Sage applies a custom framework to assess ESG holdings. The framework includes quantitative and qualitative analysis of industry specific ESG risks, third-party data, and a company’s individual ESG practices. Through this assessment, Sage generates an ESG Leaf Score for each company, representing its preparedness and performance across a range of ESG indicators. Sage uses these scores to choose best-in-class issuers. Sage uses a blend of quantitative and qualitative analysis to rate around 1,400 corporate issuers.

**Industry Analysis**

- Analyze industry trends based on the firm’s macroeconomic view
  - Weighting of Financially Material ESG Factors
  - Industry Risk Profile Assessment

- We minimize exposure to tobacco, coal mining/extraction, and small arms companies.

**Data Evaluation**

- Initial assessment utilizes external research: primary data providers are ISS and Bloomberg
- **3,500+** Data Points
- SDG Alignment
- Proprietary Market Analysis

**Company Level Analysis**

- Sage weights E, S, and G factors, with an emphasis on governance
  - Peer Group Comparison
  - Controversy Analysis
  - ESG Trend Analysis

**Sage ESG Leaf Score®**

- Sage invests only in issuers that have a Leaf Score of 3 or greater
  - ESG Laggard: Below Average
    - Not included in Sage ESG portfolios
  - Average
  - Above Average
  - ESG Leader
    - Included in Sage ESG portfolios
Municipal ESG Leaf Score

Methodology

Sage applies a custom municipal ESG framework that provides an assessment of each municipal issue in terms of its overall project impact across a range of ESG indicators. Through this assessment, Sage generates an ESG Leaf Score for each municipal issue, which indicates its level of ESG impact. Sage portfolios are constructed with municipal securities backed by projects that have an above-average, measurable impact at both the project and community levels. Sage uses a blend of quantitative and qualitative analysis to rate around 1,300 municipal issues.

Initial assessment utilizes external research: primary data providers are Bloomberg and U.S. Census.

Nature of Impact Score
Measures the ESG-related relevancy of the project

Intensity of Impact Score
Measures the level of a project’s impact on its environment and/or community

Sage only invests in municipal bonds with a Leaf Score of 3 or greater

How we use the Sage ESG Leaf Score

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