

2. SECTION I: ABOUT THE RESPONDENT

1. From which perspective are you providing this feedback?

The view of an organization

Please complete:

Your name:

Your organization (if applicable):

E-mail address:

Please complete:

Organization:

Impax Asset Management

Name(s) of contact(s) for this submission:

Nana Li

E-mail address(es) of contact(s):

n.li@impaxam.com

2. Please select from the following options to which stakeholder group you or your organization belongs:

User of Financial or Non-Financial Information (e.g., investor, analyst, lender or other creditor)

Please specify the type of accounting firm:

Please specify:

Please specify:

Please specify:

Please specify:

3. Please select from the following options the geographical region that best matches you or your organization:

3. Please select from the following options the geographical region that best

matches you or your organization:

Global

4. SECTION III: SSBs' STRATEGIC POSITIONING FOR 2028–2031

4. As the SSBs look toward the 2028–2031 period, they are reflecting on how to position their strategies and work plans to best serve the public interest within a rapidly changing global environment. This involves careful consideration of how the SSBs remain relevant, responsive, and impactful in their standard-setting and other related work. In that context, what do you believe the SSBs should aspire to achieve during their next strategy period, 2028–2031?

Your answer may touch on different dimensions, for example:

The relevance, responsiveness and impact of the SSBs' standard-setting and related activities.

Broader adoption and effective implementation of the SSBs' standards.

The SSBs' interaction and engagement with key stakeholder groups.

The SSBs' ability to serve the public interest.

The examples above are for illustrative purposes only and should not limit, direct, or otherwise influence your response.

Your answer should address the IAASB and IESBA collectively; however, you may wish to also highlight matters specifically for the IAASB or IESBA (if applicable, you could use separate headings to address such matters).

From Impax Asset Management's perspective as a long-term, sustainability-focused investor, the IAASB and IESBA should aspire during the 2028–2031 period to consolidate trust, credibility and global consistency in assurance and ethics frameworks, particularly in light of the rapid expansion of sustainability-related reporting, evolving assurance practices, and heightened public scrutiny of professional conduct.

At a high level, the SSBs' next strategy period should focus on deepening real-world impact, moving beyond standard issuance toward demonstrable improvements in audit and assurance quality, ethical behaviour, and confidence in reported information across jurisdictions.

1. Relevance, responsiveness and impact of standard-setting

The SSBs should aim to:

- Maintain clear alignment with global sustainability reporting frameworks, particularly the ISSB standards, while remaining adaptable to emerging reporting topics (e.g. transition plans, scenario analysis, value-chain data and use of estimates).
- Ensure standards are principles-based but operationally robust, supporting consistent application across firms of different sizes and across jurisdictions with varying levels of market maturity.
- Prioritise areas where investor confidence and public trust are most at risk, including assurance over narrative and forward-looking information, use of experts, group audits, and the management of conflicts of interest.

For the IAASB specifically, Impax sees value in continued focus on scalable, high-quality sustainability assurance standards

that support both reasonable and limited assurance while promoting convergence in practice over time.

For the IESBA, it will be important to continue strengthening ethical and independence expectations as sustainability assurance becomes more integrated with financial audit and advisory activities, including clarity around permissible services and safeguards.

2. Adoption and effective implementation

During 2028–2031, success should be measured not only by formal adoption, but by consistent and high-quality implementation. To that end, the SSBs should:

- Invest more systematically in implementation guidance, capacity-building and jurisdictional dialogue, particularly in emerging and developing markets.
- Work closely with regulators, oversight bodies and professional organisations to identify implementation challenges early and respond through targeted guidance rather than piecemeal amendments.
- Use post-implementation reviews and stakeholder feedback to assess whether standards are delivering meaningful improvements in assurance quality and ethical outcomes, not just compliance.

3. Stakeholder engagement and inclusiveness

The SSBs should continue to broaden and deepen engagement beyond the profession, with particular emphasis on:

- Investors and other users of information, whose decision-making relies on the credibility of audited and assured information.
- Preparers and assurance practitioners in sustainability reporting, especially where new practices are emerging.
- Regulators and oversight bodies, to support coherence across standard-setting, supervision and enforcement.

From Impax's perspective, ongoing, structured dialogue with investors and civil society will be essential to ensure standards reflect public interest expectations, not solely professional feasibility.

4. Serving the public interest in a changing environment

Finally, the SSBs should aspire to be recognised as trusted public-interest institutions in an environment characterised by geopolitical fragmentation, regulatory divergence and growing scrutiny of ESG-related claims. This will require:

- Strong coordination between the IAASB and IESBA to present a coherent and credible global framework for assurance and ethics.
- Transparency in decision-making and prioritisation, clearly articulating how strategic choices respond to public interest risks.
- Continued innovation in how the SSBs operate, while safeguarding independence and due process.

In summary, Impax believes the 2028–2031 strategy period represents an opportunity for the SSBs to embed trust in sustainability and financial reporting ecosystems globally, ensuring that assurance and ethics standards remain fit for purpose, widely adopted, and demonstrably effective in supporting well-functioning capital markets and sustainable economic outcomes.

6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

A.1 Digital Transformation – Increasing Use of Emerging Technologies

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Impax believes this trend will require:

- Clear expectations around human accountability, professional judgment and skepticism when technology is used.

- Guidance on assurance over AI-enabled systems, internal controls, and governance arrangements.
- Strong coordination between IAASB and IESBA to ensure ethical safeguards, competence and independence keep pace with technological adoption.

A.2 Digital Transformation – Digital Assets and Institutionalization of Digital Assets

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

While digital assets are becoming more institutionalised in certain markets, their relevance to mainstream investors and the broader financial reporting ecosystem remains uneven across jurisdictions and business models. From Impax's perspective, this trend is important but more sector- and jurisdiction-specific than other digital transformation drivers.

That said, there remains a clear need for:

- Consistent audit and assurance approaches for digital asset custody, valuation, controls and disclosures, where material.
- Ethical and independence considerations where firms provide both advisory and assurance services related to digital assets and blockchain systems.

Impax therefore sees this as a moderately increasing priority, but one that should be addressed in a targeted and proportionate manner.

A.3 Digital Transformation – Financial Crimes Enabled by Technology

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

From Impax's standpoint, this trend warrants heightened attention because:

- Investors increasingly rely on auditors and assurance providers as part of the trust architecture underpinning capital markets.
- The intersection of technology, fraud, and weak governance can undermine confidence in both financial and sustainability reporting.
- Ethical expectations around competence, confidentiality, professional behavior and public interest responsibilities are becoming more critical.

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

B.1 Changes in the Geopolitical and Regulatory Landscape – Regulatory Changes

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Impax sees an important role for the SSBs in:

- Maintaining clear, stable global baselines amid shifting national regulatory priorities.
 - Ensuring proportionality and scalability without compromising audit quality, ethical standards or public trust.
 - Supporting regulators by providing internationally credible standards that reduce the need for duplicative or bespoke national requirements.
-

B.2 Changes in the Geopolitical and Regulatory Landscape – Risk of Fragmentation

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Impax strongly believes the SSBs should:

- Act as anchors for global consistency, particularly in sustainability assurance and ethical expectations.
 - Strengthen coordination with other international standard setters and regulators to promote interoperability rather than divergence.
 - Clearly articulate the investor and public-interest costs of fragmentation when engaging with jurisdictions considering national or regional deviations.
-

B.3 Changes in the Geopolitical and Regulatory Landscape – Call for Greater Agility in Standard Setting

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

The pace of change in business models, technology and sustainability reporting has increased expectations for timely and responsive standard setting. Impax supports greater agility, provided it does not compromise due process, independence, or standard quality.

From an investor standpoint, this means:

- Making effective use of non-authoritative guidance, narrow-scope amendments and implementation support where appropriate.
- Prioritising clarity and consistency over frequent structural change.

- Ensuring that agility enhances, rather than undermines, confidence in the durability and credibility of standards.

B.4 Changes in the Geopolitical and Regulatory Landscape – Greater Diversity of Voices Sought

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Impax encourages the SSBs to:

- Deepen engagement with stakeholders in emerging markets, including investors, preparers and regulators.
- Ensure standards and guidance are globally operable, scalable and sensitive to different market contexts.
- Avoid a "one-size-fits-all" approach that could inadvertently hinder adoption or quality of implementation.

8. SECTION IV: KEY TRENDS IMPACTING THE SSBs

C.1 Evolving Expectations Concerning Sustainability Information – Continuing Demand for Sustainability Reporting and Assurance

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Demand for high-quality, decision-useful sustainability reporting and assurance continues to rise, driven by investors' need to assess long-term risks, opportunities and capital allocation outcomes. Sustainability information is increasingly interconnected with financial reporting, making assurance quality and ethical behaviour critical to market confidence.

Impax views this as a core strategic driver for both SSBs, requiring:

- Continued development and refinement of sustainability assurance standards.
- Strong alignment between sustainability assurance and financial audit practices.
- Clear ethical expectations for those involved in the preparation and assurance of sustainability information.

C.2 Evolving Expectations Concerning Sustainability Information – Regulatory and Geopolitical Changes

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

From Impax's perspective, the SSBs should:

- Support global coherence and interoperability, particularly with ISSB-aligned frameworks.
- Monitor regulatory developments closely and respond with timely guidance to address implementation challenges.
- Help prevent a loss of momentum in assurance quality and ethical standards amid political or regulatory shifts.

9. SECTION IV: KEY TRENDS IMPACTING THE SSBs

D.1 Evolving Structure and Business Models of Accounting Firms – Alternative Ownership Structures

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Impax believes this trend warrants heightened focus from both SSBs, including:

- Clear expectations around governance, tone from the top, and quality management under alternative ownership structures.
- Strong ethical and independence safeguards to address conflicts of interest and short-term financial incentives.
- Greater transparency to ensure trust in the profession's public-interest role is preserved.

D.2 Evolving Structure and Business Models of Accounting Firms – Increased Involvement of Non-Professional Accountants in the Accounting and Auditing Profession

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

From Impax's perspective, the SSBs should:

- Ensure the IESBA Code is clearly understood and operable in multidisciplinary environments.
- Clarify accountability for ethical behaviour and professional judgment when non-accountants contribute materially to assurance work.
- Support quality management approaches that integrate diverse skillsets without diluting professional standards.

D.3 Evolving Structure and Business Models of Accounting Firms – Challenges to Attracting and Retaining Talent

5 – Increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

Impax views this trend as important for the SSBs insofar as it:

- Reinforces the need for scalable, practical standards that can be implemented consistently across firms.
- Underscores the importance of robust quality management systems, training, and supervision.
- Has potential knock-on effects for ethical culture if performance pressures intensify.

D.4 Evolving Structure and Business Models of Accounting Firms – Non-Assurance Service Line

6 – Strongly increasing in importance

Please explain why you do not believe this should be considered a relevant trend for the SSBs:

Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?

From an investor and public-interest perspective, Impax believes:

- Perceived or actual conflicts arising from non-assurance services can undermine trust in the audit and assurance profession as a whole.
- The IESBA's role in setting clear, enforceable boundaries and safeguards remains critical.
- Strong coordination with IAASB standards on quality management is needed to ensure independence risks are identified and managed holistically.

10. SECTION IV: KEY TRENDS IMPACTING THE SSBs - OTHER TRENDS AND RANKING

6. Are there trends or related areas or matters that you believe the SSBs should consider that are not covered? If so, please provide details.

Yes

Additional trends

Please number your additional trend (O.1, O.2, O.3, ...)

O.1

Please describe the additional trend

O.1 Enforcement, Supervision and the "Expectation Gap"

While the SSBs are not enforcement bodies, the effectiveness of standards increasingly depends on how well they are understood, supervised, and enforced across jurisdictions. From an investor perspective, persistent gaps between standard-setting, supervision, and enforcement risk undermining trust in both audit and sustainability assurance

outcomes. Greater attention to supervisory dialogue, post-implementation insights, and expectations management would enhance the public-interest impact of standards.

On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.

5 – Increasing in importance

Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?

Please number your additional trend (O.1, O.2, O.3, ...)

O.2

Please describe the additional trend

O.2 Assurance over Forward-Looking and Narrative Information

Investors increasingly rely on forward-looking disclosures (e.g. transition plans, targets, assumptions, scenario analysis). Assurance over such information raises complex questions around professional judgment, liability, use of estimates, and ethical behaviour. While touched upon indirectly, Impax believes this area merits more explicit strategic focus given its growing importance for capital allocation.

On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.

5 – Increasing in importance

Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?

7. Based on your evaluation of the identified trends, please rank what you believe are the TOP FIVE most important trends for the SSBs to consider for their next strategy period starting in 2028.

Rank 1 : C.1 – Continuing Demand for Sustainability Reporting and Assurance

Rank 2 : B.2 – Risk of Fragmentation

Rank 3 : A.1 – Increasing Use of Emerging Technologies

Rank 4 : D.4 – Growth of Non-Assurance Service Lines

Rank 5 : D.1 – Alternative Ownership Structures

8. Please share your views about areas of common interest and possible joint or parallel work plan topics (e.g., standard-setting or non-authoritative materials), or other initiatives or activities.

From Impax Asset Management's perspective, strong, visible coordination between the IAASB and IESBA is increasingly critical to maintaining confidence in both financial and sustainability reporting. We see several priority areas where joint or parallel action would meaningfully enhance public-interest outcomes:

1. Sustainability Assurance and Ethics as an Integrated System

- Joint work on the connectivity between sustainability assurance standards and ethical/independence requirements, particularly where sustainability assurance is performed alongside financial audits or advisory services.
- Clarification of expectations regarding professional judgment, skepticism and accountability in sustainability assurance engagements.

2. Independence and Conflicts of Interest in a Changing Firm Model

- Parallel initiatives addressing non-assurance services, alternative ownership structures, and multidisciplinary teams, ensuring consistent treatment of independence and quality risks across standards.
- Development of practical guidance to help firms operationalise safeguards without relying solely on formal prohibitions.

3. Use of Technology and AI in Audit and Assurance

- Joint guidance on the ethical use of AI and emerging technologies, including over-reliance risks, human oversight and responsibility for outcomes.
- Alignment between IAASB quality management standards and IESBA ethical requirements as technology becomes embedded in audit processes.

4. Assurance over Forward-Looking and Narrative Information

- Coordinated exploration of assurance implications for targets, transition plans, assumptions and scenario analysis, balancing investor needs with professional feasibility.
- Consideration of non-authoritative materials to support consistent practice without discouraging innovation.

5. Adoption, Implementation and Supervisory Dialogue

- Joint engagement with regulators, oversight bodies and investors to identify implementation challenges early and respond in a timely, coordinated manner.
- Use of post-implementation insights to inform both Boards' future priorities and guidance.

Overall Impax view:

The next strategy period represents an opportunity for the IAASB and IESBA to position themselves not only as global standard setters, but as custodians of trust in an increasingly complex reporting ecosystem. Well-coordinated, investor-informed joint action will be essential to achieving that objective.