

ESG 考前练习题（一）

1.What is ESG investing?

- A.an approach to managing companies that explicitly acknowledges the relevance of environmental, social and governance factors in corporate decision-making.
- B.an approach to managing assets where investors explicitly acknowledge the relevance of environmental, social and economic factors in investment decision-making.
- C.an approach to managing assets where investors explicitly acknowledge the relevance of environmental, social and governance factors in their investment decisions.
- D.an approach to managing assets where investors explicitly acknowledge the relevance of environmental, social and economic factors in corporate engagement.

2. Which of the following is not an example of a social factor?

- A.Labour rights.
- B. Local communities.
- C.Product safety.
- D.Biodiversity.

3.In what sense are ESG considerations non-financial?

- A.They are difficult to value precisely and difficult to time.
- B. They are issues that will never turn into financials.
- C.They sit in a different category of performance.
- D.They can only ever be measured qualitatively.

4. For which of the following sectors will the management of greenhouse gasemissions be most material?

- A. Software.
- B. Recruitment.
- C.Power generation.
- D. Fund management.

5.Which of the following is not a typical method by which ESG is reflected in investment approaches?

- A. Integrating ESG into investment decision-making.
- B.Engaging actively with companies on ESG matters.
- C. Engaging in public policy debates on ESG issues.
- D. Disclosing the investor's corporate social responsibility activities.

6. Which of the following is not a form of ESG investment?

- A. Valuation investment.
- B. Ethical investment.
- C. Thematic investment.
- D.Impact investment.

7. What are the four broad groupings of issues covered by the UN Global Compact?
- A. Environmental, social, governance and impact.
 - B. Human rights, labour, environment and anti-corruption.
 - C. Poverty, diversity, sustainability and transparency.
 - D. Education, development, fairness and independence.
8. What is not one of the three P's in the triple bottom line concept?
- A. People.
 - B. Planet.
 - C. Profit.
 - D. Principle
9. Which of the following statements is true about best-in-class investment?
- A. It involves selecting only the companies that overcome a defined ranking hurdle.
 - B. It cannot be used to maintain key characteristics, such as regional and sectoral diversification of an index.
 - C. It refers to selecting companies that fall under a sustainability-related theme.
 - D. It refers to allocating capital to assets that best mitigate climate change.
10. Which of the following sectors is NOT typically excluded by ethical and faith-based investments?
- A. Tobacco.
 - B. Alcohol.
 - C. Controversial weapons
 - D. Technology.
11. The efficiency of shareholder engagement does NOT depend on ...
- A. the scale of ownership of the individual investor or the collective initiative.
 - B. the quality of the engagement dialogue and method used.
 - C. ... whether divestment is known to be a possible sanction.
 - D. the amount of security in free float.
12. In which way can ESG matters become financially material for a company, and contribute to reduced risk and enhanced return?
- A. Increased cost and reduced efficiency.
 - B. Increased externality.
 - C. Increased risk of fines.
 - D. Increased adaptability to sustainability megatrends.
13. What kinds of situations does the term 'negative externality' best describe?
- A. Situations where the production of goods induces costs to others that are not reflected in the prices charged for them.
 - B. Situations where the consumption of services induces benefits to others that are not reflected in the prices charged for them.

- C. Situations where the production or consumption of a product or service's private price equilibrium cannot reflect the true costs of that product or service for society as a whole.
- D. Situations where the production or consumption of a product or service's private price equilibrium cannot reflect the true benefits of that product or service for society as a whole.

14. According to Oxfam, "reports show that the richest 1% in the world have more than double the wealth of 6.9 billion people". 20 Which megatrend does this refer to?

- A. Emerging and urban.
- B. Technological disruption.
- C. Demographic changes and wealth inequality.
- D. Climate change and resource scarcity.

15. What is the most probable reason why an investor would engage with policy makers on ESG?

- A. The consideration of ESG-related matters can contribute to the proper functioning of the financial markets.
- B. Asset owners need regulators to level the playing field in order to be able to increase their percentage of ESG investments.
- C. Policy consultations on ESG investing are mandatory in order to ensure that all perspectives are taken into consideration.
- D. ESG investors require a sound and stable financial system in order to make alpha from ESG megatrends.

16. Which regions manage the highest proportion of sustainable and responsible investing assets?

- A. Asia and North America.
- B. Australia and USA.
- C. USA and Europe.
- D. Asia and Europe.

17. What is the largest sustainable investment strategy globally?

- A. Impact investing.
- B. Best-in-class.
- C. ESG integration.
- D. Negative screening.

18. The largest and second largest asset classes, which implement responsible investment, are respectively ...

- A. public equities and fixed income.
- B. passive equities and active equities.
- C. fixed income and infrastructure.
- D. hedge funds and commodities.

19. Why are investment mandates important for ESG investing?

- A. They define the expectations of asset owners who are signatories of the PRI.
- B. They are contracts which define the requirements of the asset manager with regards

to ESG.

- C. They require asset managers to report on the ESG rating of their funds.
- D. They have limited the implementation of stewardship.

20. Which of the following is not an outcome of short-termism?

- A. Disproportionate focus on quarterly returns.
- B. Companies are more willing to take on projects, such as research and development.
- C. 'Patient capital' is less likely to develop.
- D. Less investment in long-term assets, such as infrastructure.

21. How are pension fund members most likely to influence responsible investment?

- A. Their formal investment advice to pension fund executives must be implemented.
- B. They monitor company controversy through social media and inform asset managers.
- C. They act in the interest of sustainable companies.
- D. Their ethical preferences may be taken into account.

22. Which of the following is not among the challenges limiting the development of ESG investing?

- A. Lack of regulation and voluntary initiatives.
- B. The availability of expertise and skilled individuals.
- C. The quality of data, research and analysis.
- D. Limited tools to assist with portfolio construction and management.

23. In what way can an investment consultant be a barrier to the growth of the ESG investing market?

- A. By not considering ESG characteristics of the funds in their screening.
- B. By setting poor standards for ESG fund labels.
- C. By short-listing only ESG funds.
- D. By helping trustees understand their fiduciary duties.

24. What is the main challenge with policies that are 'comply or explain' regarding ESG?

- A. It is the sole indication that the policy has not reached maturity.
- B. It leads to investors challenging the assertion that ESG integration is a requirement.
- C. It allows investors to explain all kinds of behaviour away.
- D. It completely excuses investors from reporting on ESG practices.

25. What is the highest risk to the industry regarding greenwashing?

- A. The overestimate of the ESG investing market.
- B. The disappointment of clients with quarterly financial returns.
- C. The negative impact on the industry's credibility.
- D. The increased challenge to standardisation.

26. Why is ESG investing a concern for investors who are cautious of high tracking error?

- A. The perception that exclusion resulting from ESG will distort the weight of sectors and countries in the portfolio in comparison to the benchmark.
- B. The understanding that exclusion results in fewer available securities to invest in and thus, a more limited investment universe.
- C. The belief that high-performing stocks may be excluded due to negative ESG characteristics, resulting in underperformance in comparison to the benchmark.
- D. The awareness that ESG investing requires a redefinition of active risk.

27. Which matters does the EU Taxonomy address?

- A. Green bonds and engagement.
- B. Green bonds and low-carbon benchmarks.
- C. Carbon disclosure and long-termism.
- D. Climate risk and fiduciary duty.

28. Why was the US Department of Labor's clarification of fiduciary duty in 2015 welcomed by the ESG investing industry?

- A. It allowed plans to invest in generating societal benefits in addition to financial return, as long as they were deemed appropriate for the plan's investment objectives, return and risk.
- B. It provided a standard for economically targeted investments (ETIs).
- C. It specified that, as long as the expected rate of return was commensurate with the rates of return offered by alternative investments with similar risk characteristics, ETIs were compatible with fiduciary duty.
- D. It incentivised pension funds subject to ERISA to invest in ETIs.

29. In what way can stock exchanges support the advancement of ESG investing?

- A. By rating the ESG characteristics of a listed security.
- B. By increasing the requirement on the disclosure of ESG data by listed securities.
- C. By structuring and issuing green bonds.
- D. By integrating ESG considerations within its voting recommendations.

30. What is the least likely reason why a pension fund trustee may consider ESG investing?

- A. Pension fund trustees should act in the interest, including non-financial interests, of pension fund members; and the members have voiced their interest in social and environmental impact.
- B. Pension fund trustees have the fiduciary duty to consider factors that are financially material to the long-term returns of the pension fund.
- C. Pension fund trustees risk legal action by not managing climate change-related risks.
- D. Pension fund trustees are the ultimate beneficiaries of pension funds and, as a result, should act in their interest.

31. In relation to shadow carbon pricing, which of the following is incorrect?

- A. Shadow carbon pricing is used to understand the potential impact of external prices on the profitability of a project.

- B. Shadow carbon pricing is used to reduce a business's carbon footprint.
- C. Shadow carbon pricing is used to reveal hidden risks and to factor these into future valuations and estimates of capital expenditure.
- D. Shadow carbon pricing is used to create a theoretical cost per tonne of carbon emissions by establishing a business's internal price on carbon.

32. Which of the following would be considered a climate change adaptation strategy?

- A. Releasing sunlight-reflecting aerosols into the atmosphere to reduce temperatures.
- B. Retrofitting buildings to become more energy efficient.
- C. Developing clean cooling systems.
- D. Protecting coastlines from erosion.

33. What is "natural capital"?

- A. Natural resources (such as oil, gas or timber), which can be sold for a profit in a capitalist economy
- B. The stock of natural assets, which include geology, soil, air, water and all living things.
- C. An international collaboration to increase the proportion of natural spaces in capital cities.
- D. The sum-total of monetary benefits that are directly dependent on nature.

34. Scope 3 of the GHG Protocol standards covers which of the following emission sources?

- A. Company vehicles.
- B. Company facilities.
- C. Purchased electricity.
- D. Purchased goods and services.

35. Which of the following is not a Task Force on Climate-related Financial Disclosures (TCFD) core element of climate-related disclosures?

- A. Governance.
- B. Impact.
- C. Risk management.
- D. Strategy.

36. Which of the following is not an explicit UN Sustainable Development Goal (SDG)?

- A. Ending poverty in all its forms everywhere.
- B. Access to affordable, clean nuclear energy.
- C. Ensuring healthy lives and promoting well being for all ages.
- D. Taking urgent action to combat climate change and its impacts.

37. Which of the following is not an example of a proposed planetary boundary?

- A. Freshwater use.
- B. Loss of coral reefs.
- C. Ocean acidification.
- D. Stratospheric ozone depletion.

38. Which of the following represents a transition risk?
- A. Policy change to encourage low carbon technologies.
 - B. Occurrence of extreme weather events.
 - C. Break downs in business supply chains.
 - D. Long term rises in global temperatures.
39. What is the most common method of waste management globally?
- A. Recycling.
 - B. Incineration.
 - C. Landfil.
 - D. Treatment.
40. Which of the following best describes the principles of a circular economy?
- A. Extracting natural resources for products that are then used and eventually discarded.
 - B. Designing out waste and pollution, keeping materials in use and regenerating natural systems.
 - C. Ensuring that all products are returned to the manufacturers to reuse component parts.
 - D. Producing goods only for consumption by customers in the manufacturer's domestic market.
41. Which of the following is not a requirement for a bond or a loan to be considered 'green' under frameworks such as the Green Bond Principles (GBP) or Green Loan Principles (GLP)?
- A. A description of the environmental benefits associated with the use of proceeds.
 - B. Minimum of 10 tonnes of certified emissions reductions per every US\$1 (20.7) of debt.
 - C. A clear process for the evaluation and selection of eligible projects.
 - D. Detailed and regular reporting.
42. The long term goal of the Paris Agreement (2015) is to keep the increase in the global average temperature above pre-industrial levels to well below what level?
- A. 1.0°C (1.8° F)
 - B. 1.5°C (2.7° F)
 - C. 2.0°C (3.6° F)
 - D. 2.5°C (4.5° F)
43. For a reasonable chance of limiting global average temperature rise to 1.5 ° C (2.7F), the Intergovernmental Panel on Climate Change (IPCC) recommends that global emissions of CO2 must reach 'net zero' around:
- A. 2050.
 - B. 2030.
 - C. 2100.
 - D. 2075.
44. What is the blue economy?
- A. Industrial activities which generate pollution of oceans and inland waterways.
 - B. The global network of shipping which transports people and manufactured goods.
 - C. Products and processes used to clean up water based environmental pollution.

D. Sustainable economic and social activity related to oceans and coastal areas.

45. What is the primary objective of the EU Taxonomy?

- A. Clear labelling of the use of proceeds for green bonds.
- B. An EU-wide classification system of sustainable activities.
- C. A classification of what 'green' activities states can finance domestically without breaching competition rules.
- D. A classification system of the Scope 1, 2, and 3 emissions associated with the activities of EU companies.

46. Which social megatrends are important to consider within the investment analysis?

- A. Human rights, health and safety and employee relations.
- B. The Millennium and Sustainable Development Goals.
- C. Automation, globalisation and longevity.
- D. Natural capital, biodiversity and climate change adaptation.

47. What is an example of an internal and an external social factor?

- A. Internal: biodiversity; external: product liability.
- B. Internal: health and safety; external: social opportunities.
- C. Internal: animal welfare; external: employee relations.
- D. Internal: ESG analysis; external: engagement service providers.

48. Why is a (social) materiality assessment important?

- A. It is standard procedure in investment analysis, which makes it an important tick-box exercise.
- B. It is always recommendable to conduct assessments, because these provide you with invaluable insights.
- C. Not all countries, sectors and companies are affected equally by the different social megatrends and social factors.
- D. A social materiality assessment is required by law in many jurisdictions.

49. What is meant with the concept of a just transition?

- A. A transition that is aligned with the Paris Agreement.
- B. A transition that shares the financial and social burden in a fair way.
- C. A transition that is just in time to prevent stranded assets.
- D. A transition that respects labour and human rights.

50. What is the FAIRR initiative?

- A. It is a collaboration that aims to reach a just transition.
- B. It is an initiative to stimulate fair trade.
- C. It is an investor network to engage on equal pay.
- D. It is an initiative that focuses on the increased prevalence of antimicrobial resistance.

51. The OECD Guidelines for Multinational Enterprises

- A. state that companies should adhere to the UN Guiding Principles for Business and Human

Rights.

- B. is a voluntary agreement of multinational enterprises to improve their social performance.
- C. is a comprehensive set of government-backed recommendations on responsible business conduct.
- D. prescribe that multinational enterprises should perform a financial due diligence on their suppliers to prevent bribery and corruption.

52.What does 'offshoring' mean?

- A. Protecting coastal areas by building offshore dykes to protect cities against climate change.
- B. Climate migrants moving from shore areas to more inland cities.
- C. Moving company production to low-income countries.
- D. Tax avoidance by companies.

53.What kinds of cases require Free Prior Informed Consent (FPIC)?

- A.Developments on ancestral land or the use of resources of a territory owned by indigenous people.
- B. Consumer acceptance of limitation of product liability.
- C.Workplace relationships.
- D. Investments in alcohol, gambling or tobacco.

54.What does the Access to Medicine Index analyse?

- A. How pharmaceutical companies are addressing access to medicine in low- to middle-income countries.
- B. How affordable medicines are in the major developed markets.
- C. The percentage of employees covered under a health insurance scheme.
- D. How much time it takes to access medical assistance in developing countries.

55.Of the following, what is the increase in automation and AI not associated with?

- A. Data privacy concerns in social media companies.
- B. Employment losses in the garment sector.
- C. Employment gains in the IT sector.
- D. Future employment losses in the transportation sector.

56.What does the corporate human rights benchmark look at?

- A. It looks at the policies of corporations on human rights.
- B. It looks at the practices of corporations on human rights.
- C. It looks at the policies and processes of corporations on human rights.
- D. It looks at the policies, processes and practices of corporations on human rights.

57.What is the Platform Living Wage Financials?

- A. A platform of companies offering a living wage to their employees.
- B. A platform of companies demanding their suppliers offer a living wage.

- C. A platform of investors offering a living wage to their employees.
- D. A platform of investors that encourage investee companies to address the non-payment of living wage in their supply chains.

58. Which of the following are included in labour rights?

- A. Freedom of association and protection of the right to organise, minimum wage and protection against physical forms of climate change.
- B. Right to organise and collective bargaining, living wage and minimum age.
- C. Abolition of forced labour, equal remuneration and protection against worst forms of child labour.
- D. Collective labour agreements, healthcare and retirement plans.

59. What has been happening to Income inequality over the last few decades?

- A. It has been growing, which is good for the economy.
- B. It has reduced, which is good for the economy.
- C. It has been growing, which has a negative effect on the economy.
- D. It has reduced, which has a negative effect on the economy.

60. Which element of the EU taxonomy has a social aspect?

- A. Substantially contributing to one of the six objectives.
- B. Doing no significant harm to the other five objectives.
- C. Complying with minimum safeguards.
- D. None of the above.

61. What are the 'two As' that lie at the heart of corporate governance?

- A. Advocacy and alignment.
- B. Advocacy and argument.
- C. Accountability and advocacy.
- D. Accountability and alignment.

62. Which of the following is NOT a reason why the role of the chair of a company board is so important?

- A. The chair sets the agenda for board discussions.
- B. The chair helps ensure all directors make their full contribution.
- C. The chair will usually also be CEO.
- D. The chair leads the process of selecting and appointing new directors.

63. Which of the following is NOT a board committee expected to be established at all companies?

- A. Audit.
- B. Risk.
- C. Nominations.
- D. Remuneration.

64. Which of the following scandals did NOT help set the context for the creation of the first corporate governance code?

- A. Polly Peck.
- B. Enron.
- C. Mirror Group Newspapers.
- D. Caparo.

65. What was the model created by the Cadbury Code for adherence to its principles, still followed in the UK code?

- A. If not, why not.
- B. Comply or else.
- C. Apply and explain.
- D. Comply or explain.

66. Which element of executive pay is most likely to include some metric based on ESG performance?

- A. Salary.
- B. Benefits.
- C. Annual bonus.
- D. Long-term incentive or share scheme.

67. Which of the following is NOT typically seen as a driver of concern regarding an individual director's independence?

- A. A family tie to an executive.
- B. Recent senior role in a firm that provides advisory services.
- C. Receiving share options in the company.
- D. Not having been on the board for long enough fully to understand the business.

68. What US legislation led to the creation of the Public Company Accounting Oversight Board (PCAOB)?

- A. Glass-Steagall Act
- B. Sarbanes-Oxley Act.
- C. Dodd-Frank Act.

69. What were the two major scandals in Europe in 2003 that led to a reassessment of the continent's approach to governance?

- A. Ahold and Parmalat
- B. WorldCom and Tyco
- C. HIH and Satyam.
- D. BCCI and Caparo.

70. Which area of ethical corporate behaviour is most likely to be subject to extraterritorial legislation?

- A. Anti-corruption.
- B. Employee health and safety.
- C. Supplier payments
- D. Lobbying activities

71. Which is the only major country that does NOT, as of 2020, have a corporate governance code?

- A. Japan.
- B. France.
- C. UK.
- D. USA

72. Which statement outlines the distinction between the auditor's role in relation to the financial statements and to the rest of the annual report and accounts?

- A. Assurance on the financial statements, report on inconsistencies in narrative reporting.
- B. Guarantee accuracy of the financial statements, report on inconsistencies in narrative reporting.
- C. Assurance on the financial statements and on narrative reporting.
- D. Assurance on the financial statements and on numbers within narrative reporting.

73. How long can an audit firm remain in the role at an EU public company?

- A. 5 years.
- B. 7 years.
- C. 10 years.
- D. 20 years.

74. Which of the following is NOT one of the three key elements of disclosure in the new enhanced auditor's reports?

- A. Scope.
- B. Materiality.
- C. Scepticism.
- D. Key audit matters.

75. Which of the following is NOT likely to be considered a G factor by a sovereign debt investor?

- A. Corruption.
- B. Rule of law.
- C. Regulatory effectiveness.
- D. Proportion of investors that are PRI signatories.

76. Which principle in the Principles of Responsible Investment (PRI) is the 'engagement principle'?

- A. Principle 1.
- B. Principle 2.
- C. Principle 3.

d Principle 4.

77.What are the origins of the term 'stewardship'?

- A. A butler, or steward, delivering food to the lord's table.
- B. The steward responsible for mixing appropriate ingredients for a feast.
- C. The steward left in charge of an absentee landlord's estate.
- D. A steward steering a ship.

78.What post-financial crisis report led to the creation of the first stewardship code?

- A. The Walker Report.
- B. The Oban Report.
- C. The Kay Report.
- D. The Arthur Report.

79. What is the most significant difference between monitoring dialogues and engagement?

- A. Monitoring will influence trading decisions, engagement voting decisions.
- B. Monitoring is only done by portfolio managers, engagement only by stewardship staff.
- C. Monitoring occurs with investor relations staff, engagement with board directors.
- D. Monitoring is one-way information seeking, engagement two-way dialogue.

80.Which of the following is NOT among the seven areas typically covered by the top-level principles of a stewardship code?

- A. Engagement and escalation.
- B. Voting.
- C. Reporting and transparency.
- D. Stock lending (or securities lending) policies.

81.Which principle, more typical in regulatory codes, is frequently neglected in codes developed by investor groups?

- A. Conflicts of interest.
- B. Reporting and transparency
- C. Stock lending (or securities lending) policies.
- D. Voting.

82.Which of the following is NOT one of the prioritisation decisions that an investor must take in relation to stewardship?

- A. Which company to focus engagement attention on.
- B. Which annual general meeting (AGM) resolutions to vote on.
- C. Which sectors face the greatest ESG risks.
- D. Which are the key engagement issues for the individual company in question.

83.Which of the following is a new area of focus in the UK Stewardship Code 2020?

- A.Voting.
- B. Outcomes.

- C. Collaboration.
- D. Conflicts.

84. Which of the following is NOT among the main barriers to effective engagement?

- A. Limited resources.
- B. Difficulty of reaching consensus.
- C. Unwillingness to act without specific client instruction.
- D. Conflicts of interest.

85. Which of the following is NOT among the identified key mechanisms for the escalation of engagement?

- A. Holding additional meetings.
- B. Operating collectively with other shareholders.
- C. Withdrawing a shareholder resolution.
- D. Proposing new board members.

86. When might escalation NOT be the right step in an engagement that has made no progress?

- A. When collective engagement is prevented by regulatory standards.
- B. When no progress has been made and the objective does not warrant excess activity.
- C. When divestment is the likely step should no change be made.
- D. Pending a forthcoming shareholder resolution.

87. Which of the following is NOT a typical form of collective engagement?

- A. Informal collaboration between investors.
- B. Specialist stewardship service providers.
- C. Investor associations aggregating member views.
- D. Internet campaigns aggregating consumer perspectives.

88. What is the major constraint on collective engagement approaches?

- A. Acting in concert rules.
- B. Client best interests.
- C. Maintaining discretion over institutional shareholding.
- D. Investors are never in contact with each other.

89. Which of these is NOT a way for investors to make their voting activity more effective and influential?

- A. Hold an active dialogue with the company ahead of the decision.
- B. Attend the AGM, perhaps to make a spoken intervention.
- C. Writing afterwards to highlight the reasons for the voting decision.
- D. Only vote on resolutions where they have a clear opinion.

90. An active investor concerned about the financial viability of the business is most likely to reflect that concern in their voting on:

- A. Board Director re-appointment.

- B. Auditor pay
- C. Dividends issue.
- D. Audit Committee member re-appointment.

91. The aims and objectives for integrating ESG into an investment process may include:

- A. Meeting requirements under Principles for Responsible Investment (PRI) regulations.
- B. Increasing reputational risk at a firm and investment level.
- C. Meeting internal audit demands.
- D. Improving the quality of engagement and stewardship activities, and increasing investment returns.

92. Qualitative ESG analysis is likely to be used in investment processes that are based on:

- A. Company-specific research
- B. Fundamental analysis.
- C. Stock-picking
- D. All of the above.

93. Qualitative analysts and portfolio managers seek to integrate their qualitative investment opinion by incorporating:

- A. Negative screening.
- B. Quantitative adjustments to financial models and valuations.
- C. Qualitative measures only
- D. None of the above.

94. Elements of ESG integration include:

- A. ESG factor tilts.
- B. Red flag indicators.
- C. Company questionnaires and management interviews.
- D. Watch lists.

95. Which of these statements is NOT true?

- A. The ESG integration framework is not meant to illustrate the perfect ESG-integrated investment process.
- B. The ESG integration techniques of one firm are not necessarily the right techniques for all firms.
- C. There is a consensus amongst firms on which techniques to use to identify and assess ESG factors
- D. Every firm is unique and will use a selection of the techniques referenced in the ESG Integration Framework.

96. In relation to materiality assessment, which of the following is correct?

- A. The materiality assessment is typically contained in the valuation stage.
- B. Materiality is measured in terms of likelihood and magnitude of impact on a company's financial performance.

C. There is evidence that non-material factors impact financials, valuations and company business models.

D. Ethical or impact investors judge material factors affecting social, environmental and maximum financial returns.

97. Which of the following best represents the chronological order for ESG scorecard development?

A. Step 1: Determine a scoring system based on what good or best practice looks like for each indicator or issue.

Step 2: Assess a company and give it a score.

Step 3: Identify sector or company specific ESG items.

Step 4: Benchmark the company's performance against industry averages or peer group.

Step 5: Calculate aggregated scores at issue level, dimension level, or total score level.

Step 6: Breakdown issues into a number of indicators.

B. Step 1: Determine a scoring system based on what good or best practice looks like for each indicator or issue.

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C. Step 1: Identify sector or company specific ESG items.

Step 2: Breakdown issues into a number of indicators.

Step 3: Determine a scoring system based on what good or best practice looks like for each indicator or issue.

Step 4: Assess a company and give it a score.

Step 5: Calculate aggregated scores at issue level, dimension level, or total score level.

Step 6: Benchmark the company's performance against industry averages or peer group.

D. Step 1: Identify sector or company specific ESG items.

Step 2: Assess a company and give it a score.

Step 3: Breakdown issues into a number of indicators.

Step 4: Determine a scoring system based on what good or best practice looks like for each indicator or issue.

Step 5: Calculate aggregated scores at issue level, dimension level or total score level.

Step 6: Benchmark the company's performance against industry averages or peer group.

98. Disclosure and data-related challenges for ESG integration include:

A. Data consistency.

B. Data scarcity.

C. Data incompleteness and lack of audited data.

D. All of the above.

99. This question relates to the case study focusing on the beverages company.

Which of the following are examples of material environmental factors that should be considered?

- A. Talent retention; recruitment strategy.
- B. Water efficiency; greenhouse gas emissions (GHG).
- C. Supplier code-of-conduct protocols; product mix.
- D. Human rights strategy; anti-bribery policy.

100. Which of the following is NOT utilised by a fixed income practitioner when evaluating ESG aspects?

- A. Bankruptcy risk.
- B. Proxy voting.
- C. Negative credit events.
- D. Time horizons.