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Disclosure: CDP to Incorporate ISSB Climate Disclosure Standards into Platform

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Disclosure



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On November 8, non-profit sustainability disclosure platform provider CDP and the International Sustainability Standards Board (ISSB) **announced** that CDP will integrate the ISSB's climate-related disclosure **standards** into CDP's disclosure platform. In 2022, 18,700 companies globally—worth almost \$61 trillion and encompassing half of global market capitalization—have utilized CDP's platform to disclose environmental information. The ISSB standard, when it is finalized, will be included into CDP's questionnaires, which in turn are issued to companies annually. For further details on the standards, and their path to finalization, see our **recent articles**.

In addition to this development, the ISSB **announced** during COP27 the establishment of the ISSB's **Partnership Framework**, which was created to “support preparers, investors and other capital market stakeholders as they prepare to use [International Financial Reporting Standards (IFRS)] Sustainability Disclosure Standards.” The Framework includes over 20 partnership organizations.

Emmanuel Faber, Chair of the ISSB, said: “The ISSB is committed to delivering an effective, efficient disclosure eco-system for global capital markets, resulting in decision-useful climate-related disclosures. By aligning the CDP platform to the ISSB's climate-related standard, we are reducing the burden on entities and moving a step closer to that common language for disclosures. With the demand for robust disclosure as strong as ever, we are delighted that 18,000 preparers will be voluntarily disclosing data structured to IFRS S2 from the 2024 disclosure cycle.”

Taking the Temperature: The balkanization of climate-related disclosure standards remains a significant challenge for companies globally, one made that much harder by lack of consensus on related issues like emissions measurement standards. Companies

should welcome developments such as this that advance the goal of something resembling a global consensus on appropriate sustainability disclosure. We expect to see this trend continue with future alignment and merging of currently competing standards as markets select their preferred formats and regulatory oversight overtakes voluntary frameworks published by non-governmental organizations.