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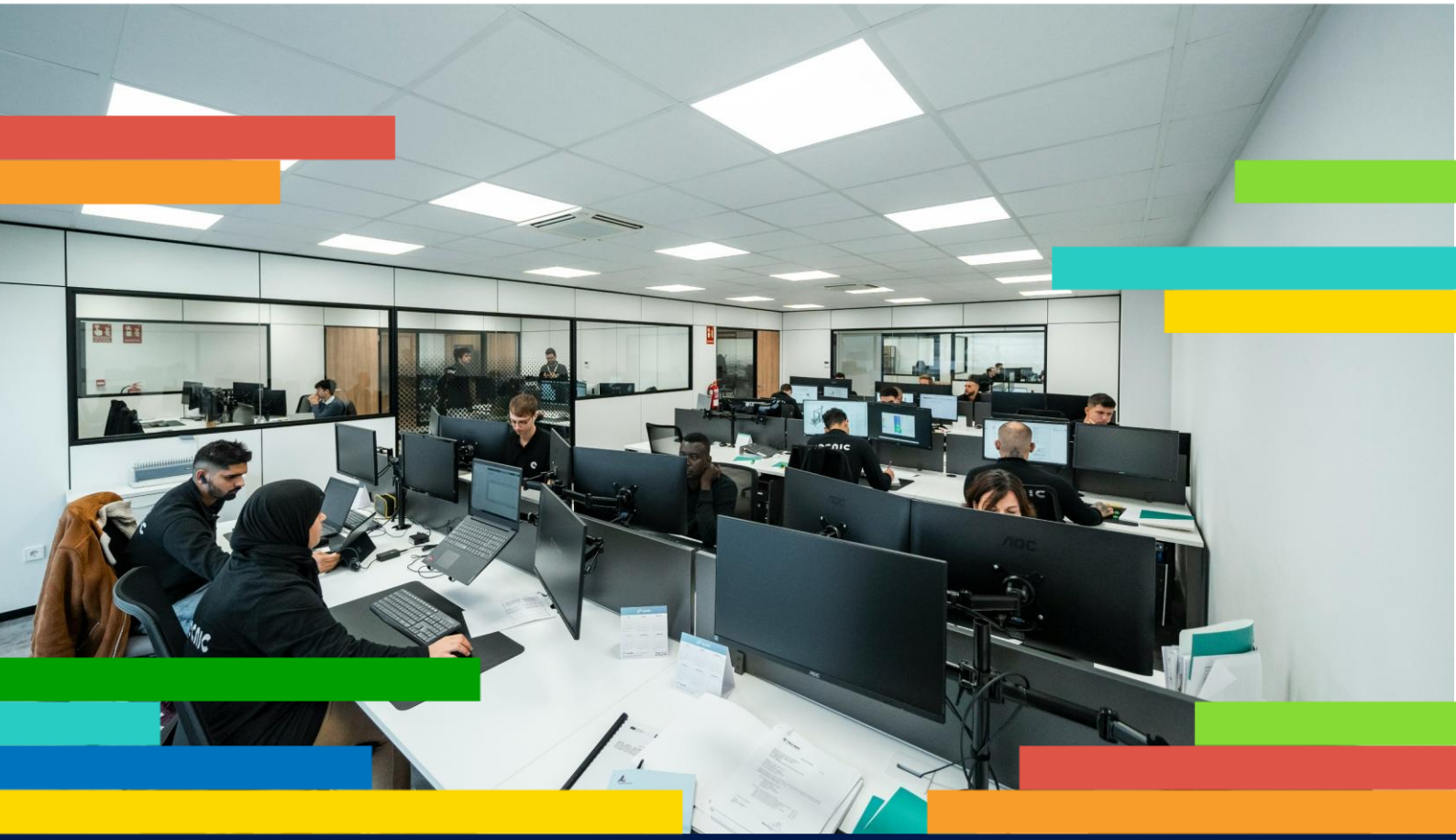

Closing the workforce blind spot in corporate AI governance

July 2026

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Executive summary

This brief brings together global corporate benchmarking evidence and policy analysis on AI governance, using China's labour-market and policy context as an important lens while drawing wider lessons on disclosure, early warning and transition support for jurisdictions facing similar challenges. The brief can also help inform global policy discussions, including the Global Dialogue on AI Governance and wider post-2030 agenda conversations, by providing company-level evidence on how AI governance is being put into practice and where disclosure gaps remain.

AI is reshaping employment ahead of the institutions designed to govern it. The IMF estimates that around 40% of global jobs are exposed to AI, rising to roughly 60% in advanced economies.[1] Cognizant's 2026 update reports that AI exposure has accelerated faster than its own 2023 forecasts anticipated, with 93% of US jobs likely to be affected in some form.[2] In China, Citi Research applies the IMF framework to national census data and finds that 9.6% of jobs (around 70.3 million workers) face direct displacement pressure.[3] **The transition is moving from long-term forecast to near-term policy concern.** Yet a clear institutional gap remains: there is still no standardised disclosure trigger or regulatory mechanism that makes AI's workforce impacts visible at the firm level. As a result, policymakers, investors and worker representatives often lack timely insight into where risks are emerging and how companies are responding.

Corporate disclosure is not yet keeping pace with this transition's social dimension. The WBA Digital Inclusion Benchmark assesses 200 of the world's most influential technology companies. 77 (39%) now disclose AI principles, up from 52 (26%) in 2023, indicating clear progress on AI governance frameworks. Yet only 26 companies (13%) reference workforce or employment in the AI context, 13 (6.5%) link AI to reskilling, and just one company globally explicitly mentions that AI may displace jobs. Major disclosure standards (including GRI, ISSB, ESRS and SASB) do not yet clearly recognise AI as a trigger or driver of workforce change that should be reflected in workforce, human capital or due diligence disclosure where material. The result is a structural blind spot on AI's labour impact at exactly the moment it is urgently needed.

The practical ask is not to create a new reporting regime. **It is to integrate AI as a recognised disclosure trigger within existing workforce, human capital and due diligence standards.** The brief first sets out the labour-market transition underway, and the policy-critical visibility gap it creates. It then examines the state of corporate AI disclosure on workforce impact and the standards-level gaps that compound it. It concludes with a three-layer policy framework covering disclosure, early warning and transition support.

[1] International Monetary Fund, Gen-AI: Artificial Intelligence and the Future of Work (January 2024).
[2] Cognizant, New Work, New World: How AI is Reshaping Work (2026).
[3] Citi Research, China Economics: The Macro-Micro Disconnect of AI-Driven New Economy (February 2026).

1. A systemic labour-market transition is underway

A shared global challenge that carries lasting costs

Automation has been reshaping manufacturing employment for decades. AI now extends that pressure across the broader economy, including into cognitive, administrative and professional work. The World Economic Forum's Future of Jobs Report 2025 finds that 86% of employers expect AI and information-processing technology to transform their business by 2030, with 41% planning workforce reductions where AI can automate tasks.[4] Cognizant's 2026 task-level reassessment shows that AI exposure has been rising at 9% per year since the LLM breakthrough, against 2% per year previously.[5] The pace of change has outstripped the pace at which disclosure frameworks and policy responses have adjusted.

China's economic context provides a particularly important illustration of these global dynamics, given the scale of its workforce, the rapid adoption of AI and the growing role of flexible employment. Despite stable GDP growth, the link between economic expansion and stable urban employment appears to be weakening. Employment in large industrial enterprises has fallen by 22.9 million from its 2014 peak, even as industrial output continued to expand.[6] The buffering role of services is also under pressure. China now has more than 240 million flexible workers, and many of those who previously moved from manufacturing into platform and gig services may now face a new wave of disruption as autonomous driving, unmanned delivery and AI-enabled service automation expand.[7]

[4] World Economic Forum, Future of Jobs Report 2025.
[5] Cognizant (2026), op. cit.
[6] Citi Research (3 February 2026), op. cit.
[7] Citi Research, China Economics: Early Warning Signal to AI's Job Market Impact? (23 April 2026).

2. Why this is a policy-critical gap

One of the most immediate risks in this transition is the information asymmetry it creates. The largest decisions about how AI reshapes work, including deployment, automation, workforce restructuring and reskilling, are taken inside companies, often ahead of regulation. Policymakers usually see only lagging labour-market indicators. By the time aggregate statistics register the impact, adjustment options may have narrowed, and social costs may have already been absorbed.

This visibility gap matters because the transition is unlikely to unfold evenly. A breakthrough in AI capability within a single sub-sector can trigger concentrated displacement that outpaces the short-term adjustment capacity of current social-protection systems and weighs on broader employment expectations. The risk may fall particularly heavily on the flexible-employment cohorts that have grown to absorb earlier waves of manufacturing displacement, many of whom sit outside stronger formal labour-protection systems.

Closing this gap requires action at the layer where AI-deployment decisions are made: inside firms. Corporate disclosure is the practical lever. It allows policymakers to identify exposed industries, role profiles and timing before disruption materialises, investors to assess governance maturity beyond ethical principles, and workers and their representatives to engage on impacts that today sit inside companies. Where corporate transparency is absent, governance frameworks risk remaining abstract, strong on principles but weak on the social impacts AI is already producing.

3. Corporate AI principles are advancing, but workforce impact is largely absent

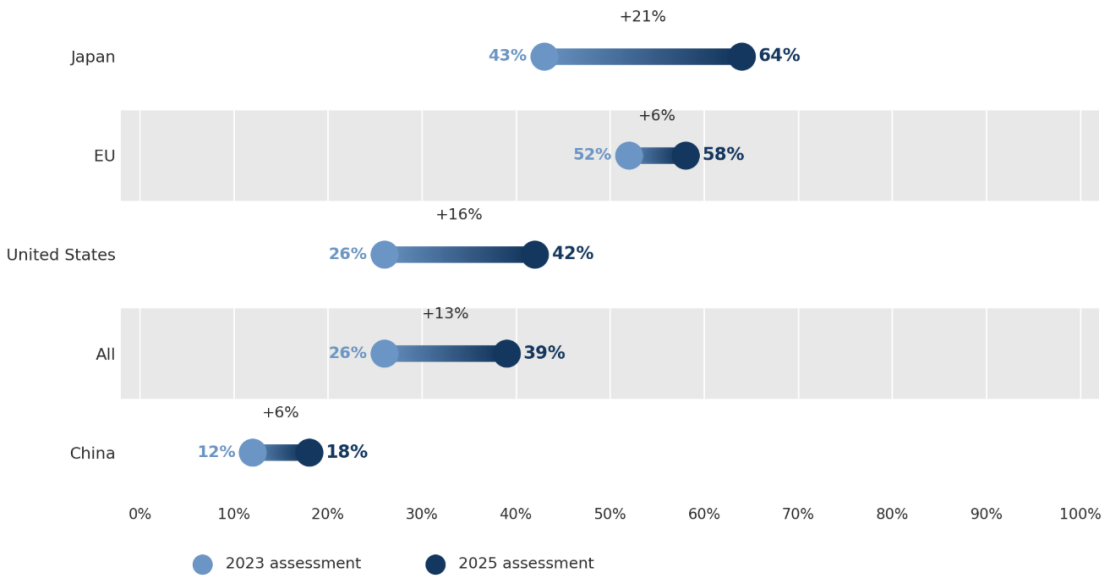
The corporate evidence in this brief draws on the WBA Digital Inclusion Benchmark (DIB), which assesses 200 of the world's most influential technology companies. AI governance performance is measured under indicator D02, with methodology and indicator design set out in the final section.

AI principles are gaining ground, with stronger uptake where guidance is clearer

Corporate adoption of AI principles has increased. Among the 200 companies assessed, the number with publicly available, group-level AI principles rose from 52 (26%) in 2023 to 77 (39%) in 2025. Among the 33 Chinese companies assessed, 6 companies now disclose AI principles, up from 4 in 2023.

Uptake varies substantially by jurisdiction, and appears to align with the strength of normative and regulatory guidance.

FIGURE 1: SHARE OF COMPANIES DISCLOSING GROUP-LEVEL AI PRINCIPLES, BY JURISDICTION



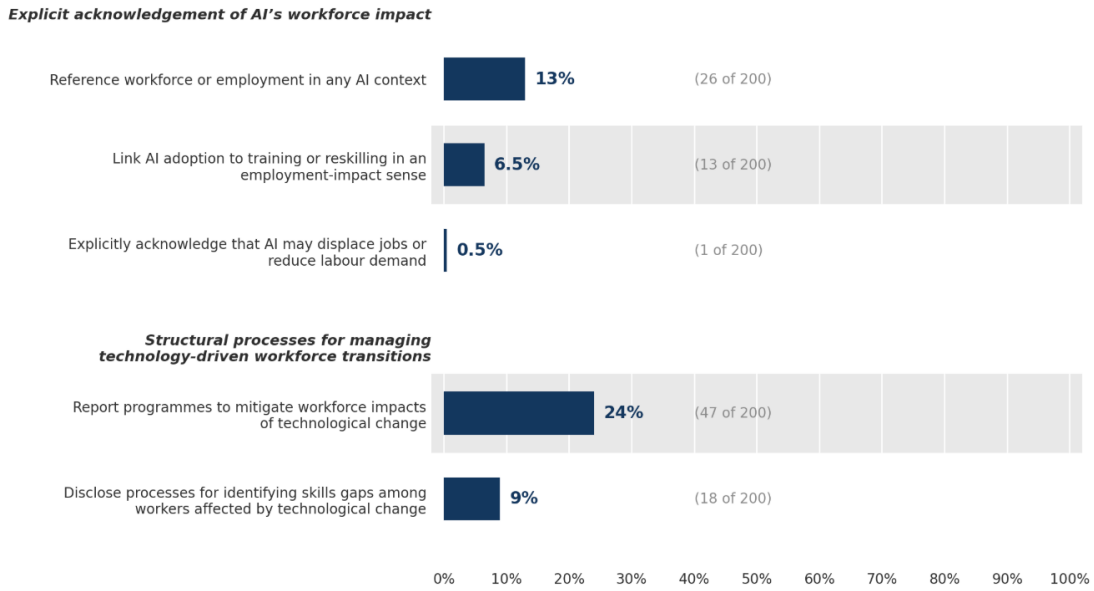
- Japan leads on baseline principles (64% of assessed companies) and on incorporation of human rights into AI principles (43%), which may reflect Japan's role in the G7 Hiroshima AI Process and the early issuance of national AI Guidelines for Business.
- The EU also shows relatively consistent uptake, particularly on AI principles and alignment with international or regional frameworks. This is likely supported by the direction of travel set by the EU AI Act and broader corporate sustainability reporting expectations under CSRD.
- The United States shows wide dispersion typical of market-led governance: a large laggard group alongside a smaller cohort of high performers potentially driven by investor pressure and litigation risk.
- China lags across the indicator. 18% of assessed companies have AI principles, 9% align with international or regional frameworks, and 4% explicitly incorporate respect for human rights. In parallel, firms such as Alibaba and Tencent have published AI ethics reports and governance white papers, an early signal that awareness of responsible AI is building.

Across the 200 digital companies, AI governance maturity remains low: nearly 60% of companies meet none of the AI governance indicator's requirements, and fewer than 13% meet more than half. But the 2023-2025 trajectory suggests that even early-stage guidance and regulatory signalling can influence corporate behaviour. Japan’s progress, together with the EU’s relatively consistent uptake ahead of full AI Act implementation, may reflect the value of clear public expectations in shaping company practice.

Workforce impact is largely absent from those disclosures

To examine how far companies engage with the workforce dimension of AI and the broader digital transition, we conducted two complementary analyses across the same 200 companies. The first is a targeted text analysis of the workforce content of AI-related disclosures, examining how explicitly companies acknowledge AI's workforce impact. The second is a broader analysis of Digital Inclusion Benchmark indicators on the processes companies have in place to anticipate and manage workforce transitions associated with the digital transition more broadly, including technological change, digitisation and automation. The results show widespread absence across both.

FIGURE 2: WORKFORCE IMPACT REMAINS LARGELY ABSENT FROM CORPORATE AI DISCLOSURE



On explicit acknowledgement, **only 13% of the 200 companies assessed reference workforce or employment in any AI context.** One company alone, Germany's Deutsche Telekom, explicitly mentions that AI may displace jobs or reduce labour demand. On underlying processes to anticipate and manage workforce transitions associated with technological change, structured disclosure remains similarly limited. Even the most disclosed category, programmes to mitigate the workforce impacts of technological change (24% of companies), is heavily concentrated in telecommunications, which represents 27 of the 47 companies. This suggests that structured approaches to workforce transition remain limited outside a small number of sectors and leading firms.

Where workforce is mentioned, the framing tends to be narrow. **Employees are often presented as users of AI tools, recipients of responsible-use expectations, or beneficiaries of AI-enabled productivity, rather than as workers potentially affected by labour-market change.** References to training and reskilling are typically positioned within broader digital transformation efforts. There is limited evidence that companies assess exposure at the role or function level, evaluate displacement risks, or link reskilling investment to identified workforce risks. In most cases, reskilling is framed as an enabler of AI adoption, rather than as a response to its labour-market impacts.

A related but rarely disclosed dimension is the role of workers themselves in training the AI systems that may eventually restructure their roles. Documented examples include Kenyan content moderators contracted via Sama to label training data for OpenAI's safety classifier, and platform workers whose interactions feed models that subsequently automate their tasks. These cases illustrate that workers can be both inputs to and impacted by AI systems, yet this dimension remains largely absent from current corporate AI disclosures.

4. AI is not yet treated as a driver of workforce change in main disclosure frameworks

At the standards level, workforce disclosure is well-developed and AI-governance disclosure is emerging. **However, the connection between the two remains weak, as leading sustainability-reporting frameworks do not yet clearly recognise AI as a material driver of workforce change.**

This is not because the disclosure infrastructure is missing. The EU's ESRS S1 already covers workforce composition, training, working conditions and human-rights incidents. GRI is developing a new Significant Changes for Workers standard, covering consultation, redeployment, upskilling and termination. These are precisely the categories through which AI-related workforce impacts are likely to appear. At the same time, AI regulation is moving ahead, but with a different focus. The EU AI Act classifies employment and worker management AI systems as high-risk, requiring employers deploying such systems to ensure human oversight and to inform affected workers and their representatives of their use. Korea's AI Basic Act treats employment-related uses such as hiring as high-impact AI. These regimes introduce important obligations around AI system governance and risk assessment. However, they are primarily focused on the governance of specific AI systems and use cases. They do not yet require companies to disclose broader workforce impacts, such as job transformation, displacement risk, workforce restructuring or transition measures.

The energy transition provides a useful precedent. The ILO's Guidelines for a Just Transition established a framework centred on social dialogue, skills development, social protection and planning for the workforce effects of structural change. These principles are increasingly reflected in corporate reporting: under ESRS S1, companies are expected to consider material workforce impacts linked to the transition to greener and climate-neutral operations, including restructuring, employment change, training and upskilling. AI is another major driver of structural change. **The practical ask is therefore not to create a new reporting regime, but to extend existing workforce and transition-disclosure frameworks to cover material AI-related impacts.**

5. A policy response: disclosure, early warning and transition support

Three connected interventions follow from the evidence above.

Layer 1: AI-workforce disclosure where material

With only 13% of the 200 companies assessed in DIB referencing workforce in any AI context, voluntary practice alone will not close the gap. A regulatory and normative signal is needed. The trajectory on AI principles itself shows that clearer public expectations can shape corporate behaviour: Japan's relatively high uptake and the EU's more consistent alignment with emerging AI governance expectations both point to the importance of regulatory and normative signalling. A similar lever should now be applied to workforce impact.

Sustainability-reporting standard-setters should explicitly recognise AI as a driver of workforce change in the next revision of their human-capital and own-workforce standards, while prioritising interoperability so global firms can disclose against a coherent set of expectations. National regulators should extend ESG and human-capital reporting to cover AI-related workforce impacts where material, including:

- anticipated changes in job structure linked to material AI deployment
- the scale of roles potentially affected, by function and exposure category
- redeployment and reskilling investment, with coverage and participation rates
- governance mechanisms for AI-related workforce decisions

Layer 2: Early-warning capacity

Disclosure feeds policy only if policymakers can act on it in time. Aggregate labour-market indicators are often too delayed and too broad to reveal where AI-related workforce risks are building. Policymakers therefore need earlier visibility into firm-level deployment and workforce planning, so they can anticipate disruption rather than respond after impacts have already materialised. Three complementary instruments could help close this visibility gap:

- Advance notification requirements for large-scale AI deployments expected to affect employment beyond a defined threshold. Reporting should be integrated into a labour-authority-managed monitoring pool, so exposed industries and roles surface before disruption is visible in unemployment statistics.
- A sector-level AI-and-employment monitoring framework maintained by the relevant labour and economic authorities to track AI exposure, deployment patterns and reskilling investment across high-risk industries.
- Legal and regulatory clarity on how existing labour-law provisions apply to AI-driven displacement, reducing uncertainty for both employers and workers.

Layer 3: Transition support for workers at risk

Where major job transformation occurs, the policy response should be portable, adequately funded and oriented to skill rather than only to income. Goldman Sachs's 2026 longitudinal analysis confirms that retraining programmes cushion the long-run earnings losses associated with technology-driven displacement.[8] The case for investing in transition support is therefore economic as well as social. This is especially important for younger workers and flexible-employment cohorts that may be more exposed to AI-driven disruption but less protected by traditional employment systems.

- Portable individual skills accounts, modelled on approaches such as Singapore's SkillsFuture and France's CPF, giving workers training entitlements that move with them across employers, sectors and forms of work.
- Shared employer responsibility for transition costs, through transition funds, mandated reskilling provision or equivalent mechanisms for companies whose AI deployment is materially associated with workforce reduction, so that those capturing the productivity gains also contribute to the adjustment.
- Targeted incentives for in-employment reskilling, such as enhanced tax deductions for training expenditure linked to roles identified as AI-exposed.

[8] Goldman Sachs, US Economics Analyst: The Long-Run Effects of Technological Disruption on Workers (6 April 2026).

6. Implications for different actors

National policymakers face a closing window to integrate AI-workforce impact into existing disclosure regimes before either disruption outpaces policy or the next round of workforce-disclosure standards locks in without an AI-specific dimension. The disclosure gap will not close on its own with 87% of the world's most influential technology companies making no reference to workforce impact in their AI disclosures.

International standard-setters should explicitly recognise AI as a driver of workforce change in ongoing revisions to workforce-related standards. Without this, the next generation of standards risks overlooking one of the most significant forces shaping jobs, skills and working conditions over the coming decade.

Investors, including the AI-focused investor coalitions now active, should treat the presence or absence of role-level AI-workforce assessment as a governance signal alongside data privacy, bias and accountability. Current corporate reporting does not provide a sufficient basis for portfolio-level risk assessment, and investor engagement is well positioned to drive change here.

Companies, particularly those at the AI-deployment frontier, should move from principles to practice. The 39% of companies that now disclose AI principles have established a governance foundation, but the workforce dimension has not yet been built on top of it. Companies that move early will set the terms of disclosure rather than respond to them.

7. Methodology and data note

The corporate evidence in this brief is drawn from the WBA Digital Inclusion Benchmark (DIB), which assesses 200 of the world's most influential technology companies on their contribution to responsible and inclusive digital development. AI governance is measured under indicator D02 (Ethical AI) across five elements (group-level AI principles, alignment with international frameworks, incorporation of human rights, AI human-rights impact assessment and disclosure of governance mechanisms), drawing on the 2023 and 2025 assessment cycles.

The workforce-impact analysis applies a three-category text analysis to AI-related disclosures from the same 200 companies, drawing on publicly available information including sustainability and ESG reports, AI principles documents, and dedicated AI governance publications. References are classified as Category A (explicit acknowledgement that AI may displace jobs or reduce labour demand), Category B (AI linked to training or reskilling in an employment context) or Category C (general workforce or employment framing in an AI context). Macro labour-market estimates are drawn from the cited sources and from China's National Bureau of Statistics.

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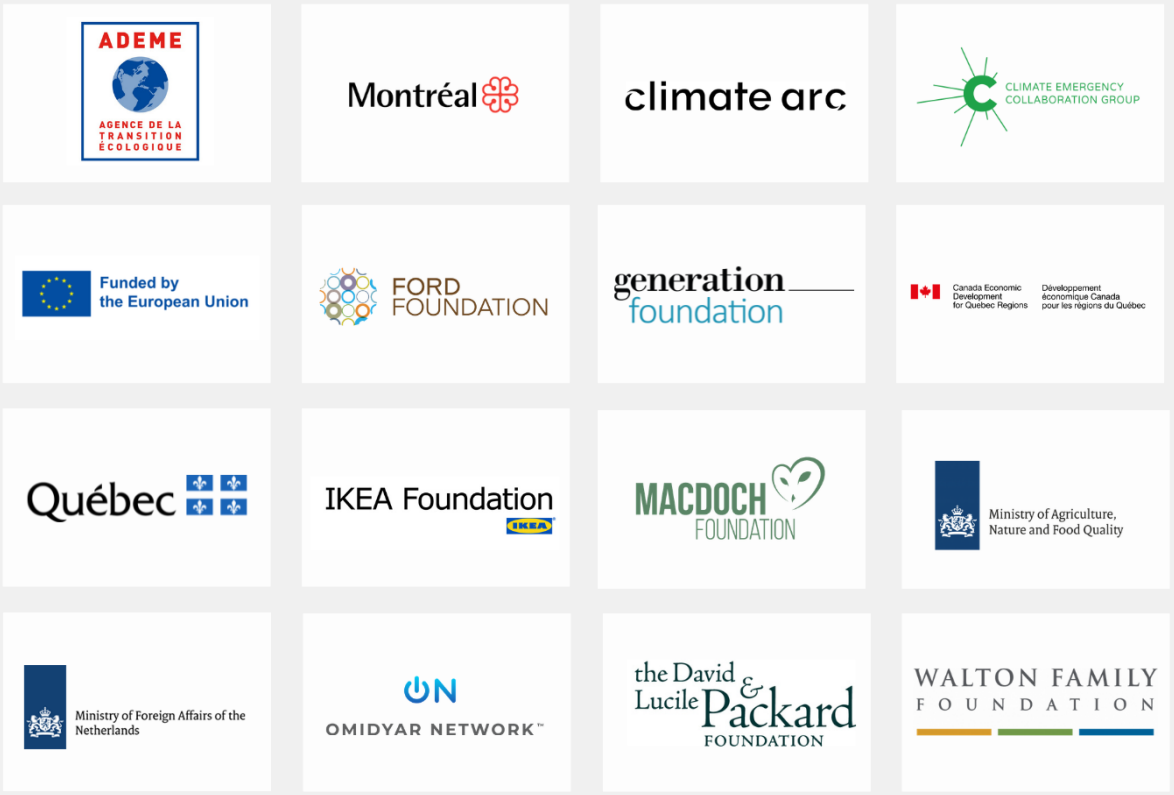

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