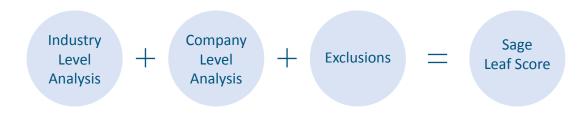
SAGE'S ESG LEAF SCORE Methodology



<u>No two companies are alike</u>. This is exceptionally apparent from an ESG perspective, where the challenge lies not only in assessing the differences between companies, but also in the differences across industries. Although a company may be a leader among its peer group, the industry in which it operates may expose it to risks that cannot be mitigated through company management. By combining an ESG macro industry risk analysis with a company-level sustainability evaluation, the Sage Leaf Score bridges this gap, enabling investors to quickly assess companies across industries. Our Sage Leaf Score, which is based on a 1 to 5 scale (with 5 leaves representing ESG leaders), makes it easy for investors to compare a company in, for example, the energy industry to a company in the technology industry, and to understand that all 5-leaf companies are leaders based on their individual company management and the level of industry risk that they face.



Industry Level Analysis

Financial Materiality ESG Factor Weighting

Environmental Factors

GHG Emissions Hazardous Waste Management Water Management Renewable Energy Programs Carbon Intensity Trends Recycled Material Use Social Factors Supply Chain Management Community Involvement Programs Employee Training Long Term Incident Rate Trend Discrimination Policy Health & Safety Management

Covernance Easter

Governance Factors Anti-Bribery & Corruption Policy ESG Performance Targets Board Diversity Board Independence Remuneration Policies Political Involvement Policies

Industry Risk Profile Assessment

Critical Incident Risk Detrimental Environmental Impact Risk Low Carbon Economy Transition Risk Social Adversity Risk Decreased Investor Demand Risk Unmanageable Industry Risk Climate Change Risk



Company Level Analysis

Peer Group Comparison

Evaluate sustainability metrics of each company in a specified industry as compared to its overall peer group. This evaluation allows for ranking of leaders to laggards for each industry.

Controversy Analysis

Examination of critical incident risk by individual company. This analysis considers major issues that the company has faced in the recent past and the handling of major issues by management.

ESG Momentum Evaluation

ESG Momentum evaluates the sustainability past trend and forward trajectory of each individual company. This metric signals whether a company is improving or deteriorating with regard to ESG principles.



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