

Curriculum Errata Notice

2025 Sustainable Investing Certificate

UPDATED 31 March 2025

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 June 2023 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>

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Introduction to ESG Investing

Practice Problems

Lesson	Location	PDF Pg	Revised	Correction
Practice Problems	Question 29	63	5 June 2024	Replace: 29. The efficiency of shareholder engagement depends on: Replace: 29. The efficacy of shareholder engagement depends on:

Environmental Factors

Key Megatrends and Drivers that Potentially Impact Companies and Their Environmental Practices

Lesson	Location	PDF Pg	Revised	Correction
Principles for Climate-Related Financial Disclosures for Financial Institutions and Firms	Exhibit 16	160	31 March 2025	Replace: “mange” inside of Metrics & Targets at bottom of image With: “manage” inside of Metrics & Targets at bottom of image

Governance Factors

Practice Problems

Lesson	Location	PDF Pg	Revised	Correction
Practice Problems	Problem 16	344	5 June 2024	Replace: 16. One difference between the corporate governance practices in Japan and those in Sweden relates to the:
				With: 16. One difference between the corporate governance practices in Japan and those in Germany relates to the:

Solutions

Lesson	Location	PDF Pg	Revised	Correction
Solutions	Solution 16	349	5 June 2024	Replace: In Sweden, a Scandinavian country, most board structures are two-tier, whereby supervisory and management boards are separate and responsible for different functions.
				With: In Germany , most board structures are two-tier, whereby supervisory and management boards are separate and responsible for different functions.

Engagement and Stewardship

Practice Problems

Lesson	Location	PDF Pg	Revised	Correction
Practice Problems	Question 27	398	5 June 2024	Replace: 27. Which of the following is not among the identified key mechanisms for the escalation of engagement? With: 27. Which of the following is least likely among the identified key mechanisms for the escalation of engagement?

ESG Analysis, Valuation, and Integration

ESG Integration in Other Asset Classes: Fixed Income

Lesson	Location	PDF Pg	Revised	Correction						
ESG Integration in Sovereign and Investment-Grade Fixed Income	Exhibit 9	425-426	21 March 2025	Replace: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 1px solid black; width: 50%; text-align: center;">Corporate*</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; width: 50%; text-align: center;">US Muni**</td> </tr> </table> With: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 1px solid black; width: 50%; text-align: center;">Corporate</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; width: 50%; text-align: center;">US Muni</td> </tr> <tr> <td colspan="2" style="text-align: center;">Removed asterisks</td> </tr> </table>	Corporate*	US Muni**	Corporate	US Muni	Removed asterisks	
Corporate*	US Muni**									
Corporate	US Muni									
Removed asterisks										

Key Facts

Lesson	Location	PDF Pg	Revised	Correction
Key Facts	Bullet 4	445	21 March 2025	<p>Replace: Primary ESG data come from direct sources. Secondary ESG information has been transformed or assessed. Investors can use both types of ESG sources in their analysis. ESG data, like all data, need to be interpreted in the correct contexts.</p> <p>With: Primary ESG data come from direct and indirect sources. Secondary ESG information has been transformed or assessed. Investors can use both types of ESG sources in their analysis. ESG data, like all data, need to be interpreted in the correct contexts.</p>

Solutions

Lesson	Location	PDF Pg	Revised	Correction
Solutions	Solution to 3	454	21 March 2025	<p>Replace: A is correct. Quantitative and qualitative approaches can be used at all stages of the investment process, from idea and research generation to asset valuation and portfolio construction. Materiality assessment and risk mapping are assessment approaches, not stages of the investment process.</p> <p>With: A is correct. Quantitative and qualitative approaches can be used at all stages of the investment process, from idea and research generation to asset valuation and portfolio construction. Risk mapping is not a stage of the investment process.</p>

Integrated Portfolio Construction and Management

ESG Integration: Strategic Asset Allocation Models

Lesson	Location	PDF Pg	Revised	Correction
ESG Integration: Strategic Asset Allocation Models	3 rd Paragraph under Exhibit 2	463	21 March 2025	<p>Replace: However, this decision may, in turn, reduce the portfolio income yield because the energy sector is generally associated with an above-market cash flow profile and dividend income stream unless capital is redeployed in another sector with similar yield characteristics (Litterman 2015).</p> <p>With: However, this decision may, in turn, reduce the portfolio income yield in the near-term because the energy sector is generally associated with an above-market cash flow profile and dividend income stream unless capital is redeployed in another sector with similar yield characteristics (Litterman 2015).</p>

Approaches to ESG Integration: Role of Analysts, Portfolio Managers, and Internal and External Research

Lesson	Location	PDF Pg	Revised	Correction
—	Second bullet point	473	5 June 2024	<p>Replace: producing a picture of the portfolio’s environmental and carbon exposure on an absolute value basis (for instance, expressed as weighted-average carbon intensity), and</p> <p>With: producing a picture of the portfolio’s environmental and carbon exposure on a relative basis (for instance, expressed as weighted-average carbon intensity).</p>

ESG Screening within Portfolios and across Asset Classes: Listed and Private Equity

Lesson	Location	PDF Pg	Revised	Correction
Private Equity	2 nd Paragraph	490	21 March 2025	Replace: However, earlier-stage companies may be better able to change operations and strategy to align with ESG objectives than more mature, listed companies.
				With: However, earlier-stage companies may be better able to change operations and strategy to align with ESG objectives than more mature, publicly listed companies.

Key Facts

Lesson	Location	PDF Pg	Revised	Correction
Key Facts	1 st Bullet	517	21 March 2025	Replace: Investment approaches can be characterized as discretionary and quantitative. ESG integration in discretionary approaches is process oriented, while quantitative approaches, whether active or passive, are generally rule based and factor oriented.
				With: Investment approaches can be characterized as discretionary and systematic . ESG integration in discretionary approaches is process oriented, while systematic approaches, whether active or passive, are generally rule based and factor oriented.

Practice Problems

Lesson	Location	PDF Pg	Revised	Correction
Practice Problems	Question 4	526	5 June 2024	Replace: C. Sustainability-linked Bond
				With: C. Blue Bond

Solutions

Lesson	Location	PDF Pg	Revised	Correction
Solutions	Solution 4	531	5 June 2024	<p>Replace:</p> <p>4. C is correct. New forms of credit issuance have emerged, designed to raise funding to meet social and environmental objectives alongside a financial return. Sustainability-linked bonds can be used by an issuer to fund projects that contribute to meeting marine and ocean-based sustainability measures, such as sustainable fishing projects.</p> <p>With:</p> <p>4. C is correct. New forms of credit issuance have emerged, designed to raise funding to meet social and environmental objectives alongside a financial return. Blue bonds can be used by an issuer to fund projects that contribute to meeting marine and ocean-based sustainability measures, such as sustainable fishing projects.</p>