



EXECUTIVE SUMMARY

Beta Version 0.1

The TISFD Framework

Recommendations for disclosure
of people-related information by businesses
and financial institutions

TISFD | TASKFORCE ON INEQUALITY
and SOCIAL-RELATED
FINANCIAL DISCLOSURES

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Executive summary

Businesses and financial institutions depend on workers, communities, consumers and other stakeholders for productivity, innovation, resilience and long-term performance. At the same time, their activities shape people's ability to enjoy their human rights, their well-being, livelihoods and access to opportunity. As strains on people in the form of wage stagnation, an affordability crisis, and inequality intensify, understanding and managing people-related impacts, dependencies, risks and opportunities has become a strategic and financial imperative.

Yet information on how businesses and financial institutions impact and depend on people and how this affects financial performance and long-term value creation remains fragmented and difficult to compare globally. This limits effective decision-making within companies and constrains investors and lenders seeking to allocate capital responsibly and reduce risk. It leaves policymakers without evidence needed to inform policy design, and civil society and labour organisations less equipped to engage effectively with businesses.

Introducing the TISFD Framework

The Taskforce on Inequality and Social-related Financial Disclosures (TISFD) was established as a global, multi-stakeholder initiative to help businesses and financial institutions understand and report on impacts, dependencies, risks and opportunities related to people. The TISFD Framework presents a globally relevant disclosure framework that complements existing sustainability and financial reporting initiatives, while addressing critical gaps in current disclosure practice.

The TISFD Framework:

- **Contributes to harmonisation and convergence** by drawing on the existing standards and frameworks, including the International Sustainability Standards Board (ISSB) Standards, Global Reporting Initiative (GRI) Standards, and the European Sustainability Reporting Standards (ESRS).
- **Adopts a building blocks approach**, ensuring it can be used as a standalone framework and also to complement existing standards and practices, helping organisations fill information gaps and build a fuller picture without duplicating effort.
- **Encourages integrated management and disclosure**, recognising the interconnectedness between people, nature and climate, and supporting linkages with climate and nature frameworks.
- **Is market usable**, ensuring disclosures are practical, decision-useful and relevant to prepares and users of the information.

Conceptual foundations

The TISFD Framework provides a common language for understanding how businesses and financial institutions interact with people (See Section 3).

Human rights, together with labour rights, are entitlements of all people to enjoy a life of dignity. Businesses and financial institutions have a responsibility to respect these rights. Their activities can affect people's **well-being**: their health, safety and ability to live fulfilling lives. The realisation of people's rights and the advancement of their well-being builds the **human and social capital** that creates value for organisations, the economy, and society.

Inequalities reflect how access to resources and opportunities, income and wealth, health and other aspects of people's human rights and well-being are distributed across different groups and are therefore central to businesses' and financial institutions' understanding of people-related impacts, dependencies, risks and opportunities.

These issues do not exist in isolation: environmental degradation and climate change can exacerbate inequalities and erode people's rights and well-being, which in turn can undermine people's support for the green transition. An integrated understanding of interlinkages between people, nature and climate is essential for effective risk management and informed decision-making.

People-related impacts and dependencies

The relationship between businesses, financial institutions and people can be characterised by their impacts and dependencies on people.

Impacts refer to the positive or negative effects an organisation's activities, products, services and business relationships have on people, including on their human rights and on inequalities between them. These impacts may affect a range of stakeholders, including an organisation's own workforce, workers in the value chain, communities, and consumers and end-users.

Dependencies refer to the reliance of organisations and societies on human and social resources and relationships. This includes access to skilled and healthy workers and the communities that provide a social license to operate, but also on stable societies with effective institutions and the public services that power a functioning economy.

People-related risks and opportunities

Impacts and dependencies can give rise to **financial risks and opportunities** for businesses and financial institutions. These may affect revenues, costs, asset values, and access to capital. For example, poor labour practices may increase operational risk and turnover costs, while investments in workforce well-being may enhance productivity and innovation.

The cumulative impacts of businesses and financial institutions can also contribute to the emergence of **system-level risks and opportunities** arising from the broader social, economic and financial systems on which organisations depend. Widespread inequality and unmet basic needs can undermine social cohesion, hamper productivity, weaken demand, and thereby constrain macroeconomic performance and increase financial system fragility. Conversely, improvements in well-being, skills and inclusion can support sustainable growth and long-term value creation.

TISFD disclosure recommendations

The TISFD disclosure recommendations are designed to complement key international sustainability and financial reporting standards. They build on established concepts and structures to support alignment while extending coverage to people-related matters. The recommendations, outlined in Section 4, are intended to support increased disclosure of consistent, decision-useful information about how organisations identify, assess, and manage people-related impacts, dependencies, risks and opportunities.

General requirements

The disclosure recommendations are underpinned by five general requirements establishing the core expectations to ensure consistency, coherence and comparability across reporting entities:

- **Materiality:** Organisations should disclose material information about their people-related impacts, dependencies, risks and opportunities.
- **System-relevant information:** Preparers should provide disclosures that meet the information needs of investors about people-related externalities relevant to system-level risks. (In this version of the Framework, TISFD outlines a general approach and invites feedback.)
- **Stakeholder engagement:** Entities should describe how they have engaged with affected stakeholders, including through due diligence, reflecting the nature of each engagement and its purpose.
- **Scope:** Preparers should explain the scope of their assessment and disclosures, the process to determine the scope, and plans for further expansion.
- **Time horizons:** Short-, medium-, and long-term time horizons should be considered and their definitions disclosed by preparers.

The draft TISFD disclosure recommendations

Governance	Strategy	Impact and risk management	Metrics and targets*
<p>Disclose the entity's governance of people-related impacts, dependencies, risks and opportunities.</p>	<p>Disclose the interaction between people-related impacts, dependencies, risks and opportunities and the entity's business model and strategy, and related financial effects.</p>	<p>Disclose the processes used by the entity to identify, assess, prioritise and monitor people-related impacts, dependencies, risks and opportunities.</p>	<p>Disclose the metrics and targets used to assess and manage people-related impacts, dependencies, risks and opportunities.</p>
<p>A. Describe the oversight of people-related impacts, dependencies, risks and opportunities.</p>	<p>A. Describe the people-related impacts, dependencies, risks and opportunities the entity has identified.</p>	<p>A. Describe the entity's processes to identify, assess and prioritise people-related impacts, dependencies, risks and opportunities in its own operations, upstream and downstream value chain(s).</p>	<p>A. Disclose the metrics used by the entity to assess and manage people-related impacts and dependencies.</p>
<p>B. Describe management's role in the governance processes, controls and procedures used to monitor, manage and oversee people-related impacts, dependencies, risks and opportunities.</p>	<p>B. Describe the interaction between people-related impacts, dependencies, risks and opportunities and the entity's business model and strategy, and related financial effects.</p>	<p>B. Describe the entity's processes to monitor people-related impacts, dependencies, risks and opportunities.</p>	<p>B. Disclose the metrics used by the entity to assess and manage people-related risks and opportunities.</p>
<p>C. Describe the entity's approach to stakeholder engagement on people-related impacts, dependencies, risks and opportunities and how the perspectives of affected stakeholders are incorporated into governance and management decision-making.</p>	<p>C. Describe the resilience of the entity's strategy and business model to people-related risks and opportunities.</p>	<p>C. Describe how processes to identify, assess, prioritise and monitor people-related risks are integrated into and inform the entity's overall risk management processes.</p>	<p>C. Describe the targets and goals used by the entity to manage people-related impacts, dependencies, risks and opportunities and its performance against these.</p>

* Disclosure recommendations on metrics and targets will form part of TISFD's future work and will be included in next iterations of the Framework.

Priority areas for further development

In this first draft Framework (Beta Version 0.1), TISFD identifies several priority areas for further development, including identifying key drivers of impacts relevant to system-level risks and related pathways, identification and assessment guidance for businesses and financial institutions, scenario analysis, and metrics and targets (See Section 5). Additional work will be undertaken to further support the approach to materiality and the interconnectedness of people, nature and climate. This work will be undertaken in collaboration with Knowledge Partners, drawing on practical experience, academic research and stakeholder feedback.

How to engage

Stakeholders are invited to contribute to the development of the TISFD Framework through the following channels, outlined in Section 6.

- 1. The TISFD Alliance.** The Alliance is a platform for learning, dialogue and practical engagement. Members are invited to provide early input into the development of the Framework and engage in webinars and discussions on key aspects.
- 2. Public consultation.** The TISFD Framework is being developed through an open, iterative process. Stakeholders are encouraged to provide feedback on Beta Version 0.1 by 31 July 2026 via the online platform. TISFD will undertake further consultation before publishing final recommendations in 2027.
- 3. Pilot testing.** TISFD will convene businesses and financial institutions to actively test this and future beta versions of the TISFD Framework. Participating allows businesses and financial institutions to build understanding and capacity, and to stay ahead of evolving expectations. More information on pilot testing will be shared later this year.

