

Curriculum Errata Notice

2023 Certificate in ESG Investing

UPDATED 21 NOVEMBER 2024

This document outlines the errors submitted to CFA Institute that have been corrected.

Due to the nature of our publishing process, we may not be able to correct errors submitted after 1 September 2025 in time for the publication of the following year's print materials. However, we update all errors in the Learning Ecosystem (LES) and in this document at the end of each month.

We recommend checking either the LES or this document regularly for the most current information. Depending on when you purchase the print materials, they may or may not have the errors corrected.



All errors can be submitted via <http://cfa.is/Errata>

Table of Contents

Contents

Introduction to ESG Investing	3
Macro-Level Debate on ESG Incorporation.....	3
Financial Materiality of ESG Integration.....	3
Key Initiatives	4
Practice Problems.....	4
The ESG Market	4
ESG Investing in Numbers	4
Key Facts.....	5
Self Practice and Self Assessment	5
Solutions.....	6
Environmental Factors	6
Self Practice and Self Assessment	6
Solutions.....	6
Integrated Portfolio Construction and Management	7
The Evolution of ESG Integration: Exclusionary Preferences and Their Application	7
The Evolution of ESG Integration: Exclusionary Preferences and Their Application	7
Integrating ESG Screens in Portfolios to Manage Risk and Generate Returns	8
ESG Strategies, Objectives, Investment Considerations, and Risks: Full ESG Integration	8
Self Practice and Self Assessment	8
Solutions.....	9

Introduction to ESG Investing

Macro-Level Debate on ESG Incorporation

Lesson	Location	PDF Pg	Revised	Correction
_____	Economic Perspective	32	29 January 2024	<p>Replace: In fact, the Stockholm Resilience Centre (2015) has identified nine “planetary boundaries” (see Exhibit 6) within which humanity can continue to develop and thrive for generations to come and found that four of them—climate change, loss of biosphere integrity, land-system change, and altered biogeochemical cycles (phosphorus and nitrogen)—have been crossed.</p> <p>With: In fact, the Stockholm Resilience Centre identified nine “planetary boundaries” (see Exhibit 8) within which humanity can continue to develop and thrive for generations to come.¹⁶ In 2022, it found that six of them—climate change, loss of biosphere integrity, land-system change, freshwater change, novel entities, and altered biogeochemical cycles (phosphorus and nitrogen)—have been crossed. Two of these—climate change and biosphere integrity—are deemed “core boundaries,” for which significant alteration would “drive the Earth System into a new state.”</p>

Financial Materiality of ESG Integration

Lesson	Location	PDF Pg	Revised	Correction
_____	Case Studies – Aeon Group	38	29 January 2024	<p>Replace: Between 2015 and 2018, the Japanese retail group Aeon achieved a decrease of 9.7% in food waste emissions, which was equal to approximately 32 kg per US\$9,100 in net sales.</p> <p>With: Between 2015 and 2018, the Japanese retail group Aeon achieved a decrease of 9.7% in food waste emissions, which was equal to 32.14 kg per ¥1 million (£6,826) in net sales—approximately 13 million kg.</p>

Key Initiatives

Lesson	Location	PDF Pg	Revised	Correction
_____	United Nations Framework Convention on Climate Change	56	29 January 2024	Replace: The United Nations Framework Convention on Climate Change (UNFCCC), launched at the Rio de Janeiro Earth Summit in 1992, aims to stabilize GHG emissions to limit man-made climate change. With: The United Nations Framework Convention on Climate Change (UNFCCC), launched at the Rio de Janeiro Earth Summit in 1992, aims to stabilize GHG concentrations to limit man-made climate change.

Practice Problems

Lesson	Location	PDF Pg	Revised	Correction
_____	Question 29	67	5 June 2024	Replace: 15. The efficiency of shareholder engagement depends on: With: 15. The efficacy of shareholder engagement depends on:

The ESG Market

ESG Investing in Numbers

Lesson	Location	PDF Pg	Revised	Correction
_____	First paragraph	74	29 January 2024	Replace: This most recent report showed sustainable investing assets in the five major markets stood at USD35.3 trillion at the start of 2020, a 15% increase in two years. With: This most recent report showed sustainable investing assets in the five major markets stood at USD35.3 trillion (£27.81 trillion) at the start of 2020, a 15% increase in two years.
_____	Bulleted list under Exhibit 2	76	2 April 2024	Replace: <ul style="list-style-type: none"> Norms-based and negative/exclusionary screening is the largest strategy in Europe. With: <ul style="list-style-type: none"> Negative/exclusionary screening is the largest strategy in Europe.

Lesson	Location	PDF Pg	Revised	Correction
				<ul style="list-style-type: none"> Sustainability thematic investing, impact/community investing, positive/best-in-class investing, and ESG integration command most assets in the United States. ESG integration along with corporate engagement and shareholder action constitutes the predominant strategy in Japan.
				<ul style="list-style-type: none"> Sustainability themed investing, corporate engagement and shareholder action, negative/exclusionary screening, and ESG integration command most assets in the United States. Corporate engagement and shareholder action, negative/exclusionary screening, and ESG integration constitute the predominant strategies in Japan.

Key Facts

Lesson	Location	PDF Pg	Revised	Correction
_____	First paragraph	74	29 January 2024	Replace: This most recent report showed sustainable investing assets in the five major markets stood at USD35.3 trillion at the start of 2020, a 15% increase in two years.
				With: This most recent report showed sustainable investing assets in the five major markets stood at USD35.3 trillion (£27.81 trillion) at the start of 2020, a 15% increase in two years.

Self Practice and Self Assessment

Lesson	Location	PDF Pg	Revised	Correction
_____	Question 11	110	2 April 2024	Replace: C. Canada and Europe
				With: C. United States and Europe.

Solutions

Lesson	Location	PDF Pg	Revised	Correction
_____	Solution to 12	113	2 April 2024	Replace: D is correct. With: C is correct.

Environmental Factors

Self Practice and Self Assessment

Lesson	Location	PDF Pg	Revised	Correction
_____	Solution to 11	224	2 April 2024	Replace: D is correct. With: Both C and D are correct.
_____	Solution to 13	224	2 April 2024	Replace: B is correct. With: A is correct.

Solutions

Lesson	Location	PDF Pg	Revised	Correction
_____	Question 13	221	2 April 2024	Replace: B. Coal gasification combined with carbon capture and storage With: B. Coal gasification combined with transition to biofuels.

Integrated Portfolio Construction and Management

The Evolution of ESG Integration: Exclusionary Preferences and Their Application

Lesson	Location	PDF Pg	Revised	Correction
_____	Third paragraph	474	29 January 2024	Replace: According to statistics maintained by the Global Sustainable Investment Alliance (GSIA 2018), exclusion-based approaches remain the largest portion of dedicated ESG-screened assets under management (AUM).
				With: According to statistics maintained by the Global Sustainable Investment Alliance (GSIA 2018), exclusions-based approaches remain the second largest portion of dedicated, ESG-screened assets under management (AUM).

The Evolution of ESG Integration: Exclusionary Preferences and Their Application

Lesson	Location	PDF Pg	Revised	Correction
_____	Second paragraph	477	2 April 2024	Replace: Because of its relative ease of implementation, screening is the most universal approach within ESG investing.
				With: Because of its relative ease of implementation, screening is one of the main universal approaches within ESG investing, only behind ESG Integration.

Integrating ESG Screens in Portfolios to Manage Risk and Generate Returns

Lesson	Location	PDF Pg	Revised	Correction
—	Third paragraph	497	2 April 2024	Replace: While some firms have developed proprietary approaches to this problem, the ability to measure ESG performance attribution does not commercially exist.
				With: While firms may have certainly developed proprietary approaches to this problem, the ability to measure ESG performance attribution is still in early stages of development. Source data and methodologies vary widely across providers.

ESG Strategies, Objectives, Investment Considerations, and Risks: Full ESG Integration ...

Lesson	Location	PDF Pg	Revised	Correction
—	Exclusionary Screening	520	2 April 2024	Replace: Exclusion-based approaches continue to represent the large portion of dedicated AUM.
				With: Exclusions-based approaches continue to represent a significant portion of dedicated AUM, only behind ESG integration.

Self Practice and Self Assessment

Lesson	Location	PDF Pg	Revised	Correction
—	Question 12	526	5 June 2024	Replace: 12. Which of the following is NOT a macro-economic climate consideration?
				With: 12. Which of the following is a macro-economic climate consideration?

Solutions

Lesson	Location	PDF Pg	Revised	Correction
_____	Solution to 17	542	5 June 2024	Replace: B is correct. With: C is correct.