

Apr 29th, 2024

The International Ethics Standards Board for Accountants

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By Email:

Re: Exposure Draft of Using the Work of an External Expert

Dear IESBA Officers,

Impax Asset Management is a company founded in 1998 that specialises in making sustainable investments in companies contributing to the transition to a more sustainable economy. Nowadays, we are one of the world's largest specialised asset managers in the sustainable investing field. We are also a long-term investor that has been investing in various global markets for over two decades.

We are pleased to have this opportunity to comment on the Exposure Draft of Using the Work of an External Expert, issued in January 2024. We would like to first congratulate you for issuing this draft so timely following the March-April 2023 IESBA global sustainability roundtables. We believe this shows the commitment of IESBA to raise the ethical standards of both practitioners and non-practitioners globally that will be welcome by both domestic and international investors as well as other stakeholders in the market.

In general, we agree with all the proposals and clarifications made by the IESBA in this exposure draft. For example, the definitions of Expert and External Expert and Evaluating an External Expert's Competence, Capabilities and Objectivity (CCO). We would encourage the CCO evaluation under proposed paragraphs R390.6 and R390.12 to be concluded before the external expert starts the work (and therefore prior to agreeing to the terms of engagement). If there are unavoidable constraints, such as a tight window within which an external expert can complete the work, a proper explanation should be provided at the beginning of the opinion's report so that users of the report could take that into account.

We would like to conclude our letter by sharing the view that we believe the proposals are largely in the best interests of international investors with a more reliable assurance report. We hope our comments above will make a constructive contribution to the ongoing development of the international ethical standards for capital market. Thank you very much!

Yours truly,



Nana Li
Head of Sustainability & Stewardship, Asia-Pacific
Impax Asset Management