Conceptual Foundations
Discussion Paper - Overview

Laying the foundations for inequality- and social-related financial disclosures

What are the *Conceptual Foundations*?

TISFD is a global initiative to develop recommendations and guidance for businesses and financial institutions to understand and report on impacts, dependencies, risks and opportunities (IDROs) related to people.

The *Conceptual Foundations*, once finalised, will establish the key terms, definitions and concepts underpinning TISFD's financial disclosure framework, which will be released in draft form in 2026.

Until now, inequality and social issues have been addressed in fragmented or siloed ways. The *Conceptual Foundations* build on and integrate existing frameworks and standards into one coherent frame of reference - connecting concepts such as human rights, well-being and human and social capital. They aim to clarify how business and finance interact with people and inequality, and how those relationships link to climate and nature.

They will enable different stakeholders - from businesses and financial institutions to policy makers and civil society - to speak the same language when discussing inequality- and social-related issues.

Why they matter

The *Conceptual Foundations* will underpin TISFD's disclosure framework, which will help businesses and financial institutions to identify, assess and report on their impacts and dependencies on people, along with associated risks and opportunities, while providing rightsholders with information which enables accountability. They will help make disclosures more coherent, comparable and decision-useful.

They also position inequality as a source of systemic risk that can affect economic performance and financial stability. By clarifying these linkages, they can help businesses and financial institutions respond more effectively and strategically, and over time, drive convergence across global reporting systems, reducing duplication and reporting burden.

How the *Conceptual Foundations* support TISFD's mission

The *Conceptual Foundations* are a first step in TISFD's journey to support alignment around a global approach to inequality- and social-related financial disclosures.

Alongside work on recommended disclosures, metrics and implementation guidance, they will support TISFD's goal of helping markets better integrate social factors alongside climate and nature in business and investment decision-making.

What's in the Discussion Paper?

The *Conceptual Foundations* offer a single, comprehensive frame of reference for all stakeholders to better understand people-related impacts and dependencies.

In summary, the *Conceptual Foundations* proposed in the discussion paper:

» Establish how businesses and financial institutions impact and depend on people - and contribute to inequalities.

» Bring together existing approaches on human rights, well-being and human and social capital into one coherent framework - helping stakeholders speak a common language.

» Clarify how impacts and dependencies materialise as risks and opportunities for individual businesses.

» Articulate how the cumulative impacts of businesses and financial institutions contribute to system level risks, including societal stability, macroeconomic and financial stability risks.

» Explain the interconnections between people, climate and nature as a basis for developing more integrated solutions across these systems.

What input are we seeking from stakeholders?

Stakeholders are invited to review and provide input to the *Conceptual Foundations* before they are integrated into TISFD's disclosure framework - in particular:

» Clarity and usefulness of key concepts: Feedback on which ideas and relationships in the *Conceptual Foundations* are clear, useful or need refinement to make them more practical and actionable.

» Application in practice: Insights on how people-related IDROs are currently identified and managed, and information or guidance needed for applying these concepts more effectively.

» Integration across systems: Perspectives on how the interconnections between people, climate and nature are reflected, and suggestions for strengthening these links.

» Regional and contextual relevance: Views on challenges or enablers for applying the *Conceptual Foundations* in different regional, cultural or sectoral contexts.

How your input will be used

Following stakeholder feedback, the *Conceptual Foundations* will be updated and integrated into TISFD's disclosure framework, which will be released for open public consultation in 2026.

Download the Conceptual Foundations discussion paper here.