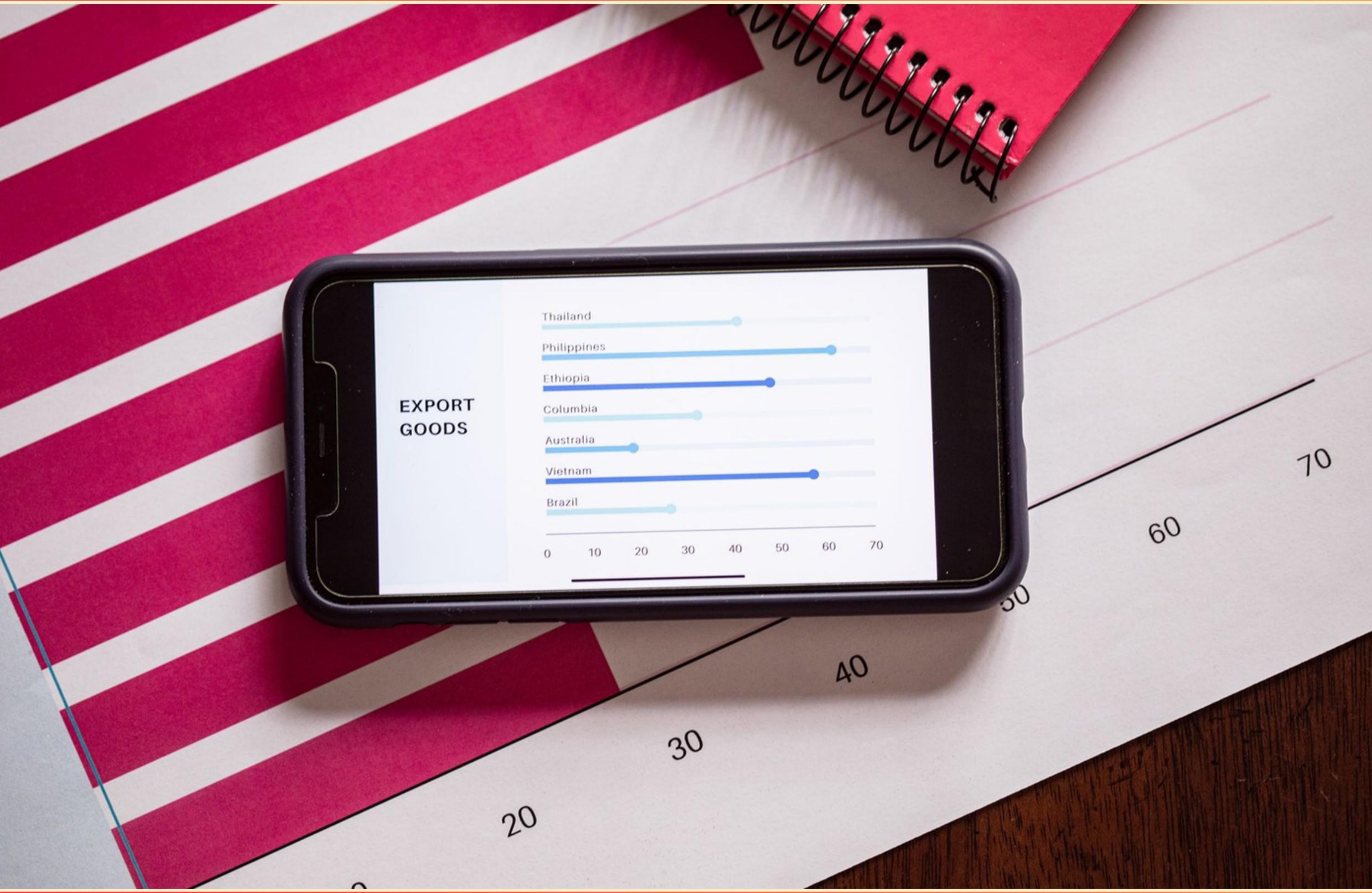
SASB FUNDAMENTALS OF SUSTAINABILITY ACCOUNTING (SA) LEVEL II PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. **In the external operating environment, which factor concerns a company's location, its facilities, and its main markets?**
   - A. Geographic Footprint
   - B. Business Climate
   - C. Regulatory Climate
   - D. Political Climate

2. **What are 'disclosure topics' in SASB?**
   - A. Industry-specific sustainability issues identified as financially material, with recommended metrics and guidance.
   - B. Global regulatory reporting topics
   - C. Environmental topics only
   - D. Financial performance topics only

3. **How does SASB complement TCFD climate disclosures?**
   - A. SASB replaces TCFD
   - B. They are incompatible
   - C. TCFD provides metrics only
   - D. SASB provides industry-specific metrics for financially material climate-related issues, while TCFD focuses on scenario analysis and governance; both can be used together

4. **What is the SASB Materiality Map (MMM) used for?**
   - A. To prescribe regulatory standards for sustainability reporting.
   - B. To provide financial forecasts.
   - C. To identify which sustainability topics are financially material for a given industry.
   - D. To measure accuracy of data.

5. **In the cocoa sourcing and child labor case, which factor is deemed applicable due to supplier relationships and initiatives addressing the issue?**
   - A. Direct Financial Impact
   - B. Industry Norms
   - C. Regulatory Drivers
   - D. Stakeholder Concerns

6. Which statement best describes the difference between a material topic and an emerging risk?

A. A material topic is one that could materially impact enterprise value; an emerging risk may not yet be material but could become so; SASB focuses on the material topics

B. A material topic is the same as an emerging risk

C. An emerging risk is always more important than material topics

D. Material topics are only concerned with environmental issues

7. In the growth projections example, which metric indicates potential growth from eco-friendly products for Company A?

A. % of renewable energy

B. Revenue from reusable/recyclable/compostable products

C. Number of facilities in flood zones

D. Hydrocarbon spills

8. Normalization of Metrics in ENVIRONMENT Dimension emphasizes normalization by which measures?

A. Normalized by revenue or production

B. Normalized by market share

C. Normalized by number of employees

D. Normalized by geographic footprint

9. How can SASB reporting help with opportunity disclosure?

A. By identifying opportunities that have no financial impact.

B. By focusing exclusively on risks rather than opportunities.

C. By identifying sustainability-driven opportunities (cost savings, market expansion) associated with material topics and quantifying them when possible.

D. By avoiding quantification of any opportunities.

10. In the Energy efficiency comparison within the Alcoholic Beverages industry, which normalization suggests Company A operates more energy-efficient facilities?

A. Energy per facility (GJ per facility)

B. Energy per square foot (GJ per ft2)

C. Total energy use (GJ)

D. Energy per liter of product produced

Answers

1. A
2. A
3. D
4. C
5. B
6. A
7. B
8. A
9. D
10. A

Explanations

1. In the external operating environment, which factor concerns a company's location, its facilities, and its main markets?

A. Geographic Footprint

B. Business Climate

C. Regulatory Climate

D. Political Climate

The factor being described is geographic footprint. It specifically covers where a company is physically located, where its facilities are, and which markets it serves, i.e., the geographic spread of operations and customers. This matters because a company's footprint determines exposure to local regulations, regional demand, currency risk, and supply chain resilience. Other options describe broader external conditions—business climate is about how easy it is to operate in a region, regulatory climate focuses on the laws and rules across jurisdictions, and political climate covers stability and policy risk—none of which pin down the company's actual locations, facilities, and main markets in the way geographic footprint does.

2. What are 'disclosure topics' in SASB?

A. Industry-specific sustainability issues identified as financially material, with recommended metrics and guidance.

B. Global regulatory reporting topics

C. Environmental topics only

D. Financial performance topics only

Disclosure topics are industry-specific sustainability issues that are financially material to a company's performance, and they come with a defined set of metrics and reporting guidance to standardize what should be disclosed. In SASB, these topics are chosen because they matter to investors from a financial perspective, not just because they are environmental or regulatory concerns. They cover environmental, social, and governance areas, and each topic links to recommended metrics so companies can report consistently and comparably within an industry. This is why the option describing industry-specific, financially material issues with metrics and guidance best captures what disclosure topics are. The other statements misplace the scope (global regulatory topics, environmental-only, or financial performance-only).

3. How does SASB complement TCFD climate disclosures?

A. SASB replaces TCFD

B. They are incompatible

C. TCFD provides metrics only

D. SASB provides industry-specific metrics for financially material climate-related issues, while TCFD focuses on scenario analysis and governance; both can be used together

Both frameworks address climate disclosures but from different angles, and they complement each other. SASB provides industry-specific metrics that reflect financially material climate-related issues for a given sector, helping investors compare performance across companies. TCFD offers a broad framework for governance, strategy, risk management, and scenario analysis to assess resilience to climate risks and how those risks are managed. Because these aims are complementary, they can be used together: report TCFD's governance and scenario analysis alongside SASB's sector-focused metrics to deliver a complete, material view for investors. The other options aren't accurate because SASB doesn't replace TCFD, the two aren't incompatible, and TCFD includes more than just metrics.

4. What is the SASB Materiality Map (MMM) used for?

A. To prescribe regulatory standards for sustainability reporting.

B. To provide financial forecasts.

C. To identify which sustainability topics are financially material for a given industry.

D. To measure accuracy of data.

The SASB Materiality Map helps you identify which sustainability topics are financially material for a specific industry. It organizes topics across environmental, social, and governance areas and highlights those that could impact a company's financial performance, risk profile, cost of capital, or operational efficiency. This guidance focuses disclosures on topics that matter to investors, ensuring the information reported is relevant to financial decision-making. It's industry-specific, so material topics vary by sector. It's not about prescribing regulations, making financial forecasts, or judging data accuracy—it's about pinpointing the topics most likely to influence financial value.

5. In the cocoa sourcing and child labor case, which factor is deemed applicable due to supplier relationships and initiatives addressing the issue?

A. Direct Financial Impact

B. Industry Norms

C. Regulatory Drivers

D. Stakeholder Concerns

Industry norms explain how companies in the cocoa supply chain typically address child labor through collaboration with suppliers and sector-wide initiatives. These norms shape expectations for due diligence, supplier engagement, auditing, and remediation across the industry. While direct financial impact, regulatory requirements, and stakeholder concerns can influence actions, the described approach—relying on supplier relationships and collaborative initiatives to tackle the issue—fits best with industry norms because it reflects shared, sector-wide practices rather than isolated financial or legal pressures.

6. Which statement best describes the difference between a material topic and an emerging risk?

A. A material topic is one that could materially impact enterprise value; an emerging risk may not yet be material but could become so; SASB focuses on the material topics

B. A material topic is the same as an emerging risk

C. An emerging risk is always more important than material topics

D. Material topics are only concerned with environmental issues

The key idea is the distinction between what is currently financially material and what might become material in the future. A material topic is an issue that could materially impact the company's enterprise value and is thus relevant for current disclosures and decision-making. An emerging risk, on the other hand, is a potential issue that isn't material yet but could become material as conditions change; SASB uses that concept to flag risks on the horizon, but the focus for reporting is on material topics today. Therefore, the statement that material topics could materially affect enterprise value now, while emerging risks may not yet be material but could become so, and that SASB concentrates on the material topics, best captures the difference.

7. In the growth projections example, which metric indicates potential growth from eco-friendly products for Company A?

A. % of renewable energy

B. Revenue from reusable/recyclable/compostable products

C. Number of facilities in flood zones

D. Hydrocarbon spills

Measuring potential growth from eco-friendly products is best shown by revenue from reusable, recyclable, or compostable products. This directly reflects how much demand there is for sustainable offerings and how that demand translates into sales, signaling the scale and pace of growth for eco-friendly lines. In the growth projections context, this revenue metric captures the market uptake and expansion potential of sustainable products, which is exactly what growth projections aim to reveal. The other metrics focus on different aspects: the percentage of renewable energy used relates to environmental performance and energy sourcing, not growth from product lines; the number of facilities in flood zones and hydrocarbon spills are indicators of risk and operational exposure, not growth potential.

8. Normalization of Metrics in ENVIRONMENT Dimension emphasizes normalization by which measures?

A. Normalized by revenue or production

B. Normalized by market share

C. Normalized by number of employees

D. Normalized by geographic footprint

Normalization of environmental metrics focuses on adjusting data to a common scale so you can compare performance across companies. In the ENVIRONMENT dimension, this normalization is typically done by revenue or by production volume. This matters because environmental impacts generally scale with business activity, so dividing by revenue or production yields a comparable metric (for example, emissions per dollar of revenue or per unit of product). Normalizing by market share, number of employees, or geographic footprint doesn't align as closely with the activity that drives environmental impact, making cross-company comparisons less meaningful.

9. How can SASB reporting help with opportunity disclosure?

A. By identifying opportunities that have no financial impact.

B. By focusing exclusively on risks rather than opportunities.

C. By identifying sustainability-driven opportunities (cost savings, market expansion) associated with material topics and quantifying them when possible.

D. By avoiding quantification of any opportunities.

SASB reporting helps investors see how sustainability topics translate into financial value by linking material topics to opportunities and, where possible, attaching numbers to them. It focuses on sustainability-driven opportunities—such as cost savings from efficiency, new revenue streams, or market expansion—that arise from material topics, and it encourages quantifying these opportunities when feasible to provide decision-useful metrics. This quantified view lets investors compare potential value across companies and over time, enhancing forward-looking analyses. Disclosures that only note opportunities without financial impact, or that ignore the role of opportunities altogether, would be less informative for financial decision making; and avoiding quantification reduces the usefulness of the information SASB aims to provide.

10. In the Energy efficiency comparison within the Alcoholic Beverages industry, which normalization suggests Company A operates more energy-efficient facilities?

A. Energy per facility (GJ per facility)

B. Energy per square foot (GJ per ft2)

C. Total energy use (GJ)

D. Energy per liter of product produced

Normalization by energy per facility directly compares how much energy each individual facility uses, effectively isolating facility-level efficiency from the total size of the operations. If Company A has a lower energy use per facility than Company B, it means, on average, each facility runs more efficiently, regardless of how many facilities exist or how much total production occurs. This makes energy per facility a clean way to assess the efficiency of the facilities themselves. Energy per square foot can be misleading because facility design and layout influence usable area independently of how efficiently the equipment operates. Total energy use is not normalized, so larger operators or those with more facilities can appear less efficient simply due to scale. Energy per liter of product produced ties energy use to output, which reflects production process efficiency but mixes it with production volume and efficiency of throughput, not just how efficiently each facility operates. So, normalizing by energy per facility best indicates that Company A operates more energy-efficient facilities.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://sasbfsalevel2.examzify.com

We wish you the very best on your exam journey. You've got this!