

# **SUSTAINABILITY-RELATED DISCLOSURES, MANDATUM AM**

**ALLOCATION, PENSION, BONUS, MONEY, AND  
MANDATE PRODUCTS**



MANDATUM  
ASSET MANAGEMENT

## Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites

This document presents the website product disclosure for financial products (specific products listed in table 4 at the end of this document) that promote environmental or social characteristics in accordance with Article 10 of the EU 2019/2088 Sustainable Finance Disclosure Regulations (“SFDR”) and Article 24 of the EU 2022/1288 Regulatory Technical Standards (“RTS”).<sup>1</sup>

Pursuant to Article 10 of the SFDR, financial market participants shall publish and maintain on their websites the following information for each financial product referred to in Article 8(1) and Article 9(1), (2) and (3):

(a) description of the environmental or social characteristics or the sustainable investment objective;

(b) information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product;

(c) the information referred to in Articles 8 and 9;

(d) the information referred to in Article 11.

For further information please visit the following disclosures:

Responsible Investment Policy: Responsible Investment Policy ([Mandatum Responsible Investment Policy 2023 \(mandatumlife.fi\)](https://www.mandatumlife.fi/mandatum-responsible-investment-policy-2023))

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<sup>1</sup> This disclosure applies also to Mandatum Life Insurance Company Limited which is deemed as a financial market participant in accordance with the SFDR and of which unit-linked insurance-based investment products are managed by Mandatum Asset Management Ltd.

## No sustainable investment objective

Mandatum Asset Management Ltd (“MAM”) offers portfolio management services for various funds and investment baskets (hereinafter together the “products”) that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, and the companies in which the investments are made follow good governance practices pursuant to Article 8 of the SFDR, but the products of MAM do not have as their objective sustainable investment within the meaning of Article 2(17) of the SFDR.

## Environmental or social characteristics of the financial product

MAM invests its customers’ funds responsibly, and the responsibility forms a key part of its risk management process. MAM believes that, in the long run, the securities of companies and issuers who operate responsibly will yield better results as investment objects, thanks to their more favorable growth prospects and more predictable cost development. The environmental and social characteristics that are promoted among other characteristics vary between financial products which is presented in the table 4 of this document.

The products described in this document invest in other financial products that:

- 1) make direct equity and fixed income investments and are managed by MAM (hereinafter “MAM products”), and
- 2) are managed by external fund managers.

The allocation varies depending on the product's investment strategy.

In MAM products, the main ESG characteristics being promoted are the consideration of compliance with international norms and standards (i.e., the UN Global Compact and the OECD Guidelines for Multinational Enterprises), incorporating sustainability analysis into investment analysis and sensitive sectors and norm-based screening. When investing in products managed by external managers, the ESG focus of the product and the ESG approach of the external manager is evaluated in the due diligence (DD) phase and, for some products, an annual analysis is conducted on the managers and their funds.

## Investment strategy

MAM has incorporated a sustainability analysis into all its investment processes and monitors investment objects in its portfolios also from the perspective of sustainability while considering product specificities. When analyzing the risks of an investment object, MAM considers sustainability factors as a key part of risk management. In decision-making, MAM employs both negative and positive screening, considering the characteristics of different asset classes. Investments can also be made with an emphasis on certain sustainability themes, such as climate change and climate risk

mitigation. MAM expects its external partners to take sustainability into account in investments in all asset classes. In selecting and monitoring investment products managed by external partners, the sustainability analysis focuses on the partner's investment process and reporting. MAM aims to ensure that the external partners consider good governance in their target companies and have sufficient processes and mechanisms to monitor good governance in their target companies. This can be done by assessing relevant documents, such as sustainability-related disclosures, produced by the external partners or through questionnaires, as well as through the external partners' reporting.

The materiality of sustainability risks varies depending on asset class. Thus, different emphasis is made in certain sustainability criteria related to asset class.

## Proportion of investments

All investments in the products managed by MAM that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics (i.e., Article 8 SFDR financial products) are aligned with E/S characteristics described in this document, and the investments are investigated comprehensively in terms of possible ESG risks during the due diligence phase.

The pre-contractual disclosures of each product present further information on the asset allocation within the products. The products' investments are divided into #1 and #2 categories, where #1 presents the investments aligned with E/S characteristics as a percentage of the whole portfolio. In addition, category #2 presents other assets, which include cash and derivatives held by the product to ensure the smooth operation when fulfilling its investment strategy. MAM employs the minimum safeguards by screening for compliance with the international norms and standards including the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The pre-contractual disclosures are available on the website.

## Monitoring of environmental or social characteristics

Investments are continuously monitored from a sustainability perspective. Portfolio managers and analysts monitor the news flow on their investment objects daily. In MAM products, an external service provider specialising in sustainability matters reviews the direct equity and fixed income investments quarterly. MAM carries out the sustainability monitoring and is responsible for reporting the results. When using an external partner, the investment operations have been outsourced to an external partner within defined limits, and MAM has no discretion to the individual investment decisions. Hence, the external partner's investment process is at the centre of the sustainability analysis.

MAM products are monitored on a regular basis for their ESG risk ratings and screened based on sensitive sector and norm-based screening such as UN Global Compact and OECD Guidelines. The carbon footprint of MAM products is measured and disclosed annually. In addition, the periodic reports will be published for the products, pursuant to the SFDR requirements.

## Methodologies

Sustainability indicators are used to measure the attainment of the environmental or social characteristics (for Article 8 SFDR financial products). The indicators are used consistently across MAM products given the data availability and relevance. The sustainability indicators for MAM products are ESG risk rating, breaches of international norms and standards, exposure to fossil fuels, carbon footprint and carbon intensity. The sustainability indicators in products managed by external managers, can be, for example the share of AUM invested in strategies that, according to their classification under the SFDR promote environmental or social characteristics, or a combination of those characteristics.

The sustainability indicators described below may vary depending on the financial product in question (e.g., whether the product invests in direct equity or fixed income investments, or other investment products managed by external managers). Also, in some financial products, data coverage may be lower due to the lower coverage of the portfolio companies by the ESG service provider.

### 1.1. ESG-risk rating

The ESG risk rating is based on Sustainalytics' ESG Risk Rating, and it describes the amount of the company's unmanaged ESG risk. Risk levels are described on a scale of low, medium, high or severe risk. The company's sector affects the risk assessment, which is why a high or even a severe risk level does not always mean that the company's operations would be irresponsible. Based on Mandatum's Responsible Investment Policy, investments in investment objects with a severe ESG risk can only be made with the approval of the Chief Investment Officer. Investing in a high-risk investment requires a separate review. See the table 1 below for further information.

Risk category	Measures required by the risk category
Low risk	Making an investment decision does not require separate actions from a responsible investment perspective
Moderate risk	The risk related to ESG factors is considered to be moderate. The portfolio manager/analyst must be sure to have taken into account in his/her analysis the ESG risks that have led to a raised risk level, as well as the consequences of the potential realisation of such risks.
High risk	The risk related to ESG factors is considered to be high. Due to a high risk level, the portfolio manager/analyst must prepare a report on the reasons for and potential consequences of the ESG risks in the context of the entire portfolio.
Severe risk	The risk related to ESG factors is considered to be severe. Due to a severe risk level, the portfolio manager/analyst must prepare a report on the reasons for and potential consequences of the ESG risks in the context of the entire portfolio. Making the investment requires the approval of the Chief Investment Officer responsible for client assets.

Table 1. ESG-risk ratings and measures by category

## 1.2. Breaches of international norms and standards

The investments are monitored based on international norms and standards laid down in international conventions, such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

## 1.3. Exposure to fossil fuels

Direct equity and fixed income investments' exposure to fossil fuels is monitored quarterly. Positions are screened for both direct and indirect involvement. Direct business refers to the manufacture or production of a product or service. Indirect business refers to various parts of the value chain of product or service production, such as subcontracting, transport or distribution.

## 1.4. Carbon footprint

An investment portfolio's total emissions are calculated by allocating companies' emissions to the investment portfolio based on the share of ownership in equity investments and the share of owned debt or the enterprise value in fixed-income investments. The emissions include scope 1 and scope 2 emissions, i.e., emissions from the company's operations and purchased energy.

The carbon footprint of direct equity and fixed income investments is measured and disclosed annually. The annual carbon footprint of products is disclosed either through product-specific monthly or quarterly reviews, or in a separate responsible investment review. The carbon footprint of investments is reported on both in absolute terms and in relation to benchmark indices when applicable to make it more understandable and comparable with both the development in the industry and development overtime.

## 1.5. Carbon intensity

Average carbon intensity expresses emissions in relation to the company's revenue. The reported figure is a weighted average of the investments' carbon intensity. The emissions include scope 1 and scope 2 emissions, i.e., emissions from the company's operations and purchased energy.

## 1.6. Active ownership and sustainability in ownership practices

MAM only engages with companies it has invested in and can decide not to engage with a company, for example, to avoid conflicts of interest. Additional criteria to consider before engaging can be e.g., materiality of the sustainability issue, size of the investment, actions already taken by the investee company, and geographical location. MAM also

publishes an Annual Disclosure of the Implementation of the Engagement Principles to ensure transparency of the engagement activities.

Voting at annual general meetings (“AGM”) is also a tool for shareholders to express their views and can be used in conjunction with other engagement activities. Portfolio managers are responsible for voting at companies’ AGMs. The portfolio managers keep records of the AGMs they have attended and the votes they have cast at the meetings. MAM votes by proxy and in person by attending AGMs or a combination of both depending primarily on the geographical location of the investee company. Voting decisions are made by the portfolio managers assisted by the ESG team and approved by the Chief Investment Officer, if necessary, given the nature of the voting decision. In addition to voting at AGMs, MAM engages through pooled engagement with other investors, if it is believed that it can be an effective means of achieving a desired change in the investment company. Pooled engagement is used mainly in a reactive manner to address issues that may have already occurred.

### **1.7. Sensitive industries screening**

Certain industries are considered to carry more sustainability risks and cause adverse sustainability impacts than others. Such risks include, for example, reputational risk, climate risks, and regulatory risks. Investments in industry sectors identified as sensitive are monitored regularly to identify potential sustainability risks and quantify them. Industries identified as sensitive include the manufacture or production of the following products or services, as well as the subcontracting, logistics or distribution of the manufacture or production of those products. Table 2 contains a list of the criteria that have been set and which new investments in direct equity and fixed income investment products that are determined to promote environmental or social characteristics (SFDR Article 8) must meet. If an investment object in the portfolio no longer meets the criteria, MAM will divest the investment within a reasonable time frame, considering clients’ best interests and the market situation.

Industry/Product group	Key risk factors	Percentage of sales		Description
		Direct business	Indirect business	
Zero tolerance				
Controversial weapons	Reputational risks, regulatory risks	0 %	0 %	Investments are not made in companies that derive revenue from manufacturing, subcontracting or distribution of controversial weapons. Controversial weapons are, for example, biological, chemical, nuclear and cluster weapons.
Low tolerance				
Coal	Reputational risks, technology risks, transition risks, regulatory risks	5 %	40 %	Investments are not made in companies that derive over 5% of revenue from mining of coal or whose share of revenue from coal mining subcontracting or distribution of coal exceeds 40 %. Investments are not made in companies whose share of revenues from coal-based energy production exceeds 40 %, unless the company has a clear strategy to transition to a more sustainable business model*.
Tobacco	Reputational risks, labor rights risks, human rights risks	0 %	50 %	Investments are not made in companies that derive revenue from manufacturing of tobacco products or derive more than 50% of revenue from subcontracting or distribution of tobacco products.
Adult entertainment	Reputational risks, labor rights risks, human rights risks	0 %	50 %	Investments are not made in companies that derive revenue from production of adult entertainment or that derive more than 50% of revenue from adult entertainment industry subcontracting or distribution.
Gambling	Reputational risks, governance risks, money laundering risks	50 %	50 %	Investments are not made in companies that derive more than 50% of revenue from gambling or gambling subcontracting.
Military equipment	Reputational risks, regulatory risks	50 %	50 %	Investments are not made in companies that derive more than 50% of revenue from manufacturing, subcontracting or distribution of military equipment.
Oil	Reputational risks, technology risks, transition risks, regulatory risks	45 %	45 %	Investments are not made in companies that derive more than 45% of revenue from exploration, extraction, production or refining and processing of fossil oil or the production of fossil oil-based energy, unless the company has a clear strategy to transition to a more sustainable business model*.

Table 2. Limits set on direct equity and bonds as a share of sales by industry/product group. The limits are applied to equity, and fixed income products that are determined to promote environmental or social characteristics or to be sustainable investments, but they serve as guidelines in other asset classes as well.

## 1.8. Principal Adverse Impacts

MAM does not consider the adverse impacts of its investment decisions at entity level in accordance with the SFDR Article 4. Notwithstanding the foregoing, MAM aims to recognize and mitigate the adverse impacts of its investment operations to the environment, climate, society, employees, respect for human rights, and anti-corruption and anti-bribery. Therefore, MAM has incorporated sustainability into its investment operations, and the company's investment decisions consider not only financial aspects, but also sustainability factors, as well as the related risks. The Responsible Investment Policy outlines the minimum level of measures taken to mitigate sustainability risks and adverse sustainability impacts. Stricter rules and engagement procedures can be applied to certain products or portfolios. The following Principal Adverse Impact indicators are monitored and disclosed for the products:



Adverse sustainability indicator		Metric
Greenhouse gas emissions	2. Carbon footprint	Carbon footprint
	3. GHG intensity of investee companies	GHG intensity of investee companies
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons

Table 3. Principal Adverse Impact indicators

## Data sources and processing

MAM uses various ESG data sources in its investment and risk management processes. ESG data sources are an integral part of the whole investment life cycle, e.g., during due diligence, screening of investments and reporting. MAM cooperates for norm-based screening, sensitive industries screening and carbon emission data with ISS ESG and the Upright Project. The ESG risk ratings are provided by Sustainalytics. In addition, the Upright Project is used for a sub-set of the investments to model their net impact. As regards to the products investing primarily through other investment products, the sustainability analysis of an investment is based on information collected from public sources and received from external managers.

## Limitation to methodologies and data

The current and potential data providers are surveyed and reviewed regularly in order to gain an even better understanding of the industry's development. In addition to this, MAM also presents its own views and requirements regarding data availability, comparability, and quality. As a rule, we use the data published directly by the investee companies to calculate alignment with the EU taxonomy and the company's carbon footprint. External data providers are used as well to extend the coverage.

## Due diligence

MAM products' investments are monitored through ESG risk rating and sector/norm-based screening. Sustainalytics' ESG risk rating is also used to quantify the extent to which risks related to ESG criteria may affect the company's value. To ensure smooth operation when fulfilling their investment strategy, the products also hold cash and

potentially hedging instruments, which are subject to minimum safeguards (ensured by screening for compliance with the international norms and standards including the UN Global Compact and the OECD Guidelines for Multinational Enterprises). The due diligence phase of the investment process offers the best opportunities to influence the product's operating principles in products which invest in strategies managed by external managers. When selecting strategies that are managed by external managers, a due diligence covering sustainability factors is required to qualify the investment. In the due diligence phase, special attention is paid to the manager's investment process, resources and reporting from a sustainability perspective.

## Engagement policies

Sustainability risks and factors, especially those related to climate change, are taken into account in all engagement activities and MAM aims to ensure that all investee companies and external managers have implemented sustainability factors into their corporate strategies. Further information can be found in MAM's Engagement Principles ([Mandatum Asset Management Engagement Principles \(mandatumam.com\)](https://www.mandatumam.com/mandatum-asset-management-engagement-principles)). In products where the investment decisions are outsourced to external asset managers, MAM's Engagement Principles are complied with when applicable.

## Designated reference benchmark

The environmental and/or social characteristics are attained by using the sustainability indicators defined above and no index has been designated as a reference benchmark to determine whether the financial products are aligned with the environmental and/or social characteristics that are promoted.

Product	SFDR Classification	Fund committed to make sustainable investments	Sustainability analysis incorporated into investment analysis	Norms-based screening	Sensitive industries screening & Exclusion	Monitoring of exposure to fossil fuels	Active ownership & engagement	PAI*
Mandatum Allocation Fixed Income	8		✓	✓	✓	✓	✓	✓
Mandatum Allocation Equity+	8		✓	✓	✓	✓	✓	✓
Mandatum Pension	8		✓	✓	✓	✓	✓	✓
Mandatum Pension+	8		✓	✓	✓	✓	✓	✓
Mandatum Global Climate Index	8							✓
Mandatum Bonus 25	8		✓	✓	✓	✓	✓	✓
Mandatum Bonus 50	8		✓	✓	✓	✓	✓	✓
Mandatum Bonus 80	8		✓	✓	✓	✓	✓	✓
Mandatum Money Portfolio	8		✓	✓	✓	✓	✓	✓
Mandatum Allocation 25	8		✓	✓	✓	✓	✓	✓
Mandatum Allocation 50	8		✓	✓	✓	✓	✓	✓
Mandatum Allocation 80	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate 25 Broad	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate 25	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate 50 Broad	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate 50	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate 80 Broad	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate 80	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate Fixed Income	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate Equity Broad	8		✓	✓	✓	✓	✓	✓
Mandatum Mandate Equity	8		✓	✓	✓	✓	✓	✓

\* Principal Adverse Impact indicators of the products under the Regulatory Technical Standards are disclosed and reported by the June each year

Table 4. Methodologies for Mandatum Asset Management products E/S characteristics

## Summary

This document is summarizing the website product disclosure for financial products that promote environmental or social characteristics in accordance with Article 10 of the EU 2019/2088 Sustainable Finance Disclosure Regulations (“SFDR”) and Article 24 of the EU 2022/1288 Regulatory Technical Standards (“RTS”).<sup>1</sup>

### No sustainable investment objective

Mandatum Asset Management Ltd (“MAM”) offers portfolio management services for various funds and investment baskets (hereinafter together the “products”) that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, and the companies in which the investments are made follow good governance practices pursuant to Article 8 of the SFDR, but the products do not have as their objective sustainable investment within the meaning of Article 2(17) of the SFDR.

### Environmental or social characteristics of the financial product

The environmental and social characteristics (“E/S characteristics”) that are promoted among other characteristics vary between products which is presented in the table 4 of the Sustainability-related Disclosures. The main E/S characteristics that the products may promote are the consideration of compliance with international norms and standards (i.e., the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises), incorporating sustainability analysis, sensitive sectors and norm-based screening into investment analysis.

### Investment strategy

MAM has incorporated a sustainability analysis into its investment processes and monitors investment objects in its portfolios also from the perspective of sustainability. When analysing the risks of an investment object, MAM considers sustainability factors as a key part of risk management. In decision-making, MAM employs both negative and positive screening, considering the characteristics of different asset classes. MAM expects its external partners to take sustainability into account in investments in all asset classes. MAM aims to ensure that the external partners consider good governance in their target companies and have sufficient processes and mechanisms to monitor good governance in their target companies. This can be done by assessing relevant documents, such as sustainability-related disclosures, produced by the external partners or through questionnaires, as well as through the external partners’ reporting. In selecting and monitoring investment products managed by external partners, the sustainability analysis focuses on the partner’s investment process and reporting. The materiality of sustainability risks varies depending on asset class. Thus, different emphasis is made in certain sustainability criteria related to asset class.

### Proportion of investments

All investments in the products managed by MAM that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics (i.e., Article 8 SFDR products) are aligned with E/S characteristics defined for each product and described in this document.

### Monitoring of environmental or social characteristics

Investments are continuously monitored from a sustainability perspective. Portfolio managers and analysts monitor the news flow on their investment objects daily. MAM carries out the sustainability monitoring and is responsible for reporting the results. When using an external partner, the investment operations have been outsourced to an external partner within defined limits, and MAM has no discretion to the individual investment decisions. Hence, the external partner’s investment process is at the centre of the sustainability analysis.

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<sup>1</sup> This disclosure applies also to Mandatum Life Insurance Company Limited which is deemed as a financial market participant in accordance with the SFDR and of which unit-linked insurance-based investment products are managed by Mandatum Asset Management Ltd.

MAM products are monitored on a regular basis for their ESG risk ratings and screened based on sensitive sector and norm-based screening such as UN Global Compact and OECD Guidelines. The carbon footprint of MAM products is measured and disclosed annually. In addition, the periodic reports will be published for the products, pursuant to the SFDR requirements.

### Methodologies

Sustainability indicators are used to measure the attainment of the E/S characteristics (for Article 8 SFDR financial products). The indicators are used consistently across products managed by MAM given the data availability and relevance. The sustainability indicators specified by MAM are ESG risk rating, breaches of international norms and standards, exposure to fossil fuels, carbon footprint and carbon intensity. The sustainability indicator in products that invest in other investment products, is the share of AUM invested in strategies that promote E/S characteristics. In products that invest in other alternative type investment products (i.e., real estate or private debt funds), the sustainability indicators can be, for example, the share of managers that have signed the UN PRI, the share of funds classified as SFDR Article 8 or 9 and the share of funds that report their principal adverse impact indicators.

### Data sources and processing

MAM uses various ESG data sources in its investment and risk management processes. ESG data sources are an integral part of the whole investment life cycle, e.g., during due diligence, screening of investments and reporting. MAM cooperates with ISS ESG and The Upright Project for norm-based screening, sensitive industries screening and carbon emission data. The ESG risk ratings are provided by Sustainalytics. The Upright Project is also used for a sub-set of the investments to model their net impact. With regards to the products investing primarily through other investment products, the sustainability analysis of an investment is based on information collected from public sources and received from external managers.

### Limitations to methodologies and data

Main limitations relate to availability, comparability, and quality of data. The current and potential data providers are surveyed and reviewed regularly to gain better understanding of the industry's development. In some asset classes, the use of estimated data may be necessary due to poor data availability. As a rule, for EU taxonomy alignment calculation and the company's carbon footprint, MAM uses data published directly by the investee companies but the coverage may be extended with estimated data from external data providers.

### Due diligence

MAM products' investments are monitored through ESG risk rating and sector/norm-based screening. Sustainalytics' ESG risk rating is also used to quantify the extent to which risks related to ESG criteria may affect the company's value. To ensure smooth operation when fulfilling their investment strategy, the products also hold cash and potentially hedging instruments, which are subject to minimum safeguards (ensured by screening for compliance with the international norms and standards including the UN Global Compact and the OECD Guidelines for Multinational Enterprises). The due diligence phase of the investment process offers the best opportunities to influence the product's operating principles in products which invest in strategies managed by external managers.

### Engagement policies

Sustainability risks and factors, especially those related to climate change, are taken into account in all engagement activities and MAM aims to ensure that all investee companies and external fund managers have implemented sustainability factors into their corporate strategies. Further information can be found in MAM's Engagement Principles (**[Mandatum Asset Management Engagement Principles \(mandatumam.com\)](https://www.mandatam.com)**). In products where the investment decisions are outsourced to external asset managers, MAM's Engagement Principles are complied with when applicable.

### Designated reference benchmark

The E/S characteristics are attained by using the sustainability indicators defined above and no index has been designated as a reference benchmark to determine whether the financial products are aligned with the E/S characteristics that are promoted.