

WHY PEOPLE-RELATED ISSUES MATTER

A TISFD evidence briefing

OPPORTUNITIES AND RISKS FOR BUSINESS

Businesses depend on people — the workers who power operations, the consumers who sustain markets, and the communities that grant a social license to operate. When human and labour rights are central, when people participate in economic growth and their well-being is high, workers are more productive, supply chains are more reliable, consumer markets are stronger. Negative impacts translate into operational disruptions, litigation, reputational damage and lost demand. Analysis suggests that human capital is the most material sustainability risk facing global capital markets — companies representing 68% of global market capitalisation face financially material human capital risks; including 76% of those in the US. (OECD, 2025).

OPPORTUNITIES RELATED TO INVESTING IN PEOPLE

+10%

Higher worker well-being is linked to, on average, 10% higher productivity, as well as improved recruitment and stronger retention.

Krekel, C., G. Ward, and J-E. de Neve (2019)

+13%

outperformance of the JUST 100 — companies ranked highest on stakeholder treatment — vs. the Russell 1000 since inception

JUST Capital (2024)

4 out of 5

Employers reported seeing improvements in the quality of work after implementing a living wage, in a UK study

London Economics (2009)

RISKS RELATED TO UNDERMINING PEOPLE'S RIGHTS AND WELL-BEING

3.9%

of global GDP is lost every year to preventable work-related injury and illness.

International Labour Organization (ILOSTAT)

US\$1 tn

in productivity lost annually to depression and anxiety, with low employee engagement adding a further US\$438 billion in lost output.

WHO (2024); Gallup (2025)

US\$85 bn

in combined financial losses linked to the human rights impacts of 12 companies in one review of cases— illustrating their financial costs.

Heartland Initiative, Wespeth & Schroders (2024)

SYSTEM-LEVEL RISKS OF INEQUALITY

Inequalities of income, wealth and well-being have risen to modern-day highs. The richest 10% currently hold around 74% of global wealth, while the poorest 50% own less than 5%. (World Inequality Report, 2022) The 2025 survey of over 11,000 senior executives for the World Economic Forum's Global Risk Report now identified inequality as the most interconnected global risk over the next decade, with the potential to destabilise economic, political and environmental systems; placing social and inequality-related issues among the top 10 risks. (WEF, 2025) Inequality is a systemic risk that is increasingly on investors' minds; a March 2025 survey of 26 global asset allocators with a total AUM of \$6.3tn found that inequality and social challenges are in the top 3 perceived sources of global systemic risk. (Thinking Ahead Institute, 2025)

OPPORTUNITIES RELATED TO INVESTING IN PEOPLE

+9.2% of GDP

Closing gender gaps in the OECD labour force could lift GDP +9.2% by 2060

OECD (2023)

+US \$16 tn of GDP

Closing racial equity gaps could have added ~US\$16 tn to US GDP (2000–2020).

Citi GPS (2020)

INEQUALITY-RELATED SYSTEM-LEVEL RISK

68%

Share of people globally who reported believing that their economy is rigged to favour the rich and powerful. In 23 of 31 countries, a majority say their society is "broken".

Ipsos Populism Report (2025)

4.7ppts of GDP

Rising income inequality cost OECD economies 4.7 percentage points of cumulative growth between 1990 and 2010, mainly through under-investment in human capital.

OECD (2014)

10% of GDP

GDP per capita is on average 10 percent lower after 15 years of populist rule compared with plausible non-populist counterfactuals.

Funke, Schularick & Trebesch, 2023

PEOPLE AND INEQUALITIES IN THE GREEN TRANSITION AND DIGITAL TRANSFORMATION

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. Artificial intelligence (AI) and automation also risk exacerbating inequalities. Technological advancements are reshaping not only how people work by changing job tasks, skills needs and labour markets, but also how people access and use products and services.

OPPORTUNITIES RELATED TO THE GREEN TRANSITION AND DIGITAL TRANSFORMATION

32 million jobs

Investing in nature-based solutions could create up to 32 million new jobs globally by 20240, especially in Africa, Latin America and the Arab states

ILO and IUCN (2024)

75%

of US utility-scale renewable energy developers believe that increased community engagement results in fewer project cancellations

Lawrence Berkeley National Laboratory (2024)

40%

Women make up about 40% of the global solar power workforce today, nearly double the share of the oil and gas industry

IEA (2024)

RISKS RELATED TO THE GREEN TRANSITION AND DIGITAL TRANSFORMATION

4.5 billion people

are estimated to be at high risk of experiencing an extreme weather event. 2.3 billion of those are poor (living on less than \$6.85 per day)

World Bank (2023)

640 bn labour hours

lost due to heat exposure, an est. 640 billion labour hours were lost due to heat exposure, equivalent to \$1.09 trillion (USD) in lost income, nearly 1 percent of global GDP

The Lancet (2025)

~25% to 40%

Jobs in occupations with potential exposure to significant change/automation due to gen AI — ~34% to 60% of jobs in advanced economies

ILO (2025) / IMF (2024)

REFERENCES

SECTION 1 — OPPORTUNITIES AND RISKS FOR BUSINESS

- 68% / 76% — human capital as the most material sustainability risk.** OECD (2025). *Global Corporate Sustainability Report 2025*. OECD Publishing. https://www.oecd.org/en/publications/global-corporate-sustainability-report-2025_bc25ce1e-en.html
- 3.9% of GDP — preventable work-related harm.** International Labour Organization. (2026) *Statistics on safety and health at work*. <https://ilostat.ilo.org/topics/safety-and-health-at-work/>
- US\$1 trillion — productivity lost to depression and anxiety; US\$438 bn from low engagement.** World Health Organization (2024). *Mental health at work fact sheet*. <https://www.who.int/news-room/fact-sheets/detail/mental-health-at-work>; Gallup (2025). *State of the Global Workplace 2025*. <https://www.who.int/news-room/fact-sheets/detail/mental-health-at-work> • <https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx>
- US\$85 bn — losses linked to human rights impacts of 12 companies.** Heartland Initiative, Wespeth Benefits & Investments and Schroders (2024). *The Saliency-Materiality Nexus: Addressing Systemic Risks to People and Portfolios in a Turbulent World*. <https://heartland-initiative.org/wp-content/uploads/2024/09/The-Saliency-Materiality-Nexus.pdf>
- 10% increase in productivity.** Krekel, C., Ward, G., & De Neve, J.-E. (2019). Employee well-being, productivity, and firm performance: Evidence and case studies. In *Global Happiness and Wellbeing Policy Report 2019* (pp. 72–94). Global Happiness Council. https://www.hbs.edu/ris/Publication%20Files/gh19_ch5_9e171d71-db54-4e08-a2eb-3cf1587daf4a.pdf
- +13% — JUST 100 outperformance vs. Russell 1000.** JUST Capital (2024). *The JUST Report: Latest Returns Data Make Powerful Case For Just Investing*. <https://justcapital.com/news/the-just-report-latest-returns-data-make-powerful-case-for-just-investing/>
- 4 out of 5 employers reporting improvements in work quality after implementing a living wage.** London Economics (2009). *Business Benefits of Implementing a Living Wage Policy in London*. <https://london-economics.co.uk/wp-content/uploads/2011/09/38-London-Living-Wage-benefits-study.pdf>

SECTION 2 — THE SYSTEM-LEVEL RISKS OF INEQUALITY

- Global wealth distribution; 90% in high-inequality countries.** G20 Extraordinary Committee of Independent Experts on Global Inequality (2025). *G20 Global Inequality Report*. https://www.gov.za/sites/default/files/gcis_document/202511/g20-global-inequality-report-full-and-summary.pdf; Chancel, L., Piketty, T., Saez, E. & Zucman, G. (2022). *World Inequality Report 2022*. World Inequality Lab. <https://wir2022.wid.world/>
- Inequality most interconnected risk.** World Economic Forum (2026). *Global risk report 2026*. <https://www.weforum.org/publications/global-risks-report-2026/>
- Inequality in top 3 of risks identified by asset owners.** Thinking Ahead Institute (2025). *What Asset Owners Did Next: Thinking Ahead and Future Fund Peer Group Study*. https://www.thinkingaheadinstitute.org/content/uploads/2025/04/FF-TAI_AOPS24_ClosingReport_v4.pdf
- 4.7 pp — growth lost in OECD economies due to rising inequality.** OECD (2015). *In It Together: Why less inequality benefits all*. OECD Publishing. <https://doi.org/10.1787/9789264235120-en>
- 68% / 23 of 31 countries — economy “rigged” / society “broken”.** Ipsos (2025). *Populism Report 2025. A 31-country Global Advisor Survey*. <https://www.ipsos.com/sites/default/files/ct/news/documents/2025-06/ipsos-populism-report-2025.pdf>
- +9.2% OECD GDP — closing gender gaps; US\$16 trillion — closing US racial equity gaps.** OECD (2023). *Joining forces for gender equality: What is holding us back?* OECD Publishing. <https://doi.org/10.1787/67d48024-en>; Peterson, D. M. & Mann, C. L. (2020). *Closing the Racial Inequality Gaps*. Citi GPS: Global Perspectives & Solutions. <https://www.citigroup.com/global/insights/closing-the-racial-inequality-gaps-20200922>

SECTION 3 – PEOPLE AND INEQUALITIES IN THE GREEN TRANSITION AND DIGITAL TRANSFORMATION

- 32 million jobs created through nature-based solutions by 2030.** ILO and IUCN (2024). *Decent Work in Nature-based Solutions 2024, Unlocking jobs through investment in skills and nature-based infrastructure*. International Labour Office and International Union for Conservation of Nature. https://www.ilo.org/sites/default/files/2024-12/Decent%20work%20NbS%202024_EN_0.pdf
- 75% of developers.** Lawrence Berkeley National Laboratory (2024). *Survey of Utility-Scale Wind and Solar Developers*. Energy Markets & Policy Berkeley Lab. https://eta-publications.lbl.gov/sites/default/files/w3s_developer_survey_summary_-_011724.pdf
- 40% of solar PV workforce – share of women.** IEA (2024). *World Energy Employment 2024*. International Energy Agency. <https://iea.blob.core.windows.net/assets/d2b4b054-4a55-4c6f-893f-fc2c8b77e9a1/WorldEnergyEmployment2024.pdf>
- 4.5 billion people exposed to extreme weather.** Doan, M.K., R. Hill, S. Hallegatte, P. Corral, B. Brunckhorst, M. Nguyen, S. Freije-Rodriguez, E. Naikal (2023). *Counting People Exposed to, Vulnerable to, or at High Risk From Climate Shocks: A Methodology*. World Bank Policy Research Working Paper No. 10618. <https://documents1.worldbank.org/curated/en/099602511292336760/pdf/IDU07639ca570f3cb048db09bf60fc2cc82df22d.pdf>
- 640bn labour hours lost.** Lancet report in collaboration with the World Health Organisation. Romanello, M., et al. (2025). *The 2025 report of the Lancet Countdown on health and climate change: Climate change action offers a lifeline*. *The Lancet*, 406(10521), 2804–2857.
- 25 to 40% of jobs exposed to AI.** Gmyrek, P., Berg, J., Kamiński, K., Konopczyński, F., Ładna, A., Nafradi, B., Rostaniec, K., & Troszyński, M. (2026). *Generative AI and jobs: A refined global index of occupational exposure*. ILO Working Paper 140. https://www.ilo.org/sites/default/files/2025-05/WP140_web.pdf; Cazzaniga, M., Jaumotte, F., Li, L., Melina, G., Panton, A. J., Pizzinelli, C., Rockall, E., & Tavares, M. T. (2024). *Gen-AI: Artificial intelligence and the future of work*. IMF Staff Discussion Note SDN/2024/001. International Monetary Fund. <https://www.imf.org/-/media/files/publications/sdn/2024/english/sdnea2024001.pdf>