting employees emerge, the two countries should be ready to incorporate such considerations into their pledge monitoring and global advocacy. A joint monitoring report, published perhaps every year or two, could provide transparency and maintain momentum, summarizing collective progress (e.g., "Across X companies in France and Canada, Y% have achieved bias-free recruitment according to agreed metrics") and areas for improvement.

Cultivate Multi-Stakeholder Engagement

Both countries should involve stakeholders – businesses, workers (via unions), investors, and civil society – in the governance of this collaboration. Concretely, we recommend the creation of a Franco-Canadian Trustworthy AI Advisory Council comprising representatives from each stakeholder group and both countries. This council would advise on the development of indicators, help interpret data, and ensure that policies remain balanced between competitiveness and protection of workers' rights. Engaging investors is particularly important, as they are the primary audience for ISSB disclosures. If major institutional investors in France and Canada publicly endorse the pledge metrics as something they find useful in decision-making, it will greatly encourage companies to adopt them. Likewise, social partners (employers' associations and unions) should be empowered to disseminate knowledge about these practices among their members, making trustworthy AI a norm from the ground up.

By implementing these recommendations, France and Canada can not only bolster the success of *The Trustworthy AI Pledge* domestically but also shape the global narrative and standards around AI governance and sustainability. Ultimately, these actions ensure that technological innovation in AI goes hand in hand with transparency, accountability, and shared prosperity, reinforcing public trust and investor confidence in the process.

Conclusion

The rise of AI in the workplace presents a defining governance challenge of our time – one that tests our ability to uphold human-centric values amid rapid technological change. This report has examined how aligning voluntary commitments (like *the Trustworthy AI Pledge*) with emerging mandatory disclosure frameworks can be a powerful strategy for meeting that challenge.

By leveraging the IFRS Foundation's ISSB Standards together with ISO standards as global baselines, we see a path to embed AI ethics and human capital considerations into the core of corporate reporting, thereby making them an integral part of how companies are evaluated by investors and stakeholders. The convergence of voluntary and mandatory frameworks is not merely a technical reporting issue; it reflects the convergence of expectations – what society expects of companies and what capital markets demand for decision-making are increasingly one and the same. In the area of AI governance, this convergence means that practices ensuring trustworthy AI (fairness, transparency, privacy, safety) are gradually becoming prerequisites for business success and access to capital, not just optional CSR initiatives.

We highlighted that intangible assets (e.g., data, algorithms, brand reputation, workforce expertise) now dominate corporate valuations yet are poorly captured in traditional financial statements. The gap between intangible-driven value and tangible reporting is where sustainability disclosure standards and initiatives like the pledge come in. They help shine light on these hidden value drivers.

With close to USD 80 trillion in global intangible assets not captured on corporate balance sheets, Brand Finance data highlight a critical blind spot: if we don't measure and manage intangibles like human and social capital, we risk misallocating resources and failing to safeguard the foundations of long-term performance. Trustworthy AI governance is a prime example of an intangible factor that can hugely impact a company's value – think of the goodwill a brand earns by being seen as ethical and innovative, versus the damage if it's seen as reckless with AI. As noted in the report, investors are acutely aware of this; they seek information on both the upside of AI (productivity, innovation) and the downside (risks, preparedness). The recommendations in this report aim to ensure that such information is systematically produced and disclosed.

A key takeaway is the potential of Franco-Canadian collaboration as a model for international cooperation in tech governance. In pooling their expertise and aligning their efforts, France and Canada can accelerate the development of practical solutions (like standardized AI governance metrics) that would be much harder to achieve in isolation. This joint approach also amplifies their influence on the global stage – whether in shaping ISSB standards, guiding OECD recommendations, or inspiring other nations to adopt similar pledges. By creating shared observatories, labs, and forums, they establish a continuous feedback loop between policy development and on-the-ground practice. In doing so, they exemplify how democracies can proactively and thoughtfully respond to the challenges posed by AI, ensuring technology serves the public interest.

For corporate leaders, the insights here signal that aligning with global sustainability standards and embracing the pledge's commitments is more than compliance or altruism – it is strategic. As voluntary and mandatory frameworks converge, companies that are early adopters of comprehensive AI governance and transparent reporting will find themselves better prepared for regulatory changes, more attractive to investors focused on ESG, and more trusted by consumers and employees. In contrast, those that hold back may find themselves playing catch-up or facing greater scrutiny.

In concluding, we return to the fundamental vision: a future where innovation and trust go hand in hand. The rapid integration of AI into business models can drive tremendous growth and efficiency – six of the

world's top companies by market cap are testament to the power of digital and AI innovation. But sustaining that growth requires trust: from employees whose skills and welfare must be safeguarded, from customers who demand ethical use of data and algorithms, and from investors who need assurance that AI opportunities and risks are being managed responsibly. By weaving trustworthy AI governance into the fabric of sustainability disclosures, we make it part of the DNA of corporate accountability. What starts as a pioneering Franco-Canadian effort can become, through example and influence, a new international norm. In the long run, this alignment of values and value (in the financial sense) will contribute to an economy where technology's benefits are broadly shared and its pitfalls collectively managed – an economy that is not only innovative and competitive, but also inclusive, fair, and worthy of the public's trust.

References

Brand Finance, 2024, Brand Finance GIFT™ 2024 report, https://brandirectory.com/reports/global-intangible-finance-tracker-gift/2024.

Brand Finance. 2025. Global Intangible Finance Tracker / GIFT™ Global Intangible Finance Tracker (GIFT™) https://brandirectory.com/reports/global-intangible-finance-tracker-gift.

De Marcellis-Warin, N., Marty, F., Warin, T. (2025). *Réglementer l'intelligence artificielle sur la base des risques : Perspectives économiques et éthiques*. Revue économique, 76(1), 87–114. https://doi.org/10.3917/reco.761.0087

Elysée. 2025. "Pledge for a Trustworthy AI in the World of Work." Official announcement, Paris AI Action Summit, February 11. https://www.elysee.fr/emmanuel-macron/2025/02/11/pledge-for-a-trustworthy-ai-in-the-world-of-work.

EFRAG. 2025. *Draft Simplified European Sustainability Reporting Standards (ESRS).* November 30. https://www.efrag.org

Ferguson, Y. (2025) L'IA au travail, Rapport Inria.

IFRS Foundation. 2023. "ISSB Issues Inaugural Global Sustainability Disclosure Standards." Press release, June 26. https://www.ifrs.org/news-and-events/news/2023/06/issb-issues-ifrs-s1-ifrs-s2/.

IFRS Foundation. 2024. *ESRS–ISSB Standards Interoperability Guidance.* Staff guidance, May 2. https://www.ifrs.org/content/dam/ifrs/supporting-implementation/issb-standards/esrs-issb-standards-interoperability-guidance.pdf.

IFRS Foundation. 2025. "ISSB Proposes Comprehensive Review of Priority SASB Standards and Targeted Amendments to Others." Exposure draft news release, July 3. https://www.ifrs.org/news-and-events/news/2025/07/issb-comprehensive-review-sasb/.

International Organization for Standardization & International Electrotechnical Commission. (2023). *ISO/IEC 42001:2023 Information technology — Artificial intelligence — Management system*. ISO.

International Organization for Standardization & International Electrotechnical Commission. (2022). *ISO/IEC 38507:2022 Information technology — Governance of IT — Governance implications of the use of artificial intelligence by organizations*. ISO.

International Organization for Standardization & International Electrotechnical Commission. (2023). *ISO/IEC 5338:2023 Information technology — Artificial intelligence — AI system life cycle processes*. ISO.

International Organization for Standardization & International Electrotechnical Commission. (2023). *ISO/IEC 42001:2023 Information technology — Artificial intelligence — Management system*. ISO.

International Organization for Standardization & International Electrotechnical Commission. (2022). *ISO/IEC 38507:2022 Information technology — Governance of IT — Governance implications of the use of artificial intelligence by organizations*. ISO.

International Organization for Standardization & International Electrotechnical Commission. (2023). *ISO/IEC 5338:2023 Information technology — Artificial intelligence — AI system life cycle processes*. ISO.

Jablokov, I. Warin, T, 2022, *How Augmented Intelligence is Bringing the Focus Back on the Human*, California Management review Insights. (https://cmr.berkeley.edu/2022/05/how-augmented-intelligence-is-bringing-the-focus-back-on-the-human/)

Registre J.F.R., & Saba T. (2024). *A typology of AI-based tasks for the HR function*, Strategic HR Review, 23(5), 170-175. doi.org/10.1108/SHR-04-2024-0026

Saba T. & Langlois L. (2025). Consultation gouvernementale sur les priorités nationales en matière d'intelligence artificielle - Avis de l'Obvia. Obvia.

Saba T., Hubert A.M. & Bernet M. (2025). Shaping Human Capital Standards: Exploring the Intersections of the Future of Work and Artificial Intelligence. Observatoire international sur les impacts sociétaux de l'intelligence artificielle et du numérique. doi.org/10.61737/NNSO3210 ISBN : 978-2-925138-69-3

SASB Standards Board. 2018a. *Infrastructure Sector: Sustainability Accounting Standard.* Extract on workforce health and safety metrics. IFRS Foundation. https://sasb.ifrs.org.

SASB Standards Board. 2018b. *Software & IT Services Sector: Sustainability Accounting Standard.* Extract on data security metrics. IFRS Foundation. https://sasb.ifrs.org.

SASB–IFRS Foundation. 2020. "Exploring Diversity & Inclusion in the SASB Standards." Interview with K. Okuji Wilson, September 28. https://sasb.ifrs.org/blog/exploring-diversity-inclusion-in-the-sasb-standards/.

UNI Global Union. 2025. "Trustworthy AI Pledge Shows Employer Support for Collective Bargaining, Training and Supply Chain Justice." February 14. https://uniglobalunion.org/news/trustworthy-ai-pledge-paris-summit/.

United Nations – AI for Good. 2025. "AI Standards Exchange Database Launched at the AI for Good Global Summit." July 21. https://aiforgood.itu.int.