

# Management Commentary—At a Glance



The International Accounting Standards Board issued the revised IFRS Practice Statement 1 *Management Commentary* on 23 June 2025.

## What is management commentary?



A financial report **for investors** that provides **management’s perspective**



Typically falls under the remit of local law or regulation

## What does the Practice Statement provide?



A global benchmark **for regulators** to use in updating or developing national requirements and guidance



A comprehensive resource **for companies** to meet investors’ needs

## What does the Practice Statement require?

### What does management commentary do?

- Enhances understanding of **financial statements**
- Provides insights into a company’s **ability to create value and generate cash flows**

### How does management commentary do it?

- Focuses on **key matters** fundamental to a company’s prospects, including in the long term
- Provides material information derived from **information used to manage the business**
- Supports **connected information** across a company’s financial reports
- Brings together six areas of content in a **coherent fact-based narrative**

Business model

Strategy

Resources and relationships

Risks

External environment

Financial performance and financial position

## How does the Practice Statement interact with other reporting requirements and guidelines?



Works well **with IFRS Standards** but can be applied **without**



Can be applied **alongside** local law or regulation



Application is **not required** to comply with IFRS Standards



Builds on integrated reporting concepts and other **innovations**

Management commentary includes material information about **sustainability-related factors**. **IFRS Sustainability Disclosure Standards** can help companies to identify that information.