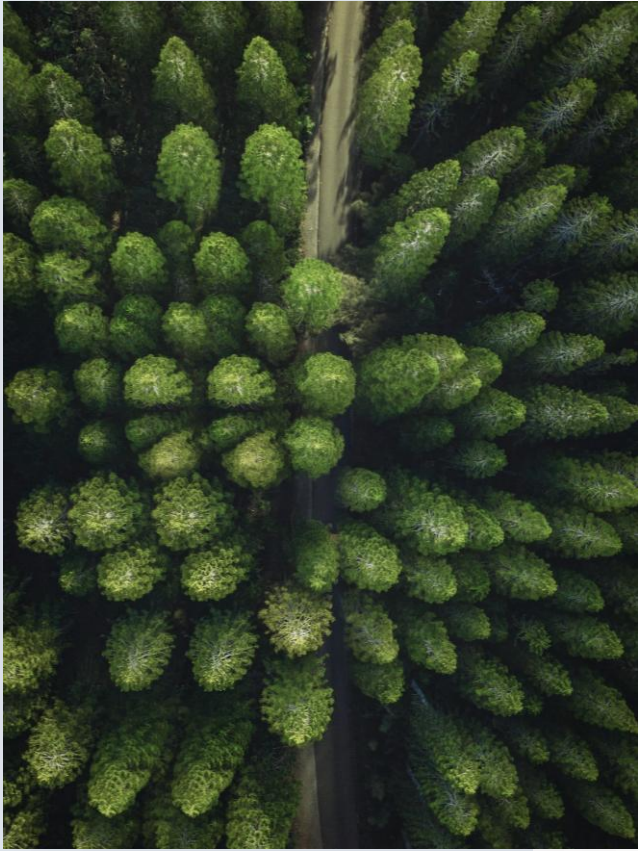


# The impact of the digital sustainability reporting on business performance

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# Keywords

**#Sustainability**

**#Data analytics**

**#Information governance**

**#Digitalization**

**#Business performance**

# Crisis of integrating sustainability-related information governance



In 2025, the EC introduces the Omnibus package for CSRD.

**The purpose:** to remove 80% of companies from the CSRD scope.

**The reason:** *too high associated costs and additional administrative burden for the companies.*

# CSRD triggers two main transformations:



## **internal review of the strategy**

regarding compliance with  
market sustainability  
requirements



## **adaptation or improvement of the corporate reporting system**

for  
accounting, management, and  
presentation of the sustainability  
information.

# Practical gap of the research

1

**Mismatch between business logic and the integration of sustainability policies.**

2

**Lack of practical focus on data-specific technology for sustainability accounting and reporting.**

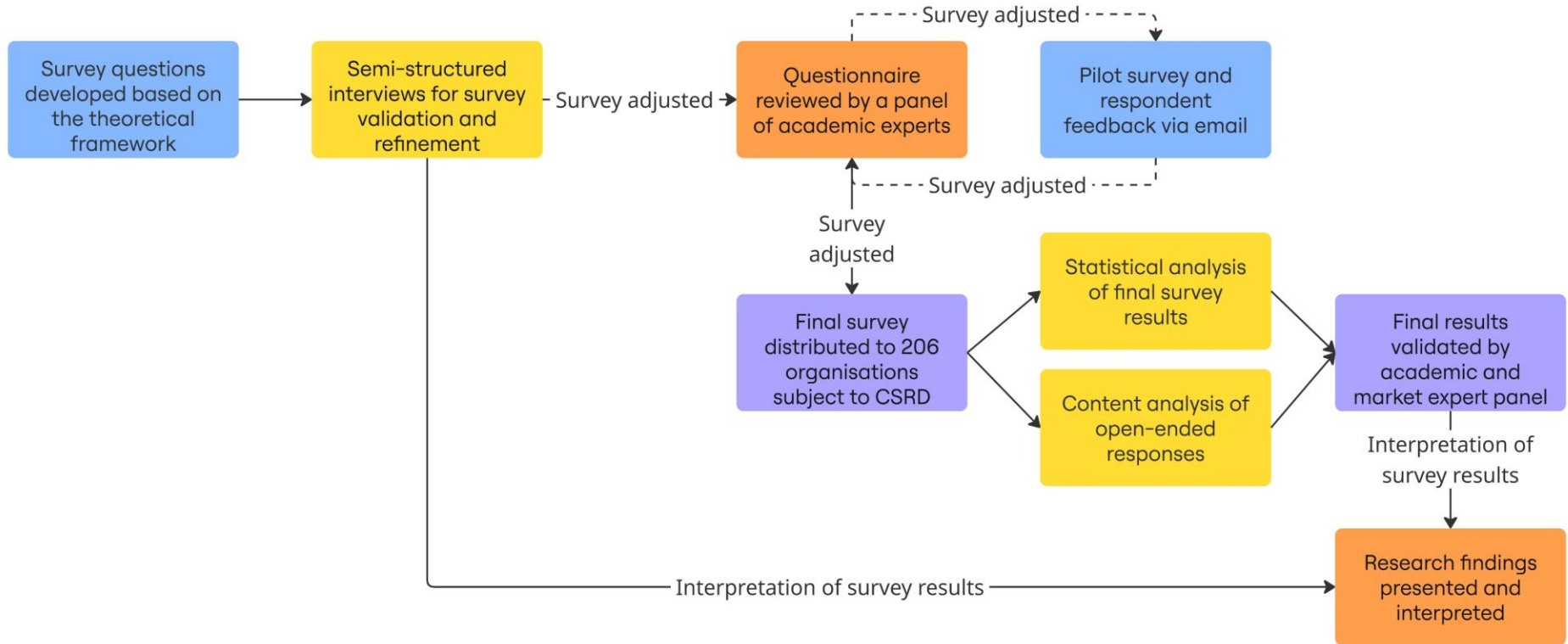
3

**Discrepancy between organisational information processing capabilities and external market and regulatory requirements.**

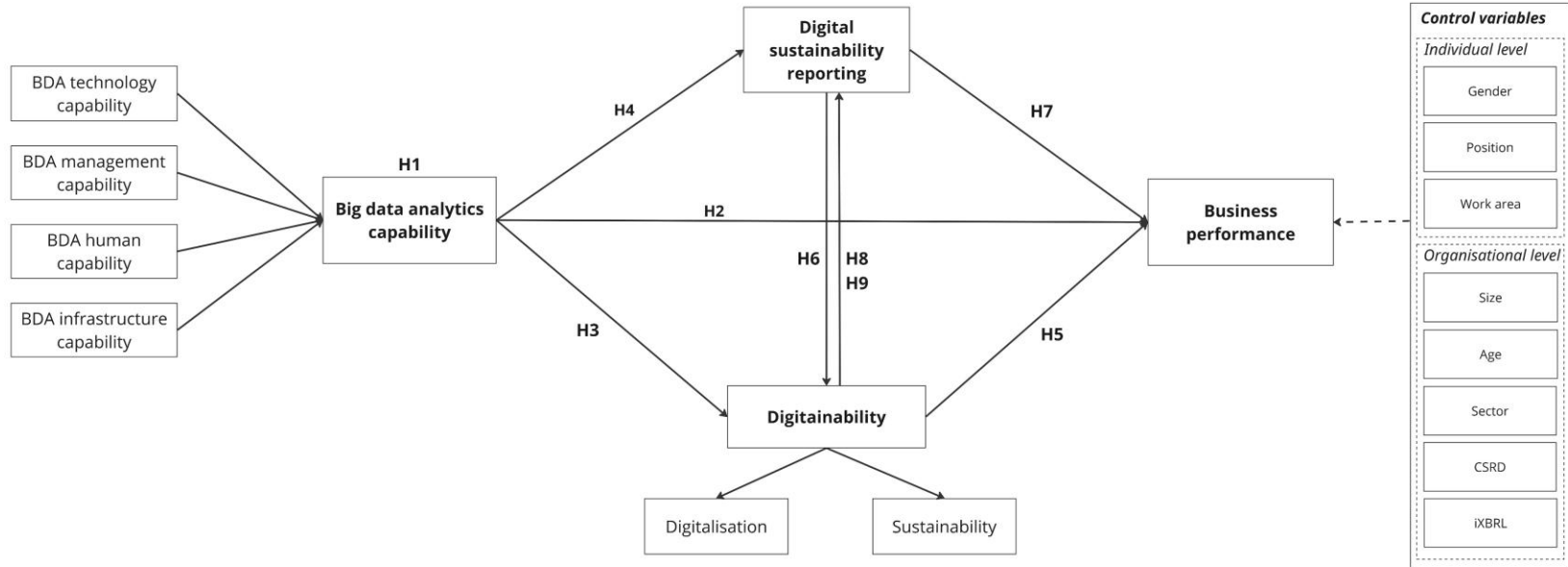
4

**Information governance is standalone from digital sustainability reporting.**

# Research methods, December 2023 – May, 2025



# Research model



# **SUSTAINABILITY**

**or**

# **ESG?**

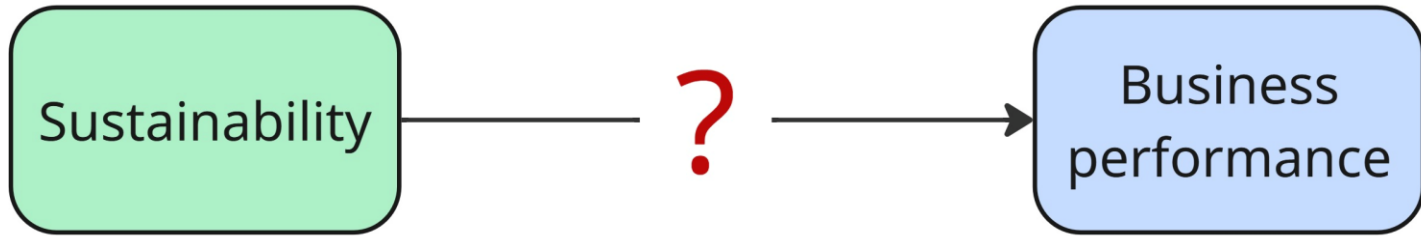


A brown rectangular sign with rounded corners and a white border is mounted on a wooden post. The sign features white text in a serif font. The background is a dense thicket of green plants, including palm fronds and other foliage, with sunlight filtering through the leaves.

Please Take  
Nothing But  
Pictures  
Leave Nothing  
But Footprints



# Does sustainability impact business performance?



# What does science tell us?

Opinions are divided...

Corporate sustainability efforts can **strengthen an organisational reputation among customers and other market stakeholders**, positively impacting financial performance (Alkaraan et al., 2024; Dohrmann et al., 2024)

Based on market analyses of top index organisations between 2011 and 2023, Bhue et al. (2025) found that **investments in sustainability help mitigate the effects of uncertainty's on market value, which supports long-term thinking in corporate sustainability practices.**

Based on an empirical analysis of a sample of listed EU organisations, Cerciello et al. (2023) found that, on average, **sustainability practices negatively impact business performance in the short and mid-term.**

“Telling firms that being socially responsible will deliver higher growth, profits and value is **false advertising**” (Cornell and Damodaran, 2020, p.90).



## Findings: field research

### Expert's interviews. 2024 (I)

- » Sustainability strategy is rather **intuitively-driven** than data-based.
- » Sustainability strategy is **looked at separately** from the main strategy.
- » The largest problem during the process of ESRS preparation is **data availability and quality**, specifically in value chain.
- » **Lack of methodological** understanding behind ESRS (double materiality).



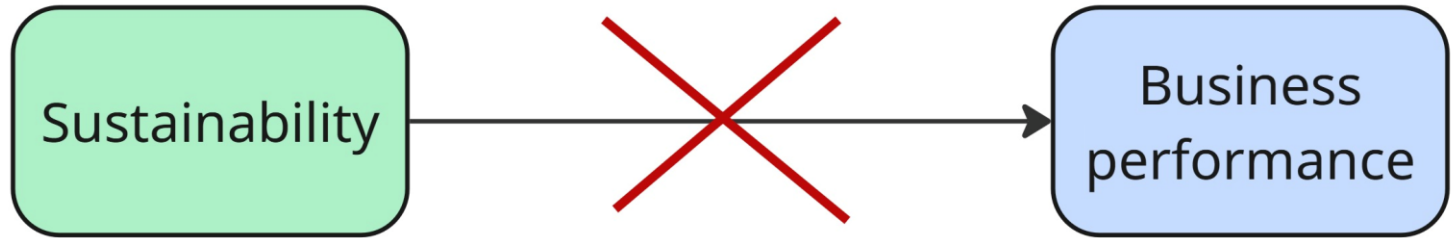
## Findings: field research

### Expert's interviews. 2024 (II)

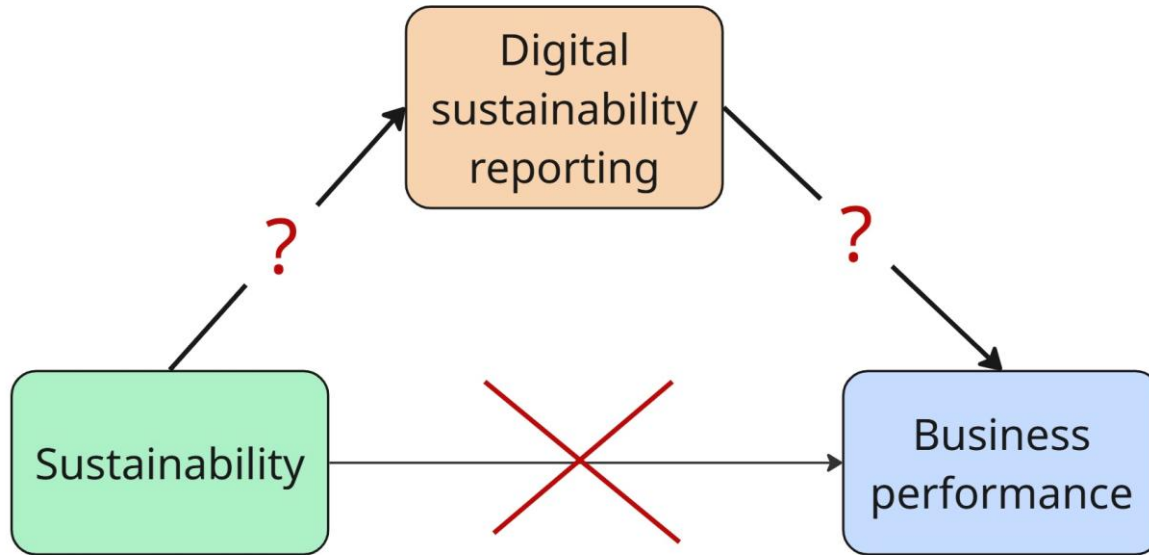
- » Lack of the **universalism of the analytical systems**.
- » **ESRS requires a serious level of automation** and real-time sustainability accounting.
- » **Sustainability accounting** is not integrated with conventional accounting.
- » The necessity for qualitative sustainability data management and iXBRL tagging tools is **raised by the operational level rather than management** (bottom-up approach).

# Does sustainability impact business performance?

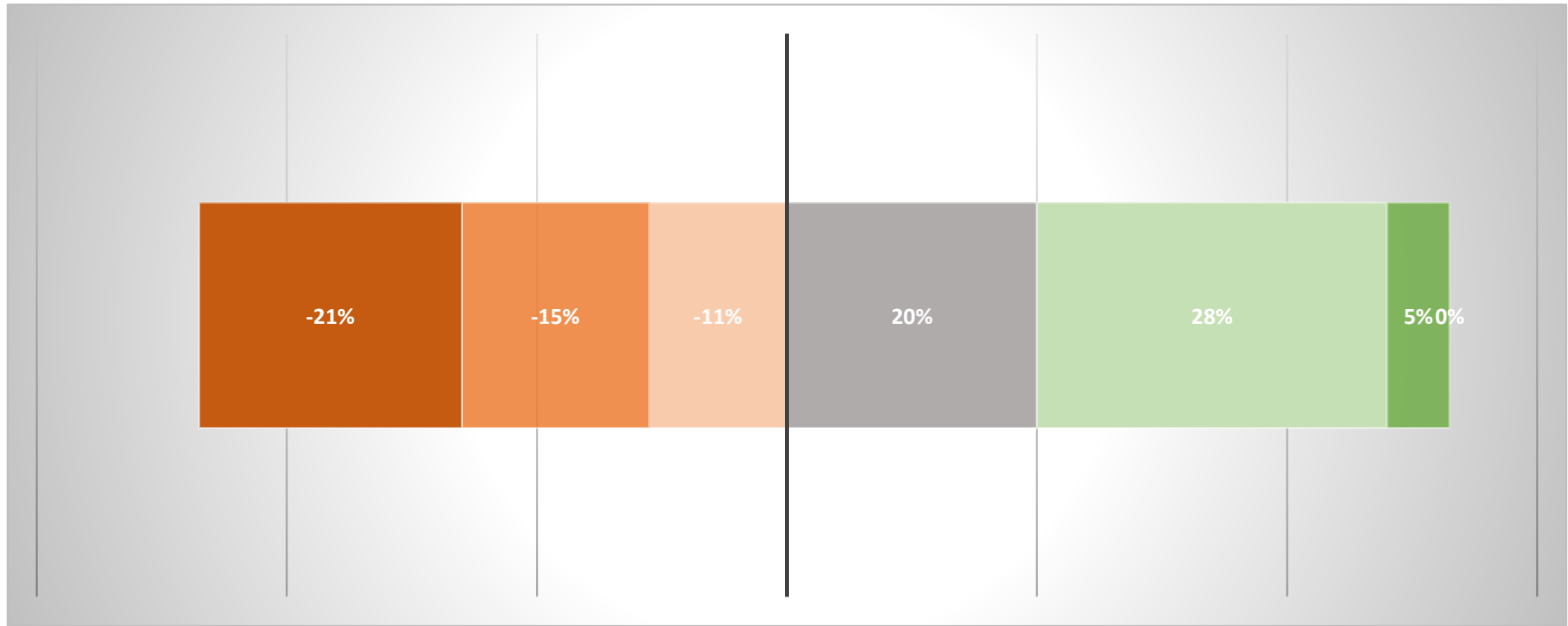
Quantitative survey results + interviews



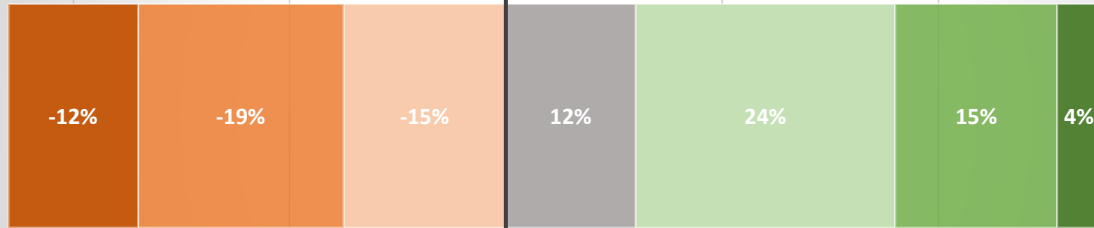
# What does a digital sustainability report readiness change?



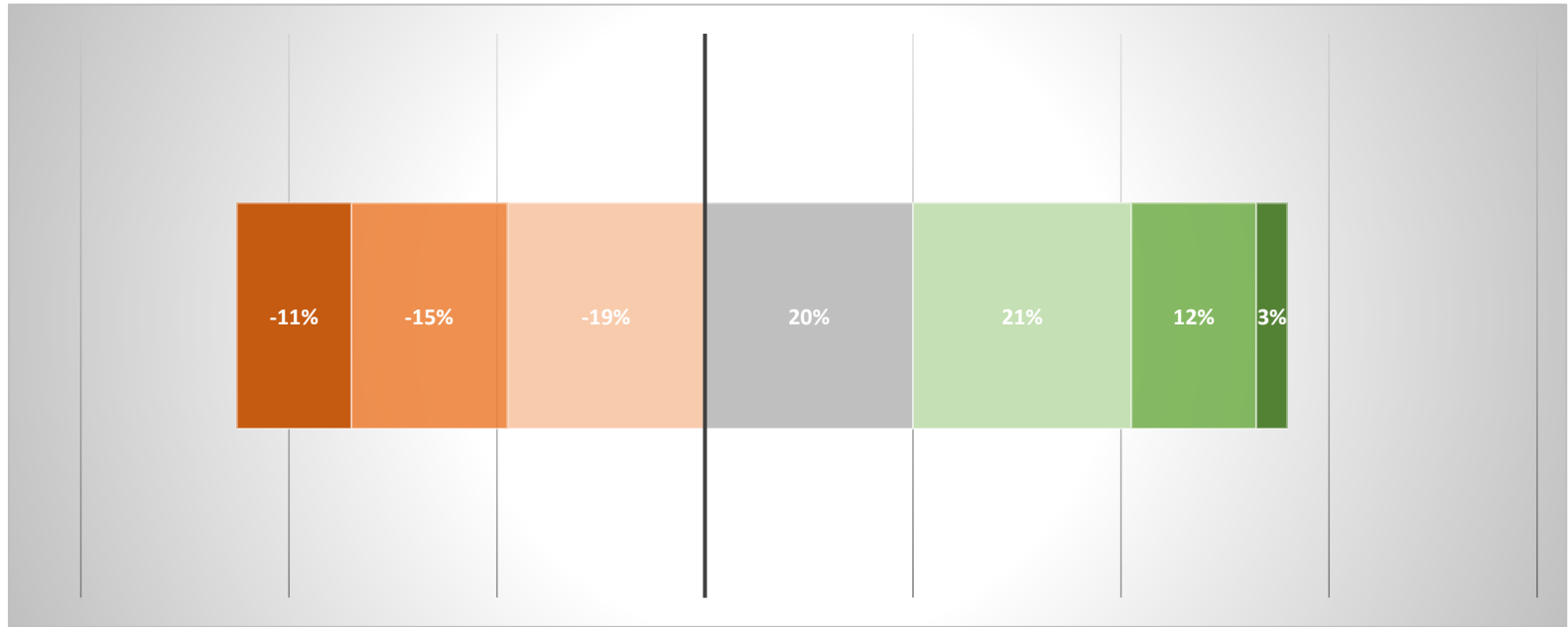
# We are ready for regulatory ESRS digital reporting.



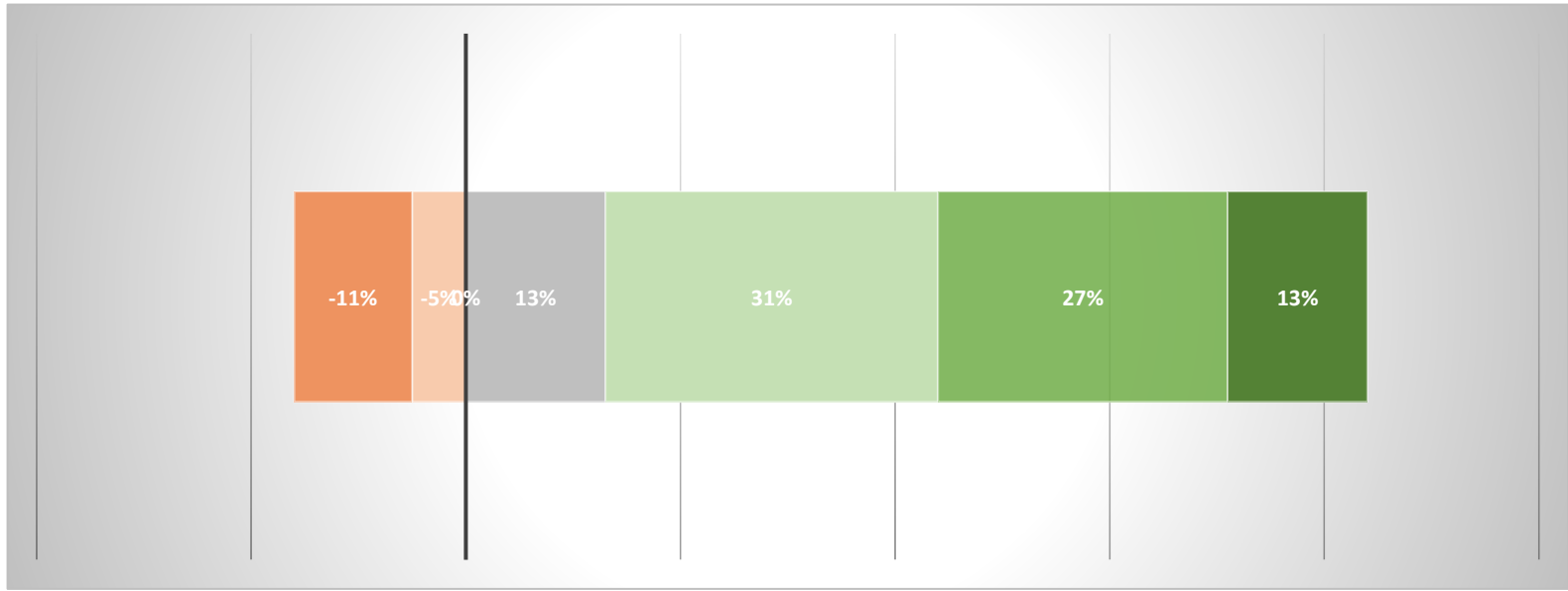
**We have integrated governance controls and policies for sustainability reporting process.**



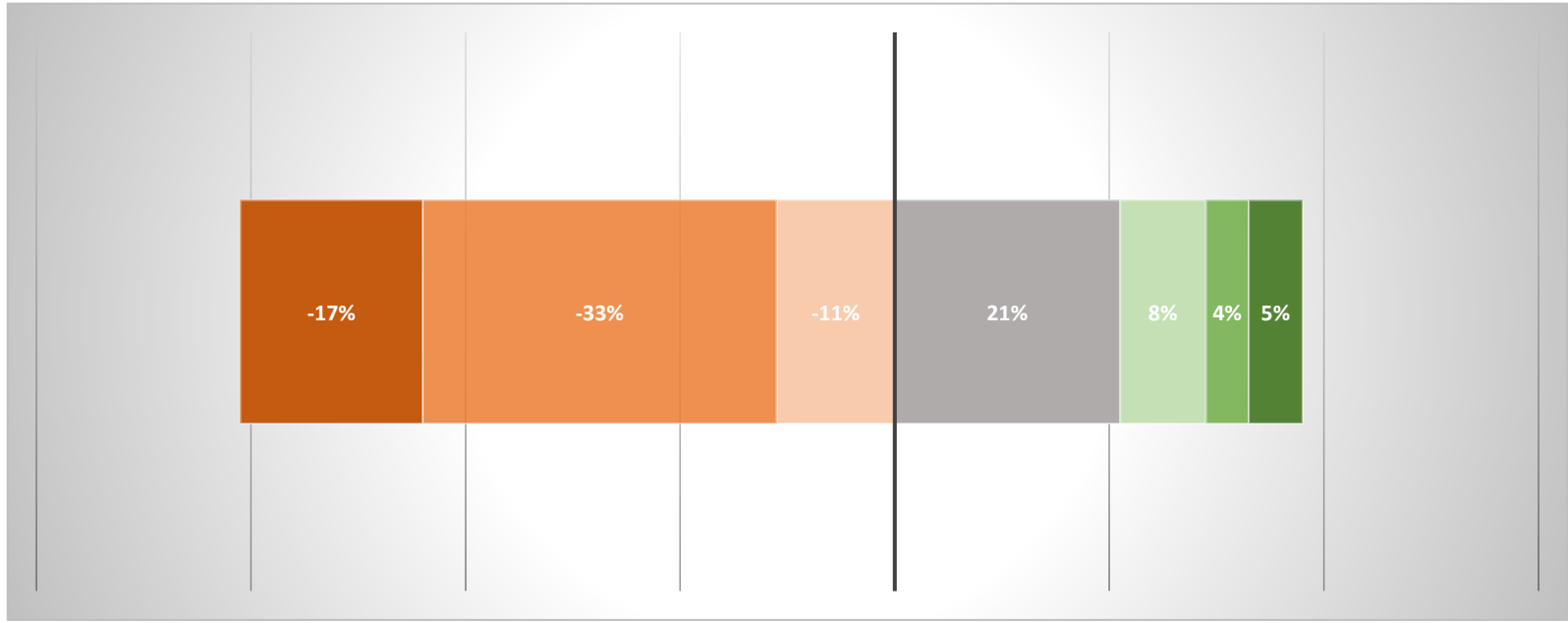
# We ensure the integrity of the sustainability report with financial reports.



**We are well informed about the requirement to publish the ESRS report in iXBRL (ESEF) format.**



# We use ESRS XBRL taxonomy to create the structure of our sustainability report.



# Integrated governance controls and sustainability reporting policies



have the strongest impact on **sustainability**.



have the strongest impact on **economic business performance**.



## What else matters?

Quantitative survey results + interviews

- » **ESRS risk, impact and opportunity assessment readiness impacts business performance**



## What else matters?

Quantitative survey results + interviews

- » ESRS risk, impact and opportunity assessment readiness impacts business performance
- » High level of *management understanding of iXBRL* sustainability reporting positively correlates with business performance.



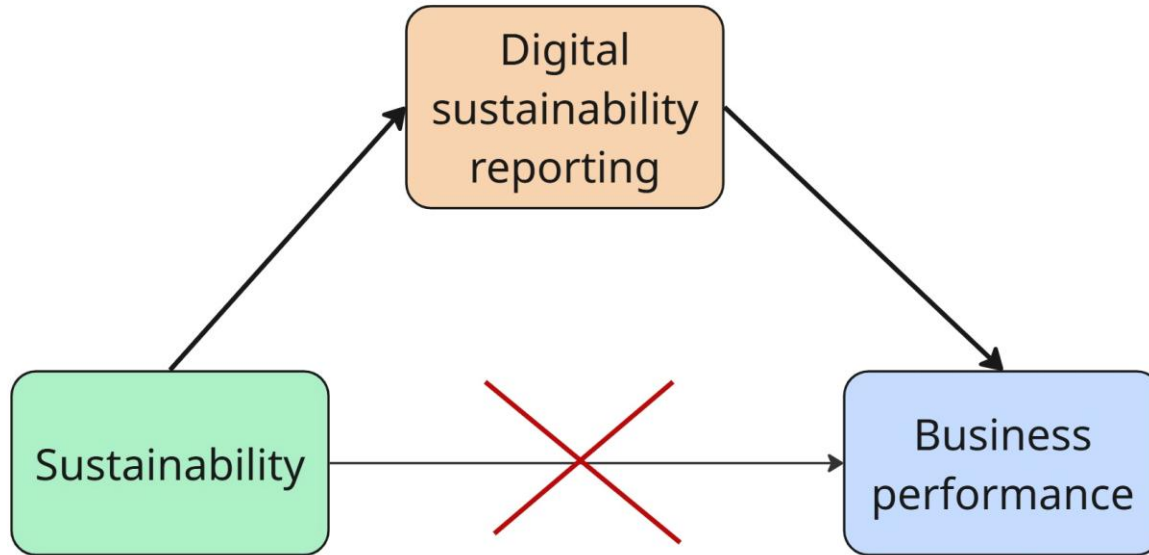
## What else matters?

Quantitative survey results + interviews

- » ESRS risk, impact and opportunity assessment readiness impacts business performance
- » High level of *management understanding of iXBRL* sustainability reporting positively correlates with business performance.
- » *IT department's awareness of sustainability policy* positively affects sustainability.

# Does sustainability impact business performance with digital sustainability reporting as a mediator?

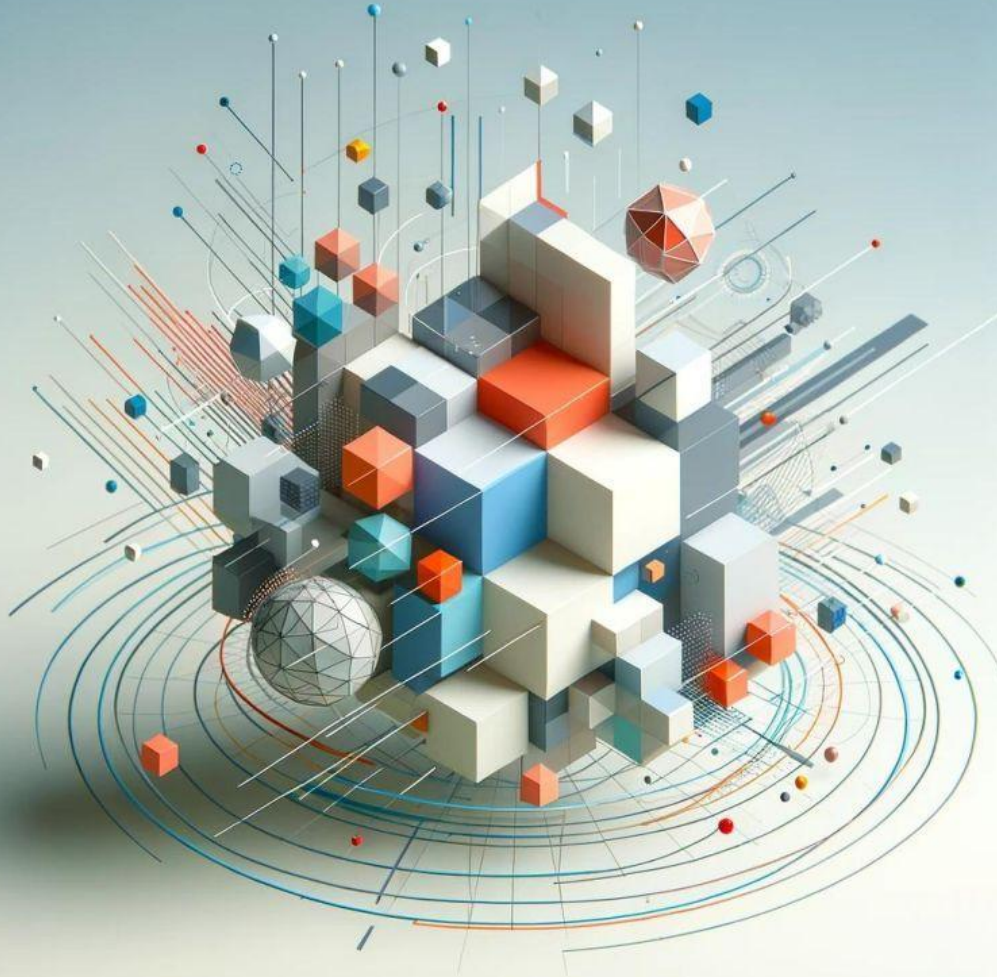
Quantitative survey results + interviews



# The most common challenges companies face in the sustainability reporting process?







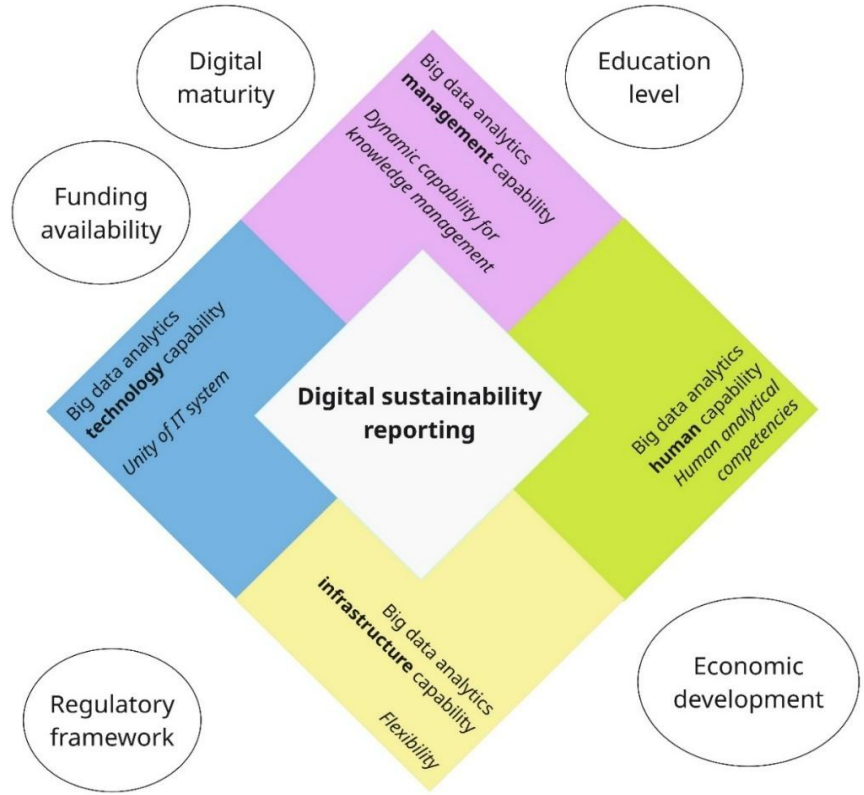
# **BIG DATA ANALYTICS CAPABILITY (BDAC)**

*What is it in  
management?*



**BIG DATA ANALYTICS CAPABILITY is the organisational ability to leverage big data insights for more sound, effective, and efficient strategic decisions facilitated by information governance tools, techniques, and processes (adopted from Gupta and George, 2016; Mikalef et al., 2020b; Farouk et al., 2025).**

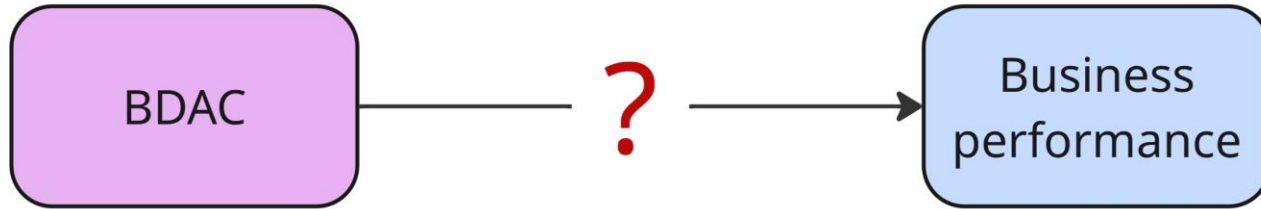




# Digital sustainability reporting: *key success factors*

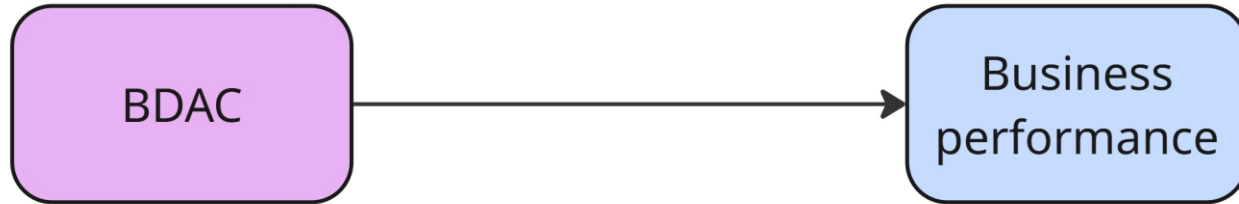


# Does BDAC impact business performance?



# Does BDAC impact business performance?

Quantitative survey results + interviews





**No individual BDAC element has  
an independent impact on  
business performance.**

**They work only together.**



## Impact of BDAC elements:

Quantitative survey results + interviews

» *BDA human capability* impacts sustainability



## Impact of BDAC elements:

Quantitative survey results + interviews

- » *BDA human capability* impacts sustainability
- » *BDA technology capability* impacts digital sustainability reporting readiness and sustainability

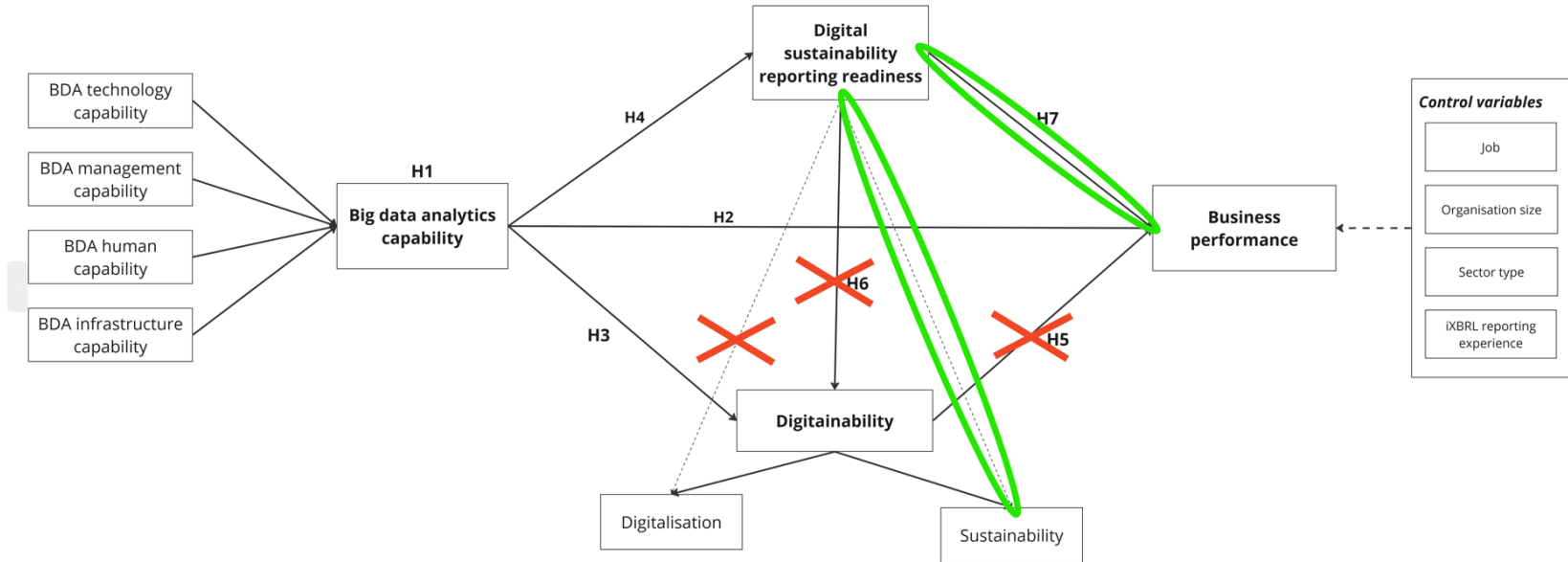


## Impact of BDAC elements:

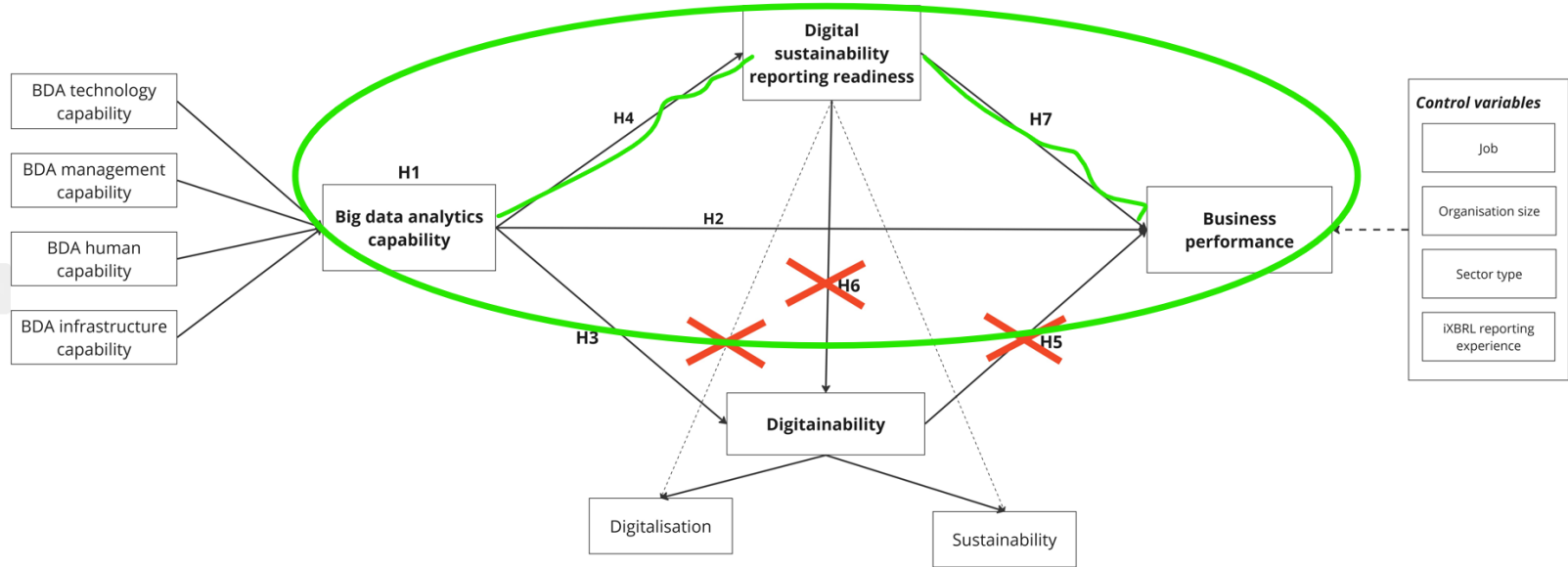
Quantitative survey results + interviews

- » *BDA human capability* impacts sustainability
- » *BDA technology capability* impacts digital sustainability reporting readiness and sustainability
- » *BDA management capability* impacts digitalization

# Research model – results (1)

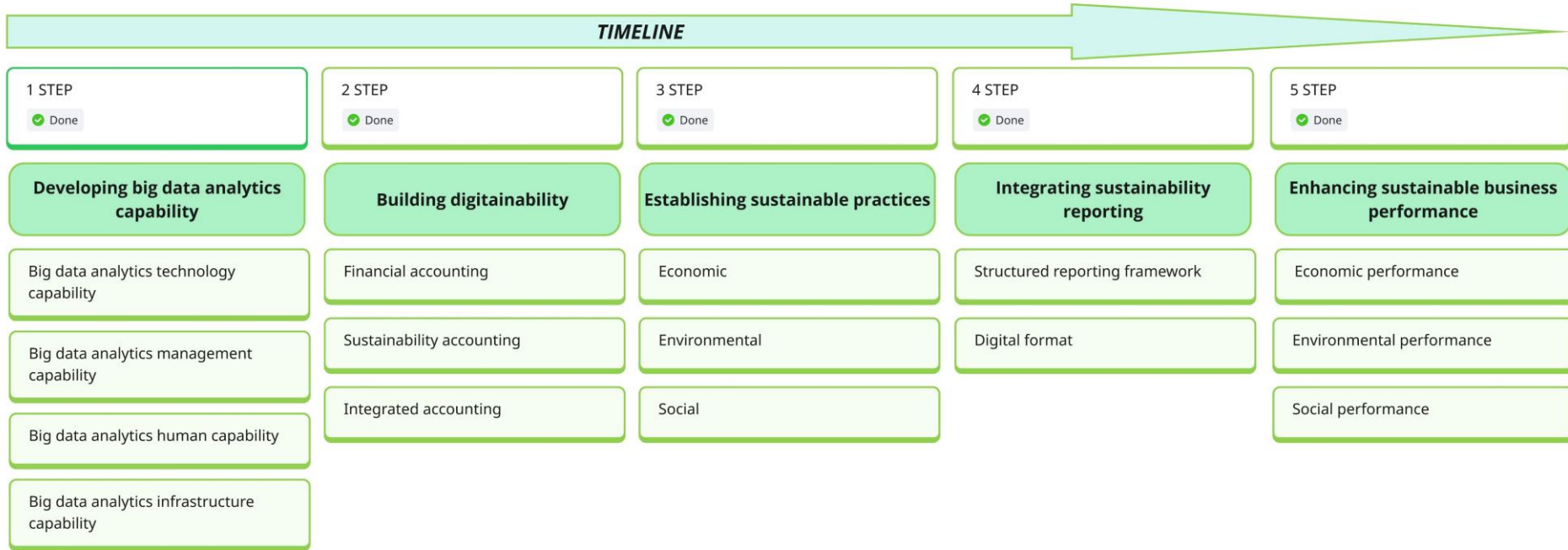


# Research model – results (2)





# Sustainable business development model driven by BDAC and sustainability framework



2025 Novicka J. *Unpacking the Role of Big Data Analytics Capability in Sustainable Business Performance: Insights from Digital Sustainability Reporting Readiness in Latvia*. Sustainability. 2025; 17(8):3666. <https://doi.org/10.3390/su17083666>

## DIGITAL SUSTAINABILITY REPORTING



### TECHNOLOGY



- Information integrity
- Data commensuration

### HUMAN



Access to key information  
Readiness to change the existing routines  
Readiness to acquire new competencies  
Pay-for-performance and noncash incentives  
Sustainability committee

Information availability

### MANAGEMENT



- Board size and independence
- Majority election rules
- Board gender diversity

Rules for orchestrating decision execution flows, decision rights

### INFRASTRUCTURE



- Ownership and responsibility for the information
- Clear processes of extracting and transforming BDA results into information
- Data input and output control
- Information confidentiality (protection)

Decision intelligence platform

Unity of IT system

Dynamic capabilities & knowledge management

Human analytical competencies

Flexibility

## BIG DATA ANALYTICS CAPABILITY



Social

Economic

Environmental

SUSTAINABLE BUSINESS PERFORMANCE

The management model for orchestrating BDAC's impact on business performance in a digital sustainability reporting framework



## The main insight

**Corporate information governance, aligned with the digital sustainability report readiness, plays a critical role in ensuring that sustainability practices generate economic business value.**



# Contacts



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