

Digitisation of Environmental, Social and Governance (ESG) Reporting in Small and Medium-Sized Enterprises (SMES): Quality of Information and Implications for Portugal*

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Abstract

This article examines the digitalisation of non-financial reporting and Environmental, Social and Governance (ESG) reporting in Europe, with a particular focus on small and medium-sized enterprises and the implications for Portugal. Through a structured narrative review of recent scientific literature and regulatory and technical documentation, the study analyses how digital infrastructures, regulatory frameworks, and organisational conditions affect the quality of the information disclosed. The analysis is organised around six key areas: regulatory developments in reporting, information quality, the role of eXtensible Business Reporting Language (XBRL) and the European Single Electronic Format (ESEF), the tension between standardisation and flexibility, implementation constraints in SMEs, and the importance of data governance. The results show that digitisation can improve the traceability, comparability, analytical reusability, and verifiability of reporting, but these effects are not automatic. Their realisation depends on semantic consistency, tagging discipline, internal validation, technical capabilities, and institutional support. Furthermore, the review suggests that SMEs face the greatest challenges in this transition, due to constraints in terms of resources, training, tools, and data collection. For Portugal, the study concludes that improving digital reporting requires regulatory proportionality, institutional mediation, and operational frameworks that strengthen internal management capacity.

Keywords: Non-financial reporting; ESG reporting; SMEs; XBRL; Portugal