

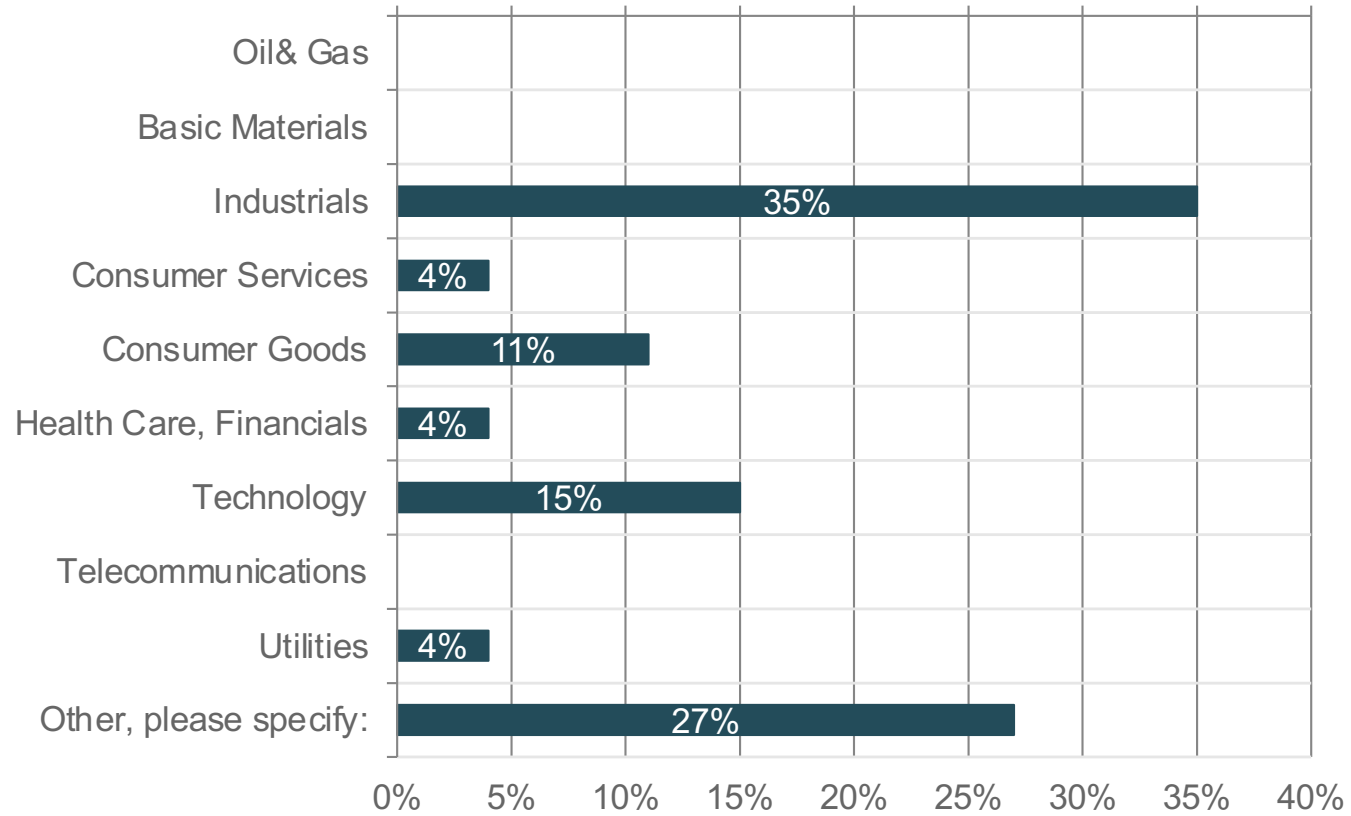
**Survey on ESEF (European Single Electronic Format) financial reporting requirements (xHTML and iXBRL), May 2022**

# Survey

- The survey was conducted in collaboration between Aalto University School of Business, XBRL Finland and the Finnish Financial Supervisory Authority.
- The aim of the survey was to probe the current state of XBRL implementation in Finnish issuers that are impacted by the ESEF reporting requirements. This survey is a follow-up survey to similar studies made in April 2021, April 2020 and April 2019. The survey included background questions, questions on the current stage of implementation, questions concerning the choice of deployment model, and questions on issuers' opinions regarding XBRL and the ESEF reporting requirements.
- The survey was conducted in May 2022. The survey was sent to 145 Finnish issuers and 26 responses were received, yielding a response rate of 18%.
- The following slides report the findings of the survey and make a comparison between the responses given by the issuers in 2019, 2020, 2021, and 2022.
- The survey was administered by Esko Penttinen from Aalto University (esko.penttinen@aalto.fi).

### 1. In what industry does your company operate in?

Number of respondents: 26



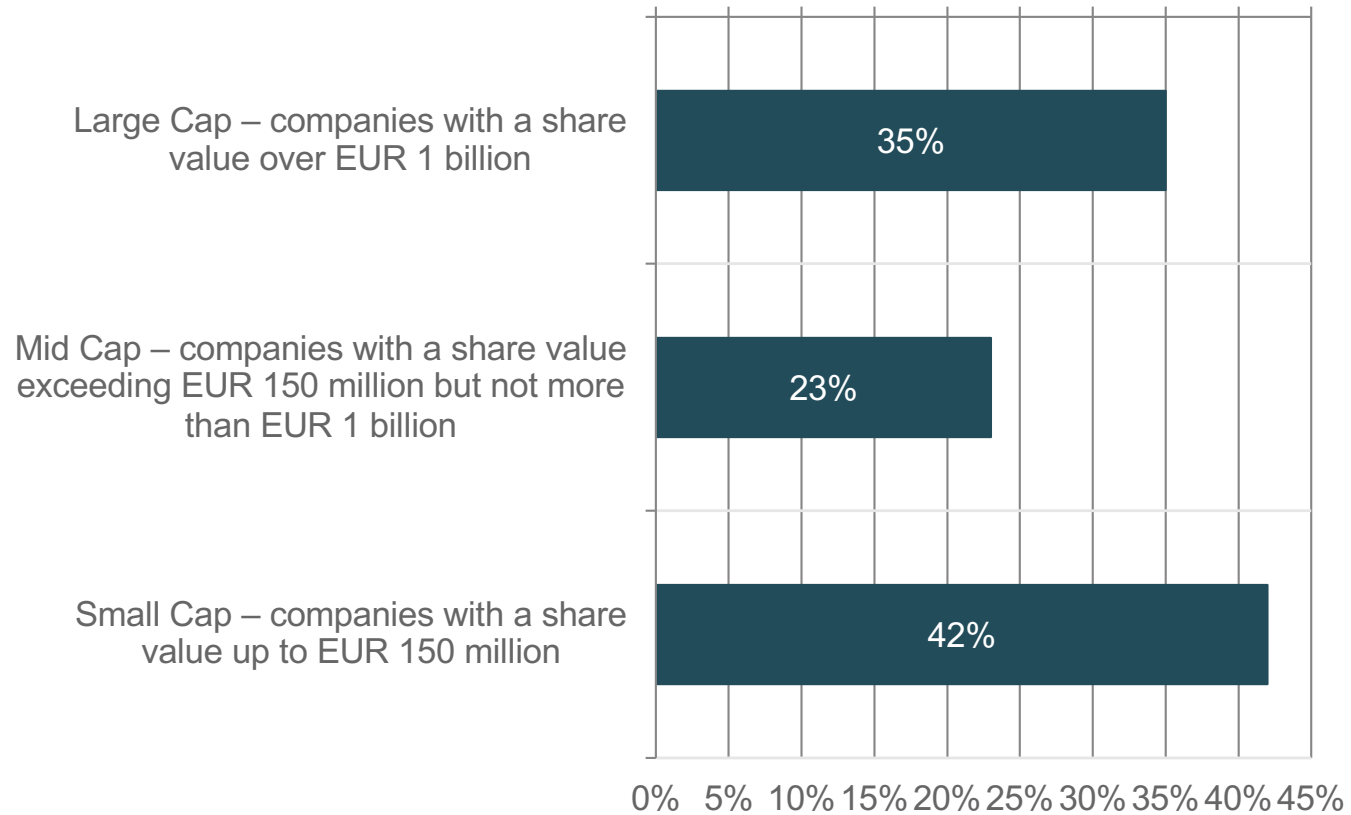
## 1. In what industry does your company operate in?

Number of respondents: 26

	n	Prosentti
Oil& Gas	0	0,0%
Basic Materials	0	0,0%
Industrials	9	34,6%
Consumer Services	1	3,9%
Consumer Goods	3	11,5%
Health Care, Financials	1	3,9%
Technology	4	15,4%
Telecommunications	0	0,0%
Utilities	1	3,8%
Other, please specify:	7	26,9%

## 2. In what segment are you listed?

Number of respondents: 26



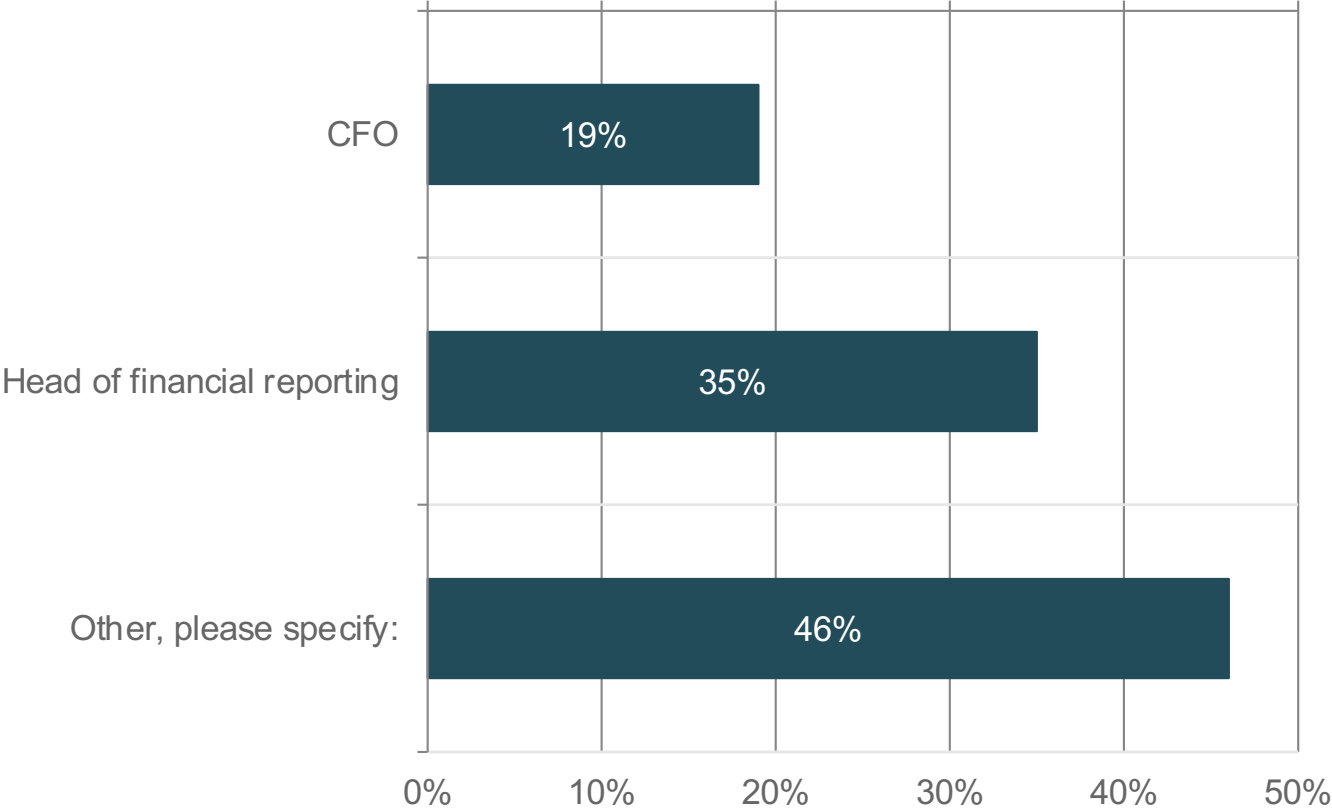
## 2. In what segment are you listed?

Number of respondents: 26

	n	Prosentti
Large Cap – companies with a share value over EUR 1 billion	9	34,6%
Mid Cap – companies with a share value exceeding EUR 150 million but not more than EUR 1 billion	6	23,1%
Small Cap – companies with a share value up to EUR 150 million	11	42,3%

**3. What is your role?**

Number of respondents: 26



### 3. What is your role?

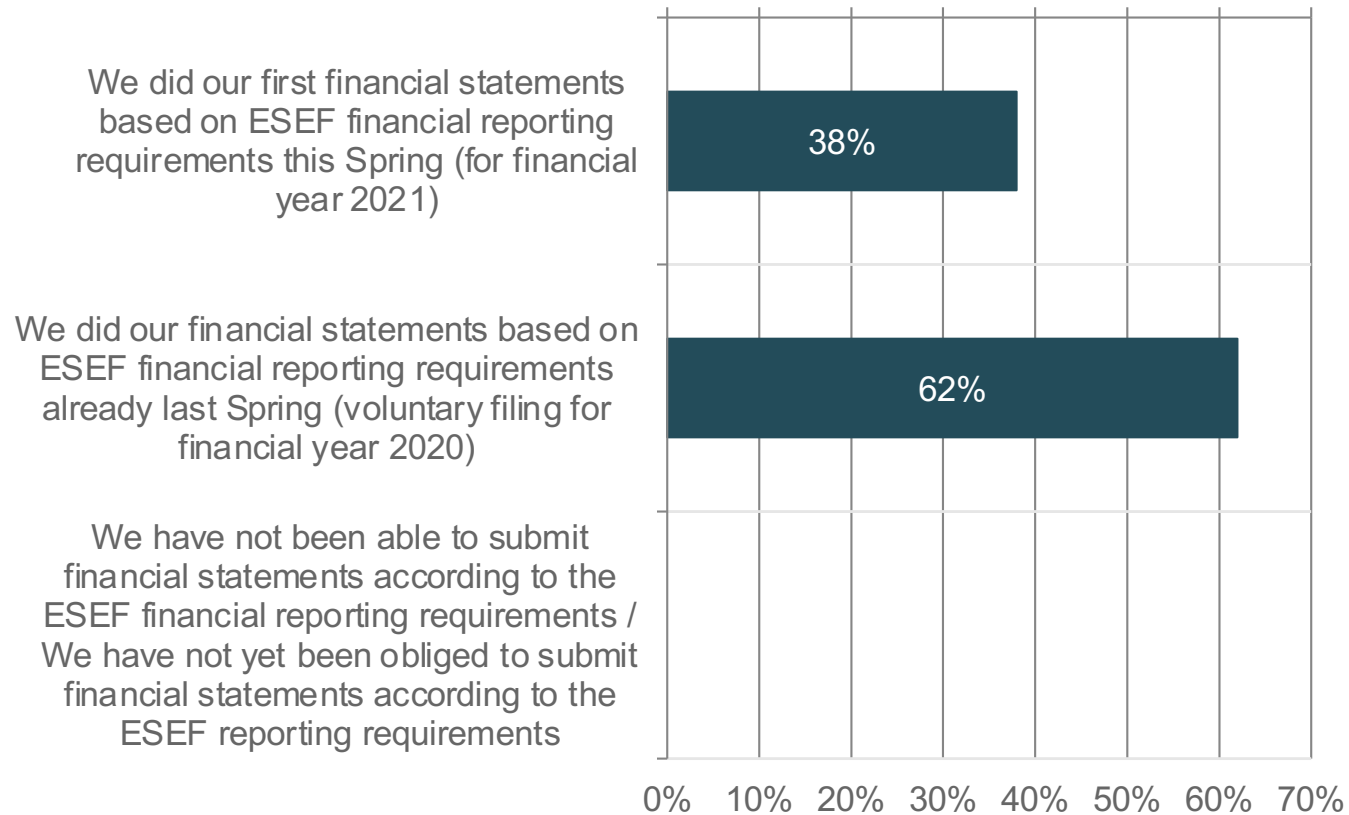
Number of respondents: 26

	n	Prosentti
CFO	5	19,2%
Head of financial reporting	9	34,6%
Other, please specify:	12	46,2%



**4. Please indicate when you started to submit your financial statements according to the ESEF financial reporting requirements (i.e., in XBRL format)?**

Number of respondents: 26



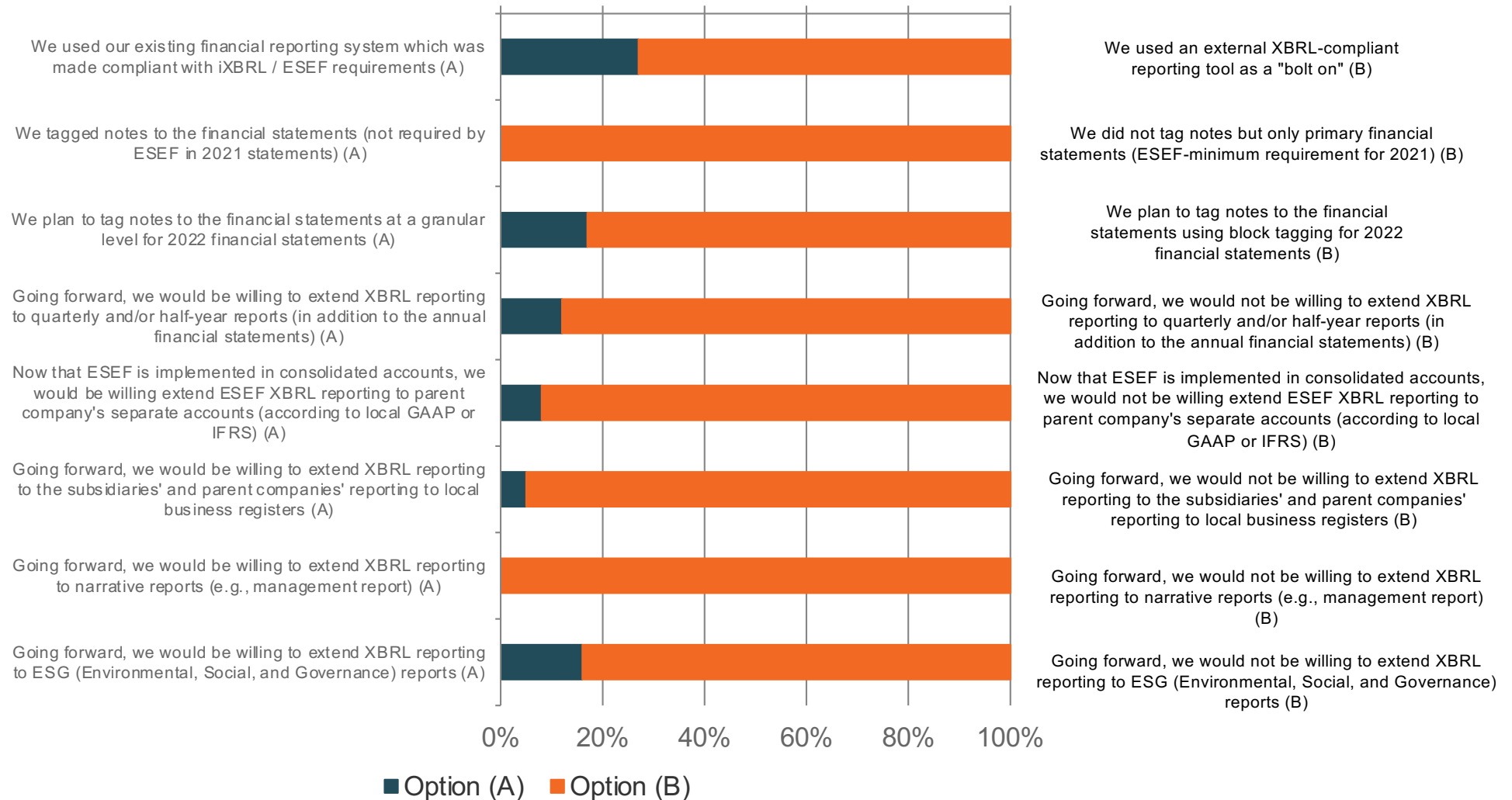
**4. Please indicate when you started to submit your financial statements according to the ESEF financial reporting requirements (i.e., in XBRL format)?**

Number of respondents: 26

	<b>n</b>	<b>Procentti</b>
We did our first financial statements based on ESEF financial reporting requirements this Spring (for financial year 2021)	10	38,5%
We did our financial statements based on ESEF financial reporting requirements already last Spring (voluntary filing for financial year 2020)	16	61,5%
We have not been able to submit financial statements according to the ESEF financial reporting requirements / We have not yet been obliged to submit financial statements according to the ESEF reporting requirements	0	0,0%

**5. Please indicate how you implemented the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)**

Number of respondents: 26



**5. Please indicate how you implemented the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)**

Number of respondents: 26

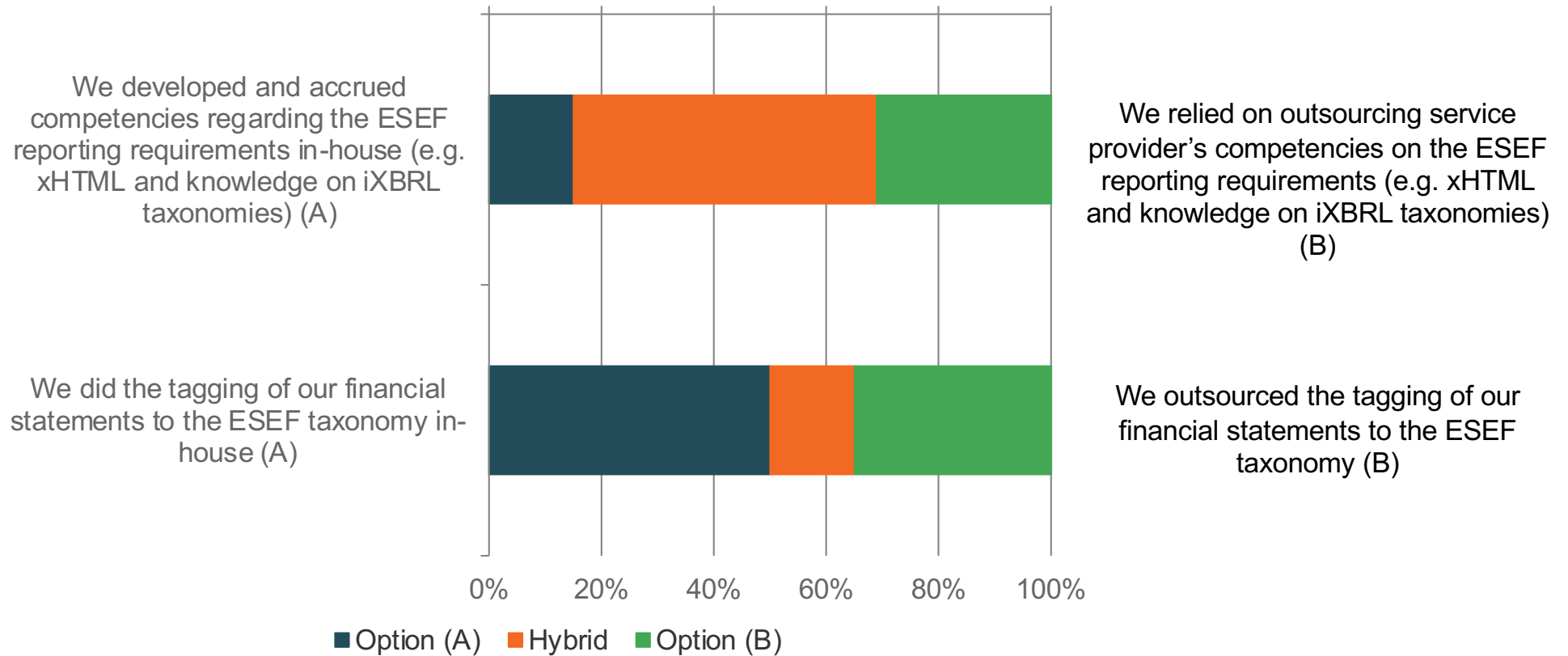
	Option (A)	Option (B)		Yhteensä	Keskiarvo	Mediaani
We used our existing financial reporting system which was made compliant with iXBRL / ESEF requirements (A)	7	19	We used an external XBRL-compliant reporting tool as a "bolt on" (B)	26	1,7	2,0
	26,9%	73,1%				
We tagged notes to the financial statements (not required by ESEF in 2021 statements) (A)	0	25	We did not tag notes but only primary financial statements (ESEF-minimum requirement for 2021) (B)	25	2,0	2,0
	0,0%	100,0%				
We plan to tag notes to the financial statements at a granular level for 2022 financial statements (A)	4	20	We plan to tag notes to the financial statements using block tagging for 2022 financial statements (B)	24	1,8	2,0
	16,7%	83,3%				

	Option (A)	Option (B)		Yhteensä	Keskiarvo	Mediaani
Going forward, we would be willing to extend XBRL reporting to quarterly and/or half-year reports (in addition to the annual financial statements) (A)	3	22	Going forward, we would not be willing to extend XBRL reporting to quarterly and/or half-year reports (in addition to the annual financial statements) (B)	25	1,9	2,0
	12,0%	88,0%				
Now that ESEF is implemented in consolidated accounts, we would be willing extend ESEF XBRL reporting to parent company's separate accounts (according to local GAAP or IFRS) (A)	2	22	Now that ESEF is implemented in consolidated accounts, we would not be willing extend ESEF XBRL reporting to parent company's separate accounts (according to local GAAP or IFRS) (B)	24	1,9	2,0
	8,3%	91,7%				
Going forward, we would be willing to extend XBRL reporting to the subsidiaries' and parent companies' reporting to local business registers (A)	1	20	Going forward, we would not be willing to extend XBRL reporting to the subsidiaries' and parent companies' reporting to local business registers (B)	21	2,0	2,0
	4,8%	95,2%				

	Option (A)	Option (B)		Yhteensä	Keskiarvo	Mediaani
Going forward, we would be willing to extend XBRL reporting to narrative reports (e.g., management report) (A)	0 0,0%	24 100,0%	Going forward, we would not be willing to extend XBRL reporting to narrative reports (e.g., management report) (B)	24	2,0	2,0
Going forward, we would be willing to extend XBRL reporting to ESG (Environmental, Social, and Governance) reports (A)	4 16,0%	21 84,0%	Going forward, we would not be willing to extend XBRL reporting to ESG (Environmental, Social, and Governance) reports (B)	25	1,8	2,0
<b>Yhteensä</b>	<b>21</b>	<b>173</b>		<b>194</b>	<b>1,9</b>	<b>2,0</b>

6. Please indicate how you implemented the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)

Number of respondents: 26



**6. Please indicate how you implemented the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)**

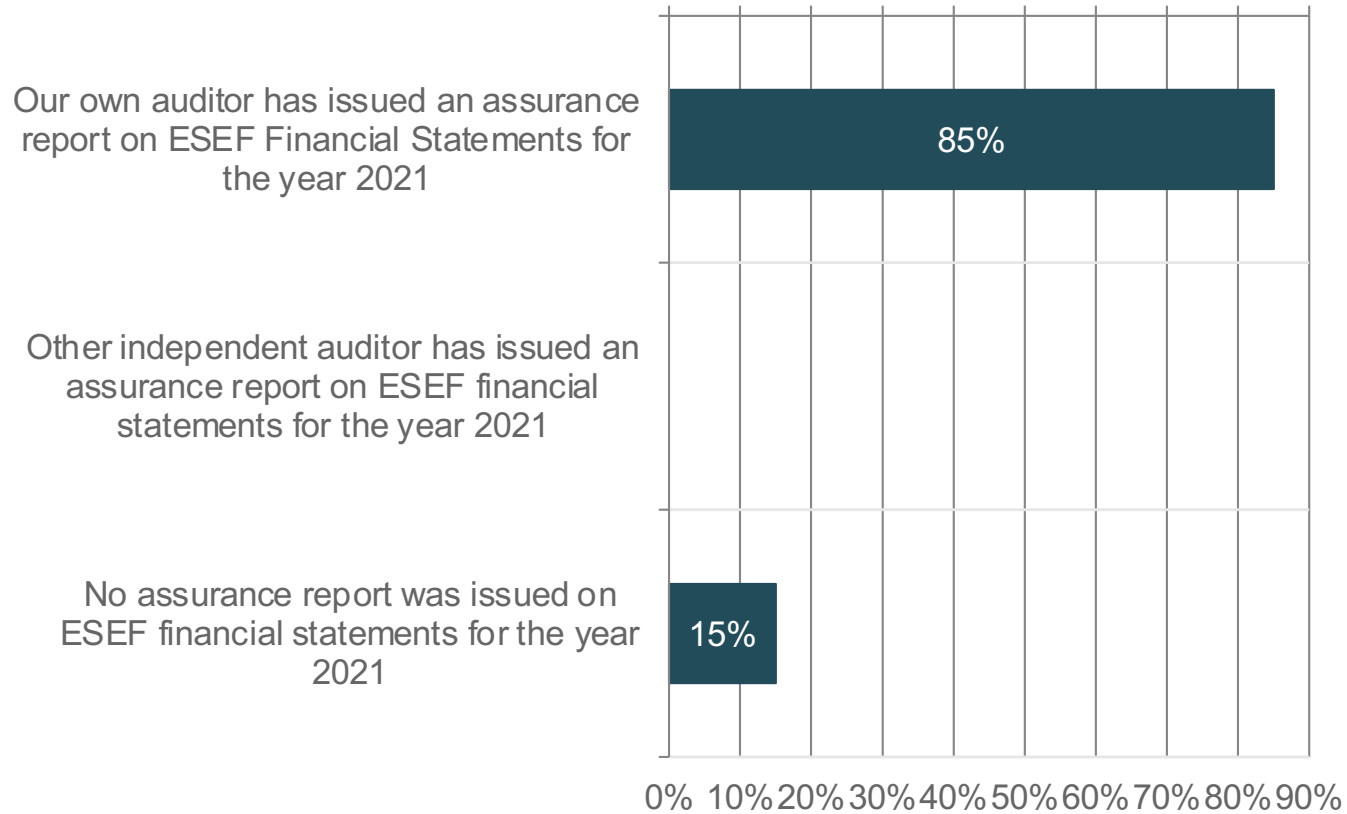
Number of respondents: 26

	<b>Option (A)</b>	<b>Hybrid</b>	<b>Option (B)</b>		<b>Yhteensä</b>	<b>Keskiarvo</b>	<b>Mediaani</b>
We developed and accrued competencies regarding the ESEF reporting requirements in-house (e.g. xHTML and knowledge on iXBRL taxonomies) (A)	4	14	8	We relied on outsourcing service provider's competencies on the ESEF reporting requirements (e.g. xHTML and knowledge on iXBRL taxonomies) (B)	26	2,2	2,0
	15,4%	53,8%	30,8%				
We did the tagging of our financial statements to the ESEF taxonomy in-house (A)	13	4	9	We outsourced the tagging of our financial statements to the ESEF taxonomy (B)	26	1,8	1,5
	50,0%	15,4%	34,6%				
<b>Yhteensä</b>	<b>17</b>	<b>18</b>	<b>17</b>		<b>52</b>	<b>2,0</b>	<b>2,0</b>



**7. Please indicate whether an independent auditor provided assurance on your ESEF financial statements for the year 2021**

Number of respondents: 26



## 7. Please indicate whether an independent auditor provided assurance on your ESEF financial statements for the year 2021

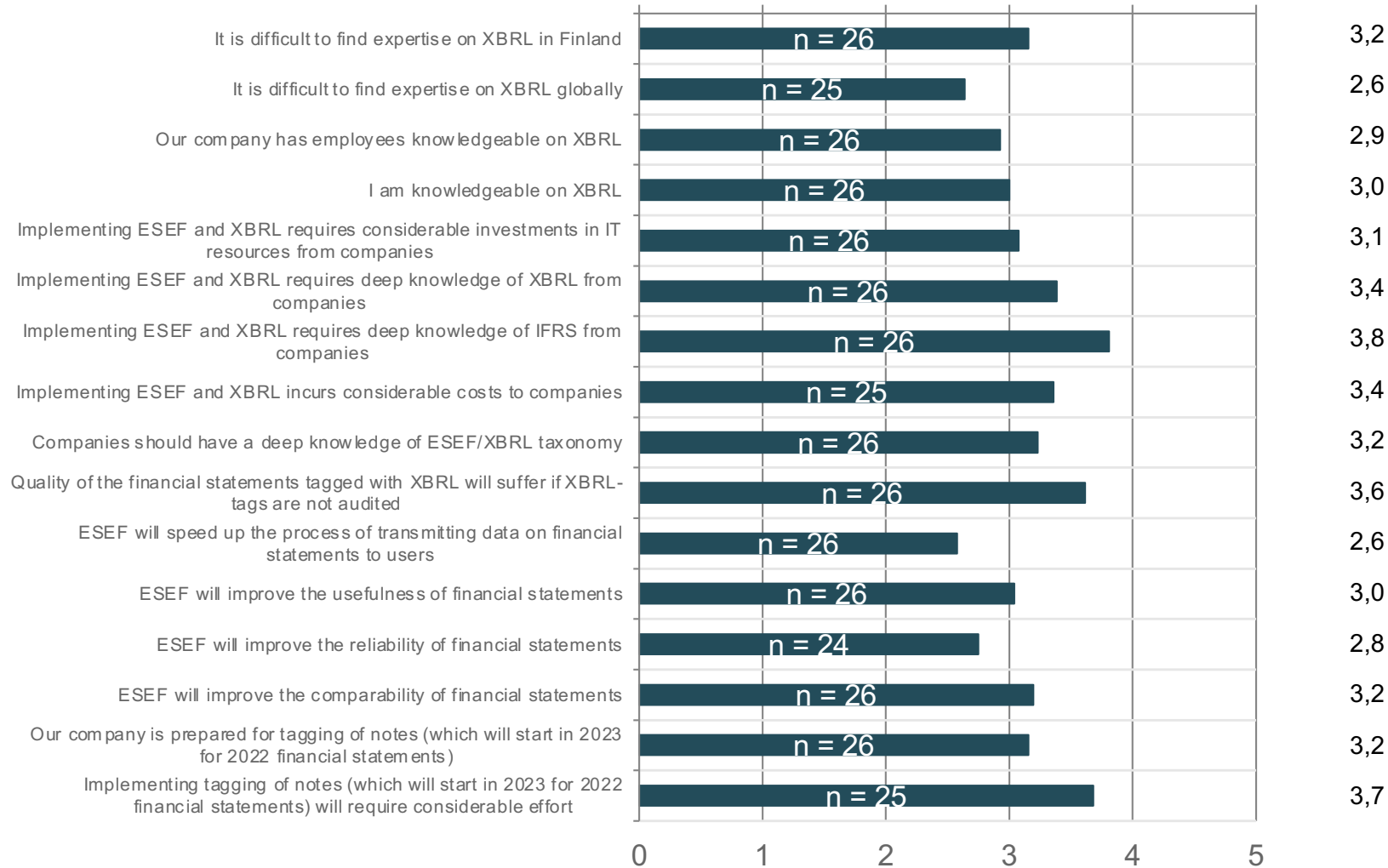
Number of respondents: 26

	n	Prosentti
Our own auditor has issued an assurance report on ESEF Financial Statements for the year 2021	22	84,6%
Other independent auditor has issued an assurance report on ESEF financial statements for the year 2021	0	0,0%
No assurance report was issued on ESEF financial statements for the year 2021	4	15,4%

**8. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL**

Number of respondents: 26

Keskiarvo



**8. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL**

Number of respondents: 26

	1	2	3	4	5	Keskiarvo	Mediaani
It is difficult to find expertise on XBRL in Finland	7,7%	11,5%	42,3%	34,6%	3,9%	3,2	3,0
It is difficult to find expertise on XBRL globally	20,0%	20,0%	40,0%	16,0%	4,0%	2,6	3,0
Our company has employees knowledgeable on XBRL	15,4%	15,4%	30,8%	38,4%	0,0%	2,9	3,0
I am knowledgeable on XBRL	11,6%	19,2%	34,6%	26,9%	7,7%	3,0	3,0
Implementing ESEF and XBRL requires considerable investments in IT resources from companies	11,5%	23,1%	30,8%	15,4%	19,2%	3,1	3,0

	1	2	3	4	5	Keskiarvo	Mediaani
Implementing ESEF and XBRL requires deep knowledge of XBRL from companies	0,0%	30,8%	19,2%	30,8%	19,2%	3,4	3,5
Implementing ESEF and XBRL requires deep knowledge of IFRS from companies	0,0%	11,5%	19,2%	46,2%	23,1%	3,8	4,0
Implementing ESEF and XBRL incurs considerable costs to companies	0,0%	16,0%	48,0%	20,0%	16,0%	3,4	3,0
Companies should have a deep knowledge of ESEF/XBRL taxonomy	7,7%	19,2%	19,2%	50,0%	3,9%	3,2	4,0
Quality of the financial statements tagged with XBRL will suffer if XBRL-tags are not audited	7,7%	15,4%	11,5%	38,5%	26,9%	3,6	4,0

	1	2	3	4	5	Keskiarvo	Mediaani
ESEF will speed up the process of transmitting data on financial statements to users	23,1%	23,1%	26,9%	26,9%	0,0%	2,6	3,0
ESEF will improve the usefulness of financial statements	11,5%	15,4%	30,8%	42,3%	0,0%	3,0	3,0
ESEF will improve the reliability of financial statements	16,6%	16,7%	45,8%	16,7%	4,2%	2,8	3,0
ESEF will improve the comparability of financial statements	7,7%	15,4%	38,5%	26,9%	11,5%	3,2	3,0
Our company is prepared for tagging of notes (which will start in 2023 for 2022 financial statements)	7,7%	23,1%	34,6%	15,4%	19,2%	3,2	3,0

	1	2	3	4	5	Keskiarvo	Mediaani
Implementing tagging of notes (which will start in 2023 for 2022 financial statements) will require considerable effort	4,0%	12,0%	24,0%	32,0%	28,0%	3,7	4,0

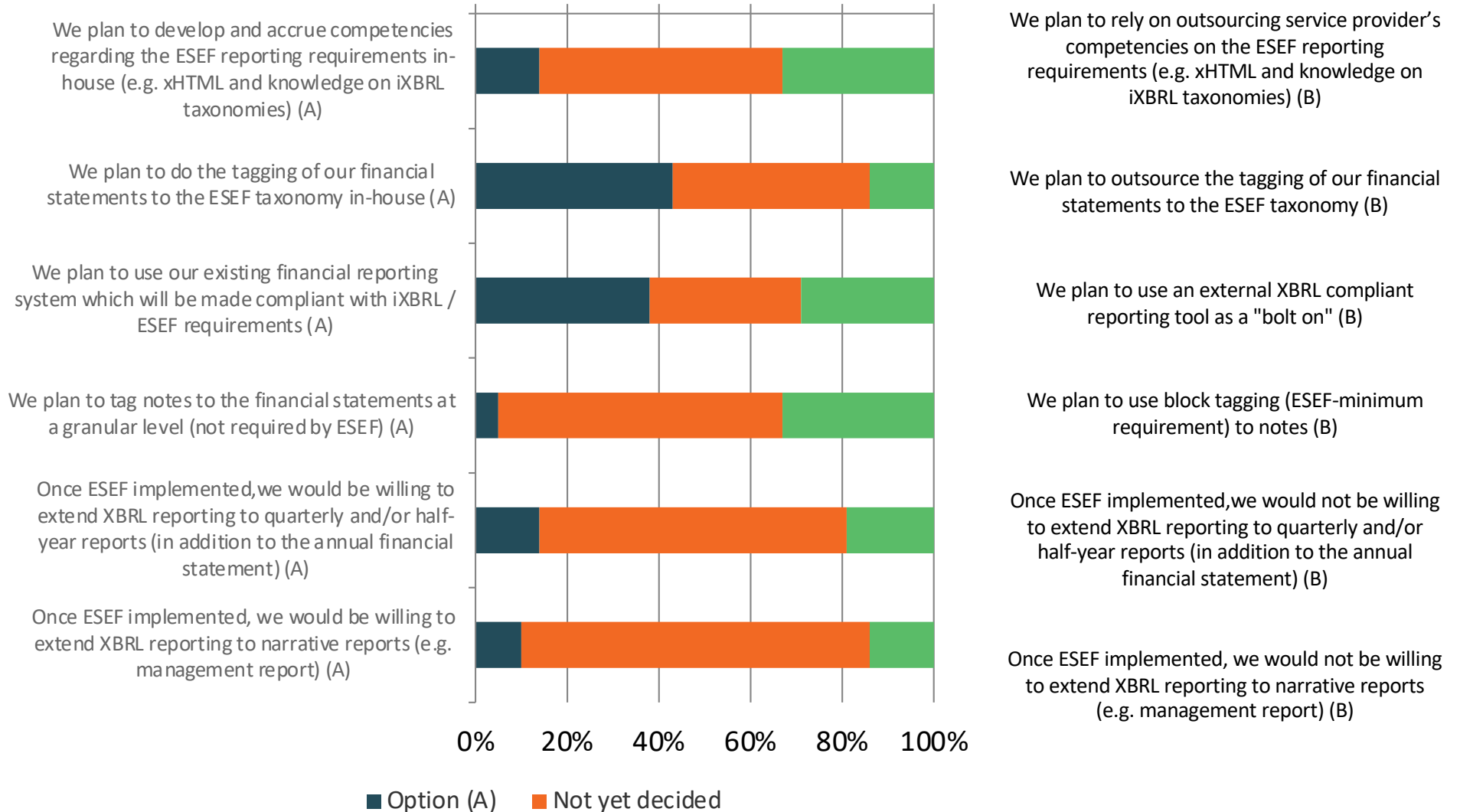
## **Comparison between 2019 and 2020**



**5. Please indicate how you plan to implement the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)**

Number of respondents: 21

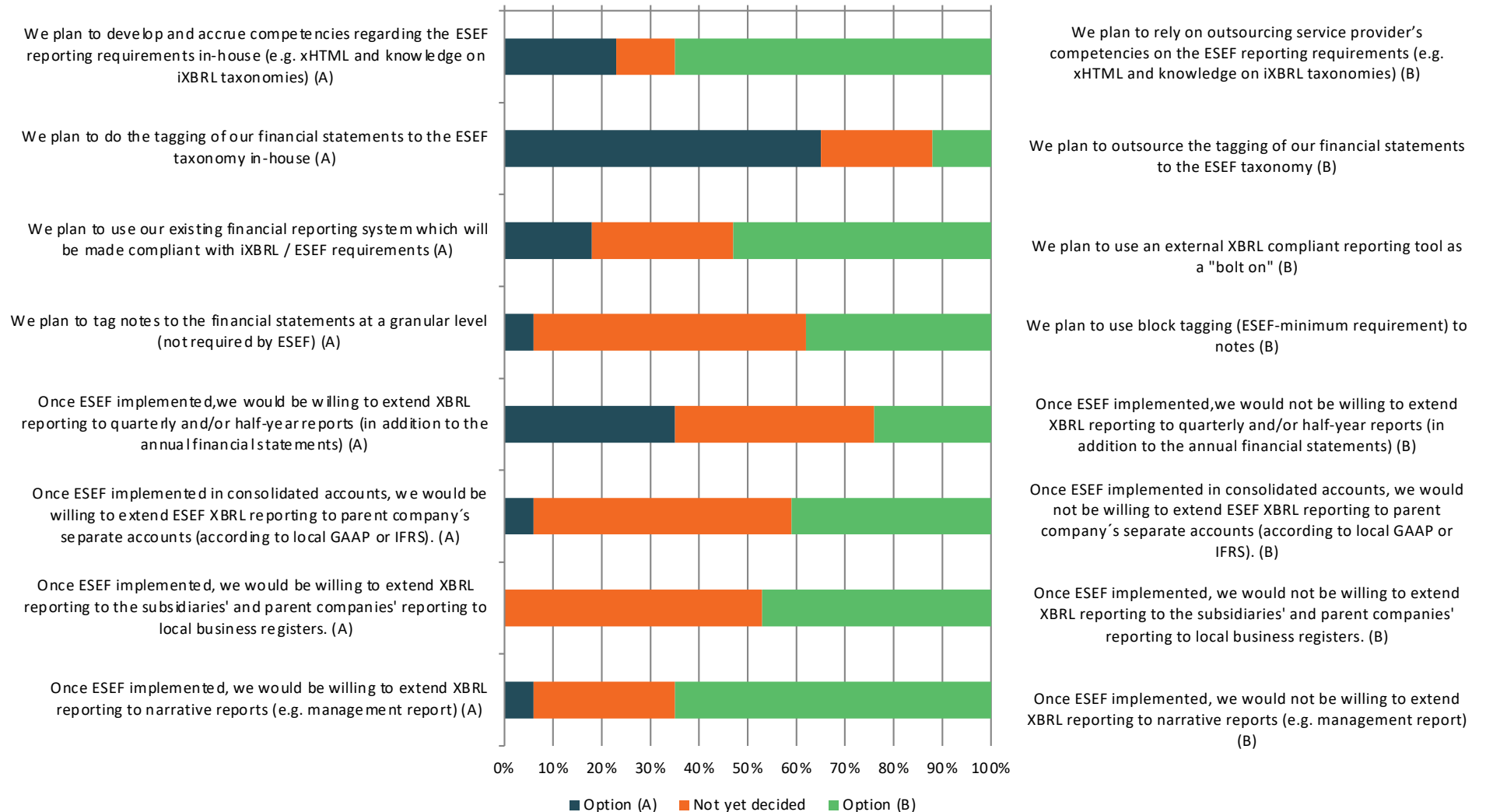
# 2019



## 5. Please indicate how you plan to implement the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)

Number of respondents: 17

# 2020



We plan to develop and accrue competencies regarding the ESEF reporting requirements in-house (e.g. xHTML and knowledge on iXBRL taxonomies) (A)

We plan to rely on outsourcing service provider's competencies on the ESEF reporting requirements (e.g. xHTML and knowledge on iXBRL taxonomies) (B)

We plan to do the tagging of our financial statements to the ESEF taxonomy in-house (A)

We plan to outsource the tagging of our financial statements to the ESEF taxonomy (B)

We plan to use our existing financial reporting system which will be made compliant with iXBRL / ESEF requirements (A)

We plan to use an external XBRL compliant reporting tool as a "bolt on" (B)

We plan to tag notes to the financial statements at a granular level (not required by ESEF) (A)

We plan to use block tagging (ESEF-minimum requirement) to notes (B)

Once ESEF implemented, we would be willing to extend XBRL reporting to quarterly and/or half-year reports (in addition to the annual financial statements) (A)

Once ESEF implemented, we would not be willing to extend XBRL reporting to quarterly and/or half-year reports (in addition to the annual financial statements) (B)

Once ESEF implemented in consolidated accounts, we would be willing to extend ESEF XBRL reporting to parent company's separate accounts (according to local GAAP or IFRS). (A)

Once ESEF implemented in consolidated accounts, we would not be willing to extend ESEF XBRL reporting to parent company's separate accounts (according to local GAAP or IFRS). (B)

Once ESEF implemented, we would be willing to extend XBRL reporting to the subsidiaries' and parent companies' reporting to local business registers. (A)

Once ESEF implemented, we would not be willing to extend XBRL reporting to the subsidiaries' and parent companies' reporting to local business registers. (B)

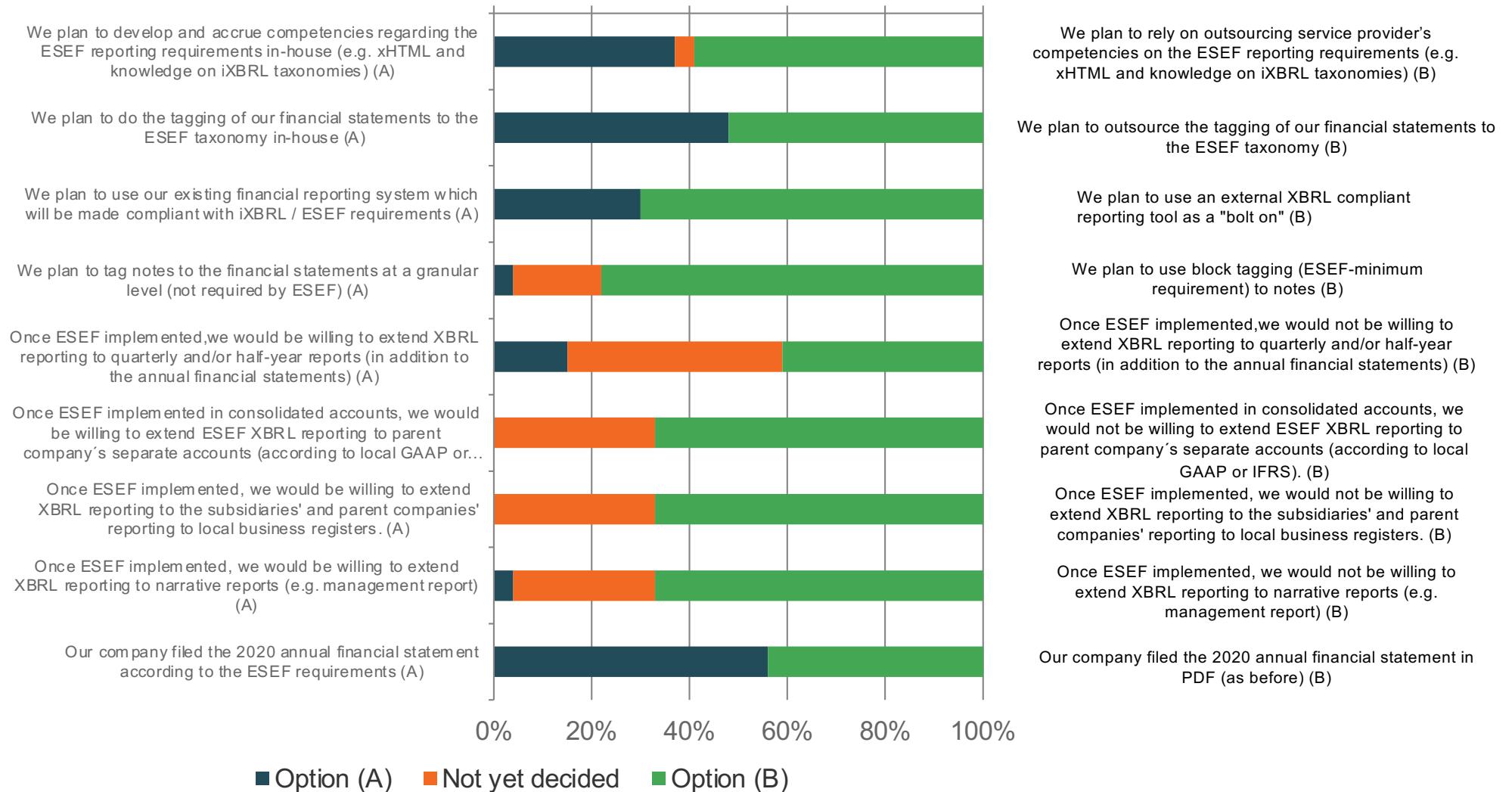
Once ESEF implemented, we would be willing to extend XBRL reporting to narrative reports (e.g. management report) (A)

Once ESEF implemented, we would not be willing to extend XBRL reporting to narrative reports (e.g. management report) (B)

5. Please indicate how you plan to implement the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)

# 2021

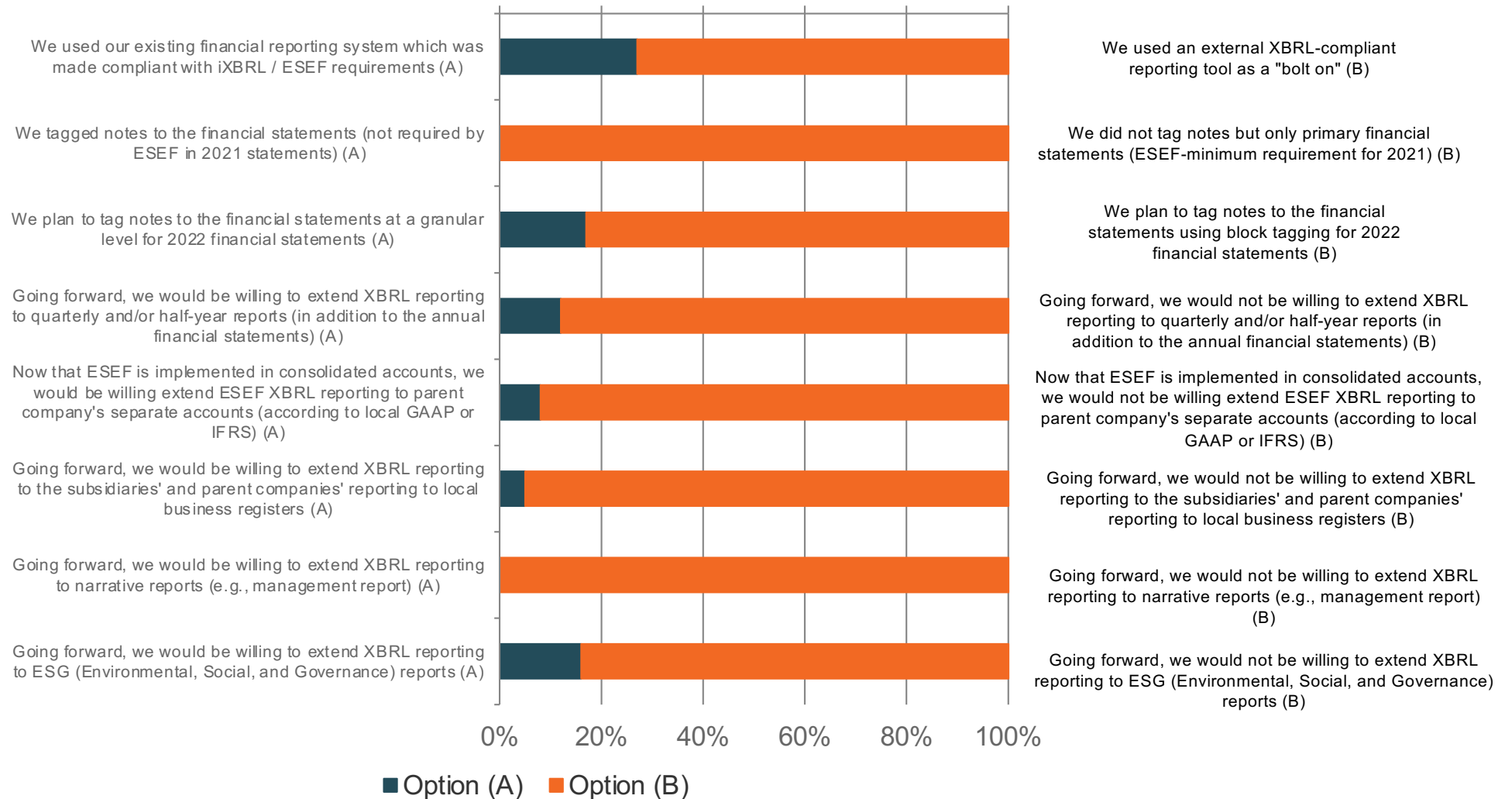
Number of respondents: 27



# 2022

## 5. Please indicate how you implemented the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)

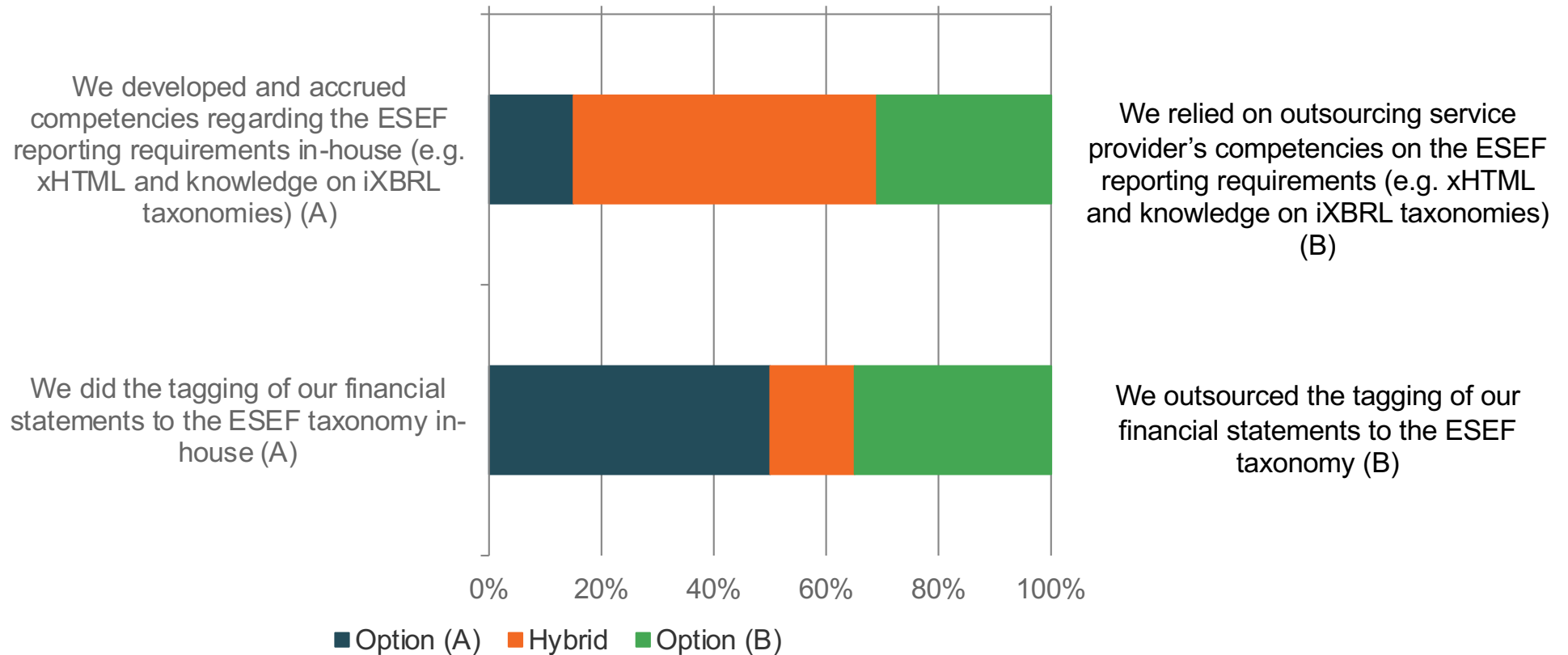
Number of respondents: 26



# 2022

6. Please indicate how you implemented the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)

Number of respondents: 26

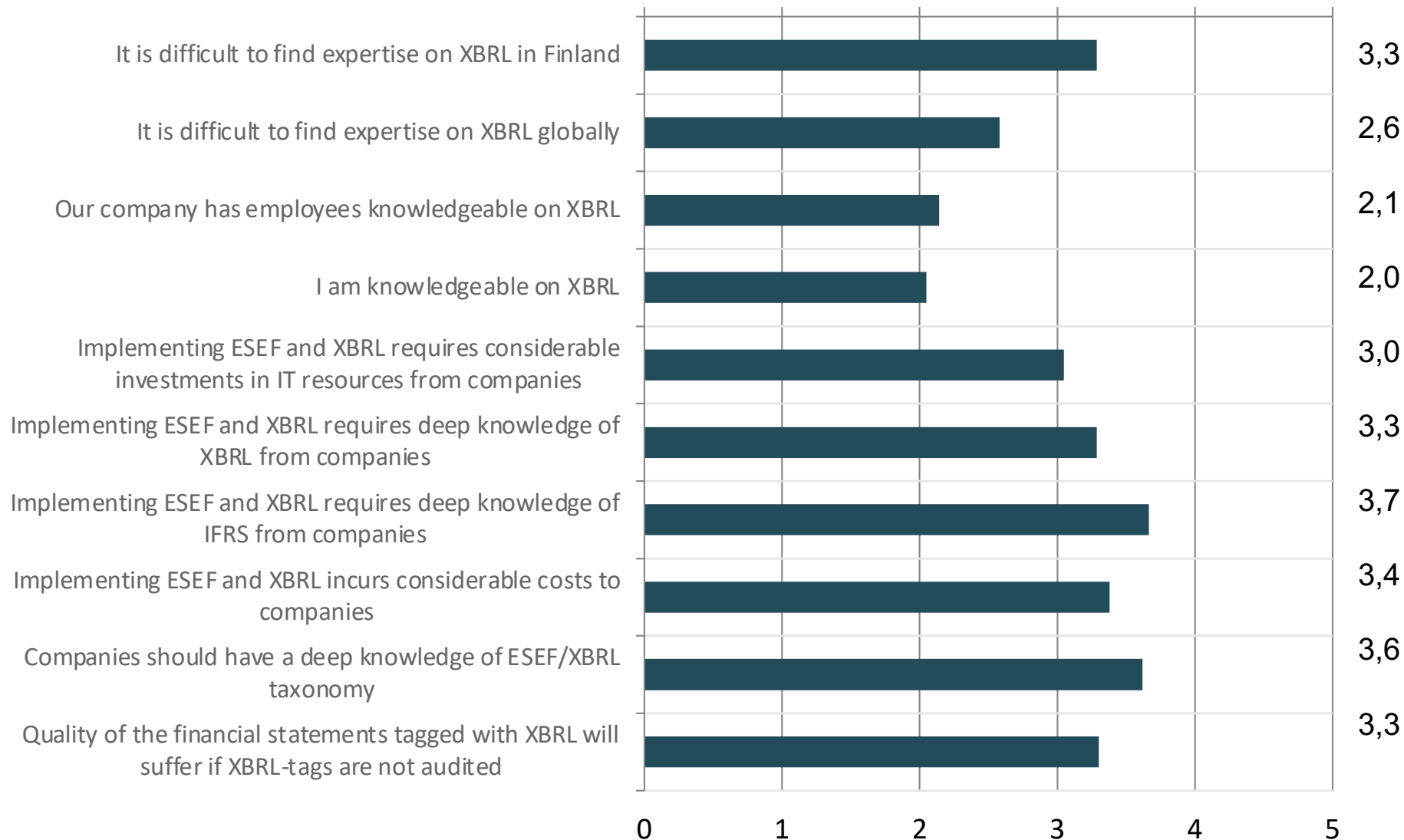


**6. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL**

Number of respondents: 21

# 2019

Keskiarvo

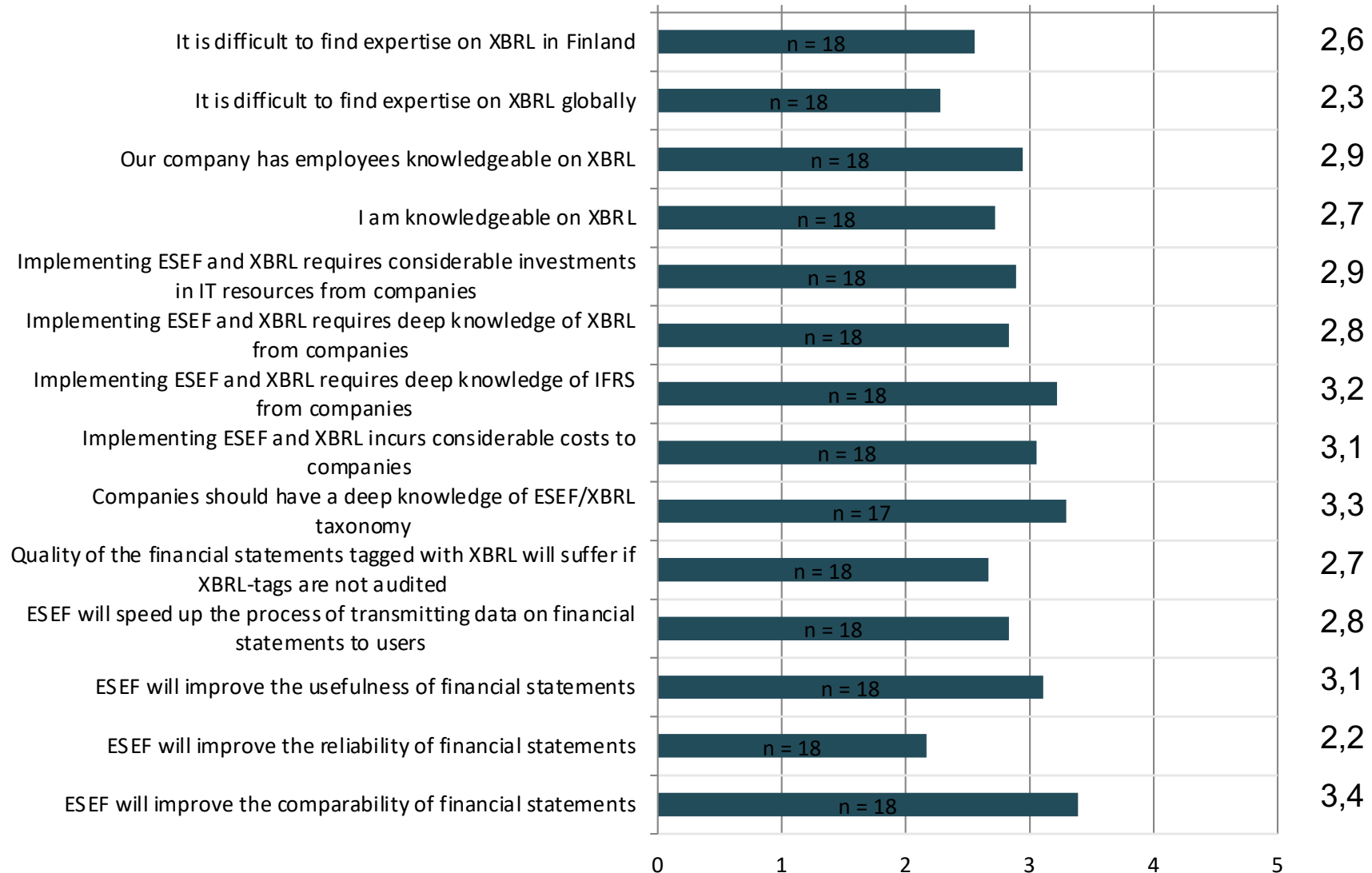


**6. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL**

Number of respondents: 18

**2020**

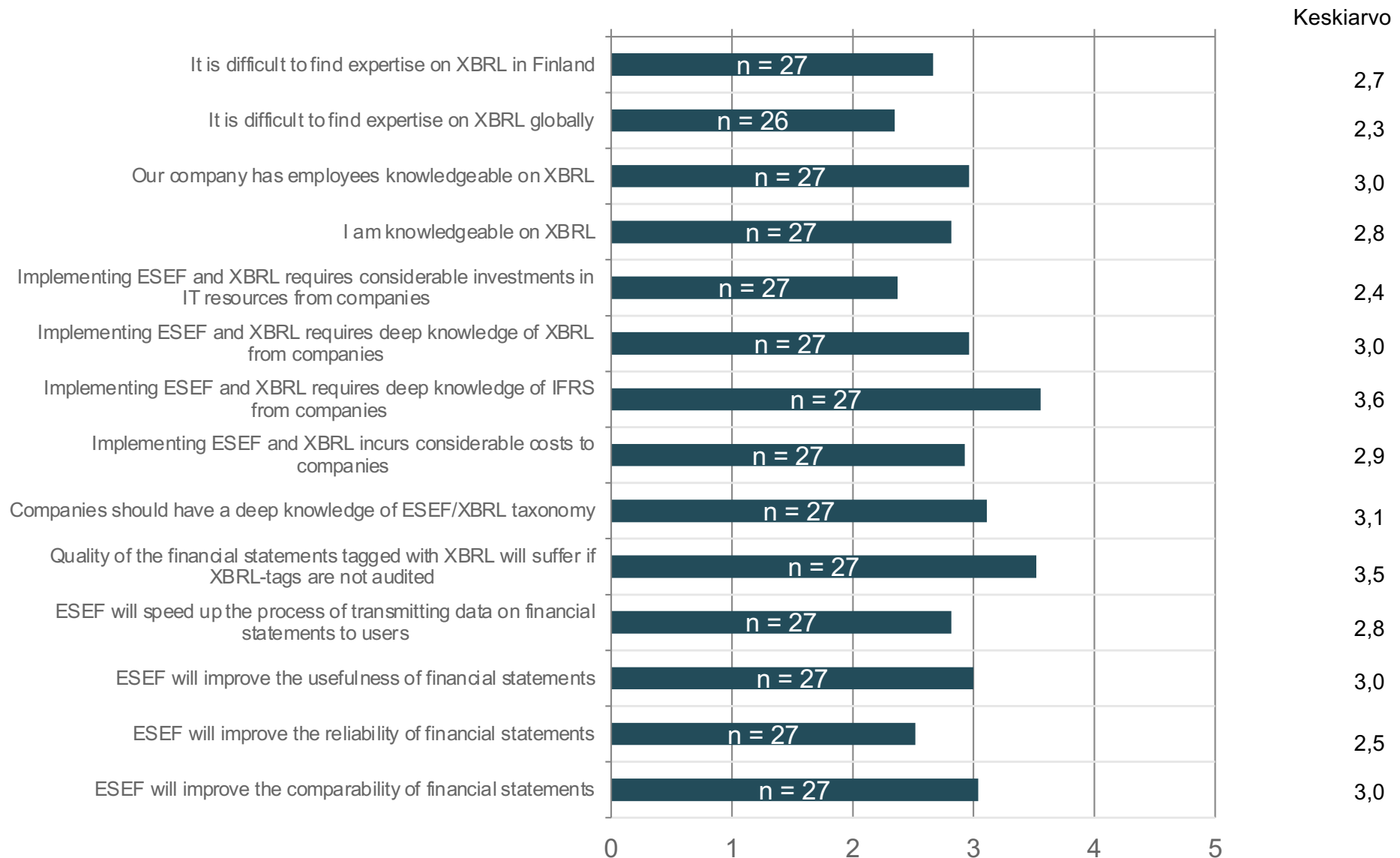
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6. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL

# 2021

Number of respondents: 27



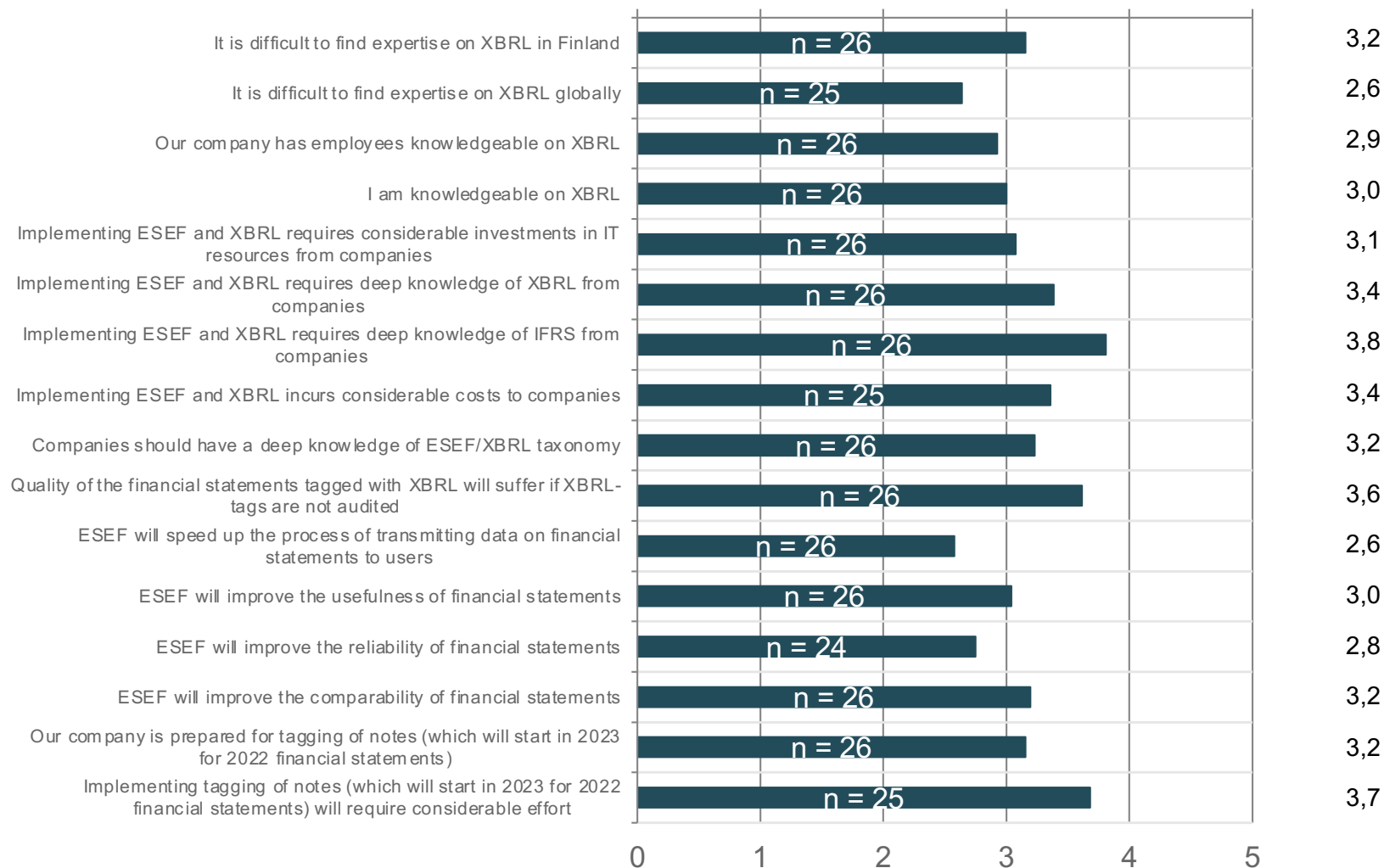


# 2022

## 8. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL

Number of respondents: 26

Keskiarvo



# Observations on trends 2019 -> 2020 -> 2021 -> 2022

- Deployment pressure can be seen in the latest survey results
  - Respondents find that it is somewhat difficult to find expertise on XBRL in Finland in 2022 (3,2) compared to 2,7 (2021) and 2,6 (2020) and 3,3 (2019); issuers have employees knowledgeable on XBRL (2,1 -> 2,9 -> 3,0 -> 2,9)
  - Perceptions about incurred costs bounced back to where they were in 2019 (3,4 -> 3,1 -> 2,9 -> 3,4).
  - Steady progression towards completion of ESEF project as all respondents declared that they were able to submit their financial statements (compared to 2021 when 74% of respondents had completed their ESEF project, 26% had selected the deployment model but project not yet complete).
- Regarding deployment model
  - Balance between outsourcing and in-house development: tagging close to 50 (in-house)/50 (outsourced)
  - “Bolt-on” preferred over “integrated” at 73% in the latest survey
- Voluntarily extending XBRL reporting
  - Respondents indicated that their companies opt for the minimum requirements.
  - Sixteen percent of respondents would be willing to extend XBRL to ESG reporting.
- Benefits of XBRL
  - Perceptions about the improvements to financial statements’ comparability (3,4 -> 3,0 -> 3,2) and usefulness (3,1 -> 3,0 -> 3,0) have remained roughly the same over the surveys.
  - Companies increasingly feel that XBRL could improve reliability of financial reporting (2,2 -> 2,5 -> 2,8).