

Question 1:

How can ESG integration influence the valuation of a company?

- a. By reducing the overall risk profile of the company.
- b. By guaranteeing a higher market valuation.
- c. By simplifying financial analysis.
- d. By excluding non-profitable sectors.

Question 2:

Which of the following ESG factors is most critical for strategic asset allocation?

- a. Board diversity
- b. Water management
- c. Climate risk
- d. Supply chain management

Question 3:

Explain the primary objectives of integrating ESG into the investment process.

- a. To maximize financial leverage
- b. To meet client needs and regulatory requirements
- c. To minimize technological advancements
- d. To increase market volatility

Question 4:

An investor is preparing to engage with a company on ESG issues. They decide to approach this by focusing on the specific issues faced by the individual company, rather than applying a broad perspective on an issue across all companies in a sector. This type of engagement is best described as:

- a. Top-down engagement
- b. Bottom-up engagement
- c. Regulatory engagement
- d. Strategic engagement

Question 5:

Which of the following is NOT a characteristic of an effective board of directors?

- a. Independence of thought
- b. Homogeneity in skills and experience
- c. Accountability to shareholders
- d. Ethical corporate culture

Question 6:

Which of the following social megatrends is most likely to significantly impact urbanization in developing countries?

- a. Automation and AI
- b. Digital disruption
- c. Climate change
- d. Changing family structures

Question 7:

Which of the following is an example of a climate change mitigation strategy?

- a. Constructing seawalls to protect against rising sea levels
- b. Planting trees to absorb carbon dioxide
- c. Developing heat-resistant crop varieties
- d. Installing air conditioning in buildings to cope with heatwaves

Question 8:

Which report introduced the concept of sustainable development in 1987?

- a. Freshfields Report
- b. Brundtland Report
- c. Who Cares Wins
- d. Principles for Responsible Investment (PRI)

Question 9:

What does the concept of "active ownership" in ESG investing entail?

- a. Passively holding investments without engagement
- b. Engaging with companies to influence their ESG practices and policies
- c. Avoiding all interaction with company management
- d. Investing solely in index funds



Question 10:

You are an ESG researcher critiquing various ESG integration techniques. Which limitation is commonly associated with the information provided by ESG integration databases?

- a. Lack of industry benchmarks
- b. Insufficient primary sources of ESG data
- c. Limited availability of ESG data and information
- d. Absence of standardized metrics

