



Summary of Findings on the Proposed Scope and Mandate and Proposed Governance Model

September 2024

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This report contains a summary of the feedback received on the Taskforce for Inequality and Social-related Financial Disclosures (“TISFD”) proposed scope and mandate and proposed governance model. It is divided into the following sections:

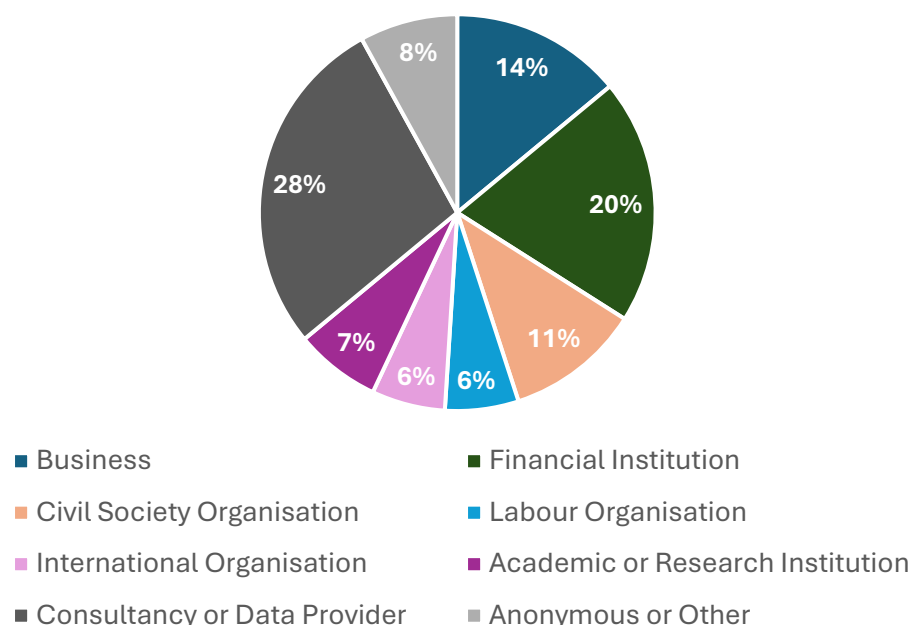
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Methodology

This report summarizes the feedback received on the proposed scope, mandate, and governance model for the Taskforce on Inequality and Social-related Financial Disclosures (“TISFD” or “Taskforce”) throughout May to August 2024 from a diverse set of stakeholders, including over 1000 representatives from business, financial institutions, civil society, labour organisations, international organisations, academic and research institutions, consultancies and data providers. It highlights the key themes that emerged from the feedback process and how the Taskforce will incorporate and act on these findings.

To gather feedback, the TISFD Accelerator Team and Founding Partners held 25 public events and distributed two public surveys. The first survey gathered input on TISFD’s proposed scope and mandate and received 242 responses; and the second survey gathered input on TISFD’s proposed governance model and received 115 responses. We also held three public deep dive sessions to gather additional input on key questions related to the proposed governance model. Below is an overview of survey responses received by stakeholder group.

Public Survey Responses by Stakeholder Group



Section 1.

Scope & Mandate

Section 1a. VALUE-ADD

Stakeholder perspectives on the overall value-add of the Taskforce.

The **greatest value-add of TISFD is to create a cohesive, standardized disclosure framework** applicable to all types of organisations, regions, and sectors.

- *“Developing a...framework across the market with a unified set of issues, risks and metrics will enable transparency, robust decision-making and value creation both in the short, medium and long term.” – Consultancy*
- *“We welcome the holistic approach to conceptualising the relation between corporate and investor decision-making, inequalities, and social impacts...the Taskforce has the potential to create a shared understanding around what are complex, multi-dimensional and dynamic relationships.” – Research Institution*
- *“There is an opportunity for TISFD to help market actors align on what gets disclosed on a global landscape.” – Financial Institution*
- *“The greatest value of the TISFD framework would be to create a holistic, standardized framework for companies that brings together the TNFD and TCFD recommendations with social to clarify the linkages between nature, climate, and society.” – Business*

Building awareness and a common language regarding inequality and system-level risks were deemed instrumental for companies, financial institutions, labour, and civil society organisations to leverage TISFD’s disclosure framework.

- *“We need to convert social issues into a ‘language’ that corporates and investors can understand.” – Financial Institution*
- *“[Having a] common language will be a key value-add.” – Consultancy*
- *“[W]e would welcome more information/details about the definition of inequality the Taskforce will work with. Inequality is a multi-dimensional phenomenon which has slightly different meanings across communities of practices.” – Research Institution*
- *“We need help figuring out how to educate on and quantify the financial materiality of system-level risks. This will be important to get support from the financial sector.” – Financial Institution*

Recognizing and evaluating the role that the financial services industry plays in inequality and social-related issues will be valuable in developing the framework.

- *“One of the things that often gets missed is the role that the financial services industry itself plays in [inequality and social-related issues] and not just on financial disclosures.” – Academic Institution*

Section 1b. PROPOSED OUTPUTS

Stakeholder perspectives on TISFD's proposed deliverables, namely the global disclosure framework, including guidance and recommendations.

Most **agreed with the proposed outputs while acknowledging the ambitious work program and the need for prioritization.**

- *"TISFD has a great opportunity to educate and incentivize companies and investors to focus on social and inequality risks." – Consultancy*
- *"This sounds like a lot. I would prioritise the body of evidence, guidance on metrics, and the disclosure framework." - Data Provider*
- *"A conceptual foundation and body of evidence with broad stakeholder agreement would be important accomplishments and should be the priority. The guidance components will flow from this but may not all be necessary." – Financial Institution*

Although there was consensus that there is a need for TISFD, some **questioned the creation of an additional disclosure framework as opposed to expanding on existing ones.**

- *"Instead of having a dedicated disclosure framework, why not ensure that indicators and assessments of social and inequality issues are directly integrated in TCFD and TNFD?" – Research Institution*
- *"It would be great to merge all the existing frameworks together." – Financial Institution*

It was highlighted that the **proposed outputs should be sequenced based on a timeline or phases** to illustrate when deliverables will be completed.

- *"We strongly recommend sequencing the outputs to clarify when and in what order they will be created." – Financial Institution*
- *"We suggest initially focusing on the body of evidence and conceptual foundations and publicly disclosing these outcomes to gather feedback." – Financial Institution*

Questions arose on whether **there is an intention to develop sector-specific guidance**

- *"It would be useful to know if there is an intention to develop sector-specific guidance." – Research Institution*
- *"TNFD's sector-specific guidance has been very helpful. Is there an intention for TISFD to take the same approach?" – Business*

It would be **helpful to develop case studies to illustrate how the disclosure framework, guidance, and recommendations can be implemented** across stakeholder groups, sectors, regions, asset classes, etc.

- *"Case studies per stakeholder will be very helpful to understand how the framework works." – Financial Institution*

- *"It'd be great to see how the recommendations would translate into real-life case studies."* – Civil Society
- *"I would recommend that the language in which they are framed is adopted to make them understandable to individuals who are less familiar with this topic. This could be achieved by providing some concrete case studies."* – Consultancy

Quantifying financial materiality for social and inequality-related issues is important to incentivizing businesses and financial institutions to adopt TISFD's disclosure framework.

- *"To make the finance case, we may need to dig into accounting and financial analysis approaches to show how social issues and inequality affect the numbers."* – Financial Institution
- *"Materiality should ultimately be measured by investors' dependencies, whether that comes through financial impact on the reporting company, or on financial impact on diversified portfolios."* – Financial Institution

There is need to **engage with audiences who may not have direct access to financial disclosures** and to tailor TISFD's outputs, especially guidance and recommendations, accordingly.

- *"As a small organisation, it is difficult to think about the relationship between a small NGO and companies regarding disclosure frameworks."* – Civil Society
- *"The Indigenous Leaders felt removed from policy, standards, data & resource-allocation decisions being made that are affecting them."* – Civil Society

There were a number of suggestions to include the following:

General output:

- Data sources
 - *"The Taskforce could bring a great value by identifying reliable data sources and making them more visible to business leaders so that they start being integrated into daily decision processes such as procurement or human capital management."* – Consultancy
- Briefing for policymakers with a set of recommendations
 - *"How about also a briefing for policymakers with a set of recommendations?"* – Academic Institution

In the body of evidence output:

- Materiality and supply chain guidance
 - *"TISFD can potentially include a body of evidence on materiality and supply chain guidance."* – Business
- Commercial determinants of health and health inequalities
 - *"The body of evidence should include commercial determinants of health."* – Academic Institution

Section 1c. INTENDED OUTCOMES AND IMPACTS

Stakeholder perspectives on the proposition that the ultimate impact of the Taskforce's work should be to reduce short, medium, and especially long-term financial risks, to strengthen financial stability and resilience, to improve macro-level economic outcomes, and ultimately to deliver better outcomes for people, including greater respect for human rights, and increased human development and well-being.

There is consensus on the intended outcomes and impacts, especially on **involving diverse stakeholders and ensuring the disclosure framework's interoperability with other frameworks and standards.**

- *"The listed stakeholders are key. This must be a collective effort to succeed - organisations, standard setters, regulators and alike - to drive stability and resilience through reducing financial risks, whilst moving the dial on increasing positive social outcomes for human rights and the overall social wellbeing of our communities."* – Consultancy
- *"A harmonized framework will help lessen the reporting burden for companies and make it easier to adapt to different stakeholder issues."* – Financial Institution

It was recommended that TISFD **act with caution in placing high expectations on businesses and financial institutions to solve societal problems** as opposed to relying on government intervention.

- *"Encouraging civil society organisations to hold financial institutions to account for how they address 'inequality' is something that financial institutions are likely to approach with caution. Some of this framing of intended outcomes has the potential to provoke politicised debate about the 'purpose' of business and the boundary between the responsibilities of the corporate sector vs government."* – Financial Institution

In addition to incorporating TISFD's disclosure framework, guidance, and recommendations into global standards and regulations, civil society stakeholders hope to see **the Taskforce influence future legislation on more inequality and social-related issues and enable rightsholders to connect with governments and policymakers on disclosures.**

- *"Indigenous communities are looking for models of shaping resource allocation/policy that will bring resources to the community without negatively influencing or constraining their way of life."* – Civil Society
- *"How can we advance with disclosure framework agendas on social issues in certain developing countries where social topics have been relegated to a secondary level by the government, and funding for these issues has been cut off?"* – Civil Society

As part of the Taskforce's proposition to act as a knowledge partner to existing standard-setters, some **emphasized specifically feeding into the ISSB's standard-setting processes as an objective.**

- *"We encourage TISFD to work closely with other standard setters and potentially entertain a path to adoption within ISSB rather than having an ongoing separate framework."* – Financial Institution
- *"The approach should replicate the pathway that the IFRS has taken to incorporate the TCFD recommendations into the ISSB standards."* – Consultancy
- *"We see the ultimate objective to be endorsement of an ISSB 'Equality and Social-related Financial Disclosure Standard'"* – Labour Organisation
- *"We recommend that the output be structured in a way that supports and accelerates the development of a global baseline of consistent and comparable sustainability information, based on the ISSB Standard."* – Consultancy

Section 1d. THEMATIC SCOPE

Stakeholder perspectives on the proposition that the Taskforce approach social and inequality-related issues in an integrated and coherent manner that reflects the breadth of issues concerned and the complementarities between companies' responsibility to respect human rights, efforts to reduce inequalities and enhance people's well-being, and investments in human and social capital.

Many **expressed agreement with a broad, integrated approach to inequality and social-related issues, with interest expressed in different concepts and topics.**

- *"We are supportive of the goal to put clear conceptual foundations."* – Financial Institution
- *"We [...] urge the TISFD to take account of calls by a raft of organisations for ISSB to merge its 'human capital' and 'human rights' work [...] to support a fully coherent architecture of social-related disclosures."* – Labour Organisation
- *"TISFD should ensure that human rights - and not just human capital - are properly incorporated."* – Labour Organisation
- *"Really glad to see health and wellbeing featured in there."* – Academic Institution
- *"[...] important to focus on topics related to inequality that have received too little attention in corporate reporting."* - Financial Institution

At the same time, several **cautioned on the scope being too broad**, which may reduce the effectiveness of the framework for businesses and financial institutions.

- *"TISFD should consider efficiency and effectiveness when developing the framework."* – Civil Society
- *"There is a risk of trying to be everything to everyone."* – Financial Institution
- *"[...] seems impossibly broad – we strongly recommend narrowing the scope for a first iteration, which can then be expanded upon."* – Financial Institution
- *"We are wary of too broad an approach."* – Financial Institution
- *"This could easily become everything and anything related to the 'S' of ESG."* – Academic Institution

More clarity on what will be included in the proposed thematic scope would be helpful.

- *"It would be helpful to have an initial strawman proposal [...] of which social issues should be addressed first."* - Business
- *"Inequality is a broad term. Will this encompass financial, gender, ethnic, health inequality, as well as inclusion?"* – Academic Institution
- *"Will there be an appendix that includes a list of potentially in-scope social issues? How will the Taskforce narrow its scope to determine what topics/issues it will tackle?"* – Financial Institution

There is **strong support for making the link to climate- and nature- related issues**, but also a **recognition that there are limitations to a just transition framework**.

- *“We believe a just transition lens will help bring together diverse issues, perspectives, and needs across different stakeholders, regions, and jurisdictions.” – Business*
- *“What resonates especially well is the need to identify the linkages between climate change and inequality/poverty.” – Data Provider*
- *“The framework can align with the Just Transition initiative to address climate change. Harmonization across frameworks will incentivize companies and investors to focus on social and inequality issues.” – Consultancy*
- *“Evidence shows that just transition approaches are helpful for not exacerbating inequalities but do nothing to tackle pre-existing inequalities.” – Academic Institution*

There are **concerns about the geographic and cultural differences associated with inequalities and some social issues** and how TISFD aims to address them.

- *“Inequalities, or the perception of inequalities, can be very region, country or culture specific. That is one of the biggest challenges in standardizing disclosures [...] How does the TISFD aim to [...] address the long list of specific issues related to inequality, rather than maintaining a narrower view on topics like basic human rights?” - Anonymous*

Section 1e. MATERIALITY APPROACH

Stakeholder perspectives on the proposition that the Taskforce develop disclosure recommendations that are interoperable with both an impact materiality perspective and a financial materiality perspective; and that it should also explore the materiality of inequality as a system-level risk.

There is **support for the proposed materiality approach** (a framework that is compatible with both financial and impact materiality and that makes the case for the materiality of system-level risks).

- *"Disclosure recommendations interoperable with financial and impact materiality would be sensible."* – Financial Institution
- *"Impact materiality and financial materiality will be important lenses to build an evidence base for system-level risks of inequality."* – Financial Institution
- *"It is important to articulate the financial materiality of system-level risks to get support from the financial sector."* – Financial Institution

Many are **in favour of adopting an explicit double materiality approach**, where TISFD would recommend that all organisations disclose on significant impacts alongside risks and opportunities, irrespective of their financial materiality.

- *"TISFD should not develop a pick and choose disclosure framework where there will be indicators relevant for a financial materiality perspective and indicators relevant for impact materiality perspective. Such differentiation would represent a risk of green washing."* – Research Institution
- *"[Prioritizing financial materiality] is not conducive to promoting equality because it would financialize the matter, and therefore reduce the value of promoting equality to financial values. This would worsen inequality."* – Civil Society
- *"If the Taskforce on Inequality and Social-related Financial Disclosures relies on international standards like the UNGPs, ILO Conventions, and OECD Guidelines, it has to reflect a double-materiality approach."* – Research Institution
- *"Disclosures are only useful to the extent that they align with what communities' value."* – Civil Society
- *"It is imperative that the Taskforce apply a 'double materiality' lens."* – Business
- *"Don't get too caught up with financial justifications. There is no business case needed to justify (e.g.) stopping slavery."* – Consultancy
- *"We agree there is a difference between 'financial materiality' and 'impact materiality', primarily because, in relation to impacts on people, workers and communities in particular, the impact is invariably on their human rights/labour rights, which are universal and inalienable. A financial materiality approach is not a rights-based one."* – Labour Organisation

Some financial institutions believe that **greater acknowledgement and emphasis needs to be placed on financial materiality**, and that the current framing is too focused on impact materiality.

- *“Framing and language is potentially too much through the lens of social justice vs financial materiality.” – Financial Institution*
- *“We agree with the proposed direction and suggest the initial focus be on ‘financial materiality.’” – Financial Institution*
- *“TISFD should consider focusing on financial materiality as a starting point, given many companies’ and investors’ fiduciary obligation.” – Financial Institution*
- *“I worry that naming outcomes and impacts that are not centered on financial value will dilute the power of an approach that could, in fact, provide significant protection to the stakeholders in need of it.” – Financial Institution*

Given that there are varying definitions of financial materiality across the globe, **it would be helpful to clearly define materiality concepts.**

- *“Financial materiality is not always defined consistently, so it’s worth citing the source of the definition used.” – Financial Institution*
- *“It would be helpful to make it clear that financial disclosures are meant to provide decision-useful information to investors [...] I think the best path is to use investor materiality (which is distinct from company materiality) as your North Star.” – Financial Institution*

Section 1f. ALIGNMENT WITH INTERNATIONAL STANDARDS ON BUSINESS CONDUCT

Stakeholder perspectives on the proposition that TISFD ensure that its disclosure framework aligns with international standards on business conduct.

There is **strong consensus that alignment with international standards on business conduct is critical**; in addition to the UNGPs, MNE Guidelines, and ILO MNE Declaration, **stakeholders noted emerging legislation to reference** when developing the TISFD deliverables. In the same vein, feedback stressed a need to avoid a simple 'do no harm' approach and stick to the positive responsibility of companies regarding human rights under the international standards.

- *“Ensuring alignment with existing responsible business conduct standards is of utmost importance and will be critical to the legitimacy and authority of the recommendations and deliverables produced by the Taskforce.” – Research Institution*
- *“Recommendations need to align with existing codes of conduct that are also becoming codified in legislation e.g. CSDDD.” – Financial Institution*
- *“We urge caution in relation to the recent trend towards adoption of the concept of ‘do no harm’ in ESG performance reporting practice. In our view the application of the concept needs to be deeply interrogated to ensure it does not result in ‘push-back’ to the positive duty to ensure human rights are enjoyed.” – Labour Organisation*

Some pointed to a need to go **beyond human rights issues alone**, and **address aspects of wellbeing and inequalities that may not all, or solely, have human rights underpinnings**.

- *“Definitely agree the disclosures should align with what already exists AND it's important to go beyond this. What exists doesn't cover wider inequalities, health, wellbeing etc. which are all critical factors.” – Academic Institution*
- *“There is a risk that aligning with international standards will limit the scope of TISFD to commonly agreed upon human rights indicators, missing out on more nuanced, emerging topics like minimum wages, fair wages, living wages, mental health, etc.” - Consultancy*

Section 1g. INTEROPERABILITY AND INTEGRATION

Stakeholder perspectives on the proposition that TISFD should strengthen the development of social and inequality-related financial disclosures and be available as a knowledge partner to standard-setting bodies and jurisdictions.

There was an **overwhelming agreement across all stakeholder groups that the TISFD deliverables should be interoperable** with existing disclosure standards and frameworks. (Note: for a list of additional resources that should be considered, please refer to Appendix A.)

- *“A harmonized framework will help lessen the reporting burden for companies and make it easier to adapt to different stakeholder issues.” – Financial Institution*
- *“The consolidation of existing work and indicators will help us provide better guidance to our portfolio companies and integrate into our portfolio.” – Financial Institution*
- *“Efficiency and effectiveness are major themes for adoptability, considering the burden of numerous existing global frameworks and the need to avoid duplicative disclosure requirements.”- Civil Society*
- *“TISFD should play a leading role in this dialogue and the framework, guidance and recommendations should document ways in which stakeholders can navigate a number of international standards and frameworks in an efficient and consolidated manner.” – Consultancy*
- *“TISFD should be aligned with ISSB Sustainability Disclosure Standards and the European Financial Reporting Advisory Group’s (EFRAG) European Sustainability Reporting Standards (ESRS).” – Consultancy*

However, **there are outstanding questions on how interoperability and/or integration will be achieved in practice.**

- *“How do you ensure that TISFD is not working in silo vs. collaborating with TNFD and TCFD?” – Civil Society*
- *“It is important to consider how the structure of the framework engages with and incorporates other knowledge systems.” – Consultancy*

It was highlighted that, although interoperability with other frameworks is important, it is equally important for **TISFD to be a thought-leader in developing and advancing the field of inequality and social-related issues.**

- *“It should be recognised that there is much to be developed within the field of social issues, everything from social justice to Just Transition. These developments should continue to be part of the dialogue.” - Consultancy*

Section 1h. IMPLICATIONS & NEXT STEPS

How TISFD will incorporate and act on feedback received

VALUE-ADD & PROPOSED OUTPUTS

- Ensure that the articulation of TISFD's purpose is sufficiently clear and succinct
- Clearly indicate plans to develop and sequence sector-specific and any other targeted guidance after general framework launch
- Emphasize the need for research on pathways of investment and market structures to understand the role that the financial services industry plays in inequality and social-related issues
- Consider indicating, as possible additional outputs:
 - a. In addition to/alongside guidance on metrics and indicators, a suggested set of (curated) data sources
 - b. Case studies, as part of the Taskforce's guidance and recommendations
 - c. Materials directly addressed to policymakers interested in mandating disclosures

INTENDED OUTCOMES & IMPACTS

- Clarify short-term vs. long-term outcomes and impacts
- Emphasize the ambition of TISFD to influence disclosure regulations and standards
- Provide more nuance around language on intended outcomes to better reflect how the outputs can equip civil society organisations to engage with governments and standards/legislative processes regarding disclosures

THEMATIC SCOPE

- Maintain the proposition that TISFD will build an integrated set of conceptual foundations, clarifying the relationship between a wide range of constructs and topics
- Further clarify that:
 - The disclosure recommendations will *prioritize* the most widespread and severe impacts, dependencies, risks, and opportunities that are relevant to all or most companies and sectors, that have system-level relevance and/or that are of primary relevance to users
 - The first set of disclosure recommendations will *not* include specific recommendations on sector-specific impacts, dependencies, risks, and opportunities (with the exception of the financial sector)
- Acknowledge the cultural and geographical differences when it comes to inequality and some social issues

MATERIALITY APPROACH

- Maintain the current materiality proposition
- Clarify the different definitions of (financial) materiality and better acknowledge the difference between entity-level financial materiality and system-level financial materiality

ALIGNMENT WITH INTERNATIONAL STANDARDS ON BUSINESS CONDUCT

- Maintain the proposition that TISFD should align with international standards on business conduct, and look into how they can help and be leveraged to reduce inequalities
- Clarify what entities' responsibilities under the international standards on respect for human rights imply for the materiality (impact, financial, or both) of information for disclosure

INTEROPERABILITY AND INTEGRATION

- Maintain the proposition that TISFD should be interoperable with existing reporting standards and frameworks, including alignment with the four-pillar frameworks of TCFD and TNFD which should also facilitate efforts towards a just transition
- Emphasize in the technical recommendations the importance to businesses and financial institutions of integrating TISFD recommendations as seamlessly as possible into the existing disclosure landscape, and the need for TISFD to consider exactly how that would best be achieved

Section 2.

Governance Model

Section 2a. STEERING COMMITTEE COMPOSITION

Stakeholder perspectives on the make-up of the Steering Committee, TISFD's main decision-making body.

Representatives of **business, financial institutions, communities, and workers should be included in the Steering Committee – and most agree international organisations should be represented, but not ‘Others’** (see below for more detail on feedback by stakeholder group).

- *“The categories give you an adequate spread of diversity across the board.” – Business*
- *“They are indeed the correct stakeholder categories. With so many different views together, this will inevitably take more time and effort, but eventually, hopefully will be that much stronger.” – Financial Institution*
- *“We endorse the five categories of stakeholders identified - (i) Communities; (ii) Investors; (iii) Business; (iv) Workers; and (v) International Organisations.” – Labour Organisation*
- *“In relation to the ‘Other’ category, given the limited number of seats, we would prioritize the inclusion of international organisations over individuals. We suggest that the OECD, the Office of the United Nations High Commissioner for Human Rights (OHCHR), the ILO and the Global Reporting Initiative (GRI) should make up the four proposed positions.” – Labour Organisation*

Within each category, the **sub-categories are seen as too strict** (see below for more detail on feedback by stakeholder group).

- *“The categories overall look right but the sub-categories in many instances appear too specific. For example, for investors, I would argue that asset owner vs investment manager, public markets vs private markets, and regional representation matters. If we have looser sub-categories it allows great flexibility in catering to these elements in decision-making. The same looks true for businesses.” – Financial Institution*

Many suggested that a Steering Committee of more than 30 is **too large to ensure effective decision-making**.

- *“32 is a lot of people – we need to ensure decisions happen” – Researcher*
- *“The model feels heavy from the get-go. Too many organs and too much all at once.” – Consultancy*
- *“We strongly recommend that the total number of the steering committee members is kept small in order to enhance efficient decision-making.” – Financial Institution*
- *“...anymore [members] would make the Steering Committee unwieldy.” – Labour Organisation*

BUSINESSES

There is consensus among business leaders that TISFD's success will require **sufficient representation from large enterprises** to signal private sector buy-in and representatives of the **informal sector do not see themselves fitting in this category**.

- *"We think that large enterprises are underrepresented, and we believe the proposed allocation should be increased to better shape the disclosure framework that will primarily impact them."* – Business
- *"Considering the informal sector makes up the majority of workers in developing countries, the informal sector might be represented through the 'Workers' category."* – Civil Society
- *"Having representatives from just 2 large enterprises on a Steering Committee of 28 members does not signal enough large private sector buy-in."* – Business

The 'Business' category should prioritize business representatives from **different sectors and geographies**.

- *"For the business representatives, it would be good to have representatives from different sectors selected by materiality of issues but also where the issues are not so obvious."* – Financial Institution
- *"Agriculture [and agribusiness] is a huge sector, which has a lot of inequality issues, and should be considered."* – Researcher
- *"I would also expect a geographic component to balance out representation of [businesses]."* – Consultancy
- *"Ensure that each sector, particularly those impacting socio-economic inequalities, such as housing, education, and healthcare, is adequately represented to provide a holistic view on the issues."* – Anonymous
- *"We recommend a greater diversity of [businesses] to ensure representation and balanced viewpoints."* – Financial Institution

Businesses and financial institutions highlighted the **risk of the balance towards non-investment voices**.

- *"There is a risk that the balance towards non-investment voices may have the unintended consequences of producing guidance and recommendations that are not grounded in investment decision-making and processes and therefore struggle with uptake by financial institutions and by extension with companies."* – Financial Institution
- *"In our view, the proposed model for development of TISFD currently has insufficient representation from the private sector. We advise that TISFD should hear from and consider the voice of business across the globe. The perspectives of businesses from across the globe will be important in the development of recommendations, for example in relation to measurement, to limit inefficiencies and ensure a proportionate approach (and therefore engagement and adoption are maximised)."* – Business
- *"Businesses and investors will be the end users of the TISFD Guidelines and developing recommendations that can be adopted and have buy-in from this stakeholder will be key to the success of the TISFD."* – Financial Institution

INVESTORS

Investors do not agree with the current sub-categories and suggest the Taskforce consider **greater diversity of public and private investors, including development finance institutions** to ensure balanced viewpoints.

- *“We recommend a greater diversity of [investors] to ensure representation and balanced viewpoints.” – Financial Institution*
- *“You can consider making a diverse mix of investors like fund of funds, asset managers that are representing asset owners from family offices, direct investors in listed assets or private assets.” – Financial Institution*
- *“Development finance institutions could add value, particularly because this allows TISFD to bridge into conversations about international financial architecture reform and guidance on how public investment funds are used.” – Financial Institution*

It was suggested the Steering Committee **include representatives across the financial industry**, and caution that the ‘Investor’ category is too limiting as currently defined.

- *“Given their key role in financing in the Global South, banks need to have a clear place in the definition of stakeholder groups and in the composition of the Steering Committee.” – Anonymous*
- *“Will there be broader investors / financial institutions to include [such as] insurance companies in the Steering Committee?” – Consultancy*
- *“This bucket should have also some representatives of the rest of the financial industry (large banks, micro credit, development banks, etc.)” – Financial Institution*

COMMUNITIES

A better **balance of regional perspectives** is needed and adequate **representation from minority and economically vulnerable groups**.

- *“Even within CSO groups, we need to take better stock of how we ensure there’s a balance of participation between “northern” and “southern” CSOs, currently the latter is severely underrepresented. This also includes introspection for large CSOs with one foot on both sides on how to ensure balanced representation.” – Civil Society*
- *“To ensure decisions are grounded in the real-world impacts on marginalized communities, it is essential to include Community-Based-Organisations, particularly those representing low-income, Black, Brown, and Indigenous communities. Their direct involvement will provide invaluable insights into the practical challenges and opportunities faced by these communities.” – Civil Society*
- *“It’s essential to include adequate representation from minority and economically vulnerable groups. This ensures that decisions consider the impacts on these communities, promoting equity in outcomes.” – Business*

Perspectives from “Indigenous Groups” are seen as critical and stakeholders suggested the Taskforce explore how to increase representation from these groups.

- *“Be careful not to shoe-horn Indigenous Peoples into one role. The structure needs to recognize intersectionality.” – Anonymous*
- *“One representation for Indigenous Peoples feels low but perhaps there is a way to make it more pronounced with civil society organisations” - Financial Institution*
- *“It is essential that indigenous peoples and the voices of those with lived experience of the impacts of inequality- and social related risks are engaged and equally represented as early as possible in the process.” – Business*
- *“You could consider increasing the number of indigenous people’s members, as it may be hard for their voices to be heard in such a large group.” – Consultancy*
- *“Indigenous people in my view should be afforded 2 steering committee seats, as the most disadvantaged of all groups and least able to participate.” – Civil Society*

WORKERS

Workers should explicitly include **trade unions and should ensure balanced representation across different countries, sectors, and pension models.**

- *“The proposal mentions ‘workers organisations’ but it is essential that this category explicitly includes trade unions.” – Labour Organisation*
- *“‘Workers’ organisations” should specify that at least some of the formal members of this group will be trade unions.” – Labour Organisation*
- *“In relation to the Worker category, it is important that within the process for defining workers’ representatives within the TISFD, a balanced representation of workers across different countries/regions, sectors, and different pension models is provided. To help assure this, the International Trade Union Confederation (ITUC) should be involved, together with the Global Union Federations, in leading the selection of the six worker representatives and the Chair of the Worker category, this process would be channelled through the CWC. This will help with achieving a mix of stakeholder representation across a range of sectors and geographies.” – Labour Organisation*

Some believe the **‘Workers’ category should have fewer Steering Committee seats, though this point of view is not shared by all.**

- *“I would recommend if possible to reduce slightly and limit number of workers organisation to three. I would encourage instead to add a refugee focused civil society group.” – Financial Institution*
- *“[We are] over-indexing on workers [and] under-indexing on NGOs and academics.” – Academic Institution*
- *“Workers must have equal representation as employers to ensure balanced representation.” – International Organisation*

Many suggested that the **‘Workers’ category should include the informal sector, key worker-related issues, and additional attributes such as gender, ethnicity, and ability.**

- *“There are a range of workers in the informal sector - gig and migrant workers and waste pickers – so we need to ensure their voices are heard and they are represented.” – International Organisation*
- *“I do think the workers category should be further broken down to reflect the diversity of worker experience, particularly in low wage and informal sectors, and avoid a block of large union representatives.” - Financial Institution*
- *“The informal sector might be represented through the ‘Workers’ category.” – Consultancy*
- *“Worker representatives should include people of different ethnicities, genders, and those with disabilities.” – Civil Society*

INTERNATIONAL ORGANISATIONS

Many believe **international organisations should be included in the Steering Committee and should be able to choose their own representative—whilst there are mixed views on whether they should have voting rights.**

- *“We strongly support the OECD, the OHCHR, the ILO and the GRI having a seat on the Steering Committee. We see their participation as advisory, bringing a global view on contemporary thinking on the issues to be considered by the Steering Committee - provision of policy, legal and regulatory background that could assist Steering Committee deliberations rather than such organisations having voting rights.” – Labour Organisation*
- *“We do not believe such organisations should have voting rights. We see their participation as advisory, bringing a global view on contemporary thinking on the issues to be considered by the Steering Committee, including provision of policy, legal and regulatory background that could assist Steering Committee deliberations.” - Labour Organisation*
- *“I agree to International Organisations sitting on the Steering Committee and having voting rights. If there is something in their own internal decision-making process or policies that would prevent them from doing so (e.g. if they are only permitted to make decisions when all their members have voted on it), they ought to recuse themselves from the vote each time.” – Business*
- *“We see no reason why individuals representing international organisations could not have voting rights. However, if a particular individual representative does not feel comfortable with having voting rights due to their obligations towards their organisation, they could voluntarily decide to be an abstaining member or observer of the Steering Committee.” – International Organisation*

Section 2b. REPRESENTATION MODEL

Stakeholder perspectives on the proposed three stakeholder representation models of the Steering Committee.

A **majority favor Model 2** (a model with stakeholder groups but no representation), but there was also a strong case made for Model 1 (a model with representation) and Model 3 (a model without stakeholder groups). Below is a summary of what we heard:

- **Model 2:** It provides a **balance between stakeholder representation and the ability to engage with other stakeholder groups to understand a diverse range of perspectives, avoid reinforcement of singular views, and reduce the risk of polarization.**
 - *“Model 2 as I think it provides opportunity to divide work into different fields without restricting members from opting in or opting out of different pieces of work based on their knowledge and experience, but it is not closed off if the work traverses into their realm.” – Business*
 - *“I would go for 2 because of the balance between the structured approach to stakeholder engagement and flexibility to incorporate various and wider range of views.” - Financial Institution*
 - *“... [Stakeholder groups] create artificial divisions that can inhibit bridge building between groups when there are opportunities to align with stakeholders of another group. One outcome of the [Taskforce] that has come up from time to time is building consensus and helping stakeholders overcome polarization. I worry that a “party system” is in friction with that.” – Consultancy*
- **Model 1:** It ensures **formal representation across a diverse range of organisations that might otherwise lack a voice in decision-making processes.**
 - *“Model with representation as it is more likely to ensure diversity of thought across industry and asset class groups.” - Financial Institution*
 - *“We are inclined to think that a model with representation might be the best approach, to ensure all stakeholder views are included.” – Consultancy*
 - *“This model ensures that each stakeholder group has a formal representative, guaranteeing that diverse voices are included and heard in decision-making processes. This is crucial for maintaining transparency and accountability.” – Civil Society*
- **Model 3:** It considers **intersectionality across stakeholder groups and reduces governance complexity on decision-making processes.**
 - *“Forging common ground means finding compromise, which is much harder to do when trying to ‘represent’ views that will themselves be far from homogenous. If people are sufficiently steeped in the perspectives, interests and concerns of a group, then they will infuse discussions with that already. It’s a misnomer to suggest there are ‘views of the stakeholder group’ - these are not homogenous groups of people.” – Consultancy*

- *“I am leaning towards the third option primarily to reduce complexity, and minimise artificial divisions within the Taskforce. It's better if we can encourage cross group discussions and problem-solving.” – International Organization*
- *“A representative of any stakeholder group should seek views from a range of stakeholders, their own home base and others. Nothing stops them from meeting among ‘their own’, or offering to listen to ‘their constituency’, but it should not be their only option as representatives.” - Consultancy*

To better align with the Governance principles, several suggested either 1) **a hybrid model** that integrates aspects of the three representation models, or 2) **a rotational model** for Steering Committee representation.

- Hybrid model:

- *“Perhaps a combination of the three models, where you have:

 - *Formal mechanism to consult the stakeholder groups – proper feedback and dialogue, not only surveys.*
 - *Steering Committee members should be able to consult and maybe even encouraged to consult multiple stakeholder groups – maybe in an organized way.*
 - *Create moments to connect all stakeholders in face-to-face meetings and workshops to encourage dialogues, create learnings, collaborations.” – Financial Institution**
- *“...the optimum approach is somewhere between Approaches 2 and 3. Approach 2 maintains the connection with the stakeholder groups, and for this reason we suggest keeping this aspect of Approach 2. However, once appointed, Steering Committee members should be encouraged to work not only with their constituents but also to collaborate with others with different experience and viewpoints, working together towards optimum solutions.” – Consultancy*
- *“I would suggest a hybrid approach... some people representing a particular stakeholder group and some people who are able to be “free to talk” according to their personal views or experience. This approach could help to ensure some representativeness while keeping meaningful discussions.” – Financial Institution*

- Rotational model:

- *“This model introduces a rotational system for representation on the Steering Committee, ensuring that all stakeholder groups have the opportunity to influence decision-making over time. It combines structured representation with flexible consultation processes.” – Business*
- *“This model introduces a rotating system where stakeholder groups have temporary, staggered representation on the Steering Committee. Each stakeholder group would have a designated period (e.g., one year) during which they are represented on the Steering Committee. After this period,*

another group from the same category (e.g., another community-based organisation) would take their place. This model ensures that a broader range of voices and perspectives are included over time, preventing stagnation and promoting dynamic representation.” – Civil Society

To encourage inclusivity, some suggest adopting **a model that avoids enforcing strict stakeholder group representation**. Instead, it should **allow for complexity and intersectionality** to better capture and understand diverse, nuanced perspectives.

- *“I would like a model that comprises expectations of 'best efforts' and 'non-exclusive' representation, where Steering Committee members are expected to, at minimum, make 'best efforts' to understand the perspectives of their 'stakeholders' in the Alliance, and to bring this to bear in decision-making. That said, any given Steer Co member should be able to also input on the basis of their own personal and professional life experience, and not be constrained to exclusively represent one group, as this would run contrary to broader concepts of merged identities and the systemic complexity that we aim to acknowledge and value.” – Anonymous*
- *“We must recognize that people aren't readily pigeon-holed in the ways we have indicated and may (hopefully will) cut across these groups - a worker on the board of an employee-owned company; an indigenous person working in finance; a former banker working in a development NGO on inequality, and so forth. We should avoid a situation where a desire to count numbers mean that we pick people who are clearly just in one category over those with more diverse backgrounds.” – Anonymous*

Section 2c. WORKING GROUP WAYS OF WORKING

Stakeholder perspectives on the roles, responsibilities, and relationships among the Taskforce Steering Committee, the Working Groups, and the Secretariat.

The proposed role of the Working Groups and Technical Team is sound, but the Taskforce should further deliberate on how to **encourage transparency and communication between these bodies.**

- *“Yes, I think the proposed plan is a good one as long as the technical team provides the working groups with arguments and counterarguments so that a meaningful debate can be had.” – Consultancy*
- *“The Technical team and the working groups need to ensure that the outputs are well developed and broadly supported, and when not, this should be made clear to the SteerCo.” – Financial Institution*
- *“Providing the process is transparent and not overly cumbersome, this sounds like it could work.” – Data Provider*

There were varied suggestions on **how to ensure co-creation with Working Groups.** These suggestions include:

1. Involving a **spectrum of experts** across sectors and regions

- *“Researchers and expert groups from different countries must be involved, to take into account different perspectives, and also, with different experience, whether junior or senior, so that the vision represents people of all ages.” – Research Institution*

2. Evaluating decisions through a stakeholder lens

- *“Consider evaluating decisions through a stakeholder lens. This approach will require mapping stakeholders, understanding their positions on various topics, and assessing each decision's impact on the stakeholder or the likely support or opposition from the stakeholder group.” – Consultancy*

3. Ensuring the implementation of **good governance practices**

- *“We wish to emphasise the importance of good governance and accountability practices around Working Group procedure, requiring potential variable meeting times to suit the different time zones so all members are treated fairly, focused agendas, timely advance distribution of agenda and meeting papers, high quality briefing papers focusing on issues and decisions or directions being sought, and timely circulation of records of meeting decisions, outcomes and action arising (and wide access to Working Group deliberations and meeting outcomes). Transparency is crucial to effective governance.” – Labour Organisation*
- *“It is imperative that the WGs reflect and embrace the diversity of those Regional Hubs [within the Alliance] and ensure the views and perspectives of indigenous*

peoples and those with lived experience are fully engaged in the consensus building process from the outset. To do so effectively we strongly recommend that Taskforce draws on...[a] management and governance model that is inclusive of both Western and indigenous knowledge and ensures participation, decision-making and resourcing is equitably distributed across the Steering Committee, Secretariat and the Alliance and WGs. This approach will enable the Taskforce to meet its commitment to co-creation, inclusive participation, and an equitable balance of decision-making power across diverse stakeholders and regions.” – Consultancy

More work is needed to determine how the Taskforce can **deliver on its work plan and ensure an authentic co-creation process** across the Technical Team, Working Groups, and the Alliance.

- *“We support structuring the Alliance geographically as regional hubs. We seek clarification about the composition, role and responsibilities of the Alliance as well as the relationships between the Alliance and the WGs and secretariat.” – Consultancy*
- *“We think there is a trade-off between full co-creation and the ability for the Taskforce to deliver a high-quality framework in two years. Co-creation is also resource dependent, as the participants in co-creation need to have time (and therefore, often, financial resources) to be closely involved in processes.” – International Organisation*
- *“As much as possible, we should try to get stakeholder representation within each Working Group. Where this is not the case, Technical Team members should seek to ensure that views of non-represented stakeholder groups are 'represented' by gathering their views, via the Alliance, and inform the Working Group where they have introduced new ideas/views into the output as a result.” – Anonymous*
- *“It is not, currently, very clear exactly what the role of the Working Group leads is, how much time they will invest, etc. It may be that those dynamics will evolve over the lifespan of the Taskforce, and the Executive Director and the Co-Chairs will have an important role in shaping exactly how this will unfold. So rather than fully prescribing the exact dynamics, we suggest also empowering the Executive Director, together with the Co-Chairs, and the Technical Director, to organize these dynamics in the best way possible.” – International Organisation*

Section 2d. IMPLICATIONS & NEXT STEPS

How TISFD will incorporate and act on feedback received

STEERING COMMITTEE COMPOSITION

- Appoint a Steering Committee of no more than 30, including Co-Chairs, and leaders across business, financial institutions, civil society and communities, workers, and international organisations – and remove ‘others’ as a category.
- Ensure the Steering Committee has balanced representation across geographies, gender, and backgrounds, including people from affected and potentially affected communities and indigenous groups.
- Select Steering Committee Members who are committed to TISFD’s governing principles of inclusive governance and multi-stakeholder collaboration, and who possess the relevant subject-matter expertise across standard-setting, finance, inequality and social-related issues to effectively guide the development of the Taskforce’s work.

Table A. Proposed Steering Committee Composition

Group	Description	# Members
<i>Business</i>	Business leaders with a mix of experience across large, medium, and small enterprises, and across industries and geographies.	5
<i>Financial Institutions</i>	Finance leaders with a mix of experience across public and private institutions, including banks and financial intermediaries.	5
<i>Civil Society & Communities</i>	Civil society leaders with experience across issues and geographies, human rights defenders, and representatives of affected communities.	5
<i>Workers</i>	Labour leaders with experience across sectors, geographies, and pension models, including trade unions.	5
<i>International Organisations</i>	Representatives of international organisations that are custodians for the international standards on responsible business conduct (ILO, OECD, UN).	2
# Members		22
# Co-Chairs		≤6

REPRESENTATION MODEL

- Further explore and test Model 2 (stakeholder groups but no representation) with additional features to accommodate intersectionality, such as:
 - A mandate or framework that encourages Steering Committee members to consult and collaborate with a diverse range of stakeholders (e.g., setting a minimum number of interactions or engagements, etc.)
 - A rotational system for Steering Committee members to ensure that all stakeholder groups can contribute to the decision-making process over a specified period.
- Monitor and adapt the model as needed, including evaluating the effectiveness of the model at the 6-month mark based on pre-defined criteria.

WORKING GROUP WAYS OF WORKING

- Establish a policy on ways of working that reflects the Taskforce's core governance principles by clearly outlining roles and responsibilities, communication processes between governing bodies, and expectations for time commitment and workload.
- Ensure transparency in the selection and appointment process for governing bodies.
- Further define the role and structure of the Alliance, and ensure the Alliance is set up to actively collaborate with the Secretariat and Working Groups (e.g., by requiring a minimum level of input on Taskforce deliverables).

Appendix a.

Scope & Mandate: Additional Resources to Consider

Stakeholder perspectives on additional resources to consider for interoperability and integration across existing reporting standards and frameworks.

Frameworks:

- Task Force on Climate-Related Financial Disclosures (“TCFD”)
- Taskforce on Nature-related Financial Disclosures (“TNFD”)
- Taskforce on Social Factors (“TSF”)
- United Nations Guiding Principles (“UNGP”) Reporting Framework
- Business and Human Rights (“BHR”) Framework
- Business Responsibility and Sustainability Reporting (“BRSR”) framework
- United Nations Sustainable Development Goals (“SDGs”)

Standards & Guidance:

- International Financial Reporting Standards (“IFRS”)
 - IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
 - IFRS S2: Climate-related Disclosures
- European Sustainability Reporting Standards (“ESRS”)
- Global Reporting Initiative (“GRI”) Standards
- International Organization for Standardization (“ISO”) Standards
- IFRS Foundation’s Transition to Integrated Reporting

Human Rights Mechanisms:

- United Nations Declaration on the Rights of Indigenous Peoples
- The Inter-American Court of Human Rights (“IACHR”)
- Committee on the Elimination of Racial Discrimination (“CERD”)
- Convention on the Elimination of All Forms of Discrimination Against Women (“CEDAW”)
- International Covenant on Civil and Political Rights (“ICCPR”)
- International Convention on the Elimination of All Forms of Racial Discrimination (“ICERD”)

Regulation / Legislation:

- Corporate Sustainability Reporting Directive (“CSRD”)
- Corporate Sustainability Due Diligence Directive (“CSDDD”)
- U.S. SEC proposals

Research:

- Zero Ideas’ *Keeping politics out of companies’ climate action*
- Zero Ideas’ *Seeking Impact*

Additional Resources:

- World Benchmarking Alliance (“WBA”) benchmarks
- Workforce Disclosure Initiative (“WDI”) disclosure metrics
- ShareAction’s Long-term Investors in People’s Health (“LIPH”) initiative
- The LEAF Coalition
- Future of Sustainable Data Alliance (“FoSDA”)
- Horizon Europe
- Impact Europe
- SPECTRUM Consortium - The University of Edinburgh
- Business for Societal Impact (B4SI) Framework and metrics
- Forest Footprint Disclosure Project

Appendix b.

Scope & Mandate: Gaps and Weaknesses in Metrics and Indicators

Stakeholder perspectives on gaps and weaknesses in metrics and indicators.

There was consensus across stakeholder groups that there is a **need for consistent, comprehensive, and meaningful metrics and indicators** for inequality and social issues **that inform strategic decision-making and encourage transparency and accountability** on corporate and investor actions.

- *“There is an absence of a consistent application of metrics and indicators, making it hard for decision makers to seek meaningful data on where their material risks lie.” – Consultancy*
- *“Don't be afraid to make a comprehensive list [of metrics and indicators]. We should resist strongly the need to simplify. It's not about choices when it comes to sustainability. We need to do everything.” – Consultancy*
- *“Indicators without transparency foster greenwashing.” – Civil Society*
- *“We need metrics for accountability and alignment on how to report on them.” – Business*
- *“It is important to filter all existing disclosure frameworks for social metrics to identify only those that can help investors and other stakeholders make relevant decisions.” – Financial Institution*
- *“I have observed that many reports on social value appear more as data dumps than cohesive narratives. Whilst it's promising that such data is being collected, it's crucial that these metrics are aligned toward a unified objective of overall wellbeing. This approach ensures that the data tells a meaningful story rather than just presenting isolated figures...” – Consultancy*

A few different stakeholders highlighted that organisations should **develop both qualitative and quantitative metrics** when evaluating social and inequality issues, which may be challenging to balance.

- *“Consistency of measurement approach and ratings will be key, with a qualitative rather than quantitative approach possibly aiding this comparability.” – Financial Institution*
- *“A lot of disclosures allow for qualitative answers – it may be challenging to balance qualitative and quantitative metrics.” – Consultancy*

Examples of gaps and weaknesses in metrics and indicators:

- Disclosure on positive impacts
 - *“I believe there are gaps in relation to disclosures on positive impacts.” – Consultancy*
- Evidence on the role that the financial services industry plays in inequality and social-related issues
 - *“Some of the pathways of a company's impact on inequality and social issues are clearer than the pathways through which the financial sector [impacts inequality and social issues] ...so one of the priorities [should be] to research pathways of investment and market structures to understand how this dynamic works.” – Consultancy*
- Disability-related data, which tends to be implemented alongside other diversity-related initiatives and requires commitment and investment from organisations

- *“Disability is missing from existing standards given where the data challenges around that previously were, but this is an area where data is now significantly increasing.” – Consultancy*
- Health-related metrics (e.g., % sales attributable to health-harming products, volume of PM2.5 emissions, etc.)
- Data on material human capital management metrics (e.g., turnover, recruitment, retention and progression of diverse employee base, ethnicity pay gap reporting, grievance mechanisms and tangible numbers on reported and resolved grievances, etc.)
 - *“We would value reducing gaps in the availability of data on material human capital management metrics.” – Financial Institution*
- Median wage across the supply chain as compared to the living wage benchmark
- Provision of revenue earned/materials procured/workforce numbers by geography to assess social and human rights risks
 - *“[We] proposed a number of possible metrics for adoption throughout the ShareAction Investor Health Guide.” – Academic Institution*
- Wellbeing measurements
 - *“[For wellbeing measurement] For example, a simple survey question, such as ‘On a scale of 1 to 10, how satisfied are you with your life?’ can yield valuable insights.” – Consultancy*
- Clarity on just transition metrics and indicators
 - *“[For just transition metrics] Emerging work by GRI on the Topic Standard Project for Climate Change and the Grantham Research Institute on Climate Change and the Environment can be helpful here.”- Labour network organisation*

Appendix c.

Scope & Mandate: Original Proposition for Feedback

The original recommendations and questions on the possible scope and mandate of TISFD's work, the approach it might take to questions related to materiality and its relation to other frameworks and standards, and its intended outputs, outcomes, and impacts.

THEMATIC SCOPE

Inequality is arguably the defining social issue of our time. In many countries, inequalities in income and wealth stand at long-term record highs, as do broader divisions in society as a whole. While the prevalence of extreme wealth has risen, many people are unable to exercise their human rights and meet their basic social and economic needs, and the prospect of doing so may have become more remote since the Covid pandemic. Even where people's basic needs are met, the benefits of productivity increases have been shared unevenly, resulting in societal cleavages. Such divisions are exacerbated by inequalities in various aspects of people's well-being, such as physical and mental health outcomes, loneliness, and feelings of being left out of society. Climate change and nature loss are also exacerbating inequalities, as the poor and marginalized are more severely impacted and less able to respond to change.

These dynamics erode human capital and undermine social cohesion and stability. They impede progress towards addressing climate change and ecological degradation. And they increase financial risks, including at the portfolio and macro-economic level. Regulators and policy makers, companies, and investors each have a critical role to play in safeguarding people's rights and well-being to reduce the accumulation of these risks in society and the economy.

The Working Group proposes that the Taskforce approach social and inequality-related issues in an integrated and coherent manner that reflects the breadth of issues concerned and the complementarities between companies' responsibility to respect human rights, efforts to reduce inequalities and enhance people's well-being, and investments in human and social capital. To enable this integrated approach, the Taskforce will need to set out conceptual foundations that clarify and articulate the relationships between impacts and dependencies on people and associated risks and opportunities. This includes clarifying the various themes, topics or dimensions that constitute people's state of being, the different stakeholders affected, and the various types of inequalities. These conceptual foundations should also reflect the deep interlinkages between social and inequality-related issues on the one hand, and efforts to address climate change and nature-related risks on the other.

A broad approach to social and inequality-related issues does not necessarily mean that the Taskforce's disclosure recommendations will address every social issue separately. Keeping in mind the broad scope of these issues, the TISFD will prioritize disclosure recommendations that are of general relevance and/or that most meaningfully allow users of information to respond to widespread or significant social and inequality-related risks, opportunities and impacts.

MATERIALITY APPROACH

The information that companies report (their “disclosures”) related to environmental and social issues depends on the purpose of the disclosures and the audience for which they are intended. Companies may report to several audiences, or stakeholder groups, such as the public (including civil society organizations and representatives of affected rightsholders), the government, or to investors or lenders.

Investors are often interested in information related to risks to their financial interests. Other audiences, such as civil society organisations, tend to be interested in understanding the ways in which businesses and financial institutions impact people and the natural environment. Increasingly, some investors are interested in that information as well, including because impacts on people can be the root cause of, or intertwined with, financial risks and opportunities, and pose portfolio-level risks.

The relevance and significance of information is often referred to as “materiality”. “Financial materiality” refers to information that investors need to make decisions about what will create financial value over the short, medium or long term. “Impact materiality” refers to information that a wider audience uses to understand an organisation’s significant impacts on people and the natural environment. These materiality “perspectives” are different but overlap with each other, meaning that some information may be material from both perspectives (for example: GHG emissions, when they pose transition risks or child labor in manufacturing due to reputational risks).

The Working Group proposes that the Taskforce develop disclosure recommendations that are interoperable with both an impact materiality perspective and a financial materiality perspective. Given that different standard-setters and regulators adopt different materiality perspectives, we suggest that the Taskforce should seek to delineate these perspectives where feasible, while recognizing that the identification of an organization’s material/significant impacts is an essential basis for identifying many financially material matters.

The Taskforce should also explore the materiality of inequality as a system-level risk. To do so, we suggest that the Taskforce evidence the relationships between organizations’ impacts, the accumulation of inequalities, and system-level financial effects for companies, investors, markets and financial stability. We suggest that the Taskforce should explore where and how impact materiality and financial materiality overlap, taking account of different time horizons, and that it consider the extent to which the metrics and indicators most relevant for each materiality perspective may also overlap.

ALIGNMENT WITH INTERNATIONAL STANDARDS ON BUSINESS CONDUCT

International standards of conduct that address the responsibility of business and financial institutions with regard to negative impacts on people's human rights are of central relevance to the assessment and disclosure of inequality and social-related issues. These standards are the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. They include due diligence expectations for the management of risks of adverse impacts. These standards have been endorsed by Governments and are beginning to be transposed into legislation and integrated into reporting standards in a number of jurisdictions. They have also been taken up by companies and industry groups, investors and investor groups, multi-stakeholder initiatives, civil society and labor organizations nationally and globally.

The Working Group proposes that the Taskforce ensure that its Disclosure Framework aligns with these international standards. The Working Group also acknowledges the need for the Taskforce to consider whether additional frameworks or guidance may be necessary to underpin its Disclosure Framework with regard to the management of financially material risks, including the systemic risk of inequality (and related opportunities), as well as with regard to the management of business and investor impacts on inequalities. In order to arrive at a clear view on this, the Working Group suggests that the Taskforce first develop a clear evidence base for the pathways between impacts on people, inequalities and financially material risks, and assess whether sufficient guidance exists on the identification, assessment and management of impacts and risks.

INTEROPERABILITY AND INTEGRATION

A number of standard-setters exist in the sustainability reporting space. Notable standard-setters are:

- the International Sustainability Standards Board (ISSB), which sets standards on sustainability-related financial disclosures, intended to guide corporate reporting of sustainability-related information that is used to evaluate risks and opportunities for the company's financial value creation; and,*
- the Global Reporting Initiative (GRI), which sets standards for organisations (including both private and public sector entities) to report on their impacts on people, the environment and the economy, for a multi-stakeholder audience.*

Increasingly, jurisdictions are mandating sustainability disclosures, for example the European Sustainability Reporting Standards (ESRS) adopted by the European Commission. In addition, previous Taskforces (respectively, TNFD and TCFD) have successfully provided disclosure recommendations on nature- and climate- related issues. These recommendations are currently being used by companies and investors, and, in the case of TCFD, have been incorporated into law by some jurisdictions and integrated into the work of the ISSB. These Taskforces can provide important precedents, as well as inspiration, for the TISFD.

The Working Group underscores that the Taskforce is not intended to be a standard-setter, but that it should strengthen the development of social and inequality-related financial disclosures and be available as a knowledge partner to standard-setting bodies and jurisdictions such as those mentioned above. The Working Group also proposes that the Taskforce should leverage and build upon the indicators and metrics in existing reporting standards and frameworks.

The Taskforce should conduct a thorough review of the content of these reporting standards and frameworks, engage with the organizations that have developed or adopted them, and carefully analyse the indicators and metrics used, including the robustness of the insights they provide and any gaps they leave unaddressed. The Working Group suggests that this analysis should inform Taskforce decisions on which indicators and metrics could be included in or cross-referenced under the TISFD Disclosure Framework.

The Working Group recognizes that the Taskforce will need to strike the right balance between maintaining the value of the approaches adopted by TCFD and TNFD and adapting them to address the specificities of inequality and social-related issues. Specifically, the TISFD should strive to align with the overarching structure of the disclosure frameworks delivered by these previous Taskforces, while ensuring that the framework's content adequately reflects the existence of international standards of conduct with regard to the impacts of business and finance on people (the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational

Enterprises), and the particular ways in which impacts on social issues lead to financial risks, including system-level risks such as inequality.

Together with disclosure recommendations on climate and nature-related issues, the TISFD's recommendations can represent a tool to facilitate efforts towards a just transition, in which climate-, nature- and social- and inequality-related risks and impacts are addressed in a coherent and complementary way.

Finally, the Working Group recognizes that a Taskforce on inequality and social-related issues will need to ensure that it does not perpetuate inequalities in the effort to address them. It will therefore be important that it include participation by civil society, labor organizations and marginalized groups alongside investors and business in the Taskforce's structures, deliberations and decisions.

PROPOSED OUTPUTS

The Working Groups envisions that, among others, the TISFD will produce the following outputs:

- **A global disclosure framework:** A global framework containing disclosure recommendations and associated guidance.
- **Conceptual foundations and definitions:** An organising framework for understanding key social and inequality-related concepts and how they interrelate.
- **A body of evidence on impact and risk channels:** A repository of existing and new research that sheds light on the relationships between business and investor impacts on people and inequalities, associated idiosyncratic risks, and the system-level risks associated with inequalities and social-related issues.
- **Guidance on metrics, indicators, and data:** Guidance on the use of meaningful and decision-useful metrics, indicators and data in the reporting of inequality and social-related impacts, dependencies, risks and opportunities.
- **Guidance on the use of thresholds and targets:** Guidance on the use of thresholds and targets in the reporting of social and inequality-related impacts, dependencies, risks and opportunities
- **Guidance on identification and assessment:** Guidance on the identification and assessment of material inequality and social-related impacts, dependencies, risks and opportunities.
- **Capacity-building resources:** Accompanying materials to support a broad range of audiences, including businesses, investors, policy makers, labour unions, civil society organisations, and affected stakeholders, such as workers and rural and indigenous communities, in using the TISFD's disclosure framework and recommendations.

INTENDED OUTCOMES AND IMPACTS

The Working Group considers that the ultimate impact of the Taskforce's work to develop the Disclosure Framework should be to reduce short, medium, and especially long-term financial risks, to strengthen financial stability and resilience, to improve macro-level economic outcomes, and ultimately to deliver better outcomes for people, including greater respect for human rights, and increased human development and well-being.

To do so, the TISFD will focus on the delivering the following outcomes:

- Companies and financial institutions understanding their impacts and dependencies on people and strengthening their identification, measurement, management and disclosure of inequality and social-related impacts and the associated financial risks and opportunities
- Financial institutions recognizing inequality as a system-level risk (and missed opportunity, as concerns the benefits of reducing inequality), understanding the aggregate impacts of both investees and their own activities on inequalities; and integrating this understanding in their assessment of financial risks and how they allocate and price capital, engage with investees, and structure investments
- Standard-setters and policy makers embedding TISFD recommendations in reporting standards and laws, fostering global harmonization
- Benchmarking and rating providers improving the accuracy and relevance of social-related benchmarks and ratings
- Civil society organizations being able to hold companies and financial institutions to account for how they address inequality and social-related issues
- Governments, financial supervisors and macroprudential authorities using disclosures to formulate more effective policies and strategies for the safeguarding of societies and financial systems

Appendix d.

Governance Model: Original Proposition for Feedback

The original recommendations and questions on TISFD's possible governance model, including:

Questions for Consultation

- a. Defined TISFD Stakeholder Categories
- b. Stakeholder Representativity on the Steering Committee
- c. Responsibility for Developing Taskforce Deliverables

Proposed TISFD Governance Plan

- a. Governance Principles
- b. Organizational Structure
- c. Roles, Responsibilities, and Appointment Process of Each Taskforce Body
- d. Defined TISFD Stakeholder Categories and Balancing Power
- e. Further Preparatory Work

QUESTIONS FOR CONSULTATION

a. Defined TISFD Stakeholder Categories

We are committed to balanced stakeholder representation in terms of background, gender and geographies, as well as diversity, equity, and inclusion across the Taskforce's bodies, including its decision-making bodies, namely: the Steering Committee, the Stewardship Council, and the Working Groups. Achieving balanced stakeholder representation requires that we first define TISFD stakeholder categories to be represented within these bodies.

The following table contains a list of proposed TISFD stakeholder categories and subcategories. The third column indicates the proposed number of seats to be allocated to individuals with this background who will sit on the Steering Committee, the TISFD's main decision-making body, along with four Co-Chairs, who will also be representative of the stakeholder groups (fourth column).

Category	Subcategory	Number of Members	Number of Co-Chairs*
Communities	• Human rights defenders/advocates; community organizations	3	1
	• Field Building civil society organizations.	2	
	• Indigenous peoples	1	
Investors	• Asset owners/Allocators ¹	3	1
	• Asset managers - marketable securities ²	1	
	• Asset managers - private capital	1	
	• Diverse and emerging funds managers	1	
Business	• Large enterprises	2	1
	• Small and medium-sized enterprises (SMEs)	2	
	• Micro-enterprises	1	
	• Informal sector	1	
Workers	• Workers organizations (aiming at a mix in terms of sectors, national/regional/international, and geographies)	6	1
Others	• International organisations	2	-
	• Individuals that can bring other relevant experience to support the development, uptake, and/or piloting of the TISFD framework, and do not fit into the other categories and do not compromise the stakeholder balance of the Steering Committee.	2	
Total		28	4

*Co-Chairs are also voting members of the Steering Committee.

¹ Pension funds, insurance companies, sovereign wealth funds, family offices, high-worth individuals, individual pensioners, etc.

² Public equities, public fixed income, etc.

To ensure that TISFD remains relevant to ongoing standards development, the Secretariat's Engagement Team will have staff dedicated to regular engagement with policy makers, regulators, and standard setters.

Researchers at universities, think tanks, and service providers are also important TISFD stakeholders. They will be encouraged to join the Alliance and may serve on a Working Group. It is anticipated that a Research Network will be established within the Alliance as a resource to both the Working Groups and the Technical Team within the Secretariat. Government representatives will be welcome to contribute to the Taskforce as members of the Alliance and Working Groups.

Questions:

Please explain your answers to the following questions. The process by which Taskforce decisions are made also determines informed and effective decision-making. This topic is addressed below, and respondents may wish to answer the questions together.

1. Are these the correct stakeholder categories and subcategories to have seats on the Steering Committee to ensure informed and effective decision-making?
 - a. If any of these categories or subcategories should not sit on the Steering Committee, where should they sit instead (e.g., in the Alliance or a subgroup of the Alliance)?
2. Are these the appropriate representative numbers per stakeholder subcategory to ensure a balance of viewpoints needed for informed and effective decision-making?
3. Is this an appropriate total number of stakeholders to ensure informed and effective decision-making within the Steering Committee?
4. If international organisations that are custodians for the international standards on responsible business conduct (OECD, OHCHR, ILO) have a seat on the Steering Committee, should they have voting rights? Should they be able to choose their representative?

b. Stakeholder Representativity on the Steering Committee

Once the stakeholder groups for Taskforce decision-making bodies are determined (see A, above), we will need to decide on the model of stakeholder representation of the Steering Committee. We have outlined three models below, each with their benefits and drawbacks. (Note that stakeholder affiliation will be determined by the candidate's background, public recognition of affiliation, and self-identification.)

1. A model with representation, where the Steering Committee member is identified as aligned with a particular stakeholder group in the Alliance and is expected to represent their views on the Steering Committee. This is sometimes known as a Caucus model in which interest groups, or “caucuses”, are stood up that may meet separately on Taskforce developments, share views, and develop positions. Alliance members may sign up for a Caucus or they can choose to be considered independent.
 - *Pro*: Provides a formal stakeholder approach to representation.
 - *Con*: Makes it harder to collaborate and take personal experience into account; may have the effect of encouraging acting along “party lines” and polarization; may artificially divide those people that identify with more than one group.
2. A model with stakeholder groups but no representation. Steering Committee members are expected to meet with and consult regularly with the stakeholder group, within and outside of the Alliance with which they are identified, but there is no expectation of representation. Alliance members may affiliate with a stakeholder group, or they can choose to be considered independent.
 - *Pro*: Generally representative and aligned with stakeholder balance, but less restrictive.
 - *Con*: Potential loss of legitimacy for Steering Committee members who are not reflecting the reviews of the stakeholder group; may need to make recourse available.
3. Governance model without stakeholder groups where the Alliance is not structured by stakeholder groups (or caucuses) and Steering Committee members are free to seek out and consult members of any stakeholder group including the one with which they are identified.
 - *Pro*: Reduces governance complexity, increasing agility in decision-making. Potential to facilitate dialogue and build bridges between stakeholder groups who might otherwise be polarized.
 - *Con*: Potential loss of legitimacy; stakeholders will find one another anyway which could result in less clarity regarding views held across the Alliance.

Questions:

1. Which model would you recommend? Why?
2. Is there another model you would recommend that would better enable inclusive governance in line with TISFD's Governance Principles? (See section “A. Governance Principles” below.)

c. Responsibility for Developing Taskforce Deliverables

We are considering the roles, responsibilities, and relationships among the Taskforce Steering Committee, the Working Groups, and the Secretariat. We see the Working Groups as a key site for co-creation within the Taskforce and propose that the Steering Committee, in consultation with the Secretariat and the Alliance, will stand up Working Groups with specific mandates. The Steering Committee will field diverse subject matter experts representing a balance of stakeholder groups through a call for interested Working Group members and co-leads.

We suggest the following dynamic between the Working Groups and the Secretariat's Technical Team: The Working Group receives the mandate for an output from the Steering Committee. The Technical Team develops drafts for the Working Group and iterates and refines these drafts based on feedback from the Working Group, liaising with the Working Group co-leads to advance consensus-based solutions. The Working Group signs off on the final output and agrees with the Technical Team if there are any elements that cannot be resolved in the Working Group, and which need to be put to the Steering Committee for resolution. The Technical Team presents the output to the Steering Committee for approval in the agreed timeframe.

Questions:

1. Do you agree with the role of the Working Groups and Technical Team outlined above?
2. Do you have any suggestions on the roles and responsibilities of the Working Groups to strengthen TISFD's process for co-creation (in line with TISFD's principles outlined in section "A. Governance Principles" below)?

PROPOSED TISFD GOVERNANCE PLAN

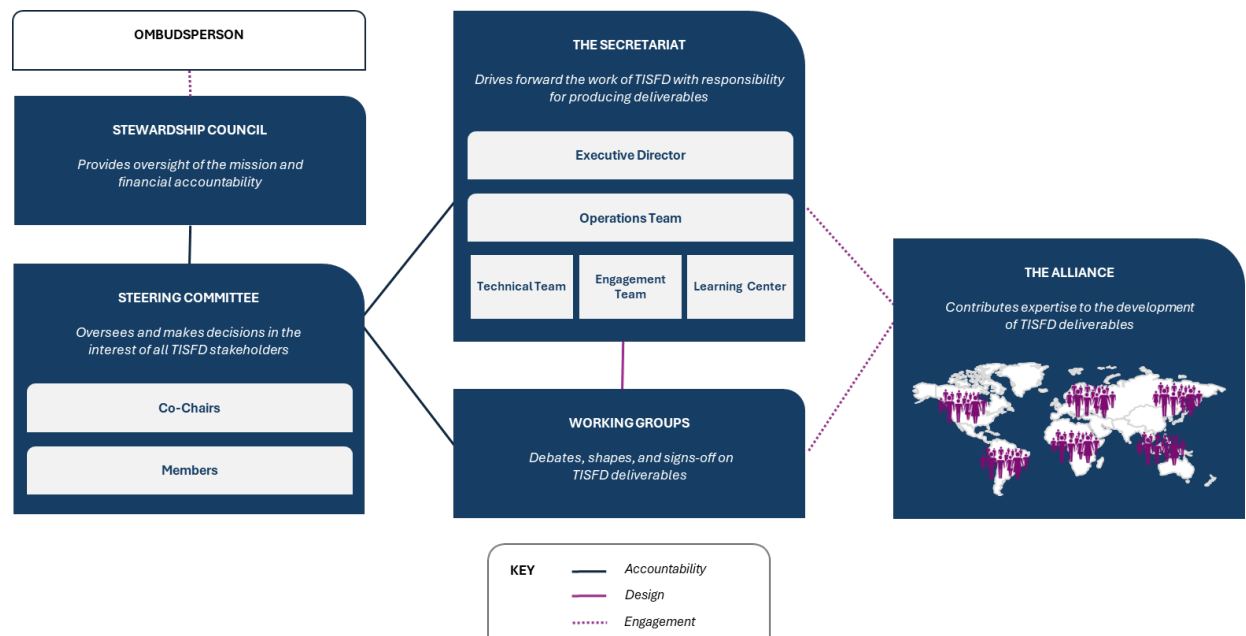
a. Governance Principles

The TISFD Working Group is committed to the following principles:

- **Inclusivity:** Ensuring representation and inclusive participation across diverse stakeholders, with attention to equitable balance of power.
- **Co-creation:** Embracing processes that acknowledge diverse views and needs, granting agency in problem solving, defining roles and responsibilities with clarity, and fostering an experience of reciprocity between participants. Co-creation entails mutual exchange where there's a shared sense of acknowledgement, mutual benefit, and fairness.
- **Effective and efficient decision-making:** Prioritizing both assured progress and balanced perspectives through efficient decision-making mechanisms.
- **Continuous learning and improvement:** Commitment to ongoing learning and making improvements. Sources of feedback may include members of the Steering Committee or the Alliance, and observers; the experiences of the Task Force on Climate-Related Financial Disclosures (TCFD), The Taskforce on Nature-related Financial Disclosures (TNFD), and other multi-stakeholder initiatives; and trial and error.
- **Transparency:** Clearly documenting decision-making processes, criteria, and how stakeholder input has informed decisions, and making that documentation easily accessible.

b. Organizational Structure

The principles above have informed the proposed governance structure shown here:



c. Roles, Responsibilities, and Appointment Process of Each Taskforce Body

The mandate and nominating process for each Taskforce body are outlined below and are organized in chronological order according to dependencies (i.e., those responsible for standing up other bodies).

Co-Chairs

Four Co-Chairs will be appointed, with balanced representation across industries, geographies, backgrounds, and perspectives. Co-Chairs will:

- Chair TISFD Steering Committee meetings and facilitate strategic thinking and consensus building among Steering Committee members.
- Serve as ambassadors of TISFD, advocating for its objectives and initiatives.
- Work with the Executive Director, to secure support from governments and funders, especially when interacting with executives or equivalent senior-level stakeholders (the Executive Director and their team will lead the engagement at lower levels of seniority).
- Be appointed prior to the launch of the Taskforce in September 2024 to help to begin the transition to the Taskforce including:
 - a. Contribute to finalizing the TISFD governance structure, workplan, and engagement strategy.
 - b. Assist with execution of the engagement strategy.
 - c. Support fundraising.
 - d. Set up a nominating committee.

Co-Chairs will be appointed by the multi-stakeholder group that is currently preparing for the launch of the Taskforce and with support from our search firm, Acre. Candidates will be assessed based upon the following criteria:

- Demonstrated leadership experience in addressing inequality and/or social justice issues.
- Ability to represent multiple stakeholder groups, put aside personal biases (e.g., political, identity-based, etc.), and maintain a commitment to the balance of power across groups which fosters inclusivity and diversity.
- Strong communication and diplomatic skills for engaging with executive-level or equivalent senior-level of seniority.
- Familiarity with issues and debates about the relationship between socio-economic inequality, markets, and financial systems.
- Track record of strategic decision-making and achieving tangible results.
- Ability to commit two days per month over two years to the Taskforce.

Co-chairs, as a group, should complement each other in terms of gender balance, geographic balance, and should bring experiences working with various stakeholder

groups including but not limited to communities, workers, businesses, investors, and policymakers / governments.

Nominating Committee

The Nominating Committee will be responsible for appointing Steering Committee Members. The Nominating Committee will be made up of two representatives from each stakeholder group, ensuring a careful balance across groups, gender, and geographies (more details available in section “D. Defined TISFD Stakeholder Categories and Balancing Power” below). To ensure an open and transparent process, the Co-Chairs will appoint the Nominating Committee by issuing a public Call for Interest.

The members of each stakeholder group in the Nominating Committee will be responsible for identifying nominees from each of their respective stakeholder groups (the exact number to be determined). Those nominees will be subject to a 2/3 vote of the full Nominating Committee. The Nominating Committee will then prepare a public statement on how Steering Committee members were chosen, signed off by the Co-Chairs.

While most of the work of the Nominating Committee will be at the start of the Taskforce, members will serve a two-year term. Throughout the term, they will be on call to reconvene should Co-Chair or Steering Committee positions become open and need to be filled.

Steering Committee

The Steering Committee, consisting of 32 members including the four Co-Chairs, is the main decision-making body of the Taskforce tasked with delivery of the TISFD objectives and workplan.

Steering Committee Members, serving in their individual capacity, will:

- Approve the workplan.
- Liaise with the Secretariat to deliver the workplan.
- Approve Working Group mandates and terms of reference for Working Group candidates, informed by recommendations from the Secretariat’s Technical Team and in consultation with the Alliance.
- Appoint Working Group Leads, who will be charged with recruiting Working Group members, overseeing the Working Groups and resolving any issues that may arise.
- Approve Taskforce outputs.
- Approve all amendments to the terms of reference of any Taskforce body.

The Nominating Committee will appoint 6 representatives of each Stakeholder Group to sit on the Steering Committee based on:

- Demonstrated leadership experience in addressing inequality and/or social justice issues.

- Ability to represent multiple stakeholder groups, put aside personal biases (e.g., political, identity-based, etc.), and maintain a commitment to the balance of power across groups which fosters inclusivity and diversity.
- Strong communication and diplomatic skills for engaging with executive-level or equivalent senior-level of seniority.
- Knowledgeable about the relationship between socio-economic inequality, markets and financial systems.
- Track record of strategic decision-making and achieving tangible results.
- Ability to commit two days per month over two years to the Taskforce.
- Adherence to a conflict-of-interest policy.
- Collectively, sector, geographic, and gender balance.

While Steering Group members will serve in their individual capacity, for the purpose of assessing representativeness, they will be considered to belong to the stakeholder group of their employer³ (see “D. Defined TISFD Stakeholder Categories and Balancing Power” below for more detail).

Members will meet regularly in plenary, approximately 2 hours every four to six weeks as needed and may additionally participate in one or more Working Groups.

Secretariat

The TISFD Secretariat is comprised of an Executive Director and four teams that will be responsible for: 1) Technical research and development of deliverables (Technical Team); 2) Outreach and Engagement (Engagement Team), 3) Learning (Learning Center), and 4) Operations, Communications, and Documentation (Operations Team).

Below we lay out the job descriptions for two key personnel: the Executive Director and the Technical Director. The Executive Director will be responsible for hiring the staff of the full Secretariat, in accordance with the Taskforce’s DEI policy (more details available in section “E. Further Preparatory Work” below).

The Technical Director and their team will be responsible for delivering the outputs from Working Groups on time to the Steering Committee. The Technical Team provides the materials, iterative drafts, and other inputs needed for the Working Group’s discussions. It progresses drafts between Working Group sessions and liaises with the Working Group co-leads, as needed, to help advance consensus-based solutions. The Working Group signs off on the final output and agrees with the Technical Team if there are any elements that cannot be resolved in the Working Group and which need to be put to the Steering Committee for resolution. The Technical Team presents the output to the Steering Committee for approval in the agreed timeframe (see Consultation questions under section “D. Responsibility for Developing Taskforce Deliverables”).

Executive Director

³ Further detail to come to cover the case of a change in employer.

The TISFD Executive Director will lead a team of staff and secondees and oversee all Secretariat functions -- operations (human resources, finance, procurement, etc.), fundraising, technical/research, communications, learning material development and dissemination, engagement, and regional hub coordination -- through to the launch of the TISFD Framework, anticipated in September 2026. This is a two-year renewable position, pending performance and Taskforce need. The Executive Director will ensure that the Co-Chairs are sufficiently supported, manage the day-to-day work, and maintain regular contact with the Steering Committee and Co-Chairs and other TISFD contributors as the framework is researched and developed.

The Executive Director will be accountable for the following:

- Support the Co-Chairs and Steering Committee by managing the execution of the TISFD project according to the workplan and technical scope approved by the Steering Committee.
- Ensuring timely delivery of TISFD milestones, including testing of the TISFD Framework and consultations before its launch.
- Together with the Co-Chairs, review and refine the draft governance rules to support the decision-making process; once the Steering Committee is appointed, it will have an opportunity to review and approve the governance plans.
- Recruit and oversee a talented and diverse Secretariat team to lead the Technical, Engagement, Learning, Communications, and Operations functions.
- Delivery and execution of Engagement, Learning, and Communications plans.
- Ensure open communication and engagement across all stakeholders while adhering to best practices of co-creation.
- Preparation of regular updates to TISFD Funders, Steering Committee, Co-Chairs, and the Stewardship Council.
- Receipt and distribution of funds, together with the host organization of TISFD.
- Coordinate, develop and manage the TISFD's strategic activities and programme in alignment with the workplan and guidance from the Steering Committee.
- Lead and manage a virtual team working on:
 - Communications strategy and events.
 - Membership and broader stakeholder engagement and support, including liaising with standard setters and policymakers/regulators.
 - Research and other technical work in service to the Working Groups (established by the Steering Committee).
 - Sourcing of needed technical expertise, drawing from the TISFD Alliance and beyond to support the co-creation of key outputs.
 - Identify, obtain, and maintain new funding sources, oversee finance and funds flow, and manage donor relationships.
- Stay current on inequality and social-related issues as they relate to private sector activities, impacts, and performance and maintain processes to keep Steering Committee members informed.
- Speak publicly and identify other Taskforce members to do so.
- Oversee and manage reporting to key stakeholders, including donors.

Additional information on expected qualifications available in the Executive Director Job Description posted on the [TISFD LinkedIn Group](#).

Technical Director

The Technical Director will oversee the overall technical development of the TISFD's framework, ensuring that it meets the practical needs of the market while being technically rigorous and aligned with the principles and over-arching mission of the TISFD.

The Technical Director will oversee and manage the work of the initiative's Technical Team, delivering the scientific and technical expertise needed to realize the TISFD mandate. This will include:

- Developing and overseeing implementation of plans for all technical aspects of the TISFD in alignment with direction from the Steering Committee and input from the Working Groups, working consultatively across the initiative while effectively managing tradeoffs to maintain momentum.
- Attracting, deploying, and overseeing the diverse range of talent and resources needed to deliver on these plans.
- Providing technical expertise to the TISFD Working Groups at their request.
- Gathering and synthesizing relevant TISFD-aligned technical work from across disciplines and stakeholder groups in this fast-evolving space.
- Commissioning new applied research and market testing as required from leading specialists and relevant organizations worldwide.
- Working with the Secretariat's Engagement team to produce content for public consultations.
- Embedding a clear set of processes to ensure technical excellence across the TISFD – including to ensure high-quality and timely delivery of work, and the integration of feedback from relevant stakeholders at every stage of development.

The Technical Director will draw support from external stakeholders, including the wide range of specialists, partners, members, and diverse organizations that together comprise the growing TISFD Alliance. They will report to the Executive Director and keep the Executive Director and other stakeholder groups informed of technical developments, challenges, and opportunities; and ensuring that their strategic inputs and expertise are effectively integrated within the TISFD's technical process. They will also play an important role in the positioning, communications, and outreach work required to ensure the successful adoption of the framework by the wider market.

Working Groups

Working Groups will be a key site for co-creation within the Taskforce. The Steering Committee, in consultation with the Secretariat and the Alliance, will stand up Working Groups with specific mandates. The Steering Committee will field diverse subject matter experts representing a balance of stakeholder groups through a call for interested Working Group members and co-leads.

Each Working Group will develop a work plan to deliver on its mandate in collaboration with the Technical Team. The Technical Team will develop draft deliverables, iterate, and refine drafts based on feedback from the Working Group, liaising with the Working Group co-leads to help advance consensus-based solutions. The Working Group will sign off on final deliverables and agree with the Technical Team if there are any elements that cannot be resolved in the Working Group, and which need to be put to the Steering Committee for resolution. The Technical Team will present deliverables to the Steering Committee for approval within agreed timelines.

Working Group size and meeting cadence will vary depending on the needs of the group to fulfill its mandate from the Steering Committee. We expect each group will be comprised of approximately 15-30 members and will meet approximately every 4-6 weeks. The Technical Team will be assigned as staff to each Working Group, attending meetings to report on research progress, gather feedback on deliverables, and make recommendations.

The Alliance

A wide range of stakeholders (e.g., governments, companies, financial institutions, NGOs, and academics) will be essential for shaping and developing Taskforce deliverables. Any stakeholder interested in following the developments of the TISFD and contributing to its work will be invited to join the Alliance, unless there is a significant conflict of interest (defined by the Conflict-of-Interest Policy described below in Section “E. Further Preparatory Work”).

Alliance members will have the chance to engage directly in developing TISFD deliverables via Working Groups, based on their expertise, as described above. Expertise is defined broadly and includes direct experience of a topic's impacts within the scope of TISFD. Efforts will be made to ensure balanced participation across industries, geographies, backgrounds, and perspectives.

To address the need for new academic research on inequality and social-related issues, a Research Network composed of academic and think tank researchers globally will be established within the Alliance.

The Alliance will be organized in regional hubs, each led by a Regional Hub Coordinator. A regional hub structure will enable Alliance participants to surface regional nuances and advocate for the framework with policy makers and regulators on a jurisdiction-by-jurisdiction basis (see Section “E. Further Preparatory Work” below for details).

Stewardship Council

A Stewardship Council will be established in line with the TISFD host requirements with a mandate to:

- ensure Taskforce financial accountability.
- ensure adherence to its mission or “mission lock”.
- manage serious complaints that the Ombudsperson deems warrant escalation.

- serve as an “Advisory board” with a distance from the day-to-day operations.

The Stewardship Council would be comprised of the Co-Chairs, the project director of the Taskforce’s host institution, and one or more TISFD funders, and would meet approximately twice a year.

Ombudsperson

An Ombudsperson will be responsible for receiving and investigating grievances regarding the Taskforce and bringing salient concerns to the attention of the Stewardship Council.

In exercising their duties, the Ombudsperson will be independent of any entity of the TISFD. The Ombudsperson shall have the right on any matter pertaining to the exercise of their duties to direct access to any TISFD Steering Committee Member. All TISFD members are expected to cooperate with the Ombudsperson and to make available all information pertinent to matters he or she is reviewing. The Ombudsperson shall have access to all records relevant to the exercise of his or her duties. In the event of a dispute regarding access to records, the matter will be referred to the Stewardship Council.

Specific responsibilities of the Ombudsperson include:

- At the start of their mandate, review and refine the Rules of Procedure for the Ombudsperson set out by the group preparing for the launch of TISFD and report any changes to the Stewardship Council.
- Coordinate with the Secretariat’s Communications team to ensure the grievance mechanism and its procedures are clear and accessible to all stakeholders.
- Be available to respond to complaints promptly, as designated by the Rules of Procedure. Interact with the Taskforce bodies as needed to investigate and resolve the complaint.
- Working with a designated staff member of the Secretariat, review the Ombudsperson office and issue a report with recommendations for improvement.

The group preparing for the launch of TISFD will appoint an experienced Ombudsperson, ideally with experience at the helm of a grievance mechanism of a multi-stakeholder initiative designed to address private sector environmental and social impacts.

d. Defined TISFD Stakeholder Categories and Balancing Power

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Others	• International organisations	2	-
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e. Further Preparatory Work

There are outstanding governance issues beyond those laid out in this plan that the multi-stakeholder group preparing for the launch of TISFD will be undertaking. They include:

- Development of the following policies:
 - Remuneration
 - Conflict of Interest and Due Diligence
 - Diversity, Equity, and Inclusion
 - Transparency
- Proposal for a Steering Committee decision-making process: for example, which decisions will be decided by supermajority (two-thirds vote) and which decisions will be decided by simple majority (51% or more).
- Details of the terms of reference for Alliance members, the regional hubs, and how they will function.