JBA Comments on TISFD Framework (Beta Version 0.1)

No.	Question	Comments
Overall framework:		
1.	What are the strengths of the TISFD Framework Beta Version 0.1 which should be retained?	• We support retaining the perspective of linking people-related issues to corporate value, financial risk, and investor decision-making, as this provides a meaningful framework. The approach of positioning issues such as human rights, labour practices, human capital, inequality, customer protection, and well-being as matters relevant to a company's medium- to long-term value creation and risk management is particularly valuable. • The TISFD framework provides a useful structure for systematically compiling people-related information that has traditionally been managed and disclosed across multiple social ("S") reporting channels in a fragmented manner. In particular, its integrated structure covering Impacts, Dependencies, Risks, and Opportunities helps organisations better understand both how they affect people and society and how they depend on employees, customers, communities, and broader social systems. • The four-pillar structure—Governance, Strategy, Impact and Risk Management, and Metrics and Targets—is likewise valuable because it facilitates alignment with existing frameworks such as TCFD, TNFD, and ISSB Standards, while enabling organisations to leverage existing disclosure and management processes.

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		• Furthermore, we suggest that TISFD should be viewed as complementary to, rather than duplicative of, human capital disclosure frameworks. While human capital generally focuses on employees as drivers of value creation and on enhancing that value, TISFD broadens the perspective by not only recognising people as contributors to business performance, but also assessing how an organisation affects people's human rights and well-being.

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2.	How can we improve the Framework?	• TISFD should be positioned not as a framework that requires extensive new and comprehensive disclosures, but rather as one that helps organisations organise, integrate, and enhance existing disclosures relating to human rights, human capital, sustainability, and climate- and nature-related matters from the perspective of people-related issues. • At the same time, greater clarity is needed regarding the scope of people-related issues covered by the framework and the approach to prioritisation. Given that TISFD is expected to address a wide range of topics, including human rights, labour practices, human capital, inequality, well-being, financial accessibility, and local communities, it would be helpful for the framework to provide clearer guidance on the criteria and processes that organisations should use to identify material issues, prioritise them, and link them to management decision-making and disclosure practices. • In addition, the intended users of the framework appear to be highly diverse, and their information needs may not necessarily align. As a result, it remains unclear whose decisions the framework is primarily intended to support. The ISSB focuses on financial materiality from the perspective of investors and capital markets, GRI focuses on organisation's impacts, and ESRS adopts a double materiality perspective. In contrast, TISFD seeks to address both an organisation's impacts on people and the ways in which those impacts may affect enterprise value through risks and opportunities, while also considering broader system-level effects on markets and society. While this ambition is valuable, seeking to meet the accountability needs of multiple stakeholder groups within a single framework may create overlapping or potentially competing disclosure objectives. Clarifying the primary audience and disclosure objective would help reporting entities determine which information should be prioritised and reduce the risk of unnecessary reporting complexity.

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		• From a practical implementation perspective, it would also be helpful for the framework to first clarify its relationship with existing human capital and human rights disclosures, particularly those relating to an organisation's own workforce. Compared with broader people-related issues across value chains and society, workforce-related issues are generally more readily identified, managed, measured, and explained by organisations.

3.	Does the Framework support interoperability with other disclosure frameworks, including the ISSB Standards, ESRS, and GRI Standards? Why or why not?	• At present, there is insufficient information to assess whether interoperability with existing disclosure frameworks has been adequately achieved. Given the existence of established standards and disclosure regimes, such as the ISSB Standards, ESRS, GRI Standards, TCFD, TNFD, human capital disclosures, and human rights disclosures, the current draft does not yet provide sufficient clarity regarding how TISFD is intended to complement these frameworks or what incremental informational value it is expected to deliver. • Greater clarity would therefore be beneficial regarding TISFD's alignment with existing standards and frameworks, including its relationship to existing disclosure requirements, the use of cross-referenced disclosures, and the mechanisms for avoiding duplication. The development of mapping tables, interoperability guidance, or cross-reference tools would help both reporting entities and users of disclosures better understand how TISFD relates to existing reporting obligations and what additional insights it is intended to provide. • Avoiding duplicative disclosures and overlapping due diligence processes is particularly important. Many companies, especially financial institutions, are already subject to a wide range of disclosure requirements and due diligence frameworks. If TISFD results in introducing additional reporting requirements that replicate existing disclosures, this could increase compliance costs and reporting burdens without necessarily enhancing the quality or usefulness of information provided. Consideration should also be given to the potential additional burden placed on clients, suppliers, and other value-chain participants that may be required to provide information to support TISFD-related disclosures. • Alignment with existing human capital policies, human rights disclosures, and related reporting practices across jurisdictions is also essential. Without sufficient alignment, companies may be required to separately collect and report information on social issues, human rights, inequality, and other people-related matters beyond their current disclosure practices. This could lead to

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		duplication of efforts, increased internal governance and management burdens, and greater complexity in communicating information to investors and other stakeholders. • At the same time, the proposed four-pillar structure—Governance, Strategy, Impact and Risk Management, and Metrics and Targets—supports a degree of interoperability with existing sustainability-related disclosure frameworks. In particular, its structure will be familiar to organisations that already report under TCFD- or TNFD-aligned approaches and may facilitate integration into existing governance, risk management, and reporting processes.

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4.	Does the Framework support the integration of people-, nature- and climate-related issues? Why or why not?	• We support the objective of understanding people-, nature-, and climate-related issues in an integrated manner. In practice, business challenges such as decarbonisation, natural capital, local communities, employment, labour conditions, and human rights are closely interconnected, and it is therefore important for organisations to recognise and assess these interconnectedness. • In particular, such an integrated perspective is valuable in supporting a just transition. Understanding the impacts of decarbonisation initiatives on employment, workers, local communities, local economies, and living standards can help organisations better manage risks and opportunities while explaining their approach to long-term value creation. • However, the framework currently provides limited guidance on how these interrelationships should be assessed and disclosed in practice. For example, renewable energy projects and nature-based solutions (NbS) often involve interconnected considerations relating to decarbonisation, biodiversity, employment, land rights, and local economic development. While TISFD promotes an integrated approach, it remains unclear how organisations should evaluate, prioritise, and disclose trade-offs among competing objectives and outcomes. • It is also unclear how TISFD should be applied alongside existing frameworks such as TCFD and TNFD, and how organisations can provide integrated disclosures while avoiding duplication with existing reporting requirements. Additional guidance would therefore be helpful, including both a clear conceptual framework and practical examples illustrating how people-, nature-, and climate-related issues can be assessed, prioritised, and disclosed in an integrated and consistent manner.

No.	Question	Comments
General requirements for disclosures		
General requirements outlined in Section 4.1 include materiality, system-relevant information, stakeholder engagement, scale and time horizons.		
5.	To what extent do you agree that the General requirements are useful:	Neither agree nor disagree

6.	How can we improve the General requirements?	• We would respectfully suggest further consideration and clarification in the following areas of the General Requirements for effective human-related disclosure. • Scope: For financial institutions, the proposed framework appears to extend beyond an organisation's own workforce to include value chain workers, local communities, clients and end users, as well as community impacts arising from borrowers' and investees' activities. In practice, such a broad scope may be particularly challenging for universal banks, given the complexity of their business activities, the indirect nature of many of these relationships, and current limitations in the availability of relevant data. Financial institutions generally do not directly manage or control the operations of borrowers and investees. Expanding the disclosure boundary in this manner may therefore create unrealistic expectations regarding the extent to which financial institutions can influence or manage people-related outcomes across financing and investment relationships. • Materiality: Greater clarity would be beneficial for the criteria and process in determining materiality. Given the broad scope of people-related issues, the definition of material issues may vary depending on factors such as an organisation's business model, geographic footprint, value chain, and stakeholder relationships. It would therefore be helpful for the framework to provide clearer guidance on how organisations should identify, assess, and prioritise material issues. While the framework proposes considering financial materiality (effects on financial performance and enterprise value), impact materiality (effects on people), and system materiality (effects on broader economic and social systems), financial materiality should remain the primary basis for disclosure requirements, given the significant resources required for reporting. Impact- and system-related considerations could be assessed through their actual or potential effects on enterprise value and financial performance. • System-level Information: The recognition that issues such as inequality, social instability, and other broader societal challenges may develop into system-level risks is valuable. However, there

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		is currently limited clarity regarding the expected scope, level of granularity, and depth of analysis and disclosure. In addition, methodologies for measuring such risks, allocating responsibility, and integrating them into organisational risk management processes are not yet sufficiently developed or standardised. Requiring extensive disclosures at this stage may therefore result in information that is ambiguous, difficult to compare, or potentially misleading.
Draft disclosure recommendations		
7.	To what extent do you agree that the TISFD draft disclosure recommendations are:	Clear and easy to understand ・Neither agree nor disagree Likely to generate decision useful information ・Neither agree nor disagree

8.	How can we improve the draft disclosure recommendations?	• To facilitate more effective implementation of the framework, further clarification on several aspects of the draft disclosure recommendations would be beneficial. • At present, it is not entirely clear how individual disclosure requirements are intended to support corporate decision-making or investor assessment. It would therefore be helpful to explain the rationale for each disclosure item and the incremental informational value it is expected to provide beyond existing disclosure frameworks and requirements. • In addition, the relationship among Impacts, Dependencies, Risks, and Opportunities remains somewhat abstract from a practical implementation perspective. To facilitate more consistent application, the framework could provide industry-specific examples illustrating how people-related issues may translate into credit risk, operational risk, reputational risk, legal and regulatory risk, business opportunities, and financial impacts. • For financial institutions, the boundaries of financed activities and related disclosure expectations also require further clarification. In particular, the responsibilities and disclosure boundaries associated with lending, investment, underwriting, advisory, and asset management activities are not yet sufficiently clear. Additional clarity would help organisations determine the extent to which they are expected to assess and disclose impacts, dependencies, risks, and opportunities arising from these activities. • With respect to metrics, targets, and data requirements, it is important to strike an appropriate balance between comparability and practical feasibility. People-related issues are often difficult to measure consistently through quantitative indicators alone, and data availability and verifiability may be limited, particularly where information is expected from borrowers, investees, suppliers, or other business partners. The framework should therefore place greater emphasis on proportionality and practicability when establishing data requirements. In addition, rather than

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		placing undue focus on quantitative target-setting, the framework should also allow for qualitative explanations relating to processes, management systems, and engagement track records. • Finally, the concept of "system-level information" remains insufficiently developed to support consistent implementation. Further clarification would be helpful regarding the classification of system-level risks, their relationship to business activities and portfolios, the pathways through which such risks may materialise, and the extent to which organisations can reasonably be expected to assess, influence, and report on them. Without such clarification, reporting entities may face significant challenges in producing disclosures that are consistent, comparable, and decision-useful. • Please also refer to our comments under Questions 2 and 3.

9.	What guidance would you need to apply the draft disclosure recommendations?	• To support the practical implementation of the framework and reduce reporting burdens, further operational and implementation-oriented guidance would be beneficial in the following areas: • Guidance on materiality assessment and the evaluation of Impacts, Dependencies, Risks, and Opportunities would be particularly valuable. Practical methodologies and illustrative examples would help organisations identify the people-related issues that are material to their business, organise them within the TISFD framework, and prioritise them appropriately. • Guidance on interoperability with existing disclosure frameworks is also needed. While TISFD aims to align with frameworks such as ISSB, TCFD, and TNFD, as well as existing human capital and human rights disclosures, its relationship with these frameworks is not yet sufficiently clear. Detailed mapping tables, cross-reference guides, and examples of cross-referenced disclosures would help organisations understand how TISFD can be used to organise and enhance existing disclosures, while reducing duplication and unnecessary reporting burdens. • Additional guidance on system-level information and metrics design would also be helpful. In particular, further clarification is needed regarding relevant risk categories, causal pathways, data sources, expected levels of disclosure granularity, and the relationship among common metrics, company-specific metrics, and qualitative explanations. Such guidance would help avoid overly burdensome or purely compliance-oriented reporting and support disclosures that are genuinely useful for decision-making by investors and other stakeholders. • Finally, sector-specific guidance would be especially valuable for financial institutions. The availability of information, degree of influence, and ability to assess impacts vary significantly between an organisation's own workforce and external stakeholders such as borrowers, investees, clients, suppliers, local communities, and other value-chain participants. It would therefore be helpful to provide separate guidance and illustrative disclosure examples that distinguish between these two categories. In particular, further clarification is needed regarding the boundaries of

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		financed activities, including lending, use-of-proceeds financing, underwriting, advisory services, active and passive investment strategies, and asset management. Expectations should be calibrated to the differing levels of influence, access to information, contractual arrangements, and engagement opportunities associated with these activities.

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Additional feedback and recommendations		
10.	Please share any other feedback, recommendations, and insights with TISFD.	• While we support the overall objectives of TISFD, we believe it is important to proceed cautiously and pragmatically as the framework evolves, for the following three reasons. • Usability for investors and financial institutions: ➢ Concepts such as well-being and inequality are important; however, it is unclear how reliably they can be measured and integrated into financial analysis and enterprise value. If most investors and financial institutions are not yet ready to use this information in decision-making, risk assessments, or valuations, there is a risk that reporting entities will perceive TISFD merely as an additional disclosure requirement rather than as a source of decision-useful information. • The “S”(social) dimension can become overly conceptual: ➢ Human rights, well-being, and inequality are important topics; however, they are also broad concepts with a high degree of abstraction. Without specific operational guidance, companies may default to generic, non-substantive disclosures. This could result in increased workload for assurers, consultants, and rating agencies without delivering meaningful improvements in transparency or decision-usefulness, ultimately eroding confidence in sustainability reporting. • “Disclosure fatigue” among reporting entities: ➢ Companies already face increasing implementation demands arising from multiple sustainability frameworks and standards. “Disclosure fatigue” is a real risk that may undermine the quality, reliability, and usefulness of reported information. Any new requirements should therefore be weighed carefully against their expected benefits and implementation costs.

		• In addition, we would like to offer the following observations and recommendations: • Concerns raised about the EU's CSRD and CSDDD, including significant reporting and due diligence burdens, broad scope, extraterritorial reach, and adverse impacts on competitiveness, are also relevant to TISFD. TISFD's envisioned scope, which extends beyond a company's own operations to communities, clients, end users, and system-level risks, could create even greater implementation burdens. Policymakers have narrowed the CSRD/ESRS requirements to address proportionality, feasibility, and competitiveness, highlighting the need to strike an appropriate balance between ambition and practicality. TISFD should take a similar approach from the outset, by paying close attention to reporting burdens, data availability, proportionality, scope boundaries, and organisations' capacity to deliver reliable and decision-useful disclosures. • As with TCFD and TNFD, organisations have developed their own approach to categorising, governing, and managing sustainability topics based on applicable laws, regional contexts, and business models. In many cases, they do not treat these topics as discrete issues, and isolating them does not necessarily lead to better outcomes. TISFD should clarify that its guidance on Governance, Strategy, Impact and Risk Management, and Metrics and Targets does not prescribe any specific organisational structure or governance model. It should also make clear to users, including investors and rating agencies, that close alignment with the framework's disclosure structure does not necessarily indicate superior practices or outcomes. Differences may reflect legitimate variations rather than differences in quality. • As climate reporting has shown, sustainability metrics can differ considerably in terms of scope, methodologies, estimates, and materiality approaches, thereby limiting comparability. Although companies often disclose assumptions, methodologies, and reporting boundaries, some users, such as data providers and ESG rating agencies, may focus on headline figures and treat them as directly comparable, aggregating or benchmarking metrics despite underlying differences. Requiring the

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		disclosure of metrics before measurement methodologies have sufficiently matured could therefore result in inaccurate interpretations and assessments of corporate performance. Such requirements should be approached cautiously and accompanied by efforts to improve methodological consistency, transparency, and users' understanding of data limitations. • As the framework moves toward finalisation, we encourage TISFD to continue developing it as a practice-based framework through industry-specific testing and ongoing dialogue among companies, financial institutions, investors, civil society organisations, and other stakeholders.

(End)