



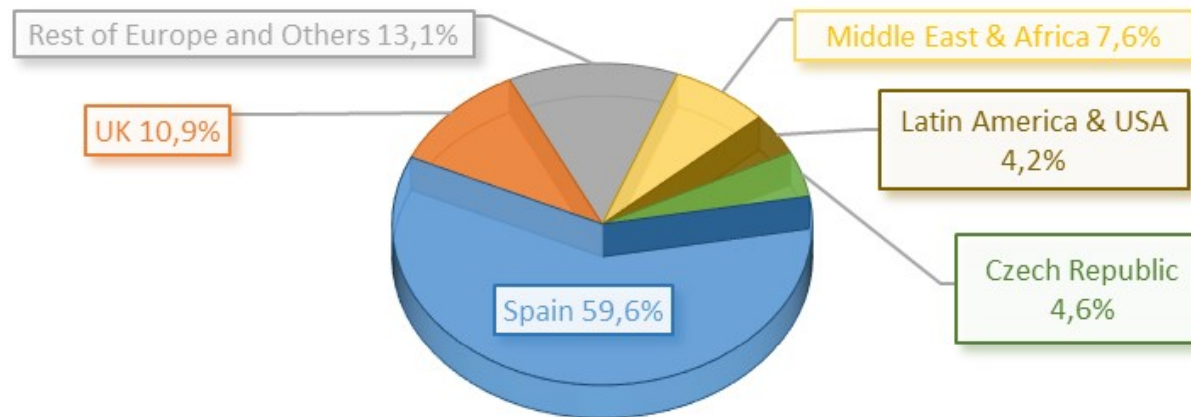
ESEF TODAY, ESG TOMORROW

Early experiences in a large reporting entity

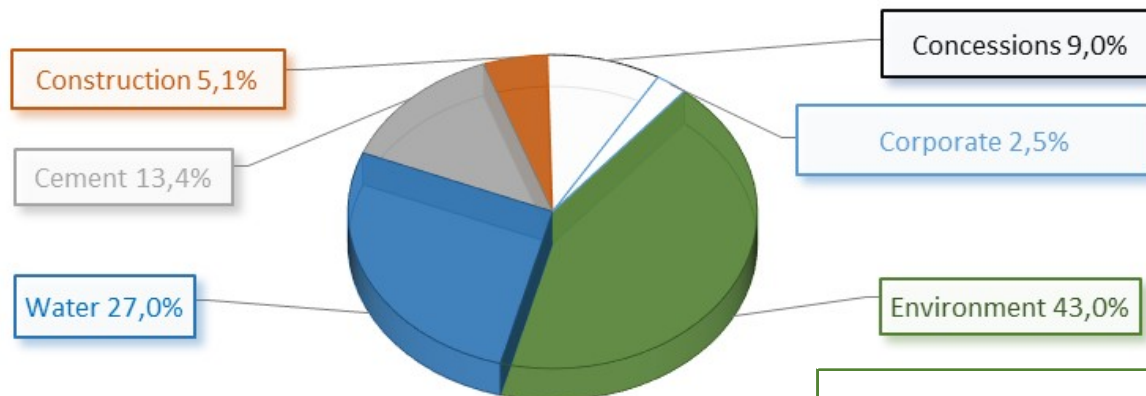
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Daniel Sorroche. Head of Consolidation Department, FCC

- Company headquarters in Spain with more than 59,000 employees across the globe.
- Total income 2020: 6,158.0 million € with international presence in more than 40 countries:



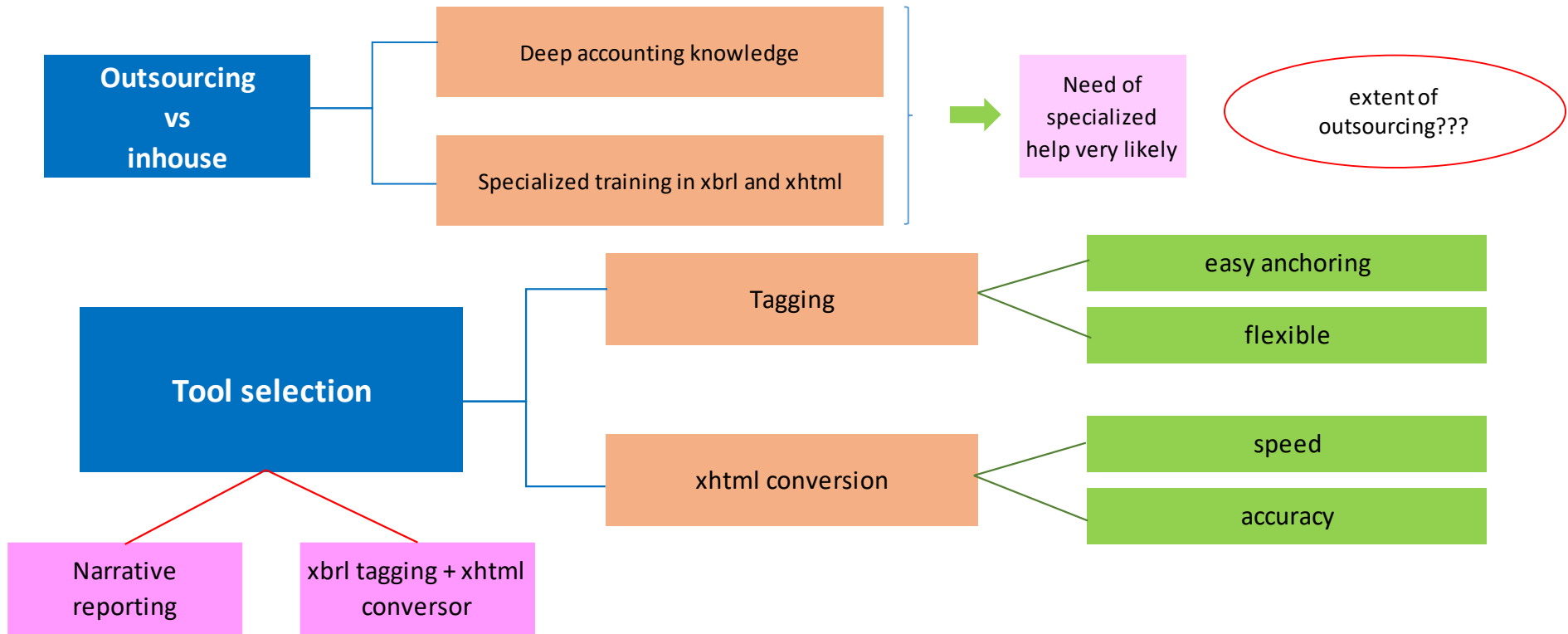
- EBITDA 2020: 1,047.5 million € generated in different activities, mainly providing services:



- Other metrics (million €):

Equity	2,908.7
Net debt	2,797.8
Backlog	29,411.7

- As a first step the Company must face two key, interdependent, decisions that will determine the full process:



- Extent of outsourcing and tool selection will greatly vary from company to company. Many factors present:
 - Staff skills in key knowledge
 - Available budget
 - Complexity of Annual Accounts (number of pages, format)
 - Corporate culture

- First ESEF reporting has been a real challenge for preparers:
 - Difficulty of selecting a tool. Little or no initial knowledge of different alternatives in the market.
 - Tools were not completely ready to comply both with ESMA and local requirements.
 - Complex taxonomy both from the accounting and IT perspective.
 - Local financial statement models not 100% consistent with ESMA's taxonomy



- Data validation. Found three validation levels:
 - ✓ Tool/free online validator
 - ✓ Auditor's validator
 - ✓ Stock Agency (OAM) validator
- XHTML conversion generally not 100% accurate.
- Need to adapt format to XHTML because of conversion issues.
- Need of consultant's help on technical IT related issues.
- Increase in cost of preparation, both in time and money.

- XBRL including tagging and XHTML conversion ready and with correct validation. ESEF submission was somewhat complicated, main difficulties:
 - Incorporate auditor/validator’s signature and other mandatory information.
 - Guarantee final file is exactly the same as the previous one.
 - Auditors demand extra comfort over ESEF. Verification process is cumbersome and slow.
 - Process might be extremely complicated if there are last minute changes. Effects of last minute changes:



- Conclusion: ESEF reporting puts an extra pressure on preparers working with really tight deadlines and might put at risk timely presentation.

THANK YOU VERY MUCH