

SUSTAINABILITY CERTIFICATION EXAM PREPARATION

**(40 Practice MCQ
Questions)**

www.gsdCouncil.org



Questions 1–4: Foundations of Sustainability

Q1. The Triple Bottom Line framework measures organizational performance across which three dimensions?

- A) Profit, Revenue, and Growth
- B) People, Planet, and Profit
- C) Environment, Compliance, and Risk
- D) Social, Financial, and Legal

✓ Answer: B

Q2. Which of the following best defines ESG?

- A) A regulatory requirement for all publicly listed companies
- B) A financial reporting standard replacing traditional accounting
- C) A framework measuring Environmental, Social, and Governance performance
- D) A UN treaty on climate change

✓ Answer: C

Q3. Scope 3 emissions refer to:

- A) Direct emissions from sources owned by the organization
- B) Emissions from purchased electricity and heat
- C) All indirect emissions in the organization's value chain
- D) Emissions from on-site manufacturing only

✓ Answer: C

Q4. Which sustainability reporting framework is most widely used globally?

- A) TCFD
- B) SASB
- C) GRI
- D) ISSB

✓ Answer: C

Questions 5–8: Climate Goals & Global Frameworks

Q5. Net zero means:

- A) Producing no emissions of any kind
- B) Balancing all emissions with carbon offset purchases
- C) Reducing emissions as close to zero as possible with minimal residual offsets
- D) Achieving carbon neutrality through renewable energy only

✓ Answer: C

Q6. What is the purpose of a materiality assessment?

- A) To calculate the financial value of sustainability investments
- B) To identify the sustainability issues most significant to the organization and its stakeholders
- C) To assess whether sustainability reporting is legally required
- D) To measure Scope 1 and Scope 2 emissions accurately

✓ Answer: B

Q7. The Paris Agreement aims to limit global temperature rise to:

- A) 1°C above pre-industrial levels
- B) 1.5°C to 2°C above pre-industrial levels
- C) 3°C above pre-industrial levels
- D) 4°C above pre-industrial levels

✓ Answer: B

Q8. How many Sustainable Development Goals did the United Nations adopt in 2015?

- A) 10
- B) 12
- C) 15
- D) 17

✓ Answer: D

- The Paris Agreement and the UN SDGs are two of the most significant global frameworks shaping sustainability strategy and reporting today.

Questions 9–12: Reporting, Greenwashing & Emissions

Q9. Which framework specifically focuses on disclosing climate-related financial risks and opportunities?

- A) GRI
- B) SASB
- C) TCFD
- D) CDP

✓ Answer: C

Q10. Greenwashing refers to:

- A) The process of cleaning industrial wastewater
- B) Making misleading or unsubstantiated claims about sustainability performance
- C) Investing in green bonds and sustainable finance
- D) Calculating the environmental cost of production

✓ Answer: B

Q11. In the circular economy model, the primary goal is to:

- A) Maximize production output while minimizing cost
- B) Eliminate waste by keeping materials and products in use
- C) Replace all fossil fuels with renewable energy sources
- D) Reduce consumer spending on non-essential goods

✓ Answer: B

Q12. Scope 1 emissions are:

- A) Indirect emissions from purchased electricity
- B) All supply chain emissions
- C) Direct emissions from sources owned or controlled by the organization
- D) Emissions from employee commuting

✓ Answer: C

Questions 13–16: Targets, Standards & Principles

Q13. What does SBTi stand for?

- A) Sustainable Business and Technology Initiative
- B) Science Based Targets initiative
- C) Social and Business Transformation Index
- D) Sustainable Benchmarks and Targets Institute

✓ Answer: B

Q14. Double materiality – required under CSRD – means assessing:

- A) Both short-term and long-term financial impacts
- B) Both financial materiality and impact materiality
- C) Both environmental and social impacts separately
- D) Both internal and external audit findings

✓ Answer: B

Q15. Which of the following is an example of a Scope 2 emission?

- A) Fuel burned in company-owned delivery vehicles
- B) Electricity purchased from the national grid
- C) Employee air travel on business trips
- D) Emissions from product manufacturing in the supply chain

✓ Answer: B

Q16. The UN Global Compact is built around how many principles?

- A) 5
- B) 7
- C) 10
- D) 17

✓ Answer: C

Questions 17–20: Standards, ESG Pillars & Just Transition

Q17. Which of the following best describes carbon neutrality?

- A) Producing zero carbon emissions in all operations
- B) Balancing carbon emissions produced with equivalent carbon offsets
- C) Removing more carbon than the organization emits
- D) Operating entirely on renewable energy sources

✓ Answer: B

Q18. ISO 14001 is an international standard for:

- A) Social responsibility and labor practices
- B) Anti-corruption and governance
- C) Environmental management systems
- D) Sustainability reporting and disclosure

✓ Answer: C

Q19. Which of the following is NOT typically included in the Environmental pillar of ESG?

- A) Carbon emissions
- B) Water consumption
- C) Board diversity
- D) Biodiversity impact

✓ Answer: C

Q20. A just transition in the context of sustainability refers to:

- A) Moving financial assets into green investments
- B) Ensuring the shift to a low-carbon economy is fair and inclusive for all workers
- C) Transitioning from GRI reporting to ISSB standards
- D) Replacing coal with natural gas as an interim energy solution

✓ Answer: B

Questions 21–24: CDP, Scope 3 & Sustainability Reporting

Q21. Which organization manages the Carbon Disclosure Project (CDP)?

- A) The United Nations Environment Programme
- B) The World Economic Forum
- C) An independent non-profit organization
- D) The International Monetary Fund

✔ Answer: C

Q22. Scope 3 emissions typically account for what percentage of an organization's total emissions?

- A) 10–20%
- B) 30–50%
- C) 70–90%
- D) 100%

✔ Answer: C

Q23. Which pillar of ESG covers issues such as board diversity, executive pay, and anti-corruption?

- A) Environmental
- B) Social
- C) Governance
- D) Economic

✔ Answer: C

Q24. What is the primary purpose of a sustainability report?

- A) To comply with tax and financial reporting obligations
- B) To communicate environmental, social, and governance performance to stakeholders
- C) To replace the annual financial report
- D) To satisfy internal HR and training requirements

✔ Answer: B

Questions 25–28: Circular Economy, CSRD & Carbon Credits

Q25. Which of the following is an example of circular economy in practice?

- A) Producing more goods to meet growing consumer demand
- B) Sending waste materials to landfill after product use
- C) Designing a product to be fully disassembled and its components reused
- D) Offsetting carbon emissions through tree planting programs

✓ Answer: C

Q26. The CSRD — Corporate Sustainability Reporting Directive — applies to organizations operating in:

- A) The United States
- B) The European Union
- C) The United Kingdom only
- D) All G20 countries

✓ Answer: B

Q27. Which of the following actions best supports a Net Zero commitment?

- A) Purchasing carbon offsets for all current emissions without reducing them
- B) Switching to LED lighting only
- C) Deeply reducing emissions first, with minimal residual emissions offset by carbon removal
- D) Reporting emissions annually to the CDP

✓ Answer: C

Q28. A carbon credit represents:

- A) A tax incentive for investing in renewable energy
- B) Permission to emit one tonne of CO₂ or equivalent greenhouse gas
- C) A financial penalty for exceeding emission limits
- D) A certificate of renewable energy generation

✓ Answer: B

Questions 29–32: Frameworks, Biodiversity & Supply Chain

Q29. Which sustainability framework provides industry-specific sustainability accounting standards?

- A) GRI
- B) TCFD
- C) SASB
- D) UN SDGs

✓ Answer: C

Q30. What does the term biodiversity refer to?

- A) The range of renewable energy technologies available
- B) The variety of living organisms in an ecosystem
- C) The diversity of financial instruments in green finance
- D) The range of sustainability frameworks used globally

✓ Answer: B

Q31. Which of the following is a key principle of the GRI Sustainability Reporting Standards?

- A) Report only positive sustainability achievements
- B) Disclose information relevant to stakeholders – both positive and negative performance
- C) Only report data that has been externally assured
- D) Limit reporting to environmental metrics only

✓ Answer: B

Q32. Supply chain sustainability focuses on:

- A) Reducing the number of suppliers to lower procurement costs
- B) Managing environmental and social risks and impacts across the supply chain
- C) Ensuring all suppliers are located in the same country
- D) Applying financial auditing standards to supplier contracts

✓ Answer: B

Questions 33–36: KPIs, Transition Risks & Greenwashing

Q33. A sustainability KPI stands for:

- A) Key Privacy Indicator
- B) Key Performance Indicator
- C) Knowledge and Productivity Index
- D) Known Policy Instruction

✓ Answer: B

Q34. Which of the following best describes climate-related transition risks?

- A) Physical damage to assets caused by extreme weather events
- B) Risks arising from the shift to a lower-carbon economy – such as policy, technology, and market changes
- C) Risks related to employee health and safety in extreme heat
- D) Risks from declining consumer demand for sustainable products

✓ Answer: B

Q35. The concept of stewardship in sustainability governance refers to:

- A) Reducing operational costs through energy efficiency
- B) Responsible management of resources and assets for long-term benefit
- C) Publishing a sustainability report annually
- D) Complying with environmental regulations

✓ Answer: B

Q36. Which of the following is an example of greenwashing?

- A) Publishing verified third-party assured emissions data
- B) Labelling a product as eco-friendly with no supporting evidence
- C) Setting a science-based emission reduction target
- D) Aligning operations with the UN Sustainable Development Goals

✓ Answer: B

Questions 37–40: Living Wage, Physical Risk, Assurance & Green Bonds

Q37. What does the term living wage mean in the context of social sustainability?

- A) The legally mandated minimum wage set by government
- B) A wage high enough to meet the basic cost of living in a given location
- C) A performance-based bonus for high-achieving employees
- D) The average wage paid across an industry sector

✓ Answer: B

Q38. Which of the following is a physical climate risk?

- A) Changes in carbon pricing regulations
- B) Shifts in consumer preferences toward sustainable products
- C) Increased frequency of extreme weather events damaging assets
- D) Introduction of mandatory sustainability reporting requirements

✓ Answer: C

Q39. What is the role of external assurance in sustainability reporting?

- A) To replace internal sustainability audits
- B) To provide independent verification that reported sustainability data is accurate and credible
- C) To satisfy legal tax reporting requirements
- D) To assess the financial return on sustainability investments

✓ Answer: B

Q40. Which of the following best describes the concept of a sustainability-linked bond?

- A) A bond exclusively issued by environmental organizations
- B) A financial instrument whose terms are linked to the issuer achieving sustainability targets
- C) A bond that funds only renewable energy projects
- D) A government-issued bond for climate adaptation funding

✓ Answer: B



CERTIFIED SUSTAINABILITY PROFESSIONAL



ABOUT GSDC CERTIFICATION



EBOOK

Extensive and exclusive Ebook created by world's experts to help you with understanding core concepts.



LEARNING MATERIALS

Get access to learning materials such as videos, ebooks, templates, and practice exams, which will help you clear the certification exam.



CREATED BY EXPERTS

GSDC certifications are created and authored by world's leading experts in the field.

LEARNING OBJECTIVE

- Gain insights into autonomous decision-making processes
- Apply knowledge using ready-to-implement templates
- Demonstrate ability to work with Agentic AI models
- Validate your skills wit

Enroll now with the code **LEARN20** To avail **20%** discount

Enroll Now

www.gsdouncil.org