Staff paper

Agenda reference: 4

ISSB meeting

Date	**November 2026**
Project	**Workforce-related Disclosures**
Topic	**Cover note**
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This paper has been prepared for discussion at a public meeting of the International Sustainability Standards Board (ISSB). This paper does not represent the views of the ISSB or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS® Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Purpose

1. Agenda papers 4A *Terms and definitions landscape* and 4B *Working descriptions of key terms* prepared for this meeting relate to the staff's research on workforce-related terms and definitions already in use:

   (a) Agenda Paper 4A sets out the landscape of key workforce-related terms and definitions used in IFRS Accounting, in widely used sustainability reporting standards and in key labour initiatives, and considers possible implications of the findings for potential standard-setting.

   (b) Agenda Paper 4B sets out the staff's suggested working descriptions of the terms that are essential to understanding the scope of the project, for use during the remainder of the research project.

2. The meeting is an opportunity for the staff to share those findings and suggested working descriptions, and for the International Sustainability Standards Board (ISSB) to provide input. The staff will not ask the ISSB to make any decisions in the session. In particular, the working descriptions set out in Agenda Paper 4B do not represent proposed ISSB definitions; any definitions for use beyond the research phase are still to be determined and would be subject to ISSB discussion and decision-making. The

two papers are intended to complement each other and to be read in conjunction—the landscape analysis in Agenda Paper 4A provides the basis for the working descriptions suggested in Agenda Paper 4B.

3. The cover note provides:

   (a) background;

   (b) an overview of the relevant agenda papers that will be discussed at the November 2026 meeting of the ISSB; and

   (c) a brief description of the next steps in the process.

Background

4. During the research phase of the Workforce-related Disclosures project (formerly the Human Capital project), investors told the staff that preparers use inconsistent definitions when disclosing workforce-related risks and opportunities. These inconsistencies make workforce-related information significantly harder for investors to compare between entities and over time, reducing their confidence in using that information in their analysis.

5. The input indicates that workforce-related terms and their definitions or descriptions are a key determinant of whether workforce-related information is decision-useful. Accordingly, the staff considers it important to first understand the workforce-related terms already in use—including which terms are defined or described by which sources, where those terms are common, and where they diverge in meaning.

6. Developing this understanding serves two purposes. First, it identifies where the ISSB can build from established and well-understood definitions or descriptions rather than creating new ones, thereby reducing cost and complexity for preparers. Second, it identifies where differences between sources are substantive and would need to be considered.

7. A shared understanding of key terms also supports the research itself. If the staff, the ISSB and stakeholders understand the same term differently, they may misunderstand each other when discussing the project. This is particularly important when discussing the scope of the project, including which people an entity would report information about and their relationship to the entity. Establishing a common working understanding of how key terms are being used can help ISSB members and staff communicate clearly throughout the research phase, including by making areas of uncertainty or differing views explicit.

8. For these reasons, in September 2026 the staff proposed that the ISSB undertake additional research on workforce-related terms and definitions already in use, and that the staff develop working descriptions of key terms for use during the remainder of the research project. The staff explained that this research would clarify where the ISSB is likely to be able to build on established definitions and where new definitions may be needed, and that it would support developing a coherent approach to interoperability with the ESRS and the GRI Standards, should the ISSB decide to move the project from research to standard-setting.

Overview of the papers for this meeting

9. The staff has prepared two agenda papers for this meeting:

   (a) Agenda Paper 4A *Terms and definitions landscape,* which provides an overview of the key terms used to describe workforce-related matters in the European Sustainability Reporting Standards (ESRS), the Global Reporting Initiative (GRI) Standards, International Labour Organisation (ILO) instruments, IFRS Accounting Standards and the SASB Standards. It analyses where these terms and definitions are common between sources, where they diverge in meaning and where they are unique to a single source. It also considers possible implications for the ISSB's potential standard-setting, including the specific consideration relating to interoperability with other sustainability reporting standards, maintaining connections with IFRS

Accounting Standards, and jurisdiction-dependent definitions in a global baseline. Although some of the sources used have a broader focus, we have only considered them to the extent that they are relevant for the ISSB's remit of meeting investors' information needs.

(b) Agenda Paper 4B *Working descriptions of key terms*, which identifies the terms that are essential to understanding the scope of the research project and for which a common working understanding would support the ISSB and staff in conducting the remainder of the research project. This paper sets out working descriptions for those terms, together with the staff's analysis and rationale. The paper explains the general approach taken to developing the working descriptions, including, when appropriate, maintaining connections with IFRS Accounting Standards and building on terms already in use to support interoperability with the GRI Standards and the ESRS. The paper also identifies matters for consideration if the project moves from research to standard-setting.

Next steps

10. In the coming months, the staff expects to share research findings from the remaining research areas. These areas are investors' precise information needs for specific workforce-related topics (including emerging topics such as the use of AI); the relationship between an entity's business model and workforce-related risks and opportunities; the jurisdictional context for workforce-related risks, opportunities and disclosures; and emerging disclosure of workforce-related information applying IFRS S1.

Appendix A: Summary of previous ISSB meetings regarding Workforce-related Disclosures research

Date	Meeting
April 2024	The ISSB added the human capital research project to its work plan. AP2 *Projects to add to the work plan*
July 2024	Staff provided the ISSB with an overview of the design and approach for the Human Capital research project. AP2B *Biodiversity, Ecosystems and Ecosystem Services and Human Capital research projects – Research design and approach*
September 2024	Staff presented an overview of the content in the SASB Standards that is applicable to risks and opportunities associated with human capital. AP3A and AP4A *BEES and Human Capital-related risks and opportunities in the SASB Standards*
October 2024	The ISSB discussed feedback from a survey on jurisdictional requirements related to human capital and how that feedback might inform the research, including assessments of existing standards and the current state of disclosure. AP3 and AP4 *Overview—Jurisdictional survey on Biodiversity, Ecosystems and Ecosystem Services and Human Capital*
November 2024	The staff presented some of its preliminary findings in the research area of other disclosure standards and frameworks. AP4 *Cover note* AP4A *Preliminary assessment of existing disclosure standards and frameworks*
December 2024	The staff presented some of its preliminary findings in two of the research areas—evidence of investor interest and evidence of effects on an entity's prospects—and sought ISSB feedback on the remaining research. AP4 *Cover note*

Date	Meeting
	AP4A *Preliminary assessment of evidence of investor interest* AP4B *Preliminary assessment of evidence of effects on an entity's prospects*
January 2025	The staff presented an overview of how information about human capital-related matters might be presented or disclosed in financial statements when applying IFRS Accounting Standards. AP3A and AP4 *IFRS Accounting Standards—Presentation or disclosure on BEES- and Human Capital-related matters*
February 2025	The staff presented its complete findings in two of the research areas—evidence of investor interest and evidence of effects on an entity's prospects. AP4 *Cover note* AP4A *Approach to research on evidence of investor interest in human capital-related risks and opportunities* AP4B *Analysis of evidence of investor interest in human capital-related information* AP4C *Evidence of effects on an entity's prospects*
March 2025	The staff presented its complete findings in two of the research areas—other disclosure standards and frameworks and current state of disclosure. AP4 *Cover note* AP4A *Background on other human capital-related disclosure standards and frameworks* AP4B *Comparison of other standards and frameworks to IFRS S1 and the SASB Standards* AP3B and AP4C *Current state of disclosure—Background and methodology* AP4D *Current state of disclosure of human capital-related information* AP4E *Current state of disclosure of human capital-related information—Sector findings*
April 2025	The staff presented its summary of findings from the first phase of the research project and set out the research design and approach for the second phase of research.

Date	Meeting
	AP4 *Phase 1 research—summary of findings* AP4A and AP3A *Research design and approach—next phase*
July 2025	The staff set out its approach to understanding and organising human capital concepts in the second phase of the ISSB's research. AP4 *Staff's approach to understanding and organising human capital concepts in the ISSB's research*
October 2025	The staff presented its approach to analysing, synthesising, organising and prioritising findings from the initial phase of research. AP4 *Structuring the ISSB's analysis of research findings*
December 2025	The staff presented its assessment of the necessity and feasibility of standard setting on workforce-related risks and opportunities. AP4 *Research findings on the necessity and feasibility of standard-setting*
September 2026	The staff presented an update on the status of the project and an overview of proposed activities to advance the project. The ISSB agreed to change the title of the project to 'Workforce-related Disclosures'. AP4 Project update and proposed next steps