STAFF PAPER

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IASB® meeting

Project	**Management Commentary**
Paper topic	Feedback summary—Metrics

CONTACTS	Jelena Voilo	jvoilo@ifrs.org	+44 (0)20 7246 6410
	Yulia Feygina	yfeygina@ifrs.org	+44 (0)20 7332 2743
	Matt Chapman	mchapman@ifrs.org	+44 (0)20 7246 6971

Purpose of paper

1 The papers for this meeting summarise feedback on the International Accounting Standards Board (IASB)'s proposals for a revised Practice Statement on management commentary (Practice Statement), as set out in the Exposure Draft *Management Commentary* (Exposure Draft).

2 This paper summarises feedback on the proposed requirements and guidance for reporting metrics.

3 This paper should be read in the context of Agenda Paper 15 *Cover paper*, which explains some of the terminology used and how we have quantified feedback.

4 This paper does not ask the IASB to make decisions but invites IASB members' questions and comments on the feedback.

Structure of paper

5 This paper includes:

(a) a recap of the Exposure Draft proposals (paragraphs 6–12);

(b) an overview of the key messages in the feedback (paragraph 13);

(c) summaries of the feedback on:

(i) the proposals on metrics taken as a whole (paragraphs 14–16);

(ii) approach to selecting metrics (paragraphs 17–30);

(iii) requirements that apply to all metrics (paragraphs 31–41);

(iv) requirements that apply to particular metrics (paragraphs 42–55); and

(v) terminology (paragraph 56).

Exposure Draft proposals

6 In its Management Commentary project the IASB is seeking to address shortcomings in current reporting practice. Some of the shortcomings identified by the IASB were also cited in relation to metrics, including:

(a) lack of entity-specific information;

(b) information being incomplete or unbalanced;

(c) information being difficult to compare with information for previous periods or with information provided by other entities; and

(d) information being difficult to reconcile with the entity's financial statements.

Selecting metrics for inclusion in management commentary

7 The Exposure Draft defined metrics as measures used to monitor quantitative or qualitative aspects of an entity's financial or non-financial performance and position.

8 The Exposure Draft did not propose to specify a list of metrics that an entity would be required to provide in management commentary because metrics that are specific to an entity and reflect the industry in which it operates, and the entity's other circumstances, are likely to be more useful to investors. Instead of providing a list of required metrics, the Exposure Draft provided requirements and guidance on how to select and report entity-specific metrics.

9 Specifically, paragraph 14.3 of the Exposure Draft explained that material information is likely to include metrics derived from metrics an entity's management uses to monitor key matters and to measure progress in managing those key matters. Furthermore, for each area of content, the Exposure Draft provided examples of metrics that might be used to monitor key matters and progress in managing them.

10 The IASB's proposals would also allow management to use detailed topic-specific or industry-specific requirements or guidelines issued by other bodies to identify metrics that might be material to investors.

Requirements for reporting metrics in management commentary

11 The proposed requirements that would apply to all metrics reported in management commentary were based on attributes of useful information—clarity and accuracy, comparability and coherence.

12 The proposals also included specific requirements for:

(a) metrics derived by adjusting measures presented or disclosed in the entity's financial statements (metrics based on adjusted financial statements measures) (see paragraph 42);

(b) metrics that play a role in determining management compensation (see paragraph 47); and

(c) forecasts and targets (see paragraph 49).

Key messages in feedback

13 Almost all respondents commenting on metrics, including all investors, broadly supported the proposals, either expressing unqualified agreement or suggesting some refinements. Many of them provided comments on one or more specific aspects of the proposals:

(a) almost all respondents commenting on the proposed approach to selecting metrics supported the non-prescriptive approach. Those respondents—including all investors commenting on the approach—agreed that metrics that are specific to an entity and reflect the industry in which it operates, and the entity's other circumstances, are likely to be more useful to investors. A few respondents suggested that even stronger emphasis should be given to management's perspective in selecting metrics, with some of them advocating for management's perspective as the main principle for selecting metrics for management commentary.

(b) a few respondents commented on linking the requirements for all metrics reported in management commentary to particular attributes of useful information and many of them agreed with the attributes the IASB chose as the basis for those requirements.

(c) many investors emphasised that the usefulness of metrics is further enhanced if the metrics are comparable both between periods for the same entity and between similar entities. However, a few respondents disagreed with the proposed requirements that were intended to help investors compare metrics included in management commentary with metrics reported by other entities.

(d) some respondents suggested refinements to the proposed requirements that would apply to all metrics or to the specific requirements that would apply to metrics based on adjusted financial statements measures or to metrics that play a role in determining management compensation.

(e) respondents commenting on the proposed requirements for forecasts and targets broadly agreed with those proposals, including the proposed approach of not requiring inclusion of forecasts and targets in management commentary unless an entity previously published a forecast or target for the reporting period.

The proposals on metrics taken as a whole

14 The Exposure Draft included a general question asking respondents whether they agreed with the proposed requirements and guidance that would apply to selecting and reporting metrics in management commentary.

15 Most respondents commented on the question. Many investors emphasised the importance of metrics in making management commentary focused and concise and stated that metrics (for example, staff turnover or number of workplace accidents) often provide more useful information than generic narrative statements.

16 Almost all respondents commenting, including all investors, broadly supported the proposals for metrics, either expressing unqualified agreement or suggesting some refinements. Some of them expressed a view that the proposed requirements and guidance would address the shortcomings in practice related to metrics:

> Yes, we agree with the proposals. The proposed guidance address all the key issues relating to the selection and use of metrics. *CL28 UK Shareholders' Association and ShareSoc*

Approach to selecting metrics

Broad support

17 Almost all respondents commenting on the proposed approach to selecting metrics agreed that the IASB should not specify a list of metrics that should be included in management commentary. Those respondents—including all investors commenting on the approach—agreed that metrics that are specific to an entity and reflect the industry in which it operates, and the entity's other circumstances, are likely to be more useful to investors and creditors.

18 A few respondents commented that the non-prescriptive approach is suitable for the Practice Statement because in their view it would be for the International Sustainability Standards Board (ISSB) to provide more detailed guidance on metrics,

in particular those related to environmental, social and governance (ESG) matters, or to prescribe specific metrics that entities need to provide. One of those respondents emphasised that the IASB and the ISSB should ensure consistency between their guidance on metrics.

> Accountancy Europe agrees that the Practice Statement should not list out specific metrics as it is a high-level Practice Statement that may ultimately become the framework for connected reporting. Metrics could be prescribed in sustainability reporting standards instead. *CL14 Accountancy Europe*

19 A few respondents explicitly supported the proposal to allow management to use detailed topic-specific or industry-specific requirements or guidelines issued by other bodies to identify metrics that might be material.

20 A few respondents asked for more guidance related to selecting metrics:

(a) two respondents suggested including more examples of metrics or types of metrics that could be included in management commentary.

> While there can’t be a list of metrics that is universally applicable, a more detailed typology and examples could be possible. Any such discussion should acknowledge the wealth of scientific, economic and other evidence that already exists. *CL46 Economics For The Environment Consultancy*

(b) a consulting firm specialising in intangible assets suggested highlighting the need for metrics related to the value of the internally generated intangible assets.

> The gap in true intangible asset value and what is disclosed is due to financial reporting rules which dictate that, for the majority of intangible asset classes, intangible value can only be disclosed when it has been gained via acquisition. Therefore, we suggest to include a metric related to the valuation of the intangible assets generated internally to address a knowledge gap which undermines investor confidence in the markets. We would suggest that independent experts are best placed to assist management in these valuations. *CL66 Brand Finance*

(c) a few respondents suggested including guidance on procedures that management could follow in selecting entity-specific metrics for inclusion in management commentary.

21 However, a respondent representing a group of Latin American standard-setting bodies, while broadly supporting the proposals, reported a view of one of its members that the Practice Statement should prescribe metrics to be included in management commentary rather than leave their selection to management.

Metrics used by management

22 Some respondents commented on the statement in the Exposure Draft that material information in management commentary is likely to include metrics derived from metrics that management uses to monitor key matters and to measure progress in managing those matters. These respondents agreed with that statement:

> There was general agreement with the characteristics of the metrics and that these should be the ones that management uses to monitor the business. Some of these metrics are already being disclosed as management performance measures. There would be no need to prescribe other metrics.
> *CL23 Consejo Mexicano de Normas de Informacion Financiera*

23 Many investors commenting on the statement further stated that reporting metrics used by management provides insight into the quality of management's stewardship.

24 A few respondents suggested that the emphasis on metrics used by management should be strengthened. Their suggestions included:

(a) setting an expectation or even introducing a requirement for reporting metrics used by management. A few respondents suggested placing particular emphasis on metrics approved by the entity's board and used to determine management compensation and to monitor performance and impacts:

> We support the guidance and requirements on metrics. We would like to propose an additional requirement, that management disclose the metrics most frequently reported to management and discussed in management

fora. The frequency with which those metrics are reported and the reason why any metrics are introduced or no longer regularly reported over the period should also be disclosed.

Although paragraph 14.3 notes that metrics 'could be derived from metrics that management uses to monitor key matters' we think this should be strengthened. If management are regularly using particular metrics, this gives an important insight into what they consider is important, what they regularly track and what informs their stewardship. If the metrics address material matters they may be disclosed anyway, and if they do not relate to material matters, there is a legitimate question as why management is focussed on these metrics with such scrutiny and regularity. As the adage goes, what gets measured, gets managed, and in our view this disclosure would provide an important insight for investors and creditors. It would also be straightforward to verify.
CL10 UK Financial Reporting Council

(b) reframing requirements and guidance on metrics so that management's perspective is described as the main principle in selecting metrics for inclusion in management commentary. Almost all of the respondents who made this suggestion disagreed with the proposed requirements that were intended to help investors compare metrics included in an entity's management commentary with metrics reported by other entities (see paragraphs 39–40):

As indicated in our reply to Question 11, the [Stakeholder Reporting Committee(SRC)] suggests adding 'management's view' as a fundamental reporting principle in the preparation of management commentary. Explicitly including this principle would also help preparers define the metrics to be disclosed. Indeed, the management would rely on the KPIs that are internally used to manage the business and/or that are reported regularly to the Board. The SRC also believes that it would be important to clarify that an entity is not required to calculate and disclose metrics that are not used internally. On the contrary, metrics that are used internally should be disclosed externally (possibly by aggregating some measures for competitive reasons). *CL45 European Accounting Association*

25 In contrast, one investor stated that particular aggregated metrics may not be used by management, but could still provide useful information to investors.

Scope of metrics in management commentary

26 A few respondents commented on the scope of metrics that should be included in management commentary. Many of them explicitly supported the proposed scope:

> In particular, we strongly support the broad scope the IASB defines for the notion 'metrics' in paragraph 14.1 of the Exposure Draft. Our reasoning is based on the discussion around the IASB project Primary Financial Statements that revealed the widely shared concern on the too narrow scope of the term 'key performance indicator'. *CL39 Accounting Standards Committee of Germany*

27 However, a few respondents commenting questioned the scope of metrics related to non-financial performance and non-financial position that need to be included in management commentary.

28 In particular, some of them cautioned the IASB against setting a broad scope for such metrics or asked the IASB to clearly state that such metrics should only be included in management commentary if they are needed to explain the entity's financial performance and financial position for the reporting period.

29 In contrast, some other respondents commenting on the scope questioned narrowing the scope of metrics to be included in management commentary to those needed to explain the entity's financial performance and financial position for the reporting period. For example, one respondent suggested that metrics related to non-financial performance or non-financial position may need to be included in management commentary to provide insight into factors that could affect the entity's ability to create value in the future. Another respondent suggested field testing the proposals before determining the scope of metrics related to the entity's non-financial performance and non-financial position:

> Our concern is whether the IASB should only be focusing on the scope of non-financial information and non-financial metrics presented in management commentary to those needed to explain the entity's financial position and financial performance, or whether the scope should be expanded. Before

> making a final decision on this we would like field tests to be undertaken to evaluate this is best way to address this matter. *CL59 Grant Thornton*

30 Two respondents asked the IASB to clarify the interaction between metrics, material information and key matters.

Requirements that apply to all metrics

Attributes of useful information as the basis for requirements on reporting metrics

31 A few respondents commented on using particular attributes of useful information as the basis for the proposed requirements that would apply to all metrics reported in management commentary. Many of those respondents, including all investors commenting on these proposals, agreed with the attributes the IASB used as the basis for the proposed requirements and expressed a view that the proposed requirements would make information more useful to investors:

> We agree with the proposed requirements that would apply to metrics included in management commentary. The proposed metrics are a medium for conveying the commentary required in each of the six components. These requirements are relevant and broad and envelops attributes that would make the metric to be useful to investors and creditors. *CL73 Institute of Chartered Accountants of Nigeria*

> […] Therefore, the guidance on metrics to be included in the management commentary should be principle-based rather than a check-list. Attributes of the metrics identified in the Practice Statement, i.e. clarity and accuracy, comparability and coherence, are all agreeable to the users of financial statements. *CL81 Corporate Reporting Users Forum*

32 A few respondents commented on whether the proposed non-prescriptive approach to reporting metrics would be operational:

(a) of preparers who commented, one expressed a view that the proposed requirements are practical and another did not express any concerns other than about the proposed requirements intended to facilitate comparisons of metrics between entities (see paragraph 39).

(b) a standard-setter suggested that the effectiveness of the proposed approach might be limited for metrics related to non-financial performance and non-financial position:

> EFRAG has no major objections to the proposed principles relating to the metrics (clarity and accuracy, coherence, comparability). However, EFRAG considers that there may be limitations in the effective practical application of such principles to non-financial information (e.g., customer satisfaction scores, operational metrics) in the absence of explicit standards or regulations governing such information. For instance, the notions of 'accuracy', consistency or 'comparability' are not absolute concepts, and implies that there is a common framework to depict and 'measure' the related metrics against. *CL79 European Financial Reporting Advisory Group*

33 Two respondents suggested extending the proposed requirements to reflect other attributes of useful information. They suggested:

(a) adding requirements relating to completeness of information about metrics reported in management commentary:

> It appears that 'completeness' is not specifically referred to in Chapter 14. We recommend that the proposals in Chapter 14 either cross-refer to the Board's guidance on completeness in Chapter 13 or that a separate section on the completeness of an entity's metrics is included within Chapter 14. *CL21 KPMG*

(b) requiring metrics reported in management commentary to possess all attributes listed in Chapter 13 *Completeness, balance, accuracy and other attributes* instead of focusing on clarity, accuracy, comparability and coherence.

Requirements related to comparability

Proposals in the Exposure Draft (paragraphs 14.7–14.10)

34 The Exposure Draft proposed requirements intended to help investors compare:

(a) the amounts reported for the current reporting period with amounts for previous reporting periods; and

(b) an amount for a metric included in management commentary with amounts reported by other entities.

35 To help investors make comparisons between entities, the Exposure Draft proposed that:

(a) if management is aware of differences between the method the entity uses to calculate the metric or the name management uses to label the metric and a method or name commonly used by other entities with similar activities or operating in the same industry, management commentary should describe those differences; and

(b) if management has drawn the metrics from requirements or guidelines published by another body, management commentary should name those requirements or guidelines and identify and explain any differences between the metric included in the management commentary and the metric defined in those requirements or guidelines.

Feedback

36 Many investors emphasised that that the usefulness of entity-specific metrics is further enhanced if the metrics are comparable both between periods for the same entity and between similar entities.

37 To further facilitate comparisons of metrics between periods for the same entity, a few respondents, including a regulator and some investors, suggested adding a requirement to restate comparative amounts when an entity changes the method or assumptions

used to calculate a metric unless the restatement would require undue cost or effort. The regulator also suggested supplementing the proposed requirement to explain the reasons for including new metrics or omitting previously reported metrics with a requirement to explain why the omitted metric no longer provides material information.

38 To further facilitate comparisons of metrics between entities, a few investors suggested that entities should consider metrics published in analyst reports covering the entity's industry and engage in an active dialogue with investors.

39 However, a few other respondents, mainly standard-setters, disagreed with the proposed requirements intended to facilitate comparisons between entities set out in paragraph 36 and suggested removing them. These respondents considered the proposed requirements to require 'benchmarking' and argued that such requirements would:

(a) contradict providing management's perspective in management commentary.

(b) be costly for preparers to implement:

> Particularly, from the operational perspective it would be specifically burdensome for reporting entities if being forced to identify, explain, and even justify differences in calculation of metrics by other reporting entities. In addition, such a requirement is completely contradicting the management approach followed by the IASB for management commentary. As long the IASB itself does not identify and prescribe how a particular metric is to be calculated, reporting entities (and auditors) should not be burdened with the obligation to overcome a potential diversity in reporting practice. As a matter of principle, it is not the primarily task of reporting entities to identify which metrics are the right and proper ones from the market perspective at large. And the mere existence of entity-specific metrics in the market (and even within one industry) is a natural and acceptable outcome of the management approach which we continue to fully support for the management commentary project. *CL11 German Insurance Association*

(c) require a high degree of judgement, in particular when interpreting the notion of ‘commonly used name or method’. They argued that the proposals assume that there is a consistent reporting practice while, in their view, absent a broadly accepted standard in a particular industry some metrics labelled in the same way may be calculated differently.

(d) make it challenging for assurance providers to evaluate the completeness of the information provided in respect of metrics used by other entities.

40 Furthermore, two of those respondents who suggested removing the proposals that they considered to require benchmarking asked the IASB to reframe the requirements on metrics so that they describe management’s perspective as the main principle in selecting metrics for inclusion in management commentary (see paragraph 24(b)).

Suggestions for expanding requirements and guidance on reporting metrics

41 Some respondents made suggestions for expanding requirements and guidance on reporting metrics proposed in the Exposure Draft. Their suggestions included:

(a) requiring management commentary to provide sufficient information to help investors understand how each metric has been determined and how it is used by management:

> We believe that it is important that sufficient information is provided to understand how each metric (including entity-specific metrics) has been determined and is used by management - i.e. IFRS/GAAP for financial metrics; Sustainability Accounting Standards Board (SASB)/World Economic Forum (WEF)/TCFD/Greenhouse Gas (GHG) Protocol, etc. for common ESG metrics. *CL21 KPMG*

(b) providing more guidance on reporting metrics related to non-financial performance and non-financial position, for example, on reporting metrics related to ESG matters, intangible resources and relationships and the entity’s long-term prospects. A respondent suggested leveraging the developments from other bodies addressing reporting on ESG matters, such as the Value

Reporting Foundation or the Global Reporting Initiative, in further developing requirements for reporting such metrics in management commentary. They stated that building on developments from other bodies could make metrics in management commentary more auditable.

(c) providing guidance on quantification of impacts of the entity's activities in monetary or other terms.

(d) providing guidance on how to evaluate and describe in management commentary the quality of the reported metrics and of the data used to calculate them.

Requirements that apply to particular metrics

Metrics based on adjusted financial statements measures

Proposals in the Exposure Draft (paragraph 14.6)

42 The Exposure Draft included specific proposals related to clarity and accuracy of metrics based on adjusted financial statements measures. The proposed requirements included:

(a) labelling the metric using a name that is not misleading;

(b) reconciling the amount reported for the metric to the most directly comparable amount presented or disclosed in the financial statements; and

(c) presenting the metric no more prominently than the measure to which it is reconciled.

Feedback

43 Many investors stated that metrics based on adjusted financial statements measures reported in management commentary are often not well explained or even misleading. All investors commenting supported the proposed requirements in the Exposure Draft relating to such metrics. Additionally, they highlighted the importance of such metrics

being calculated on a consistent basis between entities and over time and suggested that entities should be required to provide reasons for why such adjusted metrics were chosen.

44 A regulator suggested requiring management commentary to state whether a metric based on adjusted financial statements measure was subject to external assurance.

45 A few respondents commented on the interaction between the proposed requirements on metrics based on adjusted financial statements measures in the Exposure Draft and the proposals for management performance measures in the Primary Financial Statements project:

(a) a standard-setter pointed out that the proposed requirements to label clearly, explain and reconcile such metrics and not to present them more prominently than the measures to which they are reconciled are generally consistent with the proposals on management performance measures in the Primary Financial Statements project;

(b) a few respondents asked the IASB to clarify the interaction between the proposed requirements in the two projects and the expectations for disclosures in management commentary for preparers who disclose management performance measures in the financial statements; and

(c) a few respondents urged the IASB to ensure that the requirements in the revised Practice Statement relating to metrics based on adjusted financial statements measures are consistent with the requirements for management performance measures being refined in the Primary Financial Statements project.

46 Finally, one respondent pointed out that the requirements proposed in the Exposure Draft cover metrics that may fall under local requirements for alternative performance measures (APMs). The respondent asked the IASB to clarify how preparers should address any conflicts between those requirements.

Metrics that play a role in determining management compensation

Proposals in the Exposure Draft (paragraphs 14.12–14.13)

47 For metrics that play a role in determining management compensation, the Exposure Draft proposed that:

(a) these metrics are likely to be material; and

(b) if management commentary includes a metric that is similar to, but not the same as, a measure that plays a role in determining management compensation, it shall explain how the metric and that other measure relate to each other.

Feedback

48 Some investors explicitly supported the proposed requirements for metrics that play a role in determining management compensation and highlighted the importance of information about such metrics. For example, compensating management of a bank only on asset growth rather than on a risk-adjusted basis could indicate to investors that management is pursuing an overly aggressive growth strategy. In addition, investors commenting suggested that management commentary should give greater prominence to such metrics, including an explanation of why these metrics were chosen and how they relate to creating value for the entity and for its investors.

Forecasts and targets

Proposals in the Exposure Draft (paragraphs 14.14–14.17)

49 The Exposure Draft did not require management commentary to include forecasts and targets unless forecasts or targets related to metrics included in management commentary have previously been published in any publicly available communication. However, the Exposure Draft proposed requirements for reporting forecasts and targets included in management commentary. Proposed requirements included:

(a) identifying the metric to which the forecast or target relates;

(b) explaining the method used to calculate the forecast or target amount for the metric and the inputs into the calculation;

(c) providing information on how the current period amount for a metric of the entity’s financial or non-financial performance or position compares with the previously published forecast or target; and

(d) explaining how to access previously published forecasts and targets for periods that extend beyond the reporting period, and whether those forecasts or targets have been updated since the publication date.

Feedback

50 Some respondents commented on the requirements for reporting forecasts and targets proposed in the Exposure Draft. Most of them broadly supported those proposals.

51 A few respondents explicitly supported the proposal not to require inclusion of forecasts and targets in management commentary. They pointed out that a requirement to provide forecasts or targets:

(a) could be difficult to implement in hyper-inflationary economies; and

(b) would be unsuitable in jurisdictions that have no legal provisions protecting management from potential personal liability risk related to making forward-looking statements.

52 A few respondents suggested that because forecasts and targets provide useful information to investors, the IASB should consider:

(a) providing additional guidance to encourage entities to publish forecasts and targets.

(b) requiring forecasts and targets to be included in management commentary unless the level of uncertainty associated with those forecasts and targets is very high:

> The Exposure Draft does not require management commentary to include forecasts or targets. Even though we understand this approach, we would prefer to state it differently. Forecasts of next period's revenue, operational profit and cash and cash equivalents should be provided unless no reliable figures can be estimated. In that case, the entity should explain why it is impossible to provide reliable estimates. *CL29 European Records of IFRS Consolidated Accounts Working Group*

53 A few respondents made specific suggestions for additional requirements and guidance on reporting forecasts and targets, including:

(a) requiring that forecasts and targets included in management commentary are presented in a way that makes it clear that such information is hypothetical and does not constitute a promise of future performance.

(b) requiring information that explains long-term targets:

> We also believe that if the entity has targets set - e.g. for a target to achieve net zero emissions by 2030 - there should be an explanation of the plan to achieve each target over time and the target's trends as well as its performance to date. *CL21 KPMG*

(c) requiring entities to explain whether the basis for calculating the forecast or target amount for a metric included in the entity's financial statements is consistent with the accounting policy applied by the entity to calculate the current-period amount for that metric.

(d) providing more guidance on reporting forecasts and targets related to metrics that are not easily quantifiable.

54 A respondent recommended reconsidering the broad reference to 'any publicly available communication' and limiting the scope of the proposed requirements to forecasts and targets provided in management commentary or the related financial statements (see paragraph 49).

55 A few respondents asked for clarifications of the proposed requirements relating to previously published forecasts and targets. Specifically:

(a) a respondent was not clear whether, and if so how, the requirements for comparing the current period amount with the previously published forecast or target amount differ for forecasts and targets included in a previous period's management commentary and for forecasts and targets included in other publicly available communication.

(b) a respondent suggested limiting the requirement to compare the current period amount for a metric with a forecast or target amount 'previously published' by the entity to those forecasts and targets 'published in the preceding reporting period'.

(c) a respondent questioned whether the proposed requirements relating to previously published forecasts and targets for periods extending beyond the reporting period are needed. In their view, entities regularly provide public updates of previously published forecasts and targets, so sufficient information about them would be provided following the IASB's other proposed requirements for forecasts and targets.

Terminology

56 A few respondents made comments on the terminology used in the proposals for reporting metrics, including:

(a) clarifying the terminology used in the chapter on metrics, including the difference between the terms 'metric', 'measure' and 'indicator':

> We checked the Practice Statement for a formal distinction between the terms *'measure'* and *'indicator'* to no avail, then tested a few theories of our own (e.g. direct measurement vs calculation/ extrapolation, quantitative versus qualitative, financial versus non-financial, cumulative versus point in time). To simplify matters for preparers of management commentary, we suggest the Practice Statement either maintain the term

'measures' or clarify the difference between the terms *'measures'* and *'indicators'*.

…As above, we wonder if the words *'metric'* and *'measure'* are used synonymously. In a field where metrics, measures and indicators can, at one extreme, be used interchangeably or, at the other, hold special meaning individually, we recommend selecting a single term, defining that term, and applying that term consistently (if not repetitively). *CL5 Value Reporting Foundation*

(b) clarifying the notion of 'non-financial performance and non-financial position' used in the definition of a 'metric'.

Question for IASB members

Question for IASB members
Do you have any questions or comments on the feedback reported in this paper?