

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

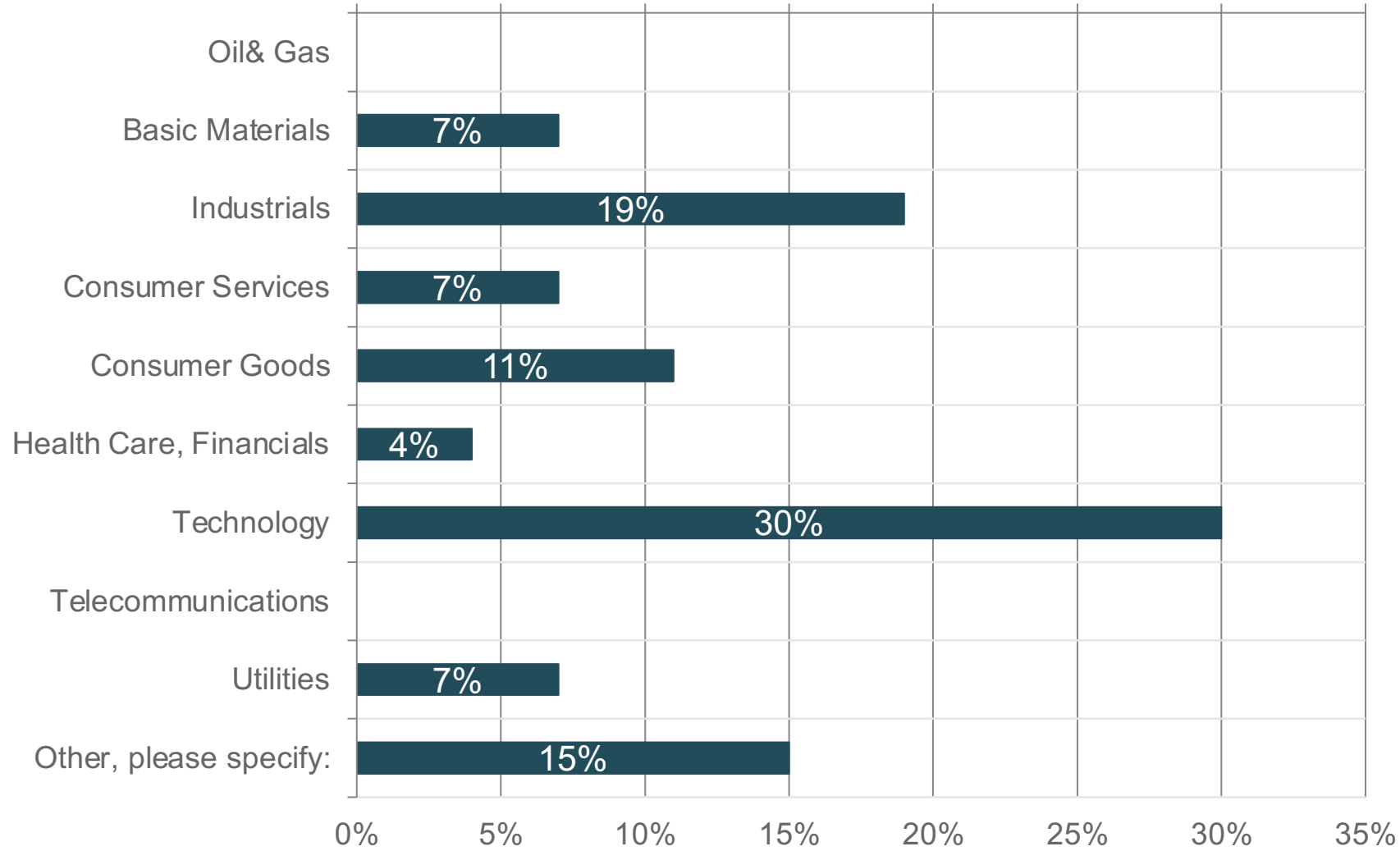
June 2024

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 2023, April 2022, April 2021, April 2020 and April 2019. The survey included background questions, 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 2024. The survey was sent to 145 Finnish issuers and 27 responses were received, yielding a response rate of 19%.
- The following slides report the findings of this year's survey and make a comparison between the responses given by the issuers in 2019, 2020, 2021, 2022, 2023, and 2024.
- The survey was administered by Esko Penttinen from Aalto University School of Business (esko.penttinen@aalto.fi).

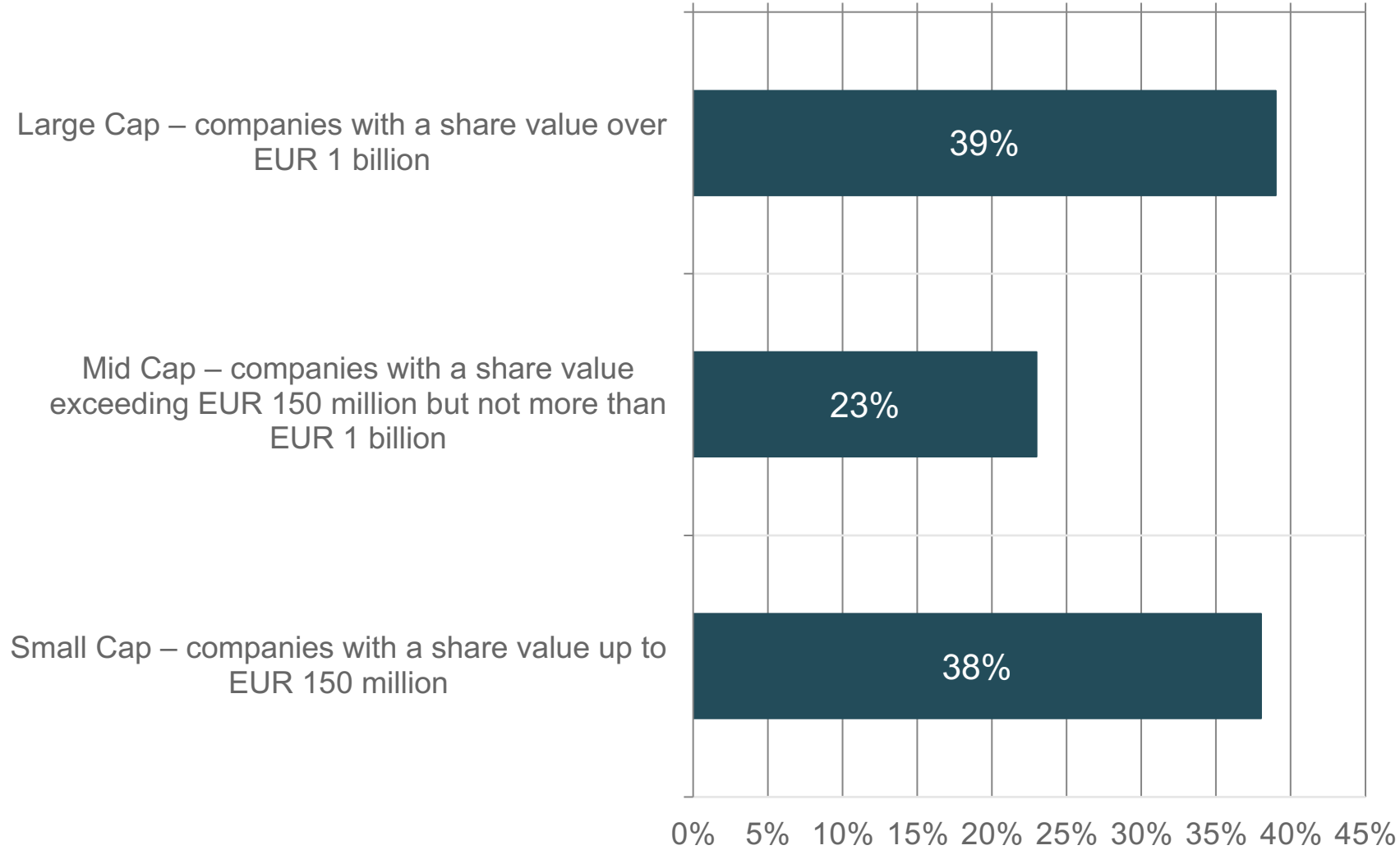
In what industry does your company operate in?

Number of respondents: 27



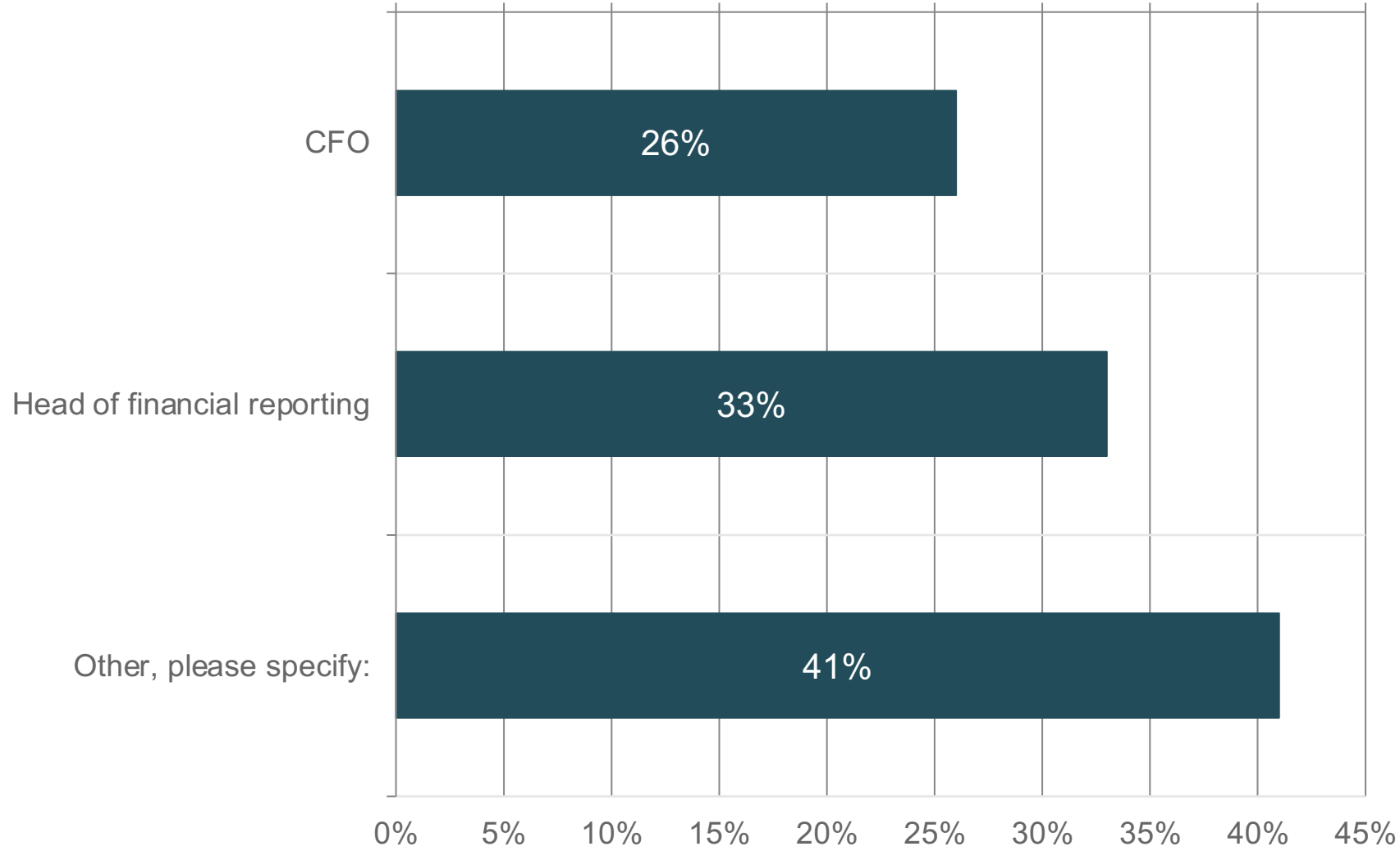
In what segment are you listed?

Number of respondents: 26



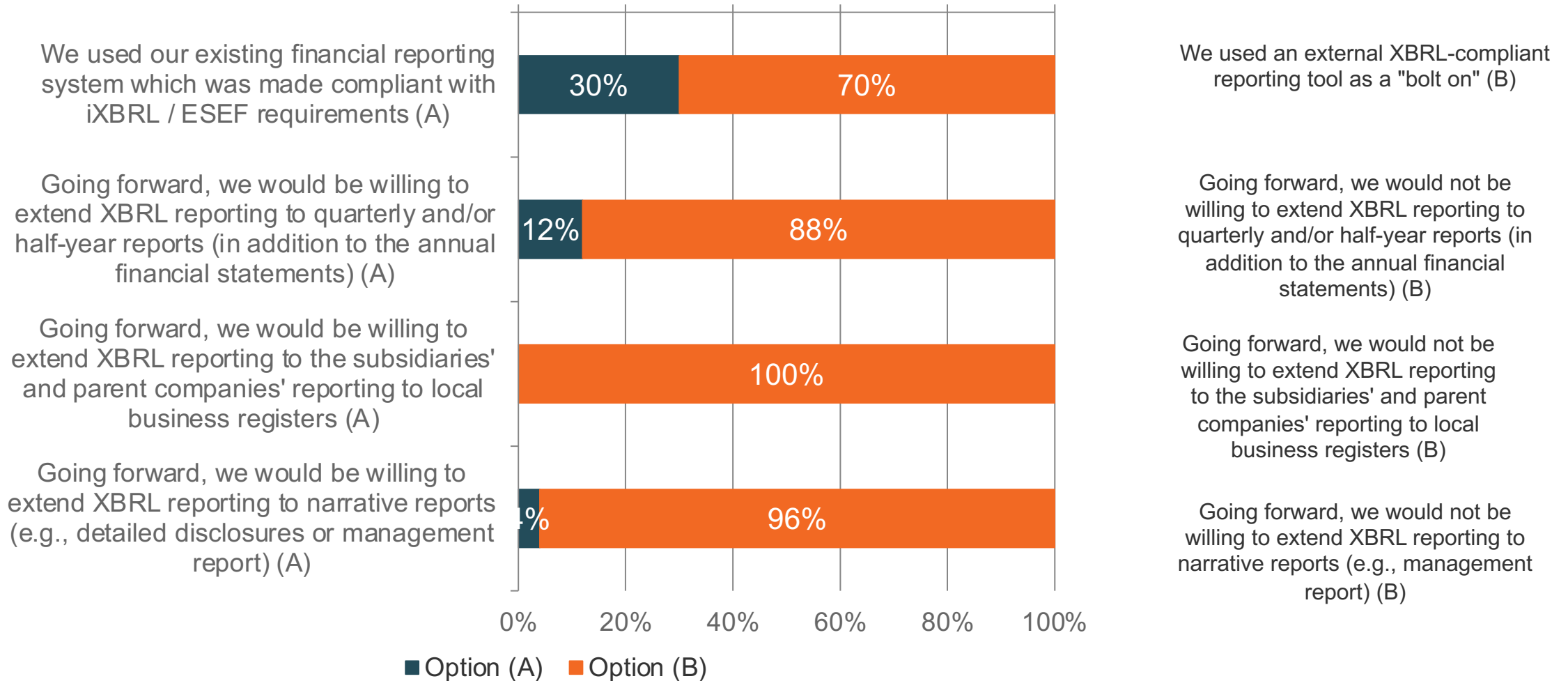
What is your role?

Number of respondents: 27



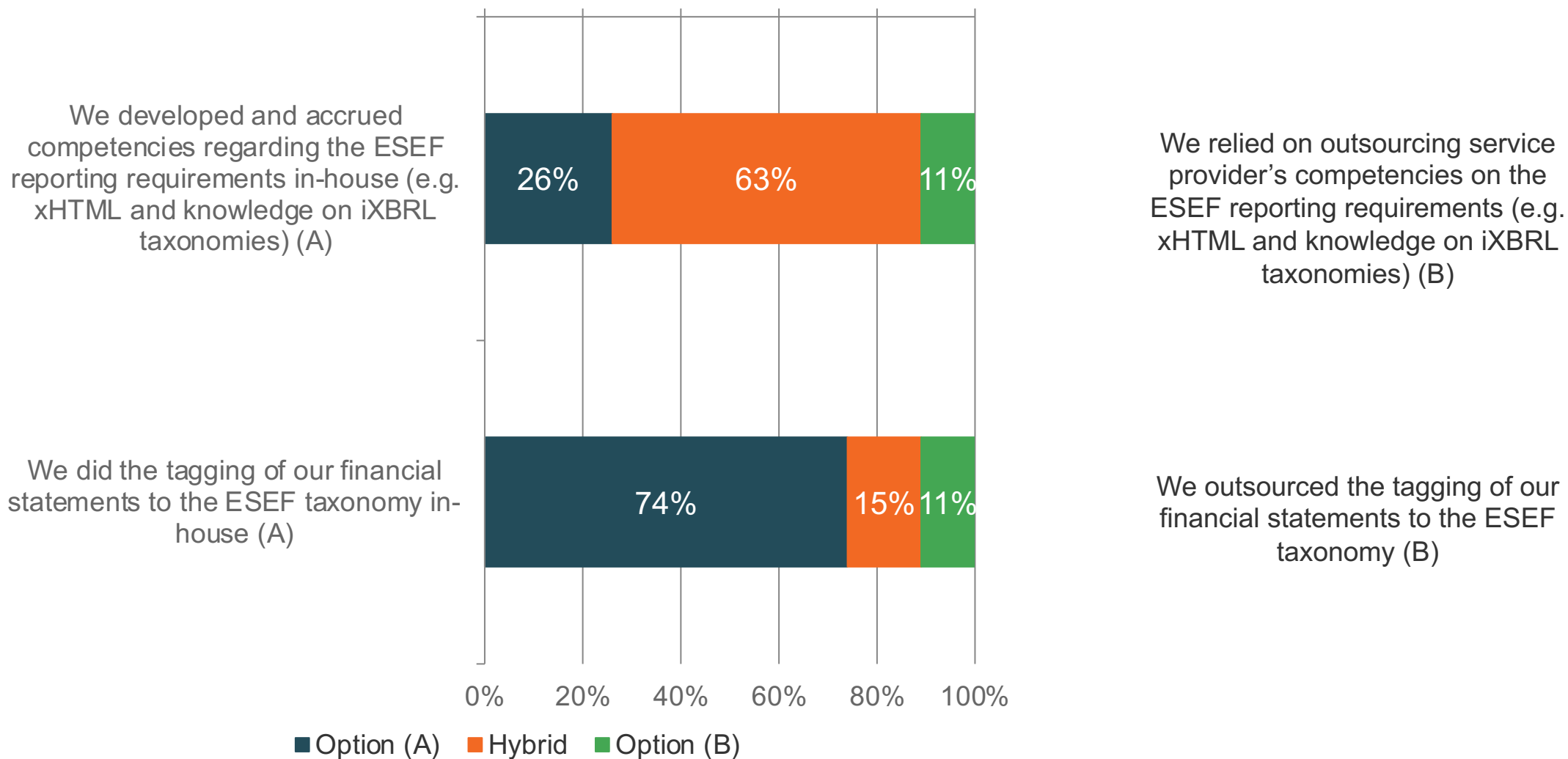
Please indicate how you implemented the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)

Number of respondents: 27



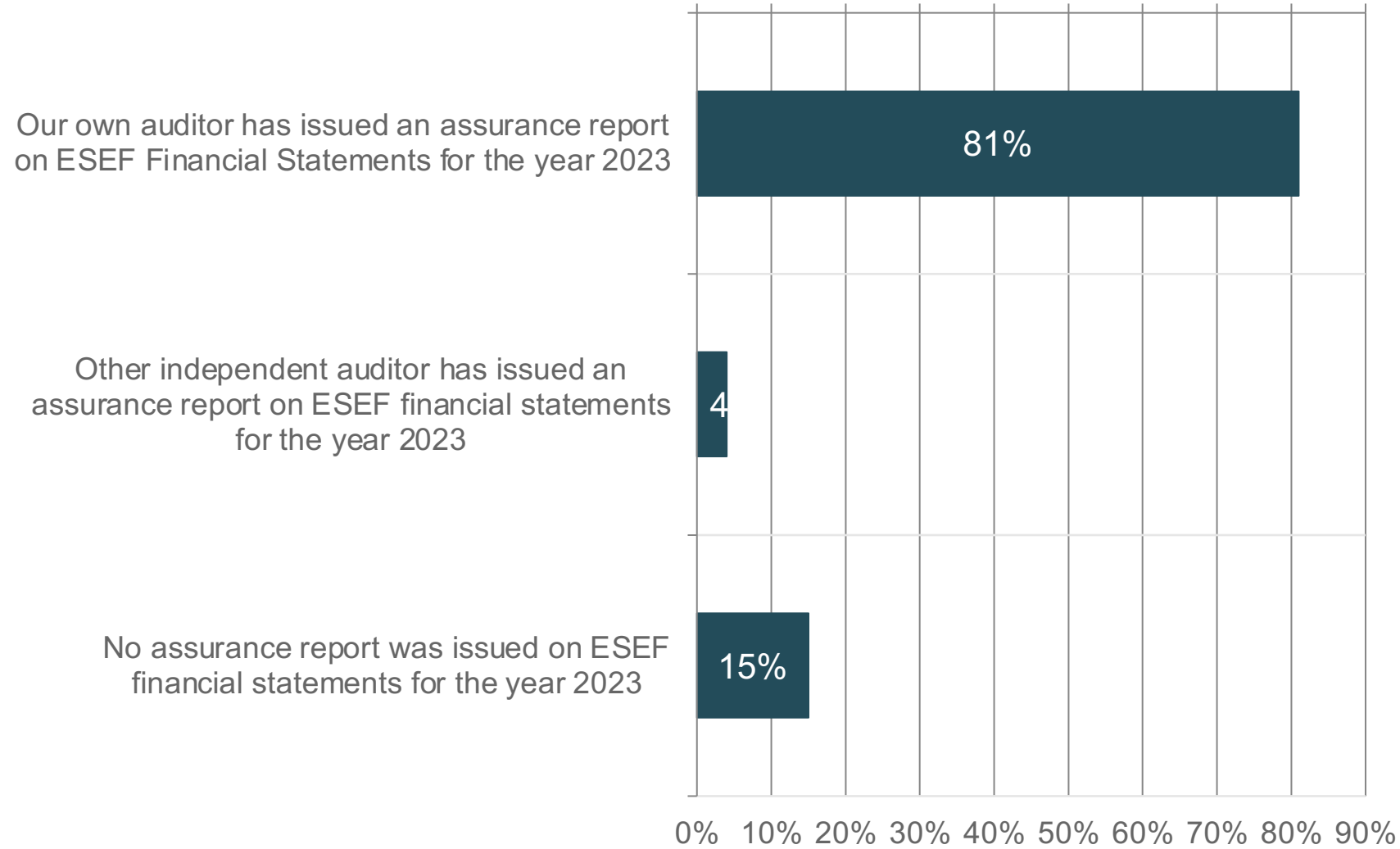
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Number of respondents: 27



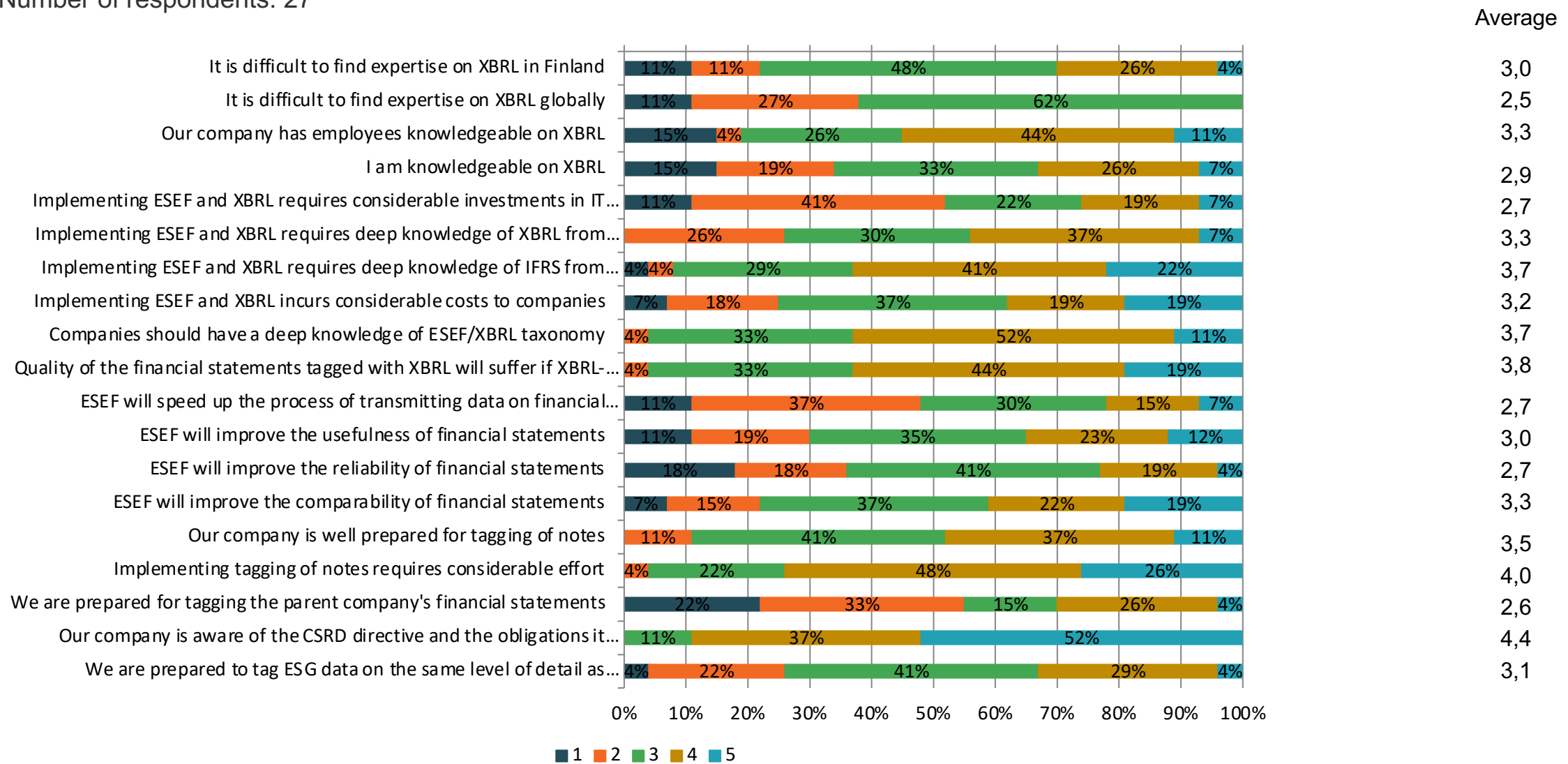
Please indicate whether an independent auditor provided assurance on your ESEF financial statements for the year 2023

Number of respondents: 27



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

Number of respondents: 27



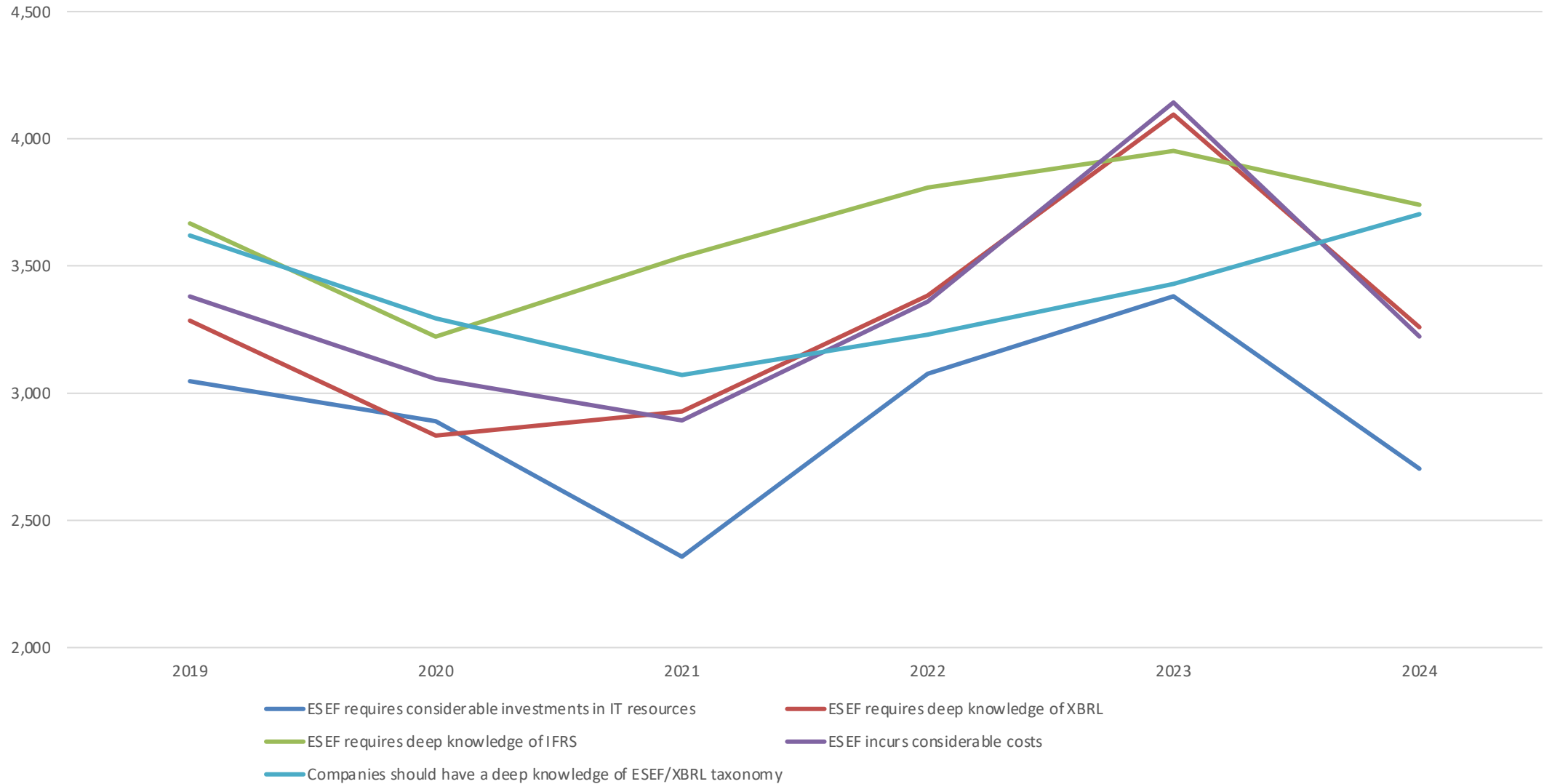
TRENDS FROM 2019 TO 2024

“This does not look too difficult nor burdensome”

“Oh no, this is difficult and burdensome”

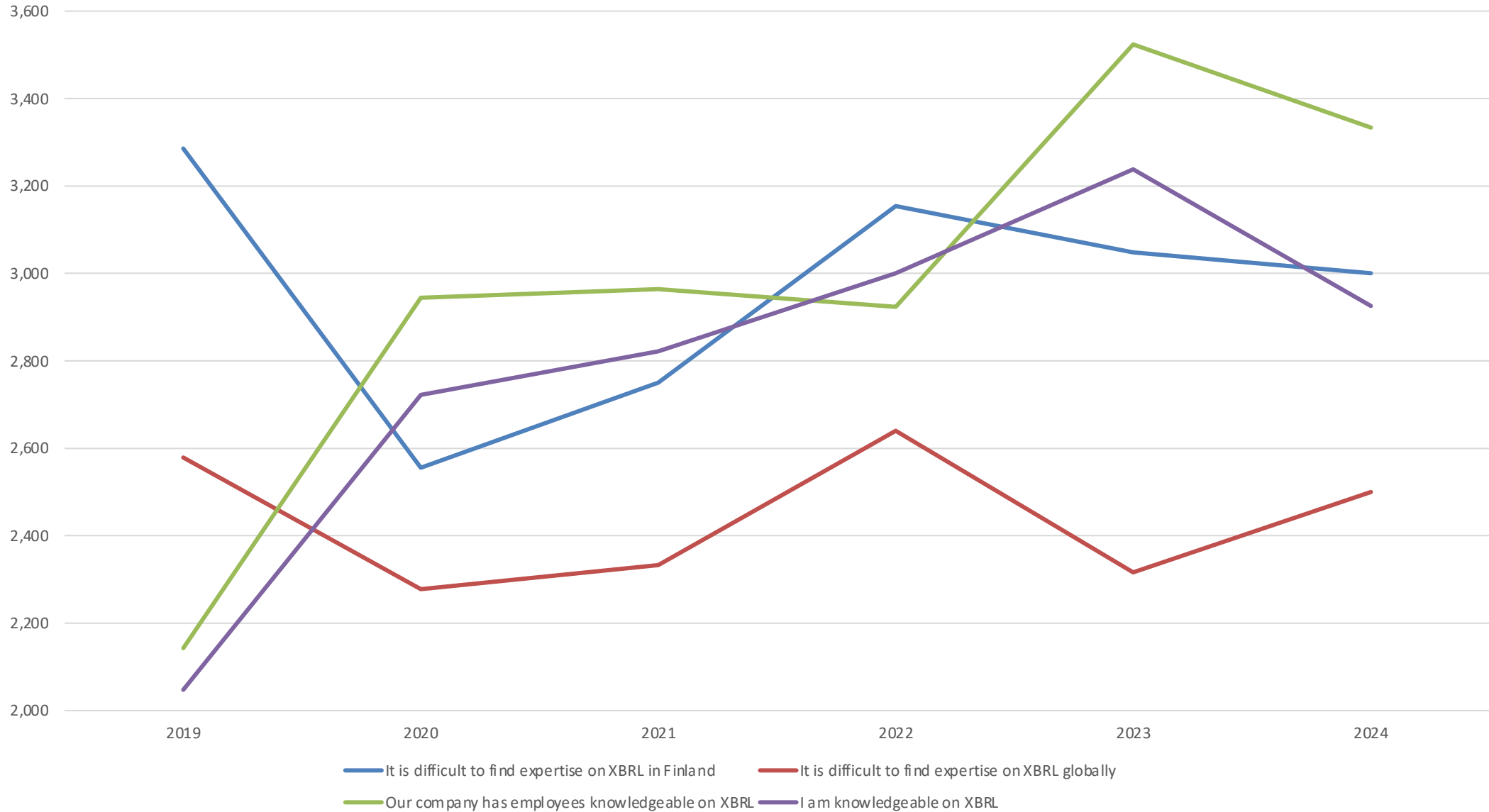
“ESEF? It’s a routine now.”

Requirements



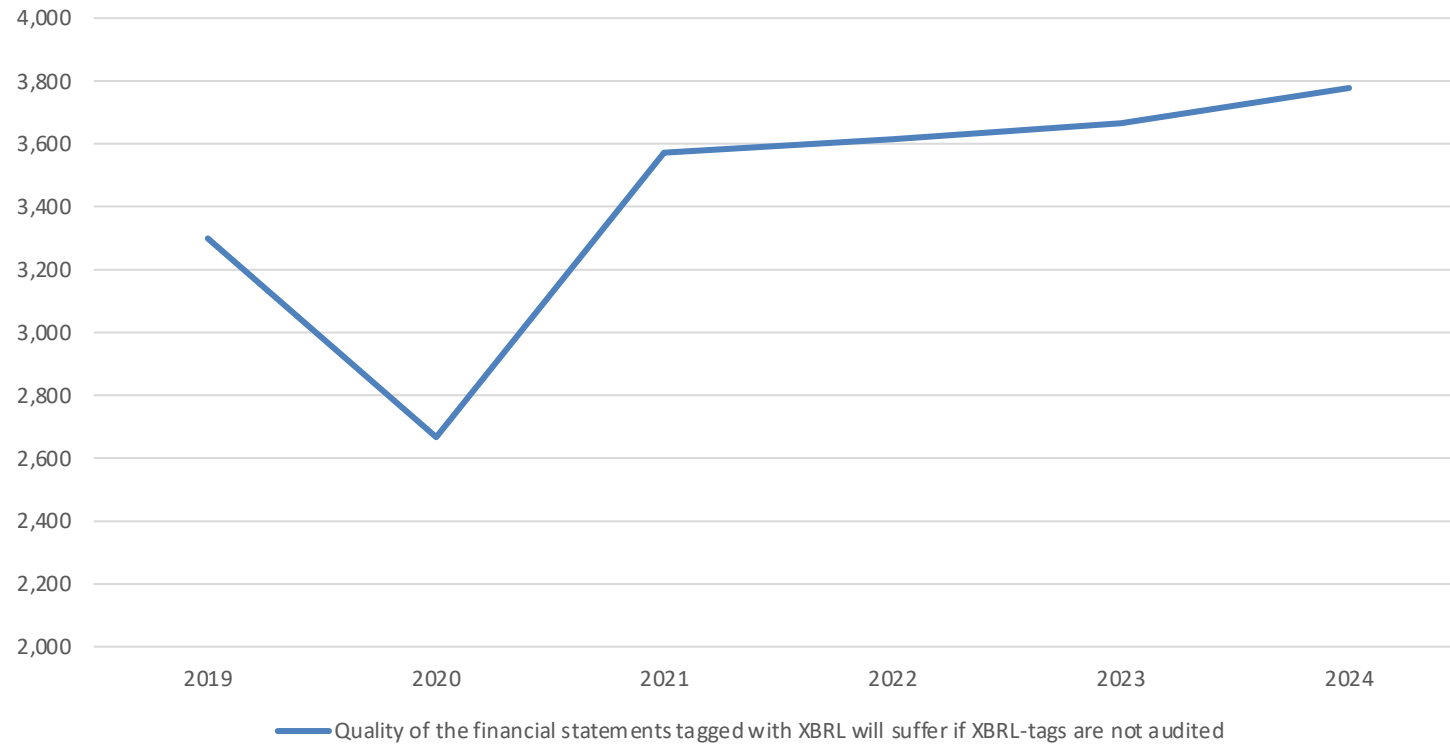
“This is costly and burdensome, but I am getting better at this!”

Expertise



“The ESEF reports should be audited”

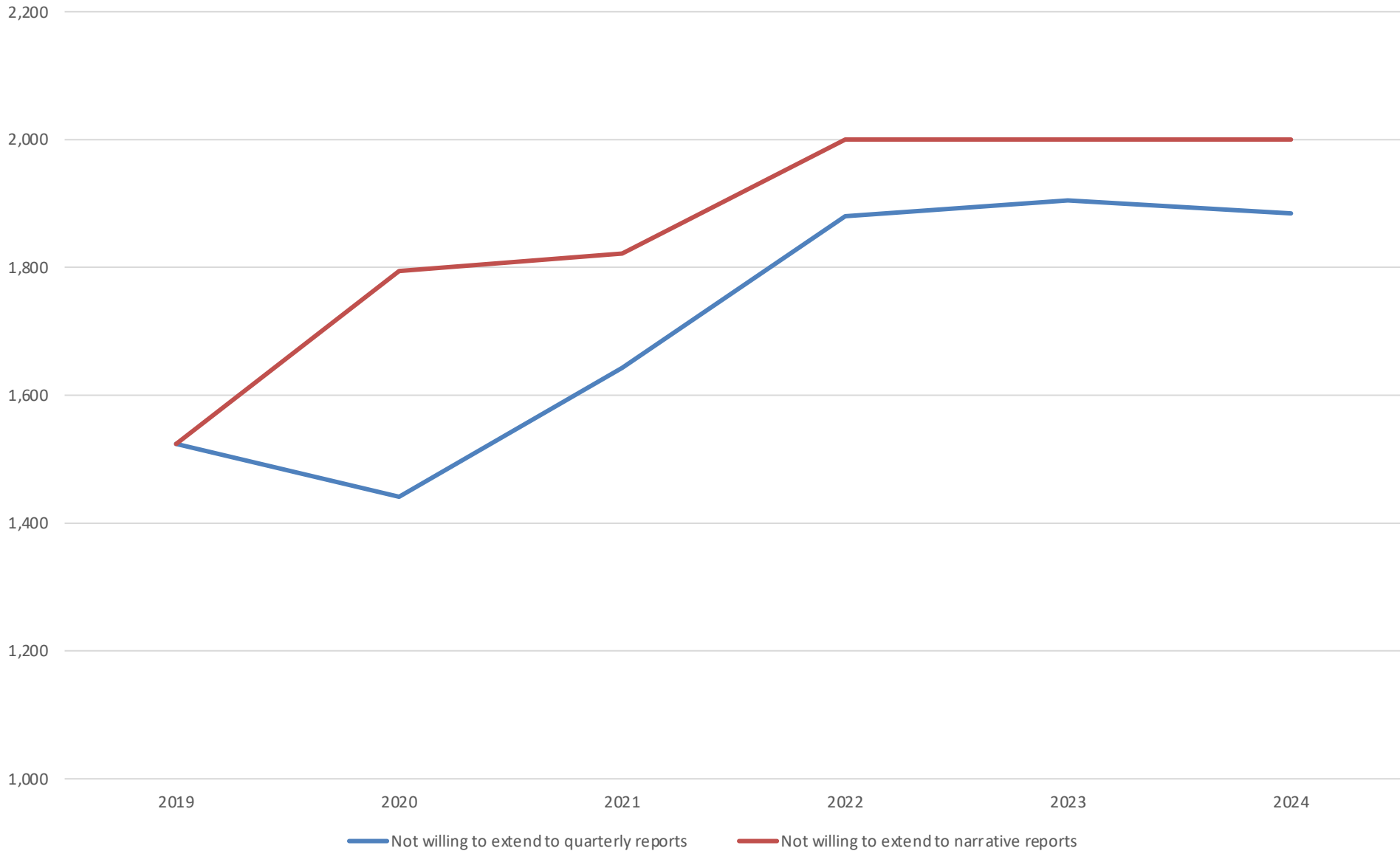
Quality of the financial statements tagged with XBRL will suffer if XBRL-tags are not audited



“Maybe we could extend reporting to quarterly and narrative reports?”

“We have too much stuff on our hands, let’s just go with the minimum requirements”

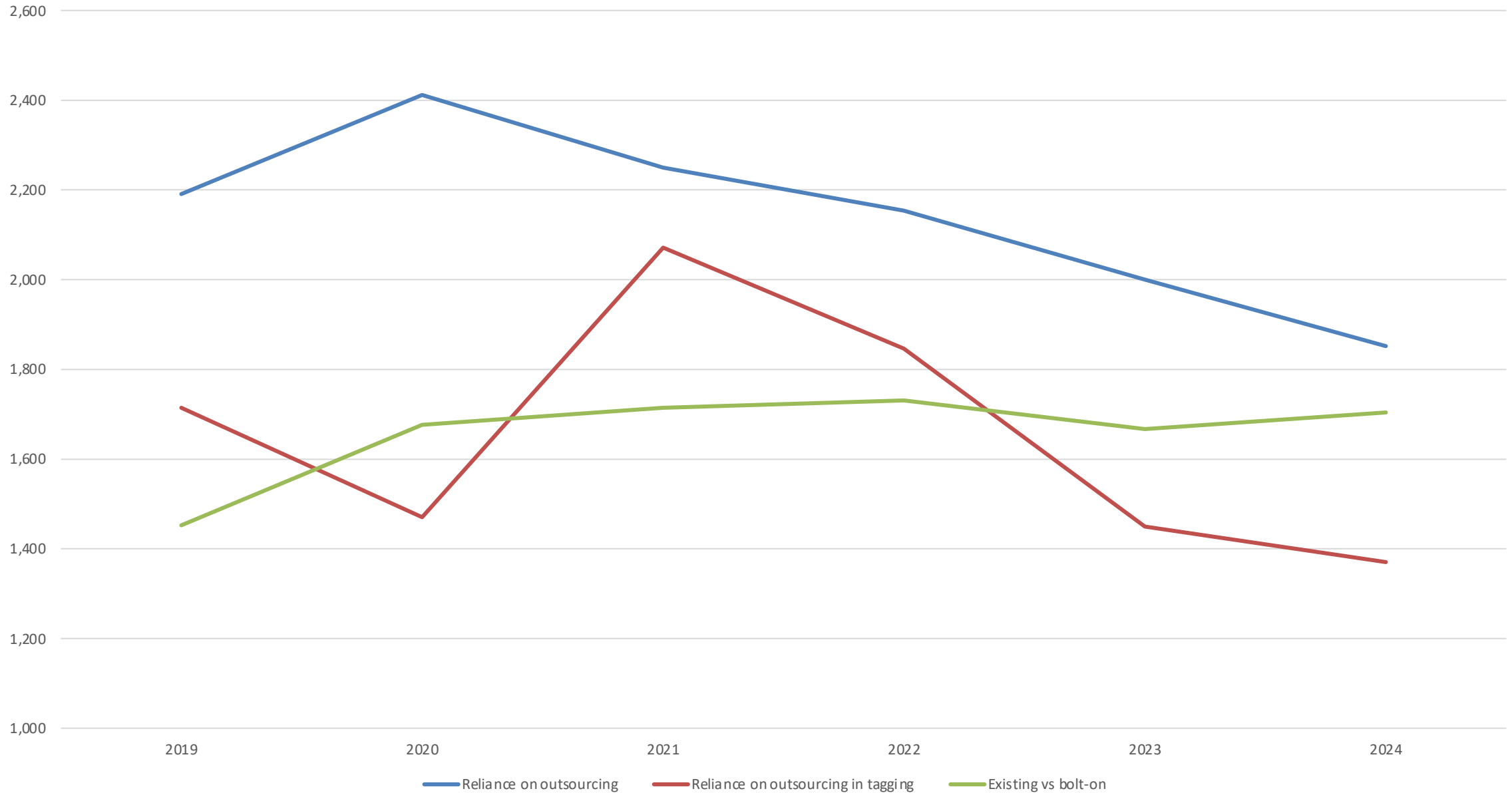
Extending reporting



“We need to give this to our partners”

“We have to do it ourselves, but let’s use an external bolt-on system”

Deployment



Some open comments

- Late changes
 - Any late changes difficult to implement due to tags moving.
 - Tagging process is quite straight-forwarded exercise. Last-minute changes to the financial statement, however, can cause unexpected problems with tags.
 - Time schedule is tight. Sometimes there might be technical problems with the tagger which take some time to solve, but there is no time to wait. Prompt answers and solutions from the software provider are important.
- Administrative burden
 - To avoid unnecessary elaboration of self-evident issues; the cost is high both internally and externally, with no benefits in sight for business
 - Tags are complicated and most likely requires specific knowledge and systems to implement perfectly. For smaller companies the requirements feel too heavy. For finance team the implementation is heavy
 - A lot of extra work without any positive impact. It would be nice to see and hear how ESEF filings and electronic is utilised by end users
 - Seems as additional bureaucracy on top of wide range of requirements.
 - The workload is a challenge, yet another requirement that adds to admin load with no business benefits
 - That there are too heavy requirements for small companies.
- Block tagging
 - The purpose of block tagging is very unclear for us. It demands quite a lot of resources and it's very frustrating as the tags are not so clear as for main calculations.
- Positive mindset
 - If prepared well in advance, I don't see ESEF filing as a problem or too time consuming. If there is lack of resources in the Finance function, then this might cause issues. We found a good solution in automating the tagging and producing the ESEF filings for 2023 which made it quite easy for us (note: our ESEF has not been audited).
 - For us the process does not take much time or effort. Tagging is easy and we get good advice from our auditors.
- Confusion
 - Technical solutions might not work as expected, and the company can be too reliant on the service provider.
 - The Big 4 audit firms seems to have different interpretations of tags and tagging.
 - Since the tagging is executed only for the financial statements once a year, it is not very cost efficient to invest tagging capabilities/resources within the company. At the same time there is very limited number of service providers available in Finland who have capabilities and resources for conducting outsourced tagging service.
- Suggestions
 - Non-commercial xbrl-tagger for ESEF-publications would be useful.
 - modelling tools to design proper dashboard covering financial, ESG and business reporting Furthermore I look forward capable modelling tools to build forward looking estimates for analyst (building macro overview based on act data and expected business environment movements)
 - I hope to see improvements in the reliability of technical services related to ESEF reporting. In addition, I hope that ESEF reporting data is used more widely.
 - "There are very limited number of tools available for tagging purposes and the tools are not yet very advanced. Especially the tools which have integrated the tagging functionality within the system are very limited. Whereas the tools which have the bolt on functionality are fairly simple and not very user friendly and especially with tight publishing schedule there is limited amount of time for changes.