

# **Appendix 1:**

## **The three surveys**

(including the associated case studies)



# Survey 1

## General Information

In this survey, the term “**Intangibles**” refers to “non-physical resources which, either alone or in conjunction with other tangible or intangible resources, can generate a positive or a negative effect on the value of the organization in the short, medium and long term” (World Intellectual Capital Initiative, Intangibles Reporting Framework, 2016, Section 2.1., p. 13). Sometimes the concept of **Intellectual Capital** is also used as a substitute for intangibles (WICI Intangibles Reporting Framework, 2016, Section 2.2., p. 14). In this perspective, intangibles encompass human, organisational and relational capitals.

### **This survey consists of 4 sections:**

1. Selected personal and professional data (1-9);
2. General questions on intangibles reporting (10-21);
3. A case study composed of a company’s financial statements and selected notes;
4. Specific questions on intangibles reporting related to the case study (22-54).
5. The survey includes 54 questions and should take around 30 minutes to complete.

Please note that \* indicates a mandatory question.

This survey is being completed on a fully anonymous basis. If you choose to share your contact details with us, these will not be used for any other purpose than sending you a copy of the report and/or an invitation to the below presentation/discussion event.

Deadline: **22 March 2021**

If you need help or other information you can contact: [stefano.zambon@unife.it](mailto:stefano.zambon@unife.it)

As a thank you for your completing this survey, we will be pleased to share with you an early copy of the Research Report when available, and to invite you to an **exclusive, tailored Discussion Session** of our research, its findings and implications with the research team, our partners ICAS, EFRAG and EFFAS, and selected European institutions in Q4 2021. You will be able to accept this offer by including your email address and the name of your organisation on the last page of the survey, once it is duly filled in. We will contact you in due course with the Research Report and your invitation to the event.

Thank you for your valuable collaboration.

**The Research Team**

# Section One – Selected Personal and Professional Data

1. Current professional position

- preparer (e.g., CFO, CAO)    user (financial analyst/investor)  
 other (e.g., auditor, professional, academic, member of an institution)\*

2. For **preparers**: what type of organisation do you work for?\* (please specify 2 options)

- listed company    unlisted company    large company    SME    other  
(please specify \_\_\_\_\_)\*

OR

2. For **users** (financial analyst/investor)\*

- fund manager    buy-side    sell-side  
 other (please specify \_\_\_\_\_)\*

OR

2. For other (please specify \_\_\_\_\_)\*

3. Country of birth \_\_\_\_\_

4. Gender  male    female    other    prefer not to say\*

5. Age group  less than 30 years    30-39    40-49    50-59  
 60-69    70 and over\*

6. Country of work \_\_\_\_\_\*

7. Studies  High school    Bachelor's degree    Master    PhD  
 other (please specify \_\_\_\_\_)\*

8. Educational background (subject area) \_\_\_\_\_

9. Sector in which your organisation operates \_\_\_\_\_\*

## Section Two – General questions on intangibles reporting

*In this section, you will find questions relating to general issues about reporting on intangibles and its possible future.*

10. In your opinion, is there any useful information on intangibles that is missing from today's financial reporting (reference to IAS 38)?

YES	NO

Please comment.

11. In your opinion, which is the most important information missing? (multiple choices are possible) [you do not have to reply to this question if you have answered 'no' in the previous one (no. 10)]

- Brand(s)
- R&D
- Intellectual property and know-how
- Software and information systems
- Strategy and planning
- Business Model
- Customer satisfaction and loyalty
- Customer list
- Corporate reputation and image
- Relationships with suppliers
- Training
- Human Capital (competencies, skills, experience)
- Organisational climate (employee satisfaction & engagement)
- Intangibles-related risks and opportunities
- Other

Please specify and/or comment

12. In your opinion, which of the following unaccounted/internally generated intangibles should be financially measured and included in the balance sheet as an asset and on which measurement basis?

- |  |                                  |  |  |
|--|----------------------------------|--|--|
| <input type="checkbox"/> Brand(s)  | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> R&D   | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Intellectual property and know-how                  | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Software and information systems                    | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Corporate reputation and image                      | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Training  | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Human Capital                                       | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Organisational Capital                              | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Intangibles-related risks (e.g., reputational risk) | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Customer list                                       | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |
| <input type="checkbox"/> Other   | <input type="checkbox"/> at Cost | <input type="checkbox"/> at Fair Value | <input type="checkbox"/> at Value in use |

Please specify "Other" \_\_\_\_\_

13. If for you it is relevant to be able to **assess/predict future cash outflows** (timing and amount, for decision making and cash budgeting/financial planning) related to the replacement of intangible assets that are **recognised in financial statements** and **not automatically replaced**, which of the following information would in your view be most useful for that purpose? (multiple answers are possible)

[A customer list is an example of an intangible asset that is generally considered to be replaced automatically through business' operations. On the other hand, a patent or a brand is generally not replaced automatically.]

- Information on the types of intangible assets (e.g., customer list, patents, brands) and related amounts included in the balance sheet item 'Intangible Assets'
- Information on the amount of acquired intangible assets that are included in the balance sheet item 'Intangible Assets'
- Information on the expected useful life of the categories of intangible assets
- Information on the management's assessment of the amount of non-automatically replaced intangible assets that are included in the balance sheet item 'Intangible Assets'. Information on the management's assessment of the period over which the most significant recognised intangible assets (that are not non-automatically replaced) would contribute to the company's cash generation
- Information on the management's assessment of when the most significant (non-automatically replaced) intangible assets would have to be substituted to maintain the contribution to the company's cash generation that these assets currently provide
- Information on specific risks that are related to (non-automatically replaced) intangible assets
- Other (please specify)

\_\_\_\_\_

14. Would you consider it important that information can be provided to help your assessments on whether significant intangible assets - recognised in financial statements - are replaced “automatically” or not, as a result of the company’s operations?

Yes  No

Please specify and/or comment

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15. In your opinion, where should information on unaccounted/internally generated intangibles be located/positioned in the corporate reporting system? (multiple choices are possible)

- Financial statements
- Supplementary notes to financial statements
- Management Commentary/Strategic Report
- Intellectual Capital Report
- Sustainability/Corporate Social Responsibility (CSR) Report
- Non-Financial Reporting Statement according to the EU Directive
- Integrated Report

Please specify and/or comment

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16. In your opinion, in which form should information on unaccounted/internally generated intangibles be disclosed? (multiple choices are possible)

- Financial figures
- Narrative disclosure
- KPIs
- A combination of the above

Please specify and/or comment

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17. If you believe there is a general need for more information on unaccounted/internally generated intangibles, do you think that this extra information would successfully overcome a cost-benefit analysis?

YES	NO	NOT NECESSARILY

Please comment

18. Should this extra information on intangibles be audited by a third party?

YES	NO	NOT NECESSARILY

Please comment

19. In your opinion, to what extent is there an overlap between intangibles-related information and Environmental, Social and Governance (ESG) information?

not at all (0)

50% overlap (5)

complete overlap (10)

Please comment/provide examples

20. In your opinion, which could be the most relevant current framework(s)/standard(s) for the measurement and disclosure of information on intangibles? (please specify at least the 3 most relevant options)

- IAS 38 on Intangible Assets
- Revised IAS 38 with a less conservative approach to recognition of intangibles as assets
- Management Commentary Practice Statement (revised version)
- International Integrated Reporting Framework by the IIRC
- Intangibles Reporting Framework by World Intellectual Capital Initiative
- EU Accounting Directive
- EU Non-Financial Reporting Directive
- Other

Please specify and/or comment

21. In your opinion, should intangibles-related information that is currently outside financial statements be subject to standardisation and/or mandatory guidance?

- Yes  No

Please comment

# Survey 1

## Section Three – Case Study

### The sector and its main features

The company is medium-sized and operates in a global sector where brand strength, research, and product and process innovation are key. The customer management relationship, the reputation and image, the competencies of the employees, the organisational procedures, as well as the effectiveness of information systems are further significant features of the firms competing in this international business environment.

The company is listed on a stock market and has a value of EUR 195.8 million. The average multiplier of EBITDA for listed companies in the sector is 11 (P/E is equal to 27.5), whilst for the company examined it is equal to 9 (P/E is equal to 23.5).

Company financial statements and selected notes

### Financial Statements for the fiscal year 2019 (in kEUR)

Summary Balance Sheet	2019	2018
Cash	3,200	2,600
Receivables	7,500	6,800
Inventory	3,120	4,350
Financial Investments	1,200	950
Property, Plant and Equipment	35,230	33,100
Intangible Assets	32,500	32,300
<b>Total Assets</b>	<b>82,750</b>	<b>80,100</b>
Trade payables	6,800	9,050
Pension liabilities	1,120	1,150
Long term debt	5,340	6,400
Shareholder Equity (including Net Income)	69,490	63,500
<b>Total Liabilities and Shareholder Equity</b>	<b>82,750</b>	<b>80,100</b>

Income Statement	2019	2019 %	2019
Revenues	90,625	100%	86,746
Cost of sales	(68,532)	-76%	(71,150)
Other expenses	(343)	0%	(415)
<b>EBITDA</b>	<b>21,750</b>	<b>24%</b>	<b>15,181</b>
Depreciation and amortisation	(7,828)	-9%	(7,780)
Impairment losses	(91)	0%	0
<b>EBIT</b>	<b>13,831</b>	<b>15%</b>	<b>7,401</b>
Interest expenses	(288)	0%	(248)
Taxes	(5,340)	-6%	(2,799)
<b>Net income</b>	<b>8,203</b>	<b>9%</b>	<b>4,354</b>



## **Accounting policies information 2019 (selection)**

According to IAS 38, intangible assets are identifiable non-monetary assets without physical substance, controlled by the company and able to produce future economic benefits. All the intangibles reported have an operational nature, i.e., they are linked to, and employed in, the core business of the company.

Recognisable intangible assets are initially measured at cost or fair value.

The company's intangible assets of the Statement of Financial Position (Summary Balance Sheet), which equals EUR 32,500,000 include:

- a) externally acquired brands of a carrying amount equal to EUR 20,250,000;
- b) externally acquired patents amounting to EUR 10,270,000;
- c) capitalised development expenditure (which have not yet led to patents) which amount to EUR 1.980 million (total annual amount of R&D expenditure is EUR 5 million; the expected time horizon of the impact of research output(s) is on average 5 years).

There is no goodwill.

All the above intangible assets are valued on amortised historical cost basis using the criteria set for tangible assets, and they are not revalued for financial reporting purposes.

Intangible assets with finite useful lives are amortised on a systematic basis over their useful life; the amount to be amortised and the recoverability of the carrying amount are determined in accordance with the IFRS criteria (IAS 38 and IAS 36).

Intangible assets with indefinite useful life (e.g., brands) are not amortised but tested for impairment at least once a year. Non-financial assets (tangible assets and intangible assets) are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.

The financial statements for the fiscal year 2019 and 2018 are audited by a leading audit firm.

## Section Four – Specific questions on intangibles reporting related to the case study

*In this section, you will find specific questions that consider the annual report presented*

22. Overall, how would you assess the level of information on intangibles available in the above annual report? (where 0= insufficient, 5=neutral and 10= excellent)

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insufficient (0)

neutral (5)

excellent (10)

23. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **company brand(s)** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)

24. In particular, to what extent would the following information on brand(s) be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Brand strength                      Rating 0-10: \_\_\_\_\_
- Brand image/reputation              Rating 0-10: \_\_\_\_\_
- Brand contribution to EBITDA        Rating 0-10: \_\_\_\_\_
- Brand valuation/value                Rating 0-10: \_\_\_\_\_
- Marketing expenses per brand        Rating 0-10: \_\_\_\_\_
- Other please specify \_\_\_\_\_

25. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on Research and Development (R&D) activities in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)



31. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **strategy and planning** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)

32. In particular, to what extent would the following information on **strategy and planning** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Description of strategic pillars Rating 0-10: \_\_\_\_\_

Mission and vision Rating 0-10: \_\_\_\_\_

Market share Rating 0-10: \_\_\_\_\_

Presence and main points of strategy/industrial plan Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

33. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **business model** in the annual report presented? (Business model is defined as “An organization’s system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organization’s strategic purposes and create value over the short, medium and long term”.) (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)

34. In particular, to what extent would the following information on **business model** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Description of business activities/lines Rating 0-10: \_\_\_\_\_

Illustration of value proposition Rating 0-10: \_\_\_\_\_

Description of input/output/outcome Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

35. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **customer satisfaction and loyalty** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)

36. In particular, to what extent would the following information on **customer satisfaction and loyalty** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Customer attrition rate Rating 0-10: \_\_\_\_\_
- Average customer retention period Rating 0-10: \_\_\_\_\_
- Revenues from new customers Rating 0-10: \_\_\_\_\_
- Repurchase rate (%) by customers Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

37. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **customer list** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0) average (5) very useful (10)

38. In particular, to what extent would the following information on **customer list** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Customer list size Rating 0-10: \_\_\_\_\_
- Use of customer data Rating 0-10: \_\_\_\_\_
- Management storage of customer data Rating 0-10: \_\_\_\_\_
- Purchase/Sale of customer data Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

39. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **corporate reputation and image** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0) average (5) very useful (10)

40. In particular, to what extent would the following information on **corporate reputation and image** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Drivers of corporate reputation and image Rating 0-10: \_\_\_\_\_
- Types of reputation surveys conducted Rating 0-10: \_\_\_\_\_
- Reputation level by customer groups/business lines Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

41. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **relationships with suppliers** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

42. In particular, to what extent would the following information on **relationships with suppliers** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Data share among supply chain participants Rating 0-10: \_\_\_\_\_

Degree of value chain integration Rating 0-10: \_\_\_\_\_

Types of suppliers' product quality certifications Rating 0-10: \_\_\_\_\_

Types of suppliers' environmental certifications Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

43. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **training** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

44. In particular, to what extent would the following information on **training** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Level of employee participation in training courses Rating 0-10: \_\_\_\_\_

Training costs on annual revenues Rating 0-10: \_\_\_\_\_

No. of training courses completed by employees Rating 0-10: \_\_\_\_\_

Post course salary increases Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

45. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **human capital** (employee competencies, skills, experience) in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

46. In particular, to what extent would the following information on **human capital** (employee competencies, skills, experience) be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Employee turnover per function and geography Rating 0-10:\_\_\_\_\_
- Employee satisfaction and engagement Rating 0-10:\_\_\_\_\_
- Employee competence level Rating 0-10:\_\_\_\_\_
- Other: please specify \_\_\_\_\_

47. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **organisational culture/climate** (e.g., 'entities' DNA, employee satisfaction and engagement) in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0) average (5) very useful (10)

48). In particular, to what extent would the following information on **organisational culture/climate** would be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Gender equality Rating 0-10:\_\_\_\_\_
- Salary and promotion packages Rating 0-10:\_\_\_\_\_
- Employee turnover/absences Rating 0-10:\_\_\_\_\_
- Efficiency of production/commercial procedures Rating 0-10:\_\_\_\_\_
- Other: please specify \_\_\_\_\_

49. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **intangibles-related risks and opportunities** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0) average (5) very useful (10)

50. In particular, to what extent would the following information on **intangibles-related risks and opportunities** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Customer relationships and loyalty Rating 0-10:\_\_\_\_\_
- Employee development Rating 0-10:\_\_\_\_\_
- Product quality Rating 0-10:\_\_\_\_\_
- Other: please specify \_\_\_\_\_

51. In your opinion, to what extent would the above presented annual report be useful/relevant for **decision-making**<sup>1</sup> by financial capital providers? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)

52. In your opinion, to what extent would the above presented annual report be useful to evaluate the **stewardship**<sup>2</sup> of resources by company management? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)

53. In your opinion, in the annual report presented would the availability of more information on intangibles change the company's market value (as identified earlier in the sector profile)?

Yes  No

54. If more information on intangibles were to be provided, which direction would this affect the company's value in your opinion?

Downwards

Neutral/No effect

Upwards

Please specify and/or comment \_\_\_\_\_

<sup>1</sup> According to the IASB Conceptual Framework (2018), "the objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity" (para. 1.2). "Relevant financial information is capable of making a difference in the decisions made by users." (para. 2.6).

<sup>2</sup> According to the IASB Conceptual Framework (2018), "information can also help users to assess management's stewardship of the entity's economic resources" (para. 1.13). "Information about ... how its management discharged its stewardship responsibilities is usually helpful in predicting the entity's future returns on its economic resources" (para. 1.16).



# Survey 2

## Section Three – Case Study

### The sector and its main features

The company is medium-sized and operates in a global sector where brand strength, research, and product and process innovation are key. The customer management relationship, the reputation and image, the competencies of the employees, the organisational procedures, as well as the effectiveness of information systems are further significant features of the firms competing in this international business environment.

The company is listed on a stock market with a value of EUR 195.8 million. The average multiplier of EBITDA for listed companies of that sector is 11 (P/E is equal to 27.5), whilst for the company examined it is equal to 9 (P/E is equal to 23.5).

### Financial statements and selected notes

[with internally generated brands, intellectual property and customer list that are capitalised at fair value, and R&D and related processes that are capitalised at cost]

### Financial Statements for the fiscal year 2019 (in kEUR)

Summary Balance Sheet	2019	2018
Cash	3,200	2,600
Receivables	7,500	6,800
Inventory	3,120	4,350
Financial Investments	1,200	950
Property, Plant and Equipment	35,230	33,100
Intangible Assets	73,330	75,238
<b>Total Assets</b>	<b>123,580</b>	<b>123,038</b>
Trade payables	6,800	9,050
Pension liabilities	1,120	1,150
Long term debt	5,340	6,400
Shareholder Equity (including Net Income)	110,320	106,438
<b>Total Liabilities and Shareholder Equity</b>	<b>123,580</b>	<b>123,038</b>

Income Statement	2019	2019 %	2019
Revenues	90,625	100%	86,746
Cost of sales	(68,192)	-75%	(71,150)
Other expenses	(343)	0%	(415)
<b>EBITDA</b>	<b>22,090</b>	<b>24%</b>	<b>15,181</b>
Depreciation and amortisation	(8,048)	-3%	(8,780)
Impairment losses	(91)	0%	(85)
<b>EBIT</b>	<b>13,951</b>	<b>21%</b>	<b>6,316</b>
Interest expenses	(182)	0%	(248)
Taxes	(5,263)	-12%	(2,367)
<b>Net income</b>	<b>8,506</b>	<b>9%</b>	<b>3,701</b>

## Accounting policies information 2019 (selection)

Following the Utopia GAAPs adopted by the company, intangible assets are identifiable non-monetary assets without physical substance, controlled by the company and able to produce future economic benefits. All the intangibles reported have an operational nature, i.e., they are linked to, and employed in, the core business of the company.

In accordance with those GAAPs, externally acquired intangibles are initially valued at cost or fair value, which corresponds to their purchase price.

Internally generated intangibles are recognised and valued on the basis of their fair value, that is determined as the cash flows expected from those assets discounted at the WACC of the company.

All intangible assets (of internal or external origin) with finite useful lives are amortised on a systematic basis over their useful life. All intangible assets (of internal or external origin) with indefinite useful lives are not amortised but tested for impairment at least once a year.

Non-financial assets (of tangible and intangible nature) are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.

Please note that financial statements include both intangible assets recognised according to IFRS (see letters a., b. and c. below) and intangible assets that would not be recognised in financial statements prepared according to IFRS, i.e., IAS 38 (see letters d., e., f. and g. below).

Specifically, the item “Intangible Assets” include the following:

- a) externally acquired brands;
- b) externally acquired patents;
- c) capitalised development expenditure;
- d) capitalised research expenditure;
- e) internally generated brands;
- f) internally generated customer list;
- g) internally developed patents and know how.

There is no goodwill.

The above intangible assets are valued as follows:

- a) The carrying amount of the externally acquired brands equals EUR 20.250 million.
- b) The carrying value of externally acquired patents amounts to EUR 10.270 million.
- c) The amortised cost of capitalised Development expenditure (which have not yet led to patents) amounts to EUR 1.980 million. The total annual amount of R&D expenditure is about EUR 5 million; the expected time horizon of the impact of research outputs is on average 5 years.
- d) The value of Research expenditure is based on the capitalised cost to be amortised over a 5-year period. The net amount of capitalised research expenditure in the Statement of financial position (Balance sheet) is equal to EUR 5.540 million. The amount of research expenditure capitalised for the current year, which is equal to EUR 950,000, corresponds to the personnel cost of the R&D department. The amortisation of capitalised research costs for the current year is equal to EUR 1,110,000. Note that research expenditure cannot be recognised on a balance sheet prepared according to IFRS (IAS 38).

e) The fair value of internally generated brands is based on the discounted future cash flows of EUR 16.590 million that is expected to be generated by them. The total cost incurred over the years for the development of internally generated brands is estimated to be equal to EUR 1,950,000. Note that internally generated brands cannot be recognised on a balance sheet prepared according to IFRS (IAS 38).

f) The fair value of customer list amounts to EUR 6.230 million. The total cost incurred over the years for the development of internally generated brands is estimated to be equal to EUR 1,340,000. Note that customer lists cannot be recognised on a balance sheet prepared according to IFRS (IAS 38).

g) The fair value of internally developed patents and know how amounts to EUR 12.470 million. The total cost incurred over the years for the development of internally patents and know how is estimated to be equal to EUR 3,990,000. Note that these types of assets cannot be recognised on a balance sheet prepared according to IFRS (IAS 38).

Note that the e), f), and g) valuations above are determined on the basis of expected discounted cash flows referring to those assets as forecast by the management. Expected cash flows are discounted by the WACC of the company that is equal to 5.4%, and which is consistent with the risk of the company and its debt-to-equity target. The projected cash flow numbers are derived from the 5-year financial plan elaborated by the management and validated by the company board. Both the expected cash flows and the WACC are audited by a primary audit firm according to the relevant auditing standards.

Internally developed intangible assets have been first recognised on the Balance sheet in 2017 (at their fair value). No new internally generated intangible assets have been capitalised in 2018 and 2019, with the exception of the research expenditure. No impairment of these assets has been carried out in 2018 and 2019.

Tangible assets are recognised using the cost model and stated at their purchase price or construction cost including any costs directly attributable to bringing the asset to the location and condition necessary for it. Depreciation of tangible assets begins when they are available for use, and is made on a systematic basis over their useful life, i.e. the period over which an asset is expected to be available for use by the company. They are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.

Inventories, including compulsory stock, are measured at the lower of purchase or production cost and net realisable value.

Pension liabilities are the net of the present value of defined benefit plan obligations and external plan assets.

There has been a distribution of dividends.

The financial statements for the fiscal year 2019 and 2018 are audited by a leading audit firm.





31. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **strategy and planning** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

32. In particular, to what extent would the following information on **strategy and planning** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Description of strategic pillars Rating 0-10: \_\_\_\_\_

Mission and vision Rating 0-10: \_\_\_\_\_

Market share Rating 0-10: \_\_\_\_\_

Presence and main points of strategy/industrial plan Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

33. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **business model** in the annual report presented? (Business model is defined as “An organisation's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organisation's strategic purposes and create value over the short, medium and long term”.) (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

34. In particular, to what extent would the following information on **business model** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Description of business activities/lines Rating 0-10: \_\_\_\_\_

Illustration of value proposition Rating 0-10: \_\_\_\_\_

Description of input/output/outcome Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

35. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **customer satisfaction and loyalty** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

36. In particular, to what extent would the following information on **customer satisfaction and loyalty** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Customer attrition rate      Rating 0-10: \_\_\_\_\_
- Average customer retention period      Rating 0-10: \_\_\_\_\_
- Revenues from new customers      Rating 0-10: \_\_\_\_\_
- Repurchase rate (%) by customers      Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

37. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **customer list** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

\_\_\_\_\_  
 not at all useful (0)    average (5)    very useful (10)

38. In particular, to what extent would the following information on **customer list** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Customer list size      Rating 0-10: \_\_\_\_\_
- Use of customer data      Rating 0-10: \_\_\_\_\_
- Management storage of customer data      Rating 0-10: \_\_\_\_\_
- Purchase/Sale of customer data      Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

39. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **corporate reputation and image** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

\_\_\_\_\_  
 not at all useful (0)    average (5)    very useful (10)

40. In particular, to what extent would the following information on **corporate reputation and image** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Drivers of corporate reputation and image      Rating 0-10: \_\_\_\_\_
- Types of reputation surveys conducted      Rating 0-10: \_\_\_\_\_
- Reputation level by customer groups/business lines      Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

41. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **relationships with suppliers** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

42. In particular, to what extent would the following information on **relationships with suppliers** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Data share among supply chain participants Rating 0-10: \_\_\_\_\_

Degree of value chain integration Rating 0-10: \_\_\_\_\_

Types of suppliers' product quality certifications Rating 0-10: \_\_\_\_\_

Types of suppliers' environmental certifications Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

43. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **training** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

44. In particular, to what extent would the following information on **training** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Level of employee participation in training courses Rating 0-10: \_\_\_\_\_

Training costs on annual revenues Rating 0-10: \_\_\_\_\_

No. of training courses completed by employees Rating 0-10: \_\_\_\_\_

Post course salary increases Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

45. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **human capital** (employee competencies, skills, experience) in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)





51. In your opinion, to what extent would the above presented annual report be useful/relevant for **decision-making**<sup>3</sup> by financial capital providers? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

52. In your opinion, to what extent would the above presented annual report be useful to evaluate the **stewardship**<sup>4</sup> of resources by company management? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

53. In your opinion, in the annual report presented would the availability of more information on intangibles change the company's market value (as identified earlier in the sector profile)?

Yes  No

54. If more information on intangibles were to be provided, which direction would this affect the company's value in your opinion?

Downwards

Neutral/No effect

Upwards

Please specify and/or comment \_\_\_\_\_

55. In your opinion, to what extent would the recognition of the internally developed intangible assets on the balance sheet – as in the annual report presented – help to provide information that is useful in assessing the amount, timing, and uncertainty of the company's future cash flows?

---

no contribution (0)

average (5)

very useful (10)

<sup>3</sup> According to the IASB Conceptual Framework (2018), "the objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity" (para. 1.2). "Relevant financial information is capable of making a difference in the decisions made by users." (para. 2.6).

<sup>4</sup> According to the IASB Conceptual Framework (2018), "information can also help users to assess management's stewardship of the entity's economic resources" (para. 1.13). "Information about ... how its management discharged its stewardship responsibilities is usually helpful in predicting the entity's future returns on its economic resources" (para. 1.16).

56. In the annual report presented, the internally generated intangible assets valued at fair value are subject to amortisation (if they have finite useful lives) or impairment test (if they have indefinite useful lives). In your opinion, would it be more useful for decision making and assessments if the fair value of intangibles were to be determined annually at the end of each financial year without applying amortisation?

Yes  No

Please comment \_\_\_\_\_

57. In the case of adoption by the company of an annual fair value determination for internally generated intangible assets (see previous question), what would be your preferred option for treating the yearly change/variation in these fair values?

- Statement of Financial Position/P&L Account
- Statement of "Other Comprehensive Income" (OCI)
- Equity in the Statement of Financial Position/Balance Sheet

Please comment \_\_\_\_\_

# Survey 3

## Section Three – Case Study

### The sector and its main features

The company is medium-sized and operates in a global sector where brand strength, research, and product and process innovation are key. The customer management relationship, the reputation and image, the competencies of the employees, the organisational procedures, as well as the effectiveness of information systems are further significant features of the firms competing in this international business environment.

The company is listed on a stock market with a value of EUR 195.8 million. The average multiplier of EBITDA for listed companies of that sector is 11 (P/E is equal to 27.5), whilst for the company examined it is equal to 9 (P/E is equal to 23.5).

### Corporate/Non-financial report 2019

[Traditional financial statements + KPIs and narratives on human, organisational and relational capitals]

### Financial Statements for the fiscal year 2019 (in kEUR)

Summary Balance Sheet	2019	2018
Cash	3,200	2,600
Receivables	7,500	6,800
Inventory	3,120	4,350
Financial Investments	1,200	950
Property, Plant and Equipment	35,230	33,100
Intangible Assets	32,500	32,300
<b>Total Assets</b>	<b>82,750</b>	<b>80,100</b>
Trade payables	6,800	9,050
Pension liabilities	1,120	1,150
Long term debt	5,340	6,400
Shareholder Equity (including Net Income)	69,490	63,500
<b>Total Liabilities and Shareholder Equity</b>	<b>82,750</b>	<b>80,100</b>

Income Statement	2019	2019 %	2019
Revenues	90,625	100%	86,746
Cost of sales	(68,532)	-76%	(71,150)
Other expenses	(343)	0%	(415)
<b>EBITDA</b>	<b>21,750</b>	<b>24%</b>	<b>15,181</b>
Depreciation and amortisation	(7,828)	-9%	(7,780)
Impairment losses	(91)	0%	0
<b>EBIT</b>	<b>13,831</b>	<b>15%</b>	<b>7,401</b>
Interest expenses	(288)	0%	(248)
Taxes	(5,340)	-6%	(2,799)
<b>Net income</b>	<b>8,203</b>	<b>9%</b>	<b>4,354</b>

## Accounting policies information 2019 (selection)

According to IAS 38, intangible assets are identifiable non-monetary assets without physical substance, controlled by the company and able to produce future economic benefits. All the intangibles reported have an operational nature, i.e., they are linked to, and employed in, the core business of the company.

Recognisable intangible assets are initially measured at cost or fair value.

The company's intangible assets of the Statement of financial position (Summary Balance Sheet), which equals EUR 32,500,000 include:

- a) externally acquired brands of a carrying amount equal to EUR 20,250,000;
- b) externally acquired patents amounting to EUR 10,270,000;
- c) capitalised development expenditure (which have not yet led to patents) which amount to EUR 1.980 million (total annual amount of R&D expenditure is EUR 5 million; the expected time horizon of the impact of research output(s) is on average 5 years).

There is no goodwill.

All the above intangible assets are valued on amortised historical cost basis using the criteria set for tangible assets, and they are not revalued for financial reporting purposes.

Intangible assets with finite useful lives are amortised on a systematic basis over their useful life; the amount to be amortised and the recoverability of the carrying amount are determined in accordance with the IFRS criteria (IAS 38 and IAS 36).

Intangible assets with indefinite useful life (e.g., brands) are not amortised but tested for impairment at least once a year. Non-financial assets (tangible assets and intangible assets) are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.

The financial statements for the fiscal year 2019 and 2018 are audited by a leading audit firm.

In 2019 company report, the following non-financial information on intangibles is also provided on a voluntary basis:

**Company purpose:** It is to “help the world run better and improve people’s lives by empowering our customers and employees to create a better economy, society, and environment for the world.”

**Strategy and Planning:** The company’s strategy can be illustrated using the following three key strategic pillars:

- High quality of delivered products and services to dynamically maintain the international competitive edge of the company;
- Strong innovation and research culture promoted through incentives and an agile development system open to collaborations with research centres, customers and territories;
- Flexible and clear organisational procedures achieved through IT systems and the empowerment of highly skilled and competent employees.

**Business model:** “The company’s business model is built to manage changing market demand and to capture new business opportunities through research and innovation. Customer focus and motivated employees are key to drive our business, create stakeholder value and to build a stronger company long term” (extract from company annual report).

Intangibles-related KPIs per category of intangible capital (drawn largely from the Generic KPIs suggested by WICI – [www.wici-global.com/kpis/](http://www.wici-global.com/kpis/)):

- **Human capital:**

- No. of employees at the year-end: **419** (390 in 2018)
- Average no. of employee training hours: **2,264** (5,544 in 2018)<sup>1</sup>
- Competencies turnover: **70.21%** (85.31% in 2018)<sup>2</sup>
- Degree of employee satisfaction: **6/10** (7/10 in 2018)<sup>3</sup>

- **Organisational capital:**

- Internal organisational climate survey: **57% of employees are positively satisfied** (69% in 2018)<sup>4</sup>
- Costs for the innovation/maintenance of IT systems per year: EUR **94,126** (EUR 108,176 in 2018)
- No. of organisational development project proposals from employees: **30** (45 in 2018)
- No. of organisational development project proposals from employees implemented: **25%** (35% in 2018)
- Employee Retention rate: **80%** (87% in 2018)
- New product ratio: **18%** (24% in 2018)<sup>5</sup>
- Value added per employee: EUR **107,398** (113,065 in 2018)

- **Relationship capital:**

- No. of active partnerships and joint ventures: **10** (15 in 2018)
- Average no. of suppliers per product/service line: **9** (10 in 2018)
- Customer satisfaction per product/service line: **6/10** (6.95/10 in 2018)
- Reputation level resulting from independent external survey: **4.9/10** (5.8/10 in 2018)
- Total no. of clients: **23** (31 in 2018)
- Percentage of revenues from top 5 customers: **52%** (44% in 2018)

**Risks and opportunities:** The organisational risk appetite is aligned with the changes that occur in the external environment and communicated and managed throughout the organisation via the risk management system. In particular, the analysis of risks and opportunities is carried out by the management in such a way that, on the one hand, mitigation measures to prevent or reduce collateral effects are identified and, on the other, incentive actions to achieve the improvements are set up.

The key risk categories are: legal and compliance, human rights, employee development, product quality, innovation and research activity, customer relationships and loyalty, reputation, and Green House Gas (GHG) emissions and reductions.

The Key Risk Indicators – KRIs provided in the report (and drawn from the Generic KPIs suggested by WICI – [www.wici-global.com/kpis/](http://www.wici-global.com/kpis/)) are the following:

<sup>1</sup> Amount of training hours on the number of employees (total and for HQ employees and sales' people)

<sup>2</sup> Calculated as the percentage of productive personnel capable of covering at least three tasks.

<sup>3</sup> Employee satisfaction survey's results.

<sup>4</sup> Organisational climate survey's results.

<sup>5</sup> Calculated as sales of products or services within 3 years from the beginning of their selling / total sales.

- 1) Compensation claims in pending lawsuits
- 2) Diversification of risks (No. of main factories of suppliers of core products, or Herfindahl-Hirschman Index, showing the degree of decentralisation of the share of major products in relation to total sales)
- 3) Sale revenue concentration on main product/service lines
- 4) Sale revenue concentration on top 5 customers
- 5) Number of suppliers per product/service line
- 6) Level of reputational risk

**Stakeholder Engagement:** The stakeholder engagement is mainly performed through employee surveys, customer satisfaction assessment, ongoing conversations with regulators and non-governmental organisations. The surveys are run by an external consultancy company. The Board is regularly updated on the key insights deriving from the stakeholder engagement exercises.

## Section Four – Specific questions on intangibles reporting related to the case study

*In this section, you will find specific questions that consider the annual report presented.*

22. Overall, how would you assess the level of information on intangibles available in the above annual report? (where 0= insufficient, 5=neutral and 10= excellent)

---

insufficient (0)

neutral (5)

excellent (10)

23. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **company brand(s)** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

24. In particular, to what extent would the following information on brand(s) be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Brand strength                      Rating 0-10: \_\_\_\_\_
- Brand image/reputation              Rating 0-10: \_\_\_\_\_
- Brand contribution to EBITDA        Rating 0-10: \_\_\_\_\_
- Brand valuation/value                Rating 0-10: \_\_\_\_\_
- Marketing expenses per brand        Rating 0-10: \_\_\_\_\_
- Other Please specify \_\_\_\_\_

25. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **Research and Development (R&D)** activities in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)



26. In particular, to what extent would the following information on **R&D** be useful?  
(where 0=not at all useful, 5=average and 10=very useful)

- Detailed amounts of R&D expenditure Rating 0-10: \_\_\_\_\_
- R&D expenses per segment of business Rating 0-10: \_\_\_\_\_
- Revenues from products generated by internal R&D Rating 0-10: \_\_\_\_\_
- No. of R&D projects nearing implementation Rating 0-10: \_\_\_\_\_
- % of sales from the last 5 years' internal research Rating 0-10: \_\_\_\_\_
- Average time to market of research output(s) Rating 0-10: \_\_\_\_\_
- Expected time horizon during which each research outcome can affect profitability  
Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

27. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **intellectual property and know-how** in the annual report presented? (where 0=not at all useful, 5= average and 10=very useful)

---

not at all useful (0) average (5) very useful (10)

28) In particular, to what extent would the following information on **intellectual property and know-how** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- No. of active patents Rating 0-10: \_\_\_\_\_
- No. of innovative procedures not patented Rating 0-10: \_\_\_\_\_
- Revenues from the last 5 years' patents Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

29. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **software and information systems** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0) average (5) very useful (10)

30. In particular, to what extent would the following information on **software and information systems** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Degree of IT systems integration/substitutability Rating 0-10: \_\_\_\_\_
- Maintenance costs Rating 0-10: \_\_\_\_\_
- Compliance with cybersecurity standards/certifications Rating 0-10: \_\_\_\_\_
- Data storage choices Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

31. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **strategy and planning** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

32. In particular, to what extent would the following information on **strategy and planning** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Description of strategic pillars Rating 0-10: \_\_\_\_\_

Mission and vision Rating 0-10: \_\_\_\_\_

Market share Rating 0-10: \_\_\_\_\_

Presence and main points of strategy/industrial plan Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

33. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **business model** in the annual report presented? (Business model is defined as “An organisation’s system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organisation’s strategic purposes and create value over the short, medium and long term”.) (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

34. In particular, to what extent would the following information on **business model** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Description of business activities/lines Rating 0-10: \_\_\_\_\_

Illustration of value proposition Rating 0-10: \_\_\_\_\_

Description of input/output/outcome Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

35. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **customer satisfaction and loyalty** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

36. In particular, to what extent would the following information on **customer satisfaction and loyalty** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Customer attrition rate     Rating 0-10: \_\_\_\_\_
- Average customer retention period     Rating 0-10: \_\_\_\_\_
- Revenues from new customers     Rating 0-10: \_\_\_\_\_
- Repurchase rate (%) by customers     Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

37. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **customer list** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

\_\_\_\_\_

not at all useful (0)	average (5)	very useful (10)
-----------------------	-------------	------------------

38. In particular, to what extent would the following information on **customer list** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Customer list size     Rating 0-10: \_\_\_\_\_
- Use of customer data     Rating 0-10: \_\_\_\_\_
- Management storage of customer data     Rating 0-10: \_\_\_\_\_
- Purchase/Sale of customer data     Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

39. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **corporate reputation and image** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

\_\_\_\_\_

not at all useful (0)	average (5)	very useful (10)
-----------------------	-------------	------------------

40. In particular, to what extent would the following information on **corporate reputation and image** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Drivers of corporate reputation and image     Rating 0-10: \_\_\_\_\_
- Types of reputation surveys conducted     Rating 0-10: \_\_\_\_\_
- Reputation level by customer groups/business lines     Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

41. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **relationships with suppliers** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

42. In particular, to what extent would the following information on **relationships with suppliers** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Data share among supply chain participants Rating 0-10: \_\_\_\_\_

Degree of value chain integration Rating 0-10: \_\_\_\_\_

Types of suppliers' product quality certifications Rating 0-10: \_\_\_\_\_

Types of suppliers' environmental certifications Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

43. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **training** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

44. In particular, to what extent would the following information on **training** be useful? (where 0=not at all useful, 5=average and 10=very useful)

Level of employee participation in training courses Rating 0-10: \_\_\_\_\_

Training costs on annual revenues Rating 0-10: \_\_\_\_\_

No. of training courses completed by employees Rating 0-10: \_\_\_\_\_

Post course salary increases Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

45. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **human capital** (employee competencies, skills, experience) in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

---

not at all useful (0)

average (5)

very useful (10)

46. In particular, to what extent would the following information on **human capital** (employee competencies, skills, experience) be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Employee turnover per function and geography Rating 0-10: \_\_\_\_\_
- Employee satisfaction and engagement Rating 0-10: \_\_\_\_\_
- Employee competence level Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

47. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **organisational culture/climate** (e.g., 'entities' DNA, employee satisfaction and engagement) in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)average (5)very useful (10)

48. In particular, to what extent would the following information on **organisational culture/climate** would be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Gender equality Rating 0-10: \_\_\_\_\_
- Salary and promotion packages Rating 0-10: \_\_\_\_\_
- Employee turnover/absences Rating 0-10: \_\_\_\_\_
- Efficiency of production/commercial procedures Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

49. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on **intangibles-related risks and opportunities** in the annual report presented? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)average (5)very useful (10)

50. In particular, to what extent would the following information on **intangibles-related risks and opportunities** be useful? (where 0=not at all useful, 5=average and 10=very useful)

- Customer relationships and loyalty Rating 0-10: \_\_\_\_\_
- Employee development Rating 0-10: \_\_\_\_\_
- Product quality Rating 0-10: \_\_\_\_\_
- Other: please specify \_\_\_\_\_

51. In your opinion, to what extent would it be useful for your decision making and assessments to have more information available on company's **stakeholder engagement**? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)

52. In particular, to what extent would the following information on company's stakeholder engagement be useful? (where 0=not at all useful, 5=average and 10=very useful)

No. of company committees with citizens/customers Rating 0-10: \_\_\_\_\_

No. of recipients of company's newsletter Rating 0-10: \_\_\_\_\_

No. of website visitors Rating 0-10: \_\_\_\_\_

No. of public events organised by the company Rating 0-10: \_\_\_\_\_

Other: please specify \_\_\_\_\_

53. In your opinion, in the annual report presented would you consider the level of corporate reputation in 2019 (4.9/10) as an intangible liability or a decrease in the value of this resource?

Yes  No

Please comment \_\_\_\_\_

54. In your opinion, to what extent would the above presented annual report be useful for financial **decision-making** by financial capital providers?

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not at all useful (0)

average (5)

very useful (10)

55. In your opinion, to what extent would the above presented annual report be useful to evaluate the **stewardship** of resources by company management? (where 0=not at all useful, 5=average and 10=very useful)

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not at all useful (0)

average (5)

very useful (10)

56. In your opinion, in the annual report presented would the availability of more information on intangibles change the company's market value (as identified earlier in the sector profile)?

Yes  No

57. If more information on intangibles were to be provided, which direction would this affect the company's value in your opinion?

Downwards

Neutral/No effect

Upwards

Please specify and/or comment \_\_\_\_\_