
Introduction

Corporate sustainability reporting constitutes an essential lever for the transformation of companies' practices and for ensuring their contribution to sustainable development. It represents a potential mechanism for organizations to generate data and measure their performance in all the dimensions of sustainable development, to set goals, and to support the transition towards a low-carbon, resource-efficient, and inclusive green economy.

There has been an increase in internal and external pressure on companies to improve their sustainability performance, and sustainability reporting has now evolved from an iterative process into a strategic tool to support decision-making processes. Reasons for this include pressing environmental and social challenges and a rising interest in sustainability reporting, not only on the part of governments, but also on the part of investors and stock exchanges, resulting in regulatory instruments and incentives for reporting. This pattern is likely to continue, as company monitoring will, at the national and global levels, be a key component in tracking the progress of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), particularly SDG target 12.6 and its respective indicator, 12.6.1, on corporate sustainability reporting.

The above has led to a rapid growth in governments and other institutions to put in place policies or other measures to encourage sustainability reporting. This, in turn, has contributed to an increase in the number of companies (particularly large and international companies) producing sustainability reports, though the quality of these reports varies widely. Conversely, there has been less of a focus on small and medium enterprises, and the reporting rate of these smaller companies is significantly lower than that of large organizations.

National governments and stakeholders have a range of crucial actions to carry out in order to improve the quality of sustainability reporting and to encourage more companies to report. Possible actions include:

- Building national understanding of the benefits of sustainability reporting;
- Creating policies or guidance to encourage and enable sustainability reporting, particularly amongst small and medium enterprises;
- Supporting the consolidation of data extracted from corporate sustainability reports to enhance the mea-

surement of sustainability performance at the national level; and

- Making use of this disclosed sustainability information to support decision-making processes.
- This publication aims to support national governments and relevant stakeholders in delivering these outcomes. It seeks to contribute to: building policymakers' awareness of corporate sustainability reporting in order to inform policy decisions; and developing policymakers' capacities to address sustainability reporting from a policy perspective. It provides step-by-step guidance for the formulation of national regulatory instruments and for the collection and management of data and indicators regarding business impacts (particularly, the environmental impacts of businesses) that can enhance the number and quality of corporate sustainability reporting practices. It also has an operational orientation and provides detailed information, self-assessment tools, and hands-on tools that help countries in implementing sustainability reporting strategies.

This work has been divided into two main sections. The first part of the material, section A (Handbook), provides an introductory overview of the key issues in corporate sustainability reporting for those who are new to the topic. Section B (Toolkit) presents more specific guidance on key themes for governments and relevant stakeholders wishing to increase the effectiveness and impact of company sustainability reporting in their countries or regions.

The material builds on existing publications and resources, synthesising this information and linking to further resources as required.