



Conceptual Foundations Discussion Paper

Feedback Summary

TISFD

TASKFORCE ON INEQUALITY
and SOCIAL-RELATED
FINANCIAL DISCLOSURES

May 2026



Introduction

This report contains a summary of feedback on the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) Conceptual Foundations Discussion Paper.

TISFD's conceptual foundations define key terms and concepts to clarify the complex interactions between people, businesses and financial institutions. They provide shared language to support consistent understanding and discussion of people-related issues among different stakeholders. A first version of the conceptual foundations was published as a [Discussion Paper](#) in October 2025.

Between October and December 2025, TISFD gathered feedback through a set of engagement events, including in-person roundtables hosted in Sao Paulo and Belém in Brazil, and Tokyo and Osaka in Japan, as well as 13 different virtual sessions, webinars and roundtables with the TISFD Regional Councils, Alliance, Knowledge Partners and other stakeholders. In total, the engagement events involved nearly 500 participants across regions. Additional feedback was collected via a structured survey, with nearly 80 organisations across business, finance, labour, civil society and international organisations submitting over 400 comments.

Feedback was reviewed to identify common themes, with recurring points prioritised and other inputs assessed on a case-by-case basis with a view to identifying actionable suggestions for improvement. This report outlines these themes and how TISFD has incorporated them into a revised version of the conceptual foundations, included as Section 3 in the TISFD Framework Beta Version 0.1 (or draft TISFD Framework).

This report is divided into the following sections:

Cross-cutting themes: Overall points of feedback received and how these points have been reflected in Section 3 of the draft TISFD Framework.

Feedback themes by section: More detailed feedback and implications related to each of the four main sections of the Conceptual Foundations Discussion Paper.

Feedback related to TISFD's other areas of work: Points of feedback that will inform TISFD's other deliverables, including perspectives that stakeholders have expressed on the disclosure framework and metrics and targets.

Section 1.

Cross-cutting themes

This section summarises the main points of feedback received on the Conceptual Foundations Discussion Paper across sections.

Key points of feedback

- **Strong, clear and easily readable:** The general sentiment received on the Conceptual Foundations Discussion Paper was overwhelmingly positive. When asked of their overall impression of the conceptual foundations, 92 percent of survey respondents found it to be *Very clear* (49 percent) or *Somewhat clear* (43 percent). Additionally, when asked how successful the conceptual foundations were at achieving its “overall objective of providing a common language for discussing social and inequality-related issues,” 85 percent answered positively with *Very successful* (26 percent) or *Somewhat successful* (59 percent).
- **Balance ambition with practicality and accessibility:** Many highlighted the need to balance conceptual ambition with practical applicability. Some stakeholders commented that the conceptual foundations remained abstract or “academic” and that the description of impacts could better reflect “real world” issues that businesses face. This reflects previous suggestions to identify a set of key topics that can help guide businesses in identifying, assessing and reporting on impacts, dependencies, risks and opportunities (IDROs).
- **Acknowledge the significant role of technology and artificial intelligence (AI):** Numerous stakeholders highlighted the importance for TISFD to consider the social impacts associated with the uptake of emerging technologies, notably AI, including issues related to data privacy, workforce impacts linked to surveillance and potential job displacement. Stakeholders suggested the need to better contextualise the conceptual foundations in the context of digital transformation.
- **Tailor content to businesses and financial institutions, respectively:** Some asked for greater specificity of language in relation to investors and financial institutions, given the specific nature of their IDROs. For example, respondents from the financial sector called for better recognition of the differences between financial institutions and real economy companies across entity-level risks and opportunities. Others suggested sharpening language on investors’ responsibilities in relation to the UN Guiding Principles on Business and Human Rights.
- **Add more regional contextualisation:** Some stakeholders called for more regional contextualisation, particularly with a view to accessibility for Global South audience. For example, recognising how inequality, environmental stress and limited governance capacity shape both impacts and risks in developing economies. Specifically, labour representatives and representatives from Asia, Latin America and Africa stressed the importance of informality in developing and emerging economies. Stakeholders also called for more attention to regional context in the way that system-level risks manifest.
- **Offer guidance and examples to help ground complex topics:** Across all sections of the paper, stakeholders expressed a strong interest in the inclusion of additional examples and guidance to help translate the concepts and typologies into practice. Some noted that the examples currently included feel too regionally limited, others emphasised that adding examples in sections where none exist would help illustrate how different elements connect.

How we have addressed this feedback

Because stakeholders indicated that the conceptual foundations provide a strong and usable conceptual baseline, we have adopted a measured approach to revisions, preserving elements widely viewed as effective while making targeted refinements where clarification or alignment was needed.

At the same time, several over-arching changes have been implemented in response to the points above as follows:

- **The conceptual foundations were restructured, edited for clarity and further simplified** for inclusion in the draft TISFD Framework. Following feedback to clarify terminology, several definitions were added to the glossary, and definitions were more closely aligned with existing standards. Definitions that were more closely aligned with existing standards include the definitions of *Affected communities*, *Impacts*, *Own workforce* and *Workers in the value chain*, which were revised in accordance with those maintained by the European Sustainability Reporting Standards (ESRS). Additions include definitions of the terms *Civil society organisations*, *Inequalities*, *Non-employee workers in own workforce*, *Outcomes for people* and *Social issues*, among others.
- **In the draft TISFD Framework, Section 1 and Section 3.1 explicitly acknowledge the potential risks and opportunities associated with digital transformation.** A box (*Box 2- People and inequalities in the green transition and digital transformation*) was added at the opening of Section 3 to acknowledge the digital transformation, including artificial intelligence, as a source of systemic disruption. The typology of impact drivers also features a driver related to the use of technology and data, acknowledging the potential impacts associated with the application of these technologies.
- **A preliminary list of illustrative impact drivers has been added to make the conceptual foundations more tangible.** Annex IIb of the draft TISFD Framework sets out an indicative list of impact drivers, covering drivers of impacts in a company's own operations, its value chain, and broader societal dynamics. This was developed in response to stakeholder feedback calling for greater specificity in articulating the drivers of impacts on people and inequalities, and drawing on TISFD's mapping of international standards, disclosure frameworks, benchmarking initiatives and academic literature. TISFD is conducting further research to develop a shared understanding of impact drivers, which will inform future work on metrics and targets and the evolution of disclosure recommendations on system-level risks. In addition, illustrative examples have been introduced to support the practical application of other core concepts, including impact pathways.
- **Regional differences were more explicitly acknowledged.** For example, the text clarifies that social issues, such as aspects of the state of people (e.g., *Health and mental health*, *Voice*, *Safety*) and the manifestation of system-level risks, can vary across contexts. TISFD's further work to develop guidance and evidence will also consider regional differences in the manifestation of impacts, dependencies, risks and opportunities, and implications for reporting.
- **Areas of TISFD's future work are now clearly signposted at the end of the draft TISFD Framework.** Section 5 of the draft TISFD Framework presents areas of future development, including guidance on the identification and assessment of people-related IDROs, future work on metrics and targets, and guidance on scenario analysis, for inclusion in future versions of the TISFD Framework. TISFD also intends to develop guidance, including examples, to help preparers implement the framework.

Section 2.

**Feedback themes
by section**

This section provides more detailed feedback and implications related to each of the four main sections of the Conceptual Foundations Discussion Paper: (1) Understanding the relationship between business and people, (2) Fundamental concepts for understanding social issues, (3) People-related impacts, dependencies, risks and opportunities, and (4) Linkages between people, climate, and nature.

Note that the revised conceptual foundations in Section 3 of the draft TISFD Framework have been restructured relative to the Conceptual Foundations Discussion Paper published in October 2025. The section in the TISFD Framework, Beta Version 0.1, contains two sub-sections: 3.1 Social issues and inequalities; and 3.2 People-related impacts, dependencies, risks and opportunities.

1. Understanding the relationship between business and people

Key points of feedback

- **Place people at the centre of the economy and society:** Most stakeholders found the overall narrative and the figure depicting *People at the centre of the economy and society* to be clear and helpful in illustrating the central role of people in the economy and society. However, some stakeholders noted other roles that people play in the economy and society, including as *voters, innovators, entrepreneurs, employers and investors*. Specifically, labour representatives called for the need to emphasise that workers create company value.
- **Introduce the concept of people experiencing situations of vulnerability earlier:** Some stakeholders suggested introducing the various sub-groups that were presented earlier in the paper, such as the categories listed under situations of vulnerabilities (e.g., *Indigenous Peoples*) as well as dimensions of horizontal inequalities (e.g., *gender, age, race/ethnicity*). It was also argued that it could be helpful to introduce those categories *before* introducing business stakeholder groups.

How we have addressed this feedback

This section has been merged with the following section on fundamental concepts for understanding social issues in the draft TISFD Framework. The figure depicting *People at the centre of the economy and society* has been simplified to make people more central to the figure. In addition, the following changes have been made:

- **Additional groups of people and stakeholders are now acknowledged early in Section 3.1.** In the opening of this section, people's roles as investors and entrepreneurs, as well as civil society organisations, are now acknowledged.
- **The concept of vulnerability is now introduced alongside inequalities.** The explanation of people in situations of vulnerability is now introduced in Section 3.1, alongside an explanation of the concept of horizontal inequalities. Both concepts consider the specific circumstances of, and differences between, groups of people with different characteristics. This section now contains explicit reference to the international legal protections of certain individuals and groups, including *Indigenous Peoples, children and workers in informal employment*.

2. Fundamental concepts for understanding social issues

Key points of feedback

- **Better articulate the relationship between human rights, well-being and human and social capital:** Many stakeholders felt that the conceptual foundations were effective in articulating the relationship between these constructs in an accessible way. In particular, the introduction of the construct of well-being was generally welcomed. At the same time, several stakeholders noted that the relationship between the constructs remains difficult to grasp.
- **Revise framing of human rights:** Stakeholders suggested clarifying the responsibility of business in relation to human rights. Some stakeholders expressed concerns about the placement and recognition of human rights in relation to the state of people. Labour representatives, in particular, expressed concern that the recognition of other constructs could dilute the perceived importance of a rights-based approach. Conversely, some respondents, suggested moving away from a normative approach to a framing more exclusively focused on people-related financial risks and opportunities. Views also varied on the positioning of human rights as a threshold.
- **Reconsider the use of the *state of people* construct:** Stakeholders expressed a mix of opinions on the usefulness of the state of people construct. Some found it valuable to bring together related concepts, noting that it is difficult to draw clear boundaries around the constructs of human rights, well-being and human and social capital. Others expressed concern about introducing a new term that may not resonate with market actors and that the term *state of people* may be hard to translate to other languages. In addition, stakeholders commented on the dimensions of the state of people, including suggestions to add environmental health, the rule of law, access to finance and education. It was also suggested to reframe the category of *Work and job quality*, add *Inclusion and belonging* as part of collective well-being / social capital, add *Family well-being* in addition to individual and collective well-being, and to further clarify some of the collective well-being dimensions.
- **Clarify inequality and related concepts:** While many found the current conceptualisation of inequalities helpful and comprehensive, others suggested that certain elements could be clarified, simplified or consolidated. Some also recommended better clarifying the relationship between inequalities and other social concepts such as human rights (including forced labour), situations of vulnerability and poverty. There were also calls from stakeholders to more explicitly emphasise the intersectional and multi-dimensional nature of inequalities. Stakeholders also called for the conceptual foundations to better acknowledge the respective roles of governments and businesses in addressing inequalities. Labour representatives, in particular, suggested more clearly emphasising the role of business models based on exploitation and short-termism in driving inequalities.

How we have addressed this feedback

This section has been merged with the preceding section on the relationship between business and people and is now included in Section 3.1 in the draft TISFD Framework. In addition, the following changes have been made:

- **The figure depicting the relationship between the key constructs of human rights, well-being and human and social capital has been redesigned for clarity**, positioning human rights as the foundation of people’s well-being and human and social capital, which businesses have a responsibility to respect. The figure was also revised to make it clearer that well-being and human and social capital are both reflective of the same or similar aspects of the state of people, rather than two distinct and separate concepts.
- **Human rights have been further emphasised as central to the framework**, grounded in international treaties and normative standards. This includes strengthening the acknowledgement of the responsibility of business to respect human rights as the foundation of responsible business conduct, and the role of business in contributing to economic, environmental and social progress in support of sustainable development, in line with the UN Guiding Principles and the OECD MNE Guidelines. In response to feedback, the definition of human rights in the Glossary was revised, addressing concerns that the previous framing as "entitlements" was insufficient. The figure that depicts examples of human rights as a normative threshold was also removed, as many found the reference to the threshold confusing. Labour rights are now more explicitly recognised as an integral part of human rights, with clearer reference to the ILO Conventions and Recommendations and as reflected in the Declaration on Fundamental Principles and Rights at Work.
- **The typology of dimensions of the state of people was refined, and the term *dimension* was replaced by *aspect***. A few dimensions were simplified to improve readability while maintaining their scope (e.g., *Physical and mental health* to *Health and mental health* and *Life, liberty and security* to *Safety*). The dimension of *Work and job quality* was reframed to *Work* to respond to comments that suggested that the other dimensions of the typology already capture the relevant elements of job quality (e.g., *Income, Voice, Health, Safety*). Some suggestions were incorporated into other components of the framework or will be considered in future work.
- **Explanation and definitions about inequalities section were added and edited to improve clarity**. A definition of *Inequalities* was added to the Glossary, and the definition of *Equity* was revised in response to requests to better distinguish it from the concept of (in)equality, to: “A state where individuals’ needs and requirements are taken into account and those individuals are treated accordingly”. A box was added in response to calls to better articulate the respective roles of the public sector and business. The draft TISFD Framework explicitly acknowledges the role of business choices in pay, business models, engagement, capital allocation and structuring, in affecting people’s rights and well-being, and the way in which opportunities are distributed across societies.

3. People-related impacts, dependencies, risks and opportunities

Impacts and Dependencies

Key points of feedback

- **Explain impact and dependency pathways:** Stakeholders suggested explaining the pathways between impact drivers and impacts, as well as external factors. Many expressed a need to recognise various impacts on people that are related to greater societal changes and may originate outside of a business, including the role of government, artificial intelligence and digital transformation.
- **Provide more specificity on activities:** Stakeholders felt that the typology of activities provided a helpful reference. Still, many called for greater acknowledgement of specific activities or impact drivers, and for better defining what these activities entail. Some business representatives suggested replacing the term *Lobbying* with the more neutral term *Dialogue*.
- **Better define situations of vulnerability:** Various questions were raised on situations of vulnerability. The category *Children and young workers* was seen as unclear. Several questioned the framing of trade union members as potentially in a situation of vulnerability, noting the protective role of unions. And many called for a stronger intersectional lens, including explicit recognition of gender, disability, sexual orientation, age, ethnicity and migration status.
- **Some stakeholders questioned the relevance of dependencies on people, especially in the context of AI.** Some stakeholders suggested that businesses may primarily have an interest in decreasing their dependencies on people through automation. It was also suggested that the dependencies concept would be more convincing if it was positioned at the system-level rather than at the entity-level. On balance, most stakeholders thought that the dependencies construct was helpful, given that, even in a context of technological change, many businesses still have a fundamental reliance on people, including workers, but also communities and consumers.

How we have addressed this feedback

The sections on impacts and dependencies have been merged into a revised Section 3.2 in the draft TISFD Framework. In addition, the following changes have been made:

- **Impact and dependency pathways have been introduced in Section 3.2**, with a figure illustrating how a specific impact driver can lead to changes in the state of people and inequalities. The use of precarious contracts is used as an illustrative example, directly responding to feedback about the need for examples.
- **Impact drivers are now more clearly defined**, with a list of examples of specific impact drivers included in Annex IIb. Figure 10 reflects an adaptation of the original typology of activities (now referred to as *Impact drivers*) and is now organised to reflect, respectively, drivers of impacts in own operations, in the value chain, and in society. TISFD is conducting research to further refine its understanding of impact drivers, which will inform future iterations of the disclosure framework, including in relation to recommended metrics and targets.

- **The concept of vulnerability has been integrated into the inequalities section** to better make the link between these concepts. This responds to stakeholder calls to better connect dimensions of horizontal inequalities (e.g., *gender, age*) with situations of vulnerability and includes a more explicit reference to the international legal protections of individuals and groups in situations of vulnerability.
- **Dependencies on society are more clearly acknowledged.** The revised description of dependencies now distinguishes clearly between immediate dependencies on affected stakeholders (workers, communities, consumers) and broader societal dependencies, including on social cohesion, trust, the rule of law, and the size and quality of the available labour force. This better connects the concept to the idea that investors are also exposed to system-level risks and opportunities.

Risks and Opportunities

Key points of feedback

- **Improve balance between risks and opportunities:** Stakeholders saw the concept of *opportunities* as underrepresented in the conceptual foundations. In addition, stakeholders asked for alignment between risk and opportunity categories, while many called for additional categories of both opportunities and risks, including inclusive business models, collaboration, workforce democracy (opportunities); *Financial risk, Capital access risk, Technology or innovation risk, Geopolitical risk, Loss of social licence to operate (risks)*. Stakeholders also suggested this section should provide consideration of system-level opportunities.
- **Consider the concept of social transitions and related transition risk:** Feedback from stakeholders raised the question of whether there may be transitions other than the climate transition, such as AI or digital disruption or a broader social transition, which TISFD should consider because they similarly create risks and opportunities for businesses and financial institutions.
- **Revisit the definition of risks as an exclusively financial concept:** Some noted that the definition of risks as solely pertaining to financial risks was confusing, given the existence of *risks to people*.
- **Better articulate the connection between entity- and system-level risk:** Many highlighted the need for clearer recognition of how entity- and system-level risks are interconnected, including explaining how system-level risks can translate into entity-level risks through disruption, policy volatility, or demand shifts.
- **Consider additional system-level risks:** Some respondents called for the link to climate and nature to be presented in this section, and for greater recognition of demographic trends, geopolitical risks, humanitarian crises and technological change.

How we have addressed this feedback

- **Entity-level risks and opportunities are now presented together in a single figure**, responding to the call to better align and balance the two typologies. The four risk categories (*Operational, Policy and legal, Reputational and Market*) are now paired with corresponding opportunity categories.
- **The distinction between impacts and risks is maintained, in line with the usage in other disclosure frameworks.** For clarity of language, the distinction between impacts and risks is maintained, reflecting the usage of these terms in sustainability-related disclosure standards and frameworks. In line with this, the draft framework differentiates between impacts (actual and potential impacts on people) and risks (financial risks to entities).
- **The concept of social transitions and the relevance of the concept of transition risk will be further explored.** Analysis so far has concluded that while the transition to a net zero economy is well-defined and anchored in public policy, this is not the case for other potential transitions and therefore that it is helpful in the context of the TISFD Framework to preserve the concept of transition for the well-defined climate transition. The Taskforce will continue to explore, through research and stakeholder engagement, the question of whether the concept of a social transition or transitions is meaningful and helpful in furthering the goals of the disclosure framework.
- **TISFD will provide further guidance on understanding the linkages between system-level and entity-level risks and opportunities.** TISFD acknowledges the need for further guidance, evidence and education materials to help users understand the linkages between system-level risks and opportunities and entity-level risks and opportunities. This will form part of TISFD's future work, which may translate into future guidance and resources.
- **Further clarifications and simplifications.** Responding to feedback for clearer definitions and specific clarifications of concepts, the following changes were made:
 - i. A definition of *System-level opportunities* has been included in the Glossary.
 - ii. The definitions of *Risks* and *Opportunities* now explicitly acknowledge portfolio-level risks and opportunities.
 - iii. Climate change and ecosystem stability risk have been added in the system-level risk narrative, including in the accompanying figure, which also now acknowledges the interconnected nature of these risks.

4. The linkages between people, nature and climate

Key points of feedback

- **Integrate people-nature-climate linkages throughout the paper:** Some stakeholders suggested that the linkages between people, climate and nature-related issues should be reflected more throughout the conceptual foundations, in addition to being covered in the standalone section.
- **Elevate the concept of a just transition:** Several respondents called for just transition to be more central to the framing of this section.

How we have addressed this feedback

- **The standalone section on people-nature-climate linkages has been removed, with the content embedded transversally throughout Section 3.** The opening of Section 3 now addresses the concept of just transition, while Section 3.2. addresses impacts and dependencies across people, nature and climate within the impacts section; and risk and opportunity interactions within the risks and opportunities section.
- **Just transition is now explicitly defined**, referencing the ILO definition: promoting “environmentally sustainable economies in a way that is inclusive, by creating decent work opportunities, reducing inequality and by leaving no one behind”.

Section 3.

**Feedback related to
TISFD's other areas of
work**

This section provides an overview of feedback that was received that will inform TISFD’s other deliverables, including perspectives that stakeholders have expressed on the disclosure recommendations and implementation guidance.

Disclosure recommendations

Key points of feedback

- **Materiality:** Many stakeholders asked for clarity on TISFD's approach to materiality.
- **System-level risks:** While stakeholders recognised the value of including system-level risks, some questioned the practical implications, including concerns about reporting burden.
- **Fiduciary duty:** Stakeholders suggested acknowledging investors’ fiduciary duty in addressing impacts when they affect financial returns.
- **Interoperability:** Stakeholders sought clearer articulation of where TISFD fits in the global disclosure standards and frameworks landscape.
- **Recognition of audiences and users of the TISFD Framework:** Stakeholders asked for clarity on specific audiences and users of the TISFD Framework, notably regulators, central banks, pension funds, insurance companies, sovereign wealth funds and state-owned enterprises.
- **Datapoints on key characteristics of the global workforce:** Labour representatives, in particular, suggested including high-level data on key characteristics of the global workforce.

How we have addressed this feedback

These points of feedback have been reflected in the development of the draft TISFD Framework. In particular, they are addressed through the treatment of materiality and system-level risks, including fiduciary duty, in Section 4.1, as well as through the discussion of interoperability, intended audiences and additional data points in Sections 1 and 2.

Implementation guidance

Key points of feedback

Representatives of businesses and financial institutions highlighted the following needs in relation to the use of TISFD’s conceptual foundations and framework:

- Capacity building and education on the terms and concepts in the conceptual foundations
- Identification and assessment guidance
- Sectoral guidance
- Metrics and indicators, including disaggregated metrics and vulnerability indices
- Thresholds to accompany metrics
- Scenario analysis guidance

How we have addressed this feedback

TISFD intends to support users of the framework with educational and capacity building resources. Section 5 of the draft TISFD Framework sets out a number of priority areas for future work identified by the Taskforce. These include identification and assessment guidance, guidance on scenario analysis, and work on metrics and targets, which includes a consideration of the applicability of thresholds in the social domain. Sectoral guidance will also be considered in the future by the Taskforce.