IFRS Sustainability

Staff paper

Agenda reference: 3

Sustainability Standards Advisory Forum meeting

Date	**October 2026**
Project	**Human Capital**
Topic	**Jurisdictional landscape**
Contacts	Nhlanhla Mungwe (nmungwe@ifrs.org) Rommie Johnson (rommie.johnson@ifrs.org)

Purpose

1. The purpose of this paper is to explain to Sustainability Standards Advisory Forum (SSAF) members the proposed approach to the staff's work to understand how jurisdictional differences affect workforce-related disclosures and their implications for developing a global baseline.

2. The staff seeks SSAF members' input on how jurisdictional factors, including social, cultural, regulatory and other factors may affect the development of a global baseline of workforce-related disclosures.

Questions for SSAF members

3. In your initial view, what are the implications of jurisdictional factors for the development of a global baseline of workforce-related disclosures?

4. Do SSAF members have any additional suggestions for how staff can obtain useful information about jurisdictional differences in relation to workforce-related risks, opportunities and disclosures?

Background

5. The ISSB decided in April 2024 to add to its work plan a research project on the risks and opportunities associated with human capital.

6. The scope of the project, as agreed by the ISSB, covers risks and opportunities associated with an entity's own workforce and with workers in other parts of the value chain. The aim of the research project is to explore the necessity and feasibility of standard-setting on workforce-related matters, taking into account investors' information needs and the likely costs to entities of preparing such information.

7. The staff has completed an initial phase of research, drawing on extensive stakeholder engagement (over 300 individuals from 158 investor organisations and other stakeholders in Europe, North America, Africa, Latin America and the Caribbean, the Asia-Oceania region and the Middle East) and a review of over 50 research publications. The staff has also examined the current state of workforce-related disclosure, including sector findings, and has developed a structured analytical approach to organise and prioritise the research findings.

8. The ISSB Human Capital research project found that most entities face some form of workforce-related risks and opportunities. At the same time, the staff's research found that these risks and opportunities, and related disclosures, can manifest differently depending on an entity's jurisdiction. This variation is driven by a range of jurisdictional factors, including:

   (a) the legal and regulatory environment—for example, labour law and regulation;

   (b) the structure of the labour market—for example, skills shortages or the size of the informal economy;

   (c) social and cultural norms—for example, expectations around job security; and

   (d) the economic and industrial structure—for example, the balance between manufacturing and services, or capital versus labour intensity.

9. Against this background, the staff considers that a structured understanding of the jurisdictional landscape is an important input to the ISSB's assessment of the necessity and feasibility of standard-setting.

Approach to jurisdictional landscape research

10. The staff is undertaking research on jurisdictional landscape through desk research and stakeholder engagement. Together, these are designed to generate insights on:

    (a) the social, cultural, regulatory and other factors that impact whether and how preparers:

        (i) experience and manage workforce-related risks and opportunities; and

        (ii) disclose workforce-related information;

    (b) the patterns or themes that emerge in jurisdictional approaches to workforce disclosure; and

    (c) the implications of these jurisdictional factors on the development of a global baseline of workforce-related disclosures.

11. This research is not intended to be a comprehensive review of every workforce-related factor in every jurisdiction. Rather, it is a targeted, proportionate exercise aimed at surfacing the most significant drivers of difference and understanding their implications for a global baseline.

12. To keep the research proportionate while remaining representative, the staff has selected a sample of jurisdictions rather than attempting to cover all jurisdictions. The jurisdictions were selected to cover the major regions and to include a mix of advanced and developing jurisdictions, so that the findings reflect a broad range of workforce contexts.

13. The staff is conducting structured desk research with a focus on the selected jurisdictions. The staff will complement this desk research with engagement with SSAF members and targeted outreach to members of the IFRS Jurisdictional Adopters

Working Group (JAWG) and other stakeholders. This engagement will proceed in the following stages:

(a) *initial SSAF engagement*—to obtain initial views on the implications of jurisdictional factors for the development of a global baseline of workforce-related disclosures;

(b) *JAWG survey*—to obtain high-level input from as many JAWG members as possible on the drivers and sources of jurisdictional difference in how preparers experience, manage and disclose workforce-related risks and opportunities;

(c) *targeted outreach to JAWG members and other stakeholders*—to drill down and refine the staff's understanding of the key insights emerging from the survey and desk research; and

(d) *follow-up SSAF engagement*—to share the drivers and sources of jurisdictional variation identified through the JAWG, and to enable deeper consideration of their implications for the development of a global baseline of workforce-related disclosures.

Next steps

14. The technical staff will:

(a) conduct the further research described in paragraphs 10–13;

(b) gather and analyse responses to the JAWG survey; and

(c) report back to SSAF with the emerging patterns and themes identified through the JAWG survey and desk research and ask SSAF members to build on those findings by considering their implications for the development of a global baseline of workforce-related disclosures.