

Fastmarkets RISI

Policies, processes and control activities relating to selected price assessments and their adherence with the International Organization of Securities Commissions (“IOSCO”) Principles for Oil Price Reporting Agencies (“PRA Principles”)

31 March 2023

DISCLAIMER – This report has been prepared to reflect how RISI Inc., which operates under the brand Fastmarkets, has applied the IOSCO Principles for Oil Price Reporting Agencies across its relevant price assessments and specifically to address Principle 2.21. BDO LLP (“BDO”) has been selected to fulfil the requirements of Principle 2.21 which requires “*An external auditor... to review and report on the PRA’s adherence to its stated methodology criteria and with the requirements of the principles*”.

For the avoidance of doubt, Fastmarkets RISI and BDO accept no duty of care or responsibility to the recipient or any other party into whose hands this report may come and you are not permitted to copy or forward the report to any other parties.

Contents

Section I: Price Assessment Framework Overview	3
Section II: Directors' Statement of Adherence	9
Section III: Independent Assurance Report	11
Section IV: Principles, Fastmarkets' Response and Practitioners' Testing	14

Section I:

Price Assessment Framework

Overview

Policies, processes and control activities relating to selected price indices and their adherence with the International Organization of Securities Commissions (“IOSCO”) Principles for Oil Price Reporting Agencies (“PRA Principles”)

Price Assessment Framework Overview

Introduction

The International Organization of Securities Commissions (“IOSCO”) published the PRA Principles for Oil Price Reporting Agencies (“PRAs”) (thereafter, the “Principles”) on 5 October 2012. These were consequently endorsed by the G20 in November 2012. They cover governance, control, integrity and conflict management in relation to commodity benchmark price assessments published by PRAs. At present, PRAs are encouraged to extend adherence to the principles to other commodity benchmark price assessments, not just those relating to oil. Fastmarkets provides benchmark commodity metal price assessments for the global metal industry and benchmark forest products assessments and indices for the global forest products industry. Fastmarkets, in keeping with its commitment to provide commodity prices that are fair, consistent and reliable, has voluntarily adopted and implemented the Principles.

Fastmarkets is currently in the process of becoming a standalone entity, owned, and controlled by Astorg, a global private equity firm. As such there is a requirement to amend Fastmarket’s Policy framework. This has resulted in a program of work to implement Company level policies, integrated with previously divisional level policies. There have been no significant changes to working practices and controls impacting the delivery of Fastmarket Price Assessments. Phase 1 of this activity is scheduled to be completed by 1 June 2023, with Phase 2 planned for completion by the end of the 2023.

BDO LLP (“BDO”) has been appointed to provide independent assurance over Fastmarkets RISI’s (“Fastmarkets”) policies, processes and control activities listed in Section IV – “Fastmarkets’ Response” in respect of its adherence to the Principles, with respect to the in scope commodity forest products price indices.

EU Benchmark Regulation (BMR) has now also been in effect since 1 January 2018. As per guidance by the European Securities and Markets Authority (ESMA) in December 2019, this assurance review by an independent external auditor is sufficient to demonstrate compliance with the requirements of BMR for commodity benchmarks (paragraph 18 of Annex II).

Some of the prices published by Fastmarkets are in scope of BMR are administered by Fastmarkets Benchmark Administration Oy (FBA Oy). FBA OY was incorporated in Finland in December 2020 and received its BMR authorisation in February 2021 to administer all benchmarks that are in scope of the BMR. However, none of the audited prices in this report are currently in scope of BMR.

Principle 2.20 of IOSCO is not in scope for this report because the principle is a statement of intention.

Overview

Fastmarkets publishes news, fundamental data, pricing information and other analysis for the metals, mining, forest products and agriculture markets and acts as the operational brand of RISI.

Fastmarkets aims to provide leading pricing intelligence, including independent industry price assessments and indices, for the metals, mining, forest products and agriculture industries. The group’s global portfolio of news, analysis, conferences and insight services complement these price assessments and indices.

Fastmarkets' price reporters assess more than 5,000 non-ferrous, ferrous, raw material and non-metallic mineral prices, as well as pulp and paper, wood products, timber and biomass, nonwovens and grains and biofuel prices, many of which are the industry-standard price assessments and indices that are trusted and used across the industry supply chain. Fastmarkets is a completely impartial and independent PRA - it engages with all sides of the market including sellers, buyers and traders, during the price-discovery process.

Fastmarkets' assessments and indices are used by clients for contract pricing and internal applications. The world's major exchanges (such as SGX and CME) use Fastmarkets' prices to settle financial and risk management contracts.

Fastmarkets' team of reporters have a leading breadth and depth of metals, minerals, forest and agriculture products expertise; Fastmarkets' footprint ensures global coverage. Fastmarkets' market reports, commentary and analysis deliver in-depth data on the metals, mining, forest and agriculture products markets, allowing businesses to understand and track key changes in the markets and to stay competitive.

Whether for the production, trading, purchasing or consumption of metals, Fastmarkets can ensure organisations have a comprehensive package of dependable prices and actionable market intelligence. Fastmarkets can provide data to businesses, delivered to suit any needs, including XML data feeds.

Fastmarkets' business is defined by the integral position of its data within the markets it serves. Over time, the prices assessed and published by Fastmarkets have become the established price assessments used by the industry for reference pricing in contracts and enabling trading in many markets to function effectively.

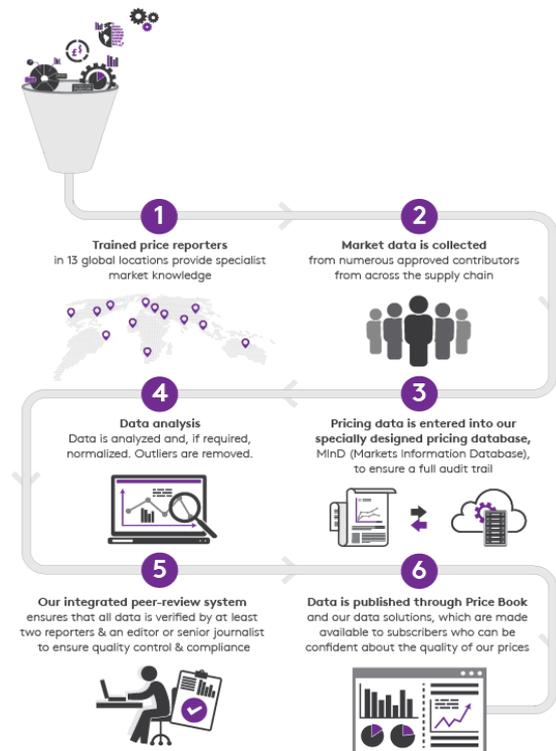
The market shift towards price assessment and index benchmarking has also brought greater scrutiny to the processes in terms of compliance. Fastmarkets has applied industry-wide principles that have been laid down primarily for the oil and energy markets and is now able to use that as an additional competitive advantage, underlining the credibility and integrity of the business and the data it provides.

The proliferation of the use of its data as price assessments and indices has allowed Fastmarkets to go through a rapid business change across the organisation that puts the emphasis on being a PRA. This has led to a shift in the way Fastmarkets' data and content is monetised and has thus allowed adoption of a new data licensing strategy alongside the traditional subscription-based model.

To augment the high-quality data produced, Fastmarkets provides key exchange data to complement the physical price assessments and indices it provides through a highly versatile and configurable desktop application that can be scaled into the vertical sectors of the markets it serves.

The investment and changes that the Group is making in Fastmarkets are examples of the strategy of investing in big themes, such as price discovery, to position the Group for future growth.

PRICING DISCOVERY PROCESS DIAGRAM



CONTROL ENVIRONMENT

Methodologies

Wholly independent and transparent methodologies and price specifications are central to Fastmarkets' price assessments.

Code of Conduct

Fastmarkets has a Code of Conduct that sets guidelines for employees to adhere to during their daily business activities. All Fastmarkets employees must act with the highest standards of personal and professional integrity and comply with all applicable laws, regulations and Fastmarkets' policies.

Policies and Procedures

Fastmarkets uses a range of policies to ensure that its quality and integrity standards for market data are followed by its employees. Policies and procedures are incorporated into the Fastmarkets' Compliance Manual ("The Compliance Manual").

The Compliance Manual incorporates:

- Code of Conduct
- Data Submitter Policy
- Contributor Approval Policy
- Methodology Review and Change Consultation Process
- Corrections, Delays and New Pricing Launch Procedures
- Complaints Handling Policy
- Gifts, Entertainment & Hospitality Policy
- Pricing Procedure
- Antitrust and Competition Law Handbook
- PRA Editorial Hiring guidance

The majority of Fastmarkets' policies and procedures are publicly available; those that are not are internal documents that contain confidential information. Fastmarkets' policies and documents are reviewed on at least an annual basis.

Training, Development and Recruitment

Fastmarkets employs highly skilled market assessors who are sufficiently trained and experienced, including the ability to cover markets if a primary market assessor were to become unavailable, as needed. Fastmarkets price reporting teams plan the back-up for each market reporter, enabling sufficient coverage. New employees go through a stringent on-boarding process that includes mandatory training on an intensive basis.

Segregation of Duties

Fastmarkets functionally separates departments, job functions and system access that are incompatible with the pricing division or would create an appearance of a conflict of interest. The editorial department is segregated from the Marketing and Sales departments.

Price Database and Two-Level Approvals

Fastmarkets has unique systems and technology infrastructure that ensure data integrity at every stage. Fastmarkets' price database, Market Information Database (MIND), enforces strict pricing procedures, security of data, consistency and accountability. Used by Fastmarkets' entire network of global price reporters, MIND's integrated peer review system ensures that the assessment follows established Fastmarkets' methodology and that the logic underpinning the assessment is well supported before publishing and provides a clear audit trail.

External Auditing

RISI Inc. engaged BDO to provide independent assurance over Fastmarkets' description of the policy statements, processes and control activities as at 31 March 2023 relating to the in scope price assessments to address the IOSCO Principles.

Scope

The following list specifies the price assessments that are included within the scope of this assurance:

- **RISI Asia**
 - ¹NBSK CIF China - RISI

- **Random Lengths**
 - ¹Kiln-dried southern yellow pine (eastside) 2 2x4 rl fob mill
 - ²Kiln-dried eastern spruce-pine-fir 1&2 2x4 rl delivered Great Lakes
 - ²Kiln-dried western spruce-pine-fir 2&btr 2x4 rl mill prices
 - ²Kiln-dried southern yellow pine(westside) 2 2x4 rl fob mill
 - ²Coast kiln-dried douglas fir 2&btr 2x4 rl fob mill
 - ²Oriented strand board sheathing (Southwest) 7/16-inch fob mill
 - ²Oriented strand board sheathing (Southeast) 7/16-inch fob mill
 - ²Oriented strand board sheathing (Western Canada) 7/16-inch fob mill

- **RISI USA**
 - ¹RISI US OCC Midwest – RISI
 - ¹Unbleached Kraft Linerboard 42 – lb US East (Open Market Price)
 - ¹Recycled Linerboard 30-/31-LB US East
 - ¹Solid Bleached Sulfate Board (SBS) 16-pt Folding Carton, C1S
 - ¹Coated Unbleached Kraft Board (CUK) 20-pt Folding Carton, C1S
 - ¹Recycled Folding Boxboard (CRB, URB) 20-pt Clay Coated News

- ¹Recycled Folding Boxboard (CRB, URB) 20-pt Bending Chip

²Category 2' price assessment – under the scope of limited assurance as at 31 March 2023.

¹Category 1' price assessment – under the scope of reasonable assurance for the year from 1 April 2022 to 31 March 2023

Section II:

Directors' Statement of Adherence

Directors' Statement of Adherence

As the Directors of Fastmarkets, we are solely responsible for and have designed, implemented, operated and monitored compliance with policies, processes and control activities that adhere to the Principles for Oil Price Reporting Agencies published by the International Organization of Securities Commissions (the "PRA Principles") for the in-scope price assessments listed in Section I.

We are also responsible for this Statement of Adherence and Fastmarkets' Response to the PRA Principles presented in this report including the policies, processes and control activities designed to address the PRA Principles.

We confirm that:

For Category 2 price assessments:

- Section IV of the accompanying report fairly presents the Company's detailed responses to the PRA Principles as at 31 March 2023.

For Category 1 price assessments:

- Section IV of the accompanying report fairly presents the Company's detailed responses to the PRA Principles as at 31 March 2023.
- The processes and control activities over Category 1 price assessments have operated as described, throughout the period from 1 April 2022 to 31 March 2023.

DocuSigned by:

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Raju Daswani
Director
For and on behalf of Fastmarkets RISI
20 April 2023

Section III:

Independent Assurance Report

Independent Practitioner's Assurance Report to the Directors of RISI Inc. (the "Company"), in respect of the Company's Response to the Principles for Oil Price Reporting Agencies

We were engaged by RISI Inc. (the "Company") to report on the Company's accompanying description of the policies, process and control activities as set out in Section IV, that have been put in place to adhere to the Principles for Oil Price Reporting Agencies published by the International Organisation of Securities Commissions (excluding Principle 2.20, the "PRA Principles") as at 31 March 2023 for both category 1 and 2 benchmark price assessments listed in section I. In addition, for Category 1 benchmark price assessments, we also report on whether the process and control activities identified in the Company's Response have operated as described, throughout the period 1 April 2022 to 31 March 2023.

Responsibilities of the Directors

The Directors are responsible for preparing the Statement of Adherence to the PRA Principles, set out and supported by the detailed responses to the PRA Principles in Section IV. They are also responsible for ensuring that the Company designs, implements and monitors compliance policies, process and control activities that adhere to the PRA Principles.

The Directors shall ensure that the results of the audits are immediately reported to the Board of FBA Oy, who shares them with the FIN-FSA and makes them publicly available where required under the BMR. If requested, the Directors shall arrange for FBA Oy to meet with BDO and ask questions about performance related to the provision of benchmarks and the quality of the audit.

Our Responsibilities

Our responsibility is to undertake an assurance engagement and examine the Company's detailed responses to the PRA Principles, as set out in Section IV, in respect of the in scope price assessments, and report thereon in the form of an independent assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and with regard to the ICAEW's guidance within Technical Release Tech 02/14FSF 'Assurance reports on benchmarks and indices'.

That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain sufficient evidence to express a meaningful level of assurance report in connection with Company's Response to the PRA Principles, as set out in Section IV, in respect of the Category 1 and Category 2 price assessments. In connection with the Category 1 benchmark price assessments, we report to you, in our opinion, based on the results of our work (which is further described below) whether the Company's Response in Section IV is fairly stated, in all material respects as at 31 March 2023 and whether the process and control activities therein have operated as described during the period 1 April 2022 to 31 March 2023. With regards to Category 2 benchmark price assessments, we report to you, based on the results of our procedures, whether anything has come to our attention to indicate that the Company's Response to the PRA Principles in respect of Category 2 benchmark price assessments, as at 31 March 2023 are not fairly stated in all material respects.

Scope of the Assurance Engagement

The objective of an assurance engagement is to obtain such appropriate evidence as we consider sufficient to enable us to express our conclusions. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our engagement includes examination, on a test basis, of evidence relevant to assessing (i) the Company's Response to the PRA Principles, excluding Principle 2.20, for both Category 1 and Category 2 benchmark price assessments, and (ii) whether process and control activities have operated as described in respect of the Category 1 benchmark price assessments throughout the year 1 April 2022 to 31 March 2023. Our

procedures are described in the Practitioner's Testing column in Section IV of this report. The procedures selected depend on our understanding of the Company's Response to the PRA Principles and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise, whether due to fraud or error.

Our procedures were not sufficient to enable us to conclude on the suitability of design of the policies process or control activities in place to address the PRA Principles. While the Company's Response may be informed by the need to satisfy legal or regulatory requirements, our scope of work and our conclusions do not constitute assurance over compliance with those laws and regulations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusions

Reasonable assurance opinion

In our opinion, based on the results of our procedures:

RISI, Inc.'s Response to the PRA Principles, with the exception of Principle 2.20, in respect of Category 1 benchmark price assessments, as set out in Section IV, as at 31 March 2023 is fairly stated in all material respects; and

The process and control activities have operated as described, throughout the period 1 April 2022 to 31 March 2023.

Limited assurance conclusion

In our opinion, based on the results of our procedures, nothing has come to our attention to indicate that RISI, Inc.'s response to the PRA Principles, with the exception of Principle 2.20, in respect of the in scope price assessment, as at 31 March 2023 is not fairly stated in all material respects.

Restriction of Use of Our Report

This report is made solely for the use and benefit to the Directors in connection with principle 2.21 of the PRA Principles. Our work has been undertaken in accordance with our agreement dated 05 January 2023 so that we might state to the Directors those matters we are required to state in an independent assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than the Directors and the Company for our work, for this report, or for the conclusions we have reached.

Our report is released to Directors on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

Other information

The information included in Section I describing the Company's Overview, Corporate Structure and Governance, reporting best practice and in scope benchmark price assessments are presented by the Directors to provide additional information and is not part of the Company's Response to the PRA Principles. Such information has not been subjected to the procedures applied in the examination of the Company's Response to the PRA Principles, related to the reporting of benchmark price assessments, and accordingly, we express no opinion on it.

BDO LLP

BDO LLP
Chartered Accountants
Location
United Kingdom
20 April 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Section IV:

Principles, Fastmarkets' Response and Practitioner's Testing

Principles, Fastmarkets’ Response and Practitioner’s Testing

Introduction

The table below sets out the response of Fastmarkets RISI (“Fastmarkets”) in terms of how it adheres to each of the PRA Principles. Fastmarkets’ Response is separated into Context, Policy Statements and Process and Control Activities.

The accompanying ‘Practitioners’ Testing’ summarises the work performed by BDO to validate that the Policy Statements and Process and Control Activities, summarised by Fastmarkets, are reflective of working practices. This supports the Directors’ Statement of Adherence and Independent Assurance Report as documented in Sections II and III, respectively.

Whilst Fastmarkets’ Response is a combined response for all the selected price assessments in scope, the Practitioner’s Response is split into Category 1 and Category 2 price assessments, where necessary, to appropriately reflect the extent of work performed for each Category, mainly in consideration that Category 1 and Category 2 price assessments are undergoing reasonable assurance and limited assurance reviews respectively.

The validation approach is summarised below:

Fastmarkets’ Response	Practitioner’s Testing		
	Category	Tagging in the table below	Validation Approach
Context	N/A	N/A	Where used, this section includes background information only and therefore was not validated.
Policy Statement (PS)	Category 1	Category 1 - Policy Statement	Checked for existence of the Policy or Methodology in line with what has been described in Fastmarkets’ Response as at 31 March 2023.
	Category 2	Category 2 - Policy Statement	Checked for existence of the policy or methodology in line with what has been described in Fastmarkets’ Response as at 31 March 2023.
Process and Control Activity (PCA)	Category 1	Category 1- Process Control Activity	Checked on a sample basis of whether a process and control activity has operated as described in Fastmarkets’ Response throughout the period of 1 April 2022 to 31 March 2023.
	Category 2	Category 2- Process Control Activity	Checked an example of whether a process and control activity has been put in operation as described in Fastmarkets’ Response as at 31 March 2023.

Where:

Category 2: Price assessments where BDO is providing limited assurance over Fastmarkets' Response to the PRA principles with respect to these price assessments as at 31 March 2023 and;

Category 1: Price assessments where BDO is providing reasonable assurance over both Fastmarkets' Response to the PRA principles with respect to these price assessments as at 31 March 2023 and that any processes and control activities related to the price assessment have operated as described throughout the period from 1 April 2022 to 31 March 2023.

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
1. Quality and Integrity of PRA Methodologies		
Methodology		
<p>1.1 A PRA should formalise, document, and make public any Methodology that it uses for a price assessment.</p>	<p>Context</p> <p>The relevant Fastmarkets Methodologies (the "Methodologies") for this assurance review and covering all price assessments listed in Section I of this report are:</p> <ul style="list-style-type: none"> • Fastmarkets RISI Methodology and Specification Global Market Pulp <p>Process and Control Activities</p> <p>The Methodologies are formalised, documented and publicly available on the Fastmarkets RISI website:</p> <ul style="list-style-type: none"> • NBSK CIF China: https://cdn.fastmarkets.com/7d/8a/7fb67f7e4bfba1d6eef15753a7a7/fastmarket-price-methodology-global-pulp-june-2022.pdf • Southern Yellow Pine – Random Lengths (Oregon): Forest products: Random Lengths International - Fastmarkets • Unbleached Kraft Linerboard/ Recycled Linerboard and Boxboard: Forest products: North America – Packaging Paper and Board - Fastmarkets • US OCC Midwest: Forest products: North America – Recovered Paper - Fastmarkets • Oriented Strand board: methodology-guide-panel-2022.pdf (fastmarkets.com) 	<p>Category 1 and 2 - Process and Control Activities</p> <p>BDO inspected the following websites and noted that the Methodologies are formalised, documented and publicly available:</p> <ul style="list-style-type: none"> • NBSK CIF China: https://cdn.fastmarkets.com/7d/8a/7fb67f7e4bfba1d6eef15753a7a7/fastmarket-price-methodology-global-pulp-june-2022.pdf • Southern Yellow Pine – Oregon: Forest products: Random Lengths International - Fastmarkets • Unbleached Kraft Linerboard/ Recycled Linerboard and Boxboard: Forest products: North America – Packaging Paper and Board - Fastmarkets • US OCC Midwest: Forest products: North America – Recovered Paper - Fastmarkets • Oriented Strand Board: methodology-guide-panel-2022.pdf (fastmarkets.com)
<p>1.2 A Methodology should aim to achieve price assessments which are reliable indicators of oil market values, free from</p>	<p>Policy Statement</p> <p>The Methodologies are market-specific methodologies that are tailored to the global pulp</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Methodologies and noted that</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>distortion and representative of the particular market to which they relate.</p>	<p>markets, wood products industry and packaging paper and board markets.</p> <p>Please refer to Principle 1.3 (a) – (h) for additional details on the content of the Methodologies.</p> <p>Please refer to Principle 1.4 (a) for the rationale behind adopting the Methodologies.</p>	<p>they are as described in Fastmarkets' Response to Principle 1.2.</p> <p>For testing of the contents of the in scope Fastmarkets' Methodologies, please refer to Principles 1.3 (a) – (h).</p> <p>For testing of Fastmarkets' rationale behind adopting the Methodologies, please refer to Principle 1.4 (a).</p>
<p>1.3 At a minimum, a Methodology should contain and describe:</p> <p>a) All criteria and procedures that are used to develop an assessment including how the PRA uses the specific volume, concluded and reported transactions, bids, offers and any other market information (collectively 'market data') in its assessment and/or assessment time periods (e.g., windows), why a specific reference unit is used (e.g., barrels of oil), how the PRA collects such market data, the guidelines that control the exercise of judgment by assessors and any other information, such as assumptions, models and/or extrapolation from collected data that are considered in making an assessment;</p> <p>b) Its procedures and practices that are designed to ensure consistency between its assessors in exercising their judgment;</p> <p>c) The relative importance that generally will be assigned to each criterion used in forming the price assessment (i.e., type of market data used, type of criterion used to guide judgment). [This is not intended to restrict the specific application of the</p>	<p>Policy Statement</p> <p>The Methodologies describe:</p> <p>a) All criteria and procedures used to develop an assessment:</p> <ul style="list-style-type: none"> • For RISI page 4 of the Methodology gives the Methodology rationale, indicating the goal of establishing the representative level market participants have concluded business, the reason for choosing weekly assessments and the fact that the assessments reflect the price towards the end of the pricing window; • For Random Lengths page 3 of the Methodology outlines the Methodology rationale which produces independent, fair and representative price assessment and indices of the lumber and panel products on a weekly basis. • Data collection processes are described on page 6 of the RISI Methodology and on page 3 of the Random Lengths Methodology. • As per page 6, Fastmarkets RISI and page 4 for Random Lengths, the assessments have clear specifications for all price points covered. All referenced units, such as currency and volume, are in line with recognised pulp and paper markets trading conventions. • Page 6 for RISI and page 4 for Random Lengths lists guidelines on the use of judgement, including the order in which information is ranked (actual 	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Methodologies and noted that they are as described in Fastmarkets' Response to Principle 1.3 (a) – (h)</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>relevant Methodology but is to ensure the quality and integrity of the price assessment.]</p> <p>d) Criteria that identify the minimum amount of transaction data (i.e., completed transactions) required for a particular price assessment (the "transaction data threshold"). If no such threshold exists, the reasons why a minimum threshold is not established should be explained, including procedures where there is no transaction data</p> <p>e) Criteria that address the assessment periods where the submitted data fall below the Methodology's recommended transaction data threshold or the requisite PRA's quality standards, including any alternative methods of assessment (e.g., theoretical estimation models). Those criteria should explain the procedures used where no transaction data exists;</p> <p>f) Criteria for timeliness of market data submissions and the means for such submissions (e.g., electronically, via telephone, etc.);</p> <p>g) Criteria and procedures that address assessment periods where one or more reporting entity submits market data that constitute a significant proportion of the total data upon which the assessment is based (i.e., key submitter dependency). The PRA should also define in its criteria and procedures for what constitutes a "significant proportion"</p>	<p>transactions, then bids and offers etc.)</p> <ul style="list-style-type: none"> • Page 7-8 for RISI and page 5 for Random Lengths outlines which types of data are regularly excluded. • Page 4 also outlines the definition of the kinds of prices used in the pulp market and which prices Fastmarkets RISI aims to reflect. <p>Please refer to Principle 1.3 (f) below for details on the method through which information is collected.</p> <p>b) This is stated in the section Procedure to ensure consistency in the price discovery procedures on page 8 for RISI and page 3 for Random Lengths.</p> <p>c) The Guidelines on the use of judgement section of the Methodologies explain how data is ranked on page 6 for RISI and page 4 for Random Lengths.</p> <p>d) The Methodologies explain that Fastmarkets does not apply any formal minimum threshold for producing an assessment and fall-back procedures on page 8 for RISI and page 5 for Random Lengths.</p> <p>e) Page 8 for RISI and page 5 for Random Lengths contain a section on fall-back procedures.</p> <p>f) Page 6 for RISI and pages 3-4 for Random Lengths contain a section on data collection criteria which state that market data is mainly collected on a weekly basis by telephone and email, and occasionally by digital messaging or direct submission.</p> <p>g) The Methodologies explain that key submitter dependency is mitigated in the following ways: The weighting of any single data provider's data is limited so that it does not dominate the assessment. For key benchmark prices (e.g., US NBSK – see specifications below), this cap is more formal: no single data provider's data will be weighted so that it contributes more than 25% of the final assessment. For other</p>	

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>for each price assessment;</p> <p>h) Criteria according to which transaction data may be excluded from a price assessment.</p>	<p>assessments the cap is set at 50%. We do this for example by ensuring we have sufficient price points on which to base an assessment.</p> <p>h) The Methodologies list the types of qualifying transactions that are routinely excluded (inter-affiliate transactions, indexed transactions, spot transactions). See section on page 7-8 RISI and page 5 for Random Lengths, Criteria to discard pricing data.</p>	
<p>1.4 A PRA should describe and publish the:</p> <p>a) Rationale for adopting a particular Methodology, including any price adjustment techniques and a justification of why the time period or window within which market data is accepted is a reliable indicator of physical market values;</p> <p>b) Procedure for internal review and approval of a given Methodology, as well as the frequency of this review;</p> <p>c) Procedure for external review of a given Methodology, including the procedures to gain market acceptance of the Methodology through consultation with stakeholders on important changes to their price assessment processes.</p>	<p>Policy Statement</p> <p>The Methodologies describe:</p> <p>a) The rationale for adopting the stated process; any price adjustment techniques; the particular time periods within which market data is deemed reliable and therefore accepted; and justification as to why they are a reliable indicator of physical market values.</p> <p>b) Retrospective changes to the published values will only be made in cases of administrative or calculation errors. They are not retroactively changed based on new or additional information. See section on page 9 for RISI's Price Correction policy and page 6 for Random Lengths.</p> <p>Process and Control Activities</p> <p>a) The Methodologies are formalised and publicly available on the Fastmarkets RISI website:</p> <p>RISI: https://www.fastmarkets.com/methodology/forest-products</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p> <p>Policy Statement</p> <p>Please refer to Principle 1.6 below for detail on the internal review including the frequency of review of the Methodologies.</p> <p>Please refer to Principle 1.5 below for detail on the external review of the Methodologies.</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Methodologies and noted that they are as described by Fastmarkets' Response to Principle 1.4 (a) – (b).</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inspected the websites https://www.fastmarkets.com/methodology/forest-products & https://www.randomlengths.com/Methodology/ and noted that the Methodologies are documented and publicly available.</p> <p>Category 1 and 2 - Policy Statement</p> <p>For testing of internal reviews and Methodology approval procedures, please refer to Principle 1.6.</p> <p>For testing of external reviews and stakeholder consultation/market approval of Methodology procedures, please refer to Principle 1.5.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
Changes to a Methodology		
<p>1.5 A PRA should adopt and make public to stakeholders explicit procedures and rationale of any proposed material change in its Methodology. Those procedures should be consistent with the overriding objective that a PRA must ensure the continued integrity of its price assessments and implement changes for good order of the particular market to which such changes relate. Such procedures should:</p> <p>a) Provide advance notice in a clear timeframe that gives stakeholders sufficient opportunity to analyse and comment on the impact of such proposed changes, having regard to the PRA's assessment of the overall circumstances;</p> <p>b) Provide for stakeholders' comments, and the PRA's response to those comments, to be made accessible to all market stakeholders after any given consultation period, except where the commenter has requested confidentiality.</p>	<p>Context</p> <p>The Fastmarkets Methodology Review and Change Consultation Process defines what constitutes a material change and describes the process for consulting the industry on the suitability of our Methodologies as well as the process for the proposal, approval and implementation of material changes to the Methodologies.</p> <p>Policy Statement</p> <p>The Fastmarkets Methodology Review and Change Consultation Process describes:</p> <p>a) That if Fastmarkets believes a material change to the Methodology is required, or has received feedback from the industry through a consultation process, suggesting a change that Fastmarkets finds to be necessary, it will start the consultation process by posting a pricing notice on its website detailing: The outline of the proposed change; The rationale or motivation for proposing such a change; and a proposed timetable for the date on which, if the change goes ahead, it would be implemented.</p> <p>b) Fastmarkets publishes a pricing notice announcing the outcome of the review, including the rationale for the decision and whenever possible feedback received unless stated as confidential. Fastmarkets reserves the right to paraphrase and group comments received into a comprehensive rationale explaining the decision.</p> <p>Process and Control Activities</p> <p>The Fastmarkets Methodology Review and Change Consultation Process is formalised and made publicly available on the Fastmarkets website:</p> <p>RISI: https://cdn.fastmarkets.com/76/46/892b71d04991a1f06f073582db47/fm-policies-methodology-review-process.pdf</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Fastmarkets Methodology Review and Change Consultation Process and noted that it is as described in Fastmarkets' Response to Principle 1.5 (a) – (b).</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inspected the following websites:</p> <ul style="list-style-type: none"> • RISI: https://cdn.fastmarkets.com/76/46/892b71d04991a1f06f073582db47/fm-policies-methodology-review-process.pdf; and • Random Lengths: https://www.randomlengths.com/Methodology/ <p>and noted that the Methodology Review and Change Consultation Process policies are formalised and publicly available.</p> <p>For testing on publishing of the explicit procedures performed and the rationale of any proposed material changes to the Methodology, please refer to Principle 1.6.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>review-process.pdf</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p> <p>Please refer to Principle 1.6 below for process and control activities on publishing the explicit procedures performed and the rationale of any proposed material changes to the Methodologies.</p>	
<p>1.6 A PRA should engage in the routine examination of its Methodologies for the purpose of ensuring that they reliably reflect the physical market under assessment. This should include a process for taking into account the views of relevant stakeholders.</p>	<p>Policy Statement</p> <p>The Fastmarkets Methodology Review and Change Consultation Process details the procedure for internal review of the Methodologies and defines materiality for changes. A change will be considered material if it may result in fundamental changes to the published price once implemented.</p> <p>Process and Control Activity</p> <p>On an annual basis, Fastmarkets carry out a formal review and approval of the Methodologies:</p> <ul style="list-style-type: none"> To initiate this process, the editorial teams issue an open external consultation through a pricing notice, at least one month before the annual Methodology review is due, inviting feedback from users and subscribers over the duration of that consultation period. If the editorial teams internally identify changes required to existing Methodologies, they classify them either as 'material' or 'immaterial' and include proposed material changes in the same pricing notice. The pricing notice sets out the timetable for external consultation, including the method for submission. At the end of the consultation period, the editorial teams review any external feedback received and decide on whether a change should be made. The decision is approved by the managing editor, announced via a new pricing notice concluding the outcome of the review and 	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Fastmarkets Methodology Review and Change Consultation Process and noted that it is as described in Fastmarkets' Response to Principle 1.6.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>For a sample of methodology reviews, BDO inspected the Methodology Review Assessment Form and noted that each Methodology had formally been reviewed and approved by the editorial team during the period under review.</p> <p>For the sampled methodology reviews, BDO inspected the published notice and noted that an open external consultation was issued inviting external feedback from users and subscribers.</p> <p>For the sample of methodology reviews, no material changes were internally identified by the editorial teams as being required and for each Methodology, BDO inspected the pricing notice and noted it detailed the timetable for the external consultation and method for submission.</p> <p>For the sample of methodology reviews, BDO inspected the Methodology Review Assessment Form and noted one immaterial change proposed for Global Pulp which was approved by the managing editor.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>includes the rationale for the decision and whenever possible feedback received unless stated as confidential. Fastmarkets reserves the right to paraphrase and group comments received into a comprehensive rationale explaining the decision.</p> <ul style="list-style-type: none"> • A record of the Methodology review is shared with the Risk & Compliance team. <p>Once changes are implemented, the revised Methodology is made publicly available on the Fastmarkets website:</p> <p>RISI: https://www.risiinfo.com/approach/methodology/price-assessment-methodology/</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p> <p>Methodology changes are also noted in the Revision History section of the Methodology guide.</p>	<p>For the sample of methodology reviews, BDO inspected the pricing notice and noted that it detailed the outcome of the review including rationale for the decision and feedback received, maintaining confidentiality where it was requested.</p> <p>For the sample of methodology reviews, BDO confirmed that the record of the Methodology review was sent to the Risk & Compliance team.</p> <p>For the required Methodology changes identified, BDO inspected the revised Methodologies and noted that they were publicly available on Fastmarkets website.</p> <p>For the Methodologies with changes, BDO inspected the revision history section of the Methodologies and confirmed that the changes were noted.</p>
2. Quality and Integrity of Price Assessments		
<p>2.1 A PRA should take measures that are intended to ensure the quality and integrity of the price assessment process.</p>	<p>Policy Statement</p> <p>The Compliance Manual contains measures that are intended to ensure the quality and integrity of the pricing process. This includes the following areas:</p> <ul style="list-style-type: none"> • Quality and integrity of Methodologies; • Review of Methodologies; • Market data used in price assessments/The Data Submitter Policy; • Selection/performance review and training of assessors; • Supervision and review of price assessments; • Audit trail; • Conflict of Interest; • PRA Editorial Hiring Guidance; • Complaint handling; and • Antitrust handbook. <p>Process and Control Activity</p> <p>Please refer to Principle 2.2 to 2.19 below for further process and control activities.</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Fastmarkets Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.1.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>For further testing of process and control activities, please refer to Principles 2.2 to 2.19.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
Market Data used in Price Assessments		
<p>2.2 A PRA should:</p> <p>a) Specify with particularity the criteria that define the physical commodity that is the subject of a particular Methodology;</p> <p>b) Utilise its market data, giving priority in the following order, where consistent with the PRA's approach to ensuring the quality and integrity of a price assessment:</p> <ol style="list-style-type: none"> 1. Concluded and reported transactions; 2. Bids and offers; 3. Other market information. <p>Nothing in this provision is intended to restrict a PRA's flexibility in using market data consistent with its Methodologies. However, if concluded transactions are not given priority, the reasons should be explained as called for in 2.3(b)</p> <p>c) Employ sufficient measures designed to use market data submitted and considered in a price assessment, which are bona fide, meaning that the parties submitting the market data have executed, or are prepared to execute, transactions generating such market data and the concluded transactions were executed at arms-length from each other. Particular attention should be made in this regard to inter- affiliate transactions;</p> <p>d) Establish and employ procedures to identify anomalous (i.e., in the context of a PRA's</p>	<p>Policy Statement</p> <p>a) The Methodologies specify the criteria that define the physical commodity and the market that is being assessed (Price Specifications).</p> <p>b) Please refer to Principle 1.3 (a) - (c) above for details on the priority market data.</p> <p>c) The Methodologies explain that several means are used to ensure that data are bona fide, including:</p> <ul style="list-style-type: none"> • Methodologies specify that only open market transactions, not internal, inter-affiliate transactions, are included; • Fastmarkets staff review price data for anomalies and inconsistencies, and they contact data providers to clarify any questions that arise; • Contributors are sent Fastmarkets Data Submitter Policy, which outlines their rights and obligations. This includes the obligation to provide all relevant data and to disclose to the price reporter if the transaction occurs with a related or affiliated party. <p>d) The Methodologies state that if any data received is considered anomalous, Fastmarkets attempts to confirm validity with the contributor. The Pricing Procedure within the Compliance Manual states that Fastmarkets will exclude any anomalous data and include a mandatory note of why this data submission has been excluded from the pricing process in MInD.</p> <p>e) The Data Submitter Policy asks that submitters provide all relevant data including all transactions to which they have been a party during the period under consideration for assessment.</p> <p>f) Data submitters are expected to make every effort to abide by the guidelines provided in this Data</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Methodologies and noted that they are as described in Fastmarkets' Response to Principle 2.2 (a) – (d).</p> <p>For the testing of Fastmarkets' market data priorities, please refer to Principle 1.3 (a) – (c).</p> <p>BDO inspected the Fastmarkets Pricing Procedure and noted that it is as described in Fastmarkets' Response to Principles 2.2 (d).</p> <p>BDO inspected the Data Submitter Policy and noted that it is as described in Fastmarkets' Response to Principles 2.2 (e) - (f).</p> <p>BDO inspected the Compliance manual and noted that it is as described in Fastmarkets' Response to Principles 2.2.</p> <p>For the testing of Fastmarkets' measures in place to ensure that, to the extent possible, submitters comply with applicable quality and integrity standards, please refer to Principle 2.4.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inspected the following websites and noted that the Data Submitter Policy is formalised and made publicly available:</p> <p>RISI: fm-policies-data-submitter-policy.pdf (fastmarkets.com)</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p> <p>For testing of Fastmarkets' training of market reporters on how to identify anomalous or</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>Methodology) or suspicious transaction data and keep records of decisions to exclude transaction data from the PRA's price assessment process.</p> <p>e) Encourage parties that submit any market data ("submitters") to submit all of their market data that falls within the PRA's criteria for that assessment. PRAs should seek, so far as they are able and is reasonable, data submitted are representative of the submitters' actual concluded transactions.</p> <p>f) Employ a system of appropriate measures so that, to the extent possible, submitters comply with the PRA's applicable quality and integrity standards for market data.</p>	<p>Submitter Policy, which can be summarised as follows:</p> <ul style="list-style-type: none"> • Submitters should provide data on an honest, timely and consistent basis; • Submitters should endeavor to provide all relevant data, including all transactions to which they have been a party during the period under consideration for assessment. Organisations that agree to submit data from back-office functions should commit to disclosing transaction data in full for each market segment; • Submitters should disclose to the price reporter deal volumes that significantly exceed or fall below the typical transaction volume for the market under consideration; • Submitters should disclose to the price reporter if a transaction was with a related party or affiliate; • Submitters should be prepared to disclose the parameters of deals and data that Fastmarkets seeks to collect, including volumes, freight cost details on specifications, credit terms, delivery location, and any other detail that contributes substantially to the determination of price. <p>The Compliance Manual requires that the Risk & Compliance Team perform an annual review of Fastmarkets' compliance policies and procedures to determine whether they are adequate, current and effective in view of Fastmarkets' business, price assessment services, and regulatory requirements.</p> <p>Please refer to Principle 2.4 below for detail on the measures in place to ensure, to the extent possible, that submitters comply with applicable quality and integrity standards.</p> <p>Process and Control Activities</p> <p>a) The Data Submitter Policy is formalised and made publicly available on the websites:</p> <p>RISI:</p>	<p>suspicious transactions, please refer to Principle 2.6.</p> <p>For a sample of in scope active data submitters, BDO inspected email communication and noted that it contained the Data Submitter Policy.</p> <p>For testing of Fastmarkets' review and approval of price assessments by market editors, including review of market data used in the price assessments, please refer to Principle 2.8.</p> <p>For testing of Fastmarkets' process and control activities for the capturing of excluded data, please refer to Principle 2.9.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>https://cdn.fastmarkets.com/70/fe/fc53951d456f92be47c641706c5b/fm-policies-data-submitter-policy.pdf</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p> <p>b) Please refer to Principle 2.6 for details on the training of market reporters on how to identify anomalous or suspicious transactions.</p> <p>c) The Data Submitter Policy is sent to all active data submitters on an annual basis from the time they are added on to MInD.</p> <p>Please refer to Principle 2.8 for process and control activities on review and approval of indices by market reporters, including review of market data used in price assessments.</p> <p>Please refer to Principle 2.9 for process and control activities on capturing of excluded data.</p>	
<p>2.3 A PRA should describe and publish with each assessment, to the extent reasonable without delaying a price reporting deadline:</p> <p>a) A concise explanation, sufficient to facilitate a PRA subscriber's or market authority's ability to understand how the assessment was developed, including, at a minimum, the size and liquidity of the physical market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in an assessment; terms referring to the pricing Methodology should be included (e.g., "transaction-based",</p>	<p>Context</p> <p>For reasons of confidentiality and anti-trust concerns, Fastmarkets does not reveal the price or volume of individual data contributions. Data is only reported in an aggregated form.</p> <p>Policy Statement</p> <p>a) All indices are produced based on market data including transaction prices, bids and offers and market contact's evaluation of the market price.</p> <p>b) Fastmarkets does not ask for volume information routinely, although some market contacts do volunteer this. In this case priority would generally be given to the larger volume prices. Transactions involving volumes below the stated limit of 500 tonnes would be excluded.</p> <p>The Methodologies outline how judgment is applied.</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Methodologies and noted that they are as described in Fastmarkets' Response to Principle 2.3 (a) – (b).</p> <p>Category 1 – Process and Control Activities</p> <p>For a sample of in scope price assessments, BDO inspected the market commentary and noted that it accompanied each price assessment each week and detailed the following:</p> <ul style="list-style-type: none"> • Changes in prices; • How this affected the assessment; • The level at which scoped commodities were traded; • Information on market fundamentals that may explain the change in assessment from the previous week.

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>"spread- based" or "interpolated/ extrapolated");</p> <p>b) A concise explanation of the extent to which and the basis upon which judgment (e.g., exclusions of data which otherwise conformed to the requirements of the relevant Methodology for that assessment, basing prices on spreads or interpolation/extrapolation, or weighting bids or offers higher than concluded transactions etc.), if any, was used in establishing an assessment.</p>	<p>Process and Control Activities</p> <p>A market commentary accompanies each price assessment each week in the Fastmarkets RISI online portal. It gives details of the change in prices and how this affected the assessment as well as information on related markets and market fundamentals that may explain the change in the assessment from the previous week.</p> <p>A concise explanation on how the assessment was developed is published for each price assessment; however, Fastmarkets does not reveal the price of the individual data contributions. Data is only reported in aggregated form.</p>	<p>For a sample of in scope price assessments, BDO inspected the market commentary and noted that a concise explanation on how the price assessment was developed was published and did not reveal the price of individual data contributions.</p> <p>Category 2 – Process and Control Activities</p> <p>For an example of each in scope price assessment, BDO inspected the market commentary and noted that it accompanied each price assessment and detailed the following:</p> <ul style="list-style-type: none"> • Changes in prices; • How this affected the assessment; • The level at which scoped commodities were traded; and • Information on market fundamentals that may explain the change in assessment from the previous month. <p>For an example of each in scope price assessment, BDO inspected the market commentary and noted that a concise explanation on how the price assessment was developed was published and did not reveal the price of individual data contributions.</p>
Integrity of the Reporting Process		
<p>2.4 A PRA should:</p> <p>a) Specify the criteria that define who may submit market data to the PRA;</p> <p>b) Have quality control procedures to evaluate the identity of a submitter and any employee(s) of a submitter who report market data and the authorisation of such person(s) to report market data on behalf of a submitter;</p>	<p>Policy Statement</p> <p>a) The Methodologies states that producers, consumers and traders provide information on market prices (see page 6 Data collection criteria for RISI and page 3 Random Lengths).</p> <p>b) The Data Submitter Policy states that Fastmarkets expects that data submitters involved within the pricing process are appropriately qualified and authorised to report market data on behalf of their organisations.</p> <p>c) The Data Submitter Policy states</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Methodologies and noted that they are as described in Fastmarkets' Response to Principle 2.4 (a).</p> <p>BDO inspected the Data Submitter Policy and noted that it is as described in Fastmarkets' Response to Principle 2.4 (b) – (c).</p> <p>BDO inspected the MInD Contributor Approval Policy</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>c) Specify the criteria applied to employees of a submitter who are permitted to submit market data to a PRA on behalf of a submitter; encourage submitters to submit transaction data from back office functions and seek corroborating data from other sources where transaction data is received directly from a trader;</p> <p>d) Implement internal controls and written procedures to identify communications between submitters and assessors that attempt to influence an assessment for the benefit of any trading position (whether of the submitter, its employees or any third party), attempt to cause an assessor to violate the PRA's rules or guidelines or identify submitters that engage in a pattern of submitting anomalous or suspicious transaction data. Procedures should include provision for escalation by the PRA of inquiry within the submitter's company. Controls should include cross-checking market indicators to validate submitted information.</p>	<p>that Fastmarkets' price reporters generally speak to and collect data from front-office staff directly involved in the commercial activity of buying and selling the material that is being assessed. Fastmarkets also encourage organisations to submit transaction data from back-office functions as well as from their front offices.</p> <p>d) The MInD Contributor Approval Policy (CAP) requires that reporters answer mandatory questions about data submitters and that new data submitters be approved within MInD by an editor. The editor must provide a rationale when approving a contact - this should be done within three months.</p> <p>The Compliance Manual states that any member of Fastmarkets who has a genuine concern that the behavior of a colleague, submitter or other market participant breaches or threatens to breach the pricing procedure and is attempting to influence the index to benefit their trading position has a duty to report this. It encourages reporters to first escalate their concerns to the attention of their managers or, if appropriate, to senior managers. Concerns should also be raised with the Risk & Compliance Team.</p> <p>The Euromoney Institutional Investor Plc 'Speak-Up' Policy describes the whistleblowing hotline facility available to reporters if they feel they cannot raise the matter directly within the company or they feel that they need to remain anonymous.</p> <p>Process and Control Activities</p> <p>If Fastmarkets believes that a submitter has deliberately provided false information, it will inform the submitter's company of this suspicion where necessary strongly request that this does not happen again. If Fastmarkets believes it to be necessary, it will also escalate the issue to the relevant authority.</p> <p>Messages raised on the Euromoney Institutional Investor Plc whistleblowing hotline facility are investigated by the Risk & Compliance</p>	<p>(CAP) and noted that it is as described in Fastmarkets' Response to Principle 2.4 (d).</p> <p>BDO inspected the Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.4.</p> <p>BDO inspected the Euromoney Institutional Investor Plc 'Speak-Up' Policy and noted that it is as described in Fastmarkets' Response to Principle 2.4.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inquired with Fastmarkets' management and confirmed that there had been no suspicions raised of data submitters deliberately providing them with false information for in scope price assessments. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.4.</p> <p>BDO inquired with Fastmarkets' management and confirmed that there had been no messages raised on the Euromoney Institutional Investor Plc whistleblowing hotline facility for in scope price assessment. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.4.</p> <p>For the testing of Fastmarkets' review and approval of price assessments by market editors including review of market data used in price assessments, please refer to Principle 2.8.</p> <p>For the testing of Fastmarkets' procedures for cross-checking market indicators to validate submitted information, please refer to Principle 2.2 (c).</p> <p>For the testing of Fastmarkets' procedures for identifying anomalous information, please refer to Principle 2.2 (d).</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>Team</p> <p>Please refer to Principle 2.8 for process and control activities on review and approval of price assessments by market editors including review of market data used in price assessments.</p> <p>Please refer to Principle 2.2 (c) for the procedures for cross-checking market indicators to validate submitted information.</p> <p>Please refer to Principle 2.2 (d) for the procedures for identifying anomalous information.</p>	
Assessors		
<p>2.5 A PRA should adopt and have explicit internal rules and guidelines for selecting assessors, including their minimum level of training, experience and skills, as well as the process for periodic review of their competence.</p>	<p>Policy Statement</p> <p>The Fastmarkets Hiring Policy ("Hiring Policy") includes guidelines for:</p> <ul style="list-style-type: none"> • Hiring new market reporters; • Probationary period procedures; and • The process for periodic review of reporter's competence. <p>The Hiring Policy states what Fastmarkets looks for in price reporting roles: successful candidates will have a degree or equivalent experience; a background in business reporting with a proven ability to develop relationships with market sources; the ability to write news to tight deadlines; and a strong interest in the commodities sector.</p> <p>The Hiring Policy states that before a job offer is made, a candidate will typically be invited for at least two interviews, during one of which the candidate is asked to sit a recruitment test.</p> <p>The Compliance Manual states he continued supervision of individual assessors to ensure that the Methodology is properly applied via cross-training, quarterly reviews and the appraisal process.</p> <p>The Editorial Hiring Policy and HR policies provide guidance on appraisals. Price reporters are subject to quarterly reviews and an end-of year review in September; The process aligns with the company's</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Hiring Policy and noted that it is as described in Fastmarkets' Response to Principle 2.5.</p> <p>BDO inspected the Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.5.</p> <p>BDO inspected the Editorial Hiring Policy and noted that it is as described in Fastmarkets' Response to Principle 2.5.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>For a sample of new joiners for in scope markets, BDO inspected the scorecard and email communication and noted that:</p> <ul style="list-style-type: none"> • The relevant managing editor assessed whether the prospective market reporter met the minimum qualifications and relevant work experience requirements; • The scorecard contained the candidate's performance assessment at both the interview and testing stages; and • The editor did confirm their intent to offer the

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>financial year and follows a twelve month performance cycle.</p> <p>The Compliance Manual requires that training is carried out when a price reporter starts their employment with Fastmarkets; further training should be carried out as and when required and/or as requested by the employee. This is in addition to the mandatory training schedule.</p> <p>Process and Control Activities</p> <p>As part of the hiring process, prospective market reporters go through the following steps:</p> <ul style="list-style-type: none"> • The relevant manager ensures that the prospective market reporter meets the minimum qualifications and relevant work experience; • The prospective market reporter is required to complete at least two interviews, as well as a recruitment test; • A candidate's performance at both the interview and testing stages is assessed using a scorecard; and • The decision to offer a prospective market reporter a position is made by the editor. <p>Each existing employee is subject to a quarterly performance appraisal and sets objectives for each year. As a result of the appraisal review, an appraisal form is completed and filed in the HR repository.</p> <p>The status of training related to the Code of Conduct, Ethics, Anti-Bribery & Corruption, Whistle Blow & Speak-Up and the Compliance Manual policy adherence is recorded via the Code of Conduct declaration section of the Training and Policy Adherence tracker, which is reviewed at least quarterly by the Risk & Compliance Team.</p>	<p>interviewee a market reporter position by e-mail.</p> <p>For a sample of existing employees, BDO inspected the appraisals form and noted it was completed on a quarterly basis during the period under review and was filed in the HR repository.</p> <p>For the sample of existing employees noted above, BDO inspected the objectives form and noted it was completed on an annual basis during the period under review.</p> <p>BDO inspected the Training and Policy Adherence Tracker and noted that status of status of training related to the Code of Conduct, Ethics, Anti-Bribery & Corruption, Whistle Blow & Speak-Up and the Compliance Manual policy adherence was recorded via the Code of Conduct declaration section of the Training and Policy Adherence tracker.</p> <p>For a sample of quarters, BDO inspected the Training and Policy Adherence Tracker and noted that it is reviewed at least quarterly by the Risk and Compliance Team.</p>
<p>2.6 A PRA should have arrangements to ensure its assessments can be produced on a consistent and regular basis.</p>	<p>Policy Statement</p> <p>Fastmarkets' pricing procedures ensure that a robust pricing process is in place to ensure that assessments can be produced on a regular and consistent basis.</p> <p>The Pricing Procedure describes that</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Fastmarkets' Pricing Procedure and noted that it is as described in Fastmarkets' Response to Principle 2.6.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>editors are responsible for ensuring that price reporters operate in accordance with the Pricing Procedure and within their prescribed Methodologies through a formal review of notes, contact lists and corresponding market commentary recorded in MInD, which are used to prepare a price assessment.</p> <p>Per the Compliance Manual, Fastmarkets price reporters who are not pricing in the market on a regular basis need to be cross-trained; this must be evidenced. Fastmarkets Editors need to submit Cross Training form to Compliance Team before a reporter can get access to a new market on MInD.</p> <p>Please refer to Principle 1.3 (b) for guidelines to ensure that the exercise of judgment is consistent and fair, including instances when assessors conclude whether anomalous or suspicious data should be excluded.</p> <p>Process and Control Activities</p> <p>During the initial MInD training for new joiners, Fastmarkets editorial teams are informed how to access MInD remotely.</p> <p>Fastmarkets' Risk & Compliance team will require managing editors to review and update as necessary their succession plans. The purpose of the succession plan is to maintain a formal list of the markets that a price reporter is capable of covering and which markets they will be trained on in the future.</p> <p>At Fastmarkets, Succession planning is considered on quarterly basis.</p> <p>Please refer to Principle 2.5 for further process and control activities on the selection of market reporters and tracking the status of training.</p> <p>Please refer to Principle 2.7 for further process and control activities in the succession planning of market reporters, staffing coverage and business continuity planning.</p> <p>Please refer to Principle 2.8 for further process and control activities on supervision of market reporters and assessments.</p>	<p>BDO inspected the Compliance Manual and the MInD Training document and noted that both are as described in Fastmarkets' Response to Principle 2.6.</p> <p>For the testing of Fastmarkets' guidelines that control the exercise of judgement, please refer to Principle 1.3 (b).</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>For a sample of new joiners, BDO inspected e-mail evidence and noted that new joiners to the editorial teams are informed on how to access MInD remotely.</p> <p>BDO inspected a sample of succession plans for in scope price assessments and noted that they detailed the markets a price reporter is capable of covering and the markets to be trained for.</p> <p>For the sample of succession plans we tested, BDO inspected e-mail confirmations and noted that the succession plans for in scope price assessments was reviewed and updated by editors quarterly during the period under review.</p> <p>Noted that the succession plan for Global Pulp was not reviewed and updated by editors for quarter 2 of 2022.</p> <p>For testing of Fastmarkets' process and control activities for the selection of market reporters and the tracking, please refer to Principle 2.5.</p> <p>For testing of Fastmarkets' process and control activities for the succession planning of market reporters, staffing coverage and business continuity planning, please refer to Principle 2.7.</p> <p>For testing of Fastmarkets' process and control activities on supervision of market reporters and assessments, please refer to Principle 2.8.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>2.7 A PRA should maintain continuity and succession planning in respect of its assessors in order to ensure that assessments are made consistently and by employees who possess the relevant levels of expertise.</p>	<p>Context</p> <p>Fastmarkets follows the Euromoney Institutional Investor Plc Business Continuity Planning Guidance.</p> <p>Policy Statement</p> <p>The Fastmarkets' Incident Response Plan describes a recovery strategy for possible disruption. The Euromoney Institutional Investor Plc Business Continuity Planning guidance requires Fastmarkets Incident Response Plan to be tested on an annual basis.</p> <p>The Compliance Manual states that managers are responsible for ensuring that price reporters operate in accordance with the internal guidelines and within their prescribed Methodologies through a formal review of notes, contact lists and corresponding market commentary recorded in MInD, which are used to prepare a price assessment.</p> <p>Please refer to Principle 1.3 (b) for guidelines to ensure that the exercise of judgment is consistent and fair, including instances when assessors conclude whether anomalous or suspicious data should be excluded.</p> <p>Process and Control Activities</p> <p>Price assessors who are not pricing in the market on a regular basis are cross trained to provide coverage across additional price assessments and this is documented in the "Cross Training" form.</p> <p>The details of employees in the price reporting function for each in scope price assessment and the back-up structure for price assessors, peer reviewer and editor approvers are formally documented in the Succession Planning and are reviewed and updated (where necessary) by an editor or senior price reporter at least quarterly.</p> <p>Please refer to Principle 2.5 for process and control activities on the selection of market reporters and tracking the status of training.</p> <p>Please refer to Principle 2.7 for process and control activities in the succession planning of market</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Fastmarkets' Incident Response Plan and Euromoney Institutional Investor Plc Business Continuity Planning guidance and noted that they are as described by Fastmarkets' Response to Principle 2.7.</p> <p>BDO inspected the Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.7.</p> <p>For testing on Fastmarkets' guidelines that control the exercise of judgement, please refer to Principle 1.3 (b).</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inquired with Fastmarkets' management and confirmed that there were no price reporters who are not involved in pricing the markets on a regular basis for in scope benchmarks. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.7.</p> <p>For a sample of succession plans for the in scope price assessments, BDO inspected succession plans and noted details of employees in the price reporting function for the in scope price assessment and the backup structure for price assessors, peer reviewers and editor approvers was formally documented.</p> <p>For the sample of succession plans we tested, BDO inspected e-mail confirmations and noted that the succession plans for in scope price assessments was reviewed and updated by editors at least quarterly.</p> <p>Noted that the succession plan for Global Pulp was not reviewed and updated by editors for quarter 2 of 2022.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>reporters, staffing coverage and business continuity planning.</p> <p>Please refer to Principle 2.8 for process and control activities on supervision of market reporters and assessments.</p>	<p>For testing the selection of market reporters and tracking the status of training, please refer to Principle 2.5.</p> <p>For testing on succession planning of market reporters, staffing coverage and business continuity planning, please refer to Principle 2.7.</p> <p>For testing on supervision of market reporters and assessment, please refer to Principle 2.8.</p>
Supervision of Assessors		
<p>2.8 A PRA should institute internal control procedures to ensure the integrity and reliability of assessments. At a minimum, such internal controls and procedures should require:</p> <p>a) The ongoing supervision of individual assessors to ensure that the Methodology was properly applied;</p> <p>b) Procedures for internal sign-off by a supervisor prior to releasing prices for dissemination to the market.</p>	<p>Policy Statement</p> <p>a) Per the Compliance Manual, all price indices are peer reviewed and approved before publication. See section b) below. In addition, managers conduct-quarterly performance appraisals per the Editorial Hiring Policy and HR policies reference in our response to Principle 2.5.</p> <p>The Compliance Manual describes that Fastmarkets has a designated Risk & Compliance Team who is responsible for implementing, maintaining and enforcing policies and procedures set out in the Compliance Manual.</p> <p>The Compliance Manual requires that the Risk & Compliance Team annually audit a random selection of price assessments to ensure that the applicable Methodological standards and all applicable policies and procedures were and are followed by the assessors.</p> <p>b) The Compliance Manual describes a three-step pricing process in MInD for three separate individuals to carry out. It requires that the first assessor inputs the data, the second assessor (peer reviewer) reviews the first assessor's price form and the third assessor (editor review) re- reviews the price form before publication.</p> <p>c) The MInD Overview document requires that MInD user access rights are reviewed by Price Administrators on a quarterly</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.8 (a) - (b).</p> <p>BDO inspected the Editorial Hiring Policy and noted that it is as described in Fastmarkets' Response to Principle 2.8 (a).</p> <p>BDO inspected the MInD Overview document and noted that it is as described in Fastmarkets' Response to Principle 2.8 (c).</p> <p>Category 1 – Process and Control Activities</p> <p>For a sample of in scope price assessments, BDO inspected the price assessment workflow in MInD and noted that it is peer reviewed ensuring that price compiled by price assessor is in line with the Methodology.</p> <p>For the sampled in scope price assessments, BDO noted that the price assessment was a three-step pricing process, carried out by three separate individuals:</p> <ul style="list-style-type: none"> • The first assessor inputs the data; • The second assessor peer reviews the data; and

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>basis.</p> <p>Process and Control Activities</p> <p>a) The price assessments are peer reviewed in MInD ensuring that prices are compiled by the price assessors in line with Methodologies.</p> <p>b) Each price assessment is three-step pricing process in MInD for three separate individuals to carry out. It requires that the first assessor input the data, which is then peer-reviewed by another reporter and is then approved by an editor before being published.</p> <p>MInD does not allow the user who prepared the price assessment to perform a peer review of the same price assessment.</p> <p>Price administrators review MInD user access right on a quarterly basis.</p>	<ul style="list-style-type: none"> An editor approves the data before it is published. <p>Category 2 – Process and Control Activities</p> <p>For an example of each in scope price assessment, BDO inspected the price assessment workflow in MInD and noted that it is peer reviewed ensuring that price compiled by price assessor is in line with the Methodology.</p> <p>For the examples sampled, BDO noted that the price assessment was a three-step pricing process, carried out by three separate individuals:</p> <ul style="list-style-type: none"> The first assessor inputs the data; The second assessor peer reviews the data; and An editor approves the data before it is published. <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO reviewed screenshots from MInD and noted that MInD does not allow the user who prepared the price assessment to perform a peer review of the same price assessment.</p> <p>For a sample of quarters, BDO inspected reviews performed by Price Administrators and noted that MInD user access rights were reviewed.</p>
Audit Trails		
<p>2.9 A PRA should have rules and procedures in place to document contemporaneously relevant information, including:</p> <p>a) All market data [that was used in the assessment];</p> <p>b) The judgments that are made by assessors in reaching each price</p>	<p>Policy Statement</p> <p>The Compliance Manual requires that the following information should be retained within MInD:</p> <ul style="list-style-type: none"> All market data; Judgments made by assessors in reaching each price assessment; Whether an assessment excluded a particular transaction that otherwise conformed to the requirements of the relevant 	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Fastmarkets Compliance Manual and noted it is as described in Fastmarkets' Response to Principle 2.9.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>assessment;</p> <p>c) Whether an assessment excluded a particular transaction, which otherwise conformed to the requirements of the relevant Methodology for that assessment and the rationale for doing so;</p> <p>d) The identity of each assessor and of any other person who submitted or otherwise generated any of the above information.</p>	<p>Methodology for that assessment; and the rationale for doing so; and</p> <ul style="list-style-type: none"> The identity of each assessor and of any other person who submitted or otherwise generated any of the above information. <p>Process Control and Activities</p> <p>MInD captures market data used in price assessments, as well as:</p> <ul style="list-style-type: none"> Market data excluded from the price assessment and the rationale for the exclusion; Identity of each price assessor; Peer reviewer; and Final reviewer. 	<p>Category 1 – Process and Control Activities</p> <p>For a sample of in scope price assessments, BDO inspected screenshots of MInD and noted that MInD included the following:</p> <ul style="list-style-type: none"> Market data used in price assessments; Any market data excluded from the price assessment and rationale for the exclusion; and The identity of each price assessor, peer reviewer and final reviewer. <p>Category 2 – Process and Control Activities</p> <p>For an example of each in scope price assessment, BDO inspected screenshots of MInD and noted that MInD included the following:</p> <ul style="list-style-type: none"> Market data used in price assessments; Any market data excluded from the price assessment and rationale for the exclusion; and The identity of each price assessor, peer reviewer and final reviewer.
<p>2.10 A PRA should have rules and procedures in place to ensure that an audit trail of relevant information is retained for at least five (5) years in order to document the construction of its assessments.</p>	<p>Context</p> <p>All in scope price assessments were migrated into MInD following the commencement of pricing in these markets. The migration dates are detailed below.</p> <p>Policy Statement</p> <p>The Compliance Manual states that reported price data will be stored at Fastmarkets for a period of seven years.</p> <p>Per the Compliance Manual, all pricing information records are stored within MInD and have done since May 2019, when Fastmarkets prices migrated into MInD.</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Compliance Manual and noted it is as described in Fastmarkets' Response to Principle 2.10.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inspected screenshots of the back-up and noted that a full back-up is performed daily, and the transaction log back-ups were performed at least every fifteen minutes.</p> <p>BDO inspected screenshots of the data being stored on the SQL Server and confirmed that</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>Process and Control Activities</p> <p>MIInD is fully backed up on a daily basis, with transaction log back-ups being performed at least every 15 minutes.</p> <p>All data relating to the assessment of prices is stored in a secure database (SQL Server). Additionally, this data is regularly backed-up to a second database in case of a fault with the primary database.</p>	<p>all data relating to the assessment of prices is stored in a secure database.</p> <p>BDO inspected screenshots of data being regularly backed-up to a second database in case of a fault with the primary database.</p>
Conflict of Interest		
<p>2.11 A PRA should document, implement and enforce comprehensive policies and procedures for the identification, disclosure, management and avoidance of conflicts of interest and the protection of integrity and independence of assessments. The policies and procedures should be kept up to date.</p>	<p>Policy Statement</p> <p>The Code of Conduct contains the provisions for identification, disclosure, management and avoidance of conflicts of interest.</p> <p>The Code of Conduct additionally states that Fastmarkets follows the Euromoney Institutional Investor Plc Code of Conduct, Anti-Bribery and Corruption Policy.</p> <p>The Code of Conduct additionally states that Fastmarkets follows the Euromoney Institutional Investor Plc Code of Conduct, Anti-Bribery and Corruption Policy.</p> <p>The Code of Conduct requires that conflicts of interest should be declared promptly.</p> <p>Fastmarkets follows the Euromoney Institutional Investor Plc Anti-Bribery and Corruption Policy, which Price reporters' awareness of the policy is directed to within the Fastmarkets Compliance Manual.</p> <p>Context</p> <p>The program of work to implement a fully integrated policy framework has required the scheduling of policy review and training to be moved by up to 6 months to allow for Management review and sign-off of all updated materials.</p> <p>Process and Control Activities</p> <p>The Conflicts of Interest Policy and Gifts and Entertainment Policy are reviewed by the Risk & Compliance</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Code of Conduct and noted that it is as described in Fastmarkets' Response to Principle 2.11.</p> <p>BDO inspected the Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.11.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inquired with Fastmarkets' management and confirmed that the review of the Conflicts of Interest Policy and Gifts and Entertainment Policy has been deferred by 6 months. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to 2.11.</p> <p>For a sample of new joiners, BDO inspected the Code of Conduct Certificate of Compliance and Declaration of Conflicts of Interest and noted these were completed upon joining Fastmarkets.</p> <p>For a sample of existing employees, BDO inspected the Code of Conduct Certificate of Compliance and Declaration of Conflicts of Interest and noted they were completed for the period under review.</p> <p>For a sample of quarters, BDO inspected the Conflict of Interest log and noted that</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>Manager at least annually.</p> <p>Fastmarkets employees complete the Code of Conduct Certificate of Compliance and the Declaration of Conflicts of Interest on joining Fastmarkets and annually thereafter.</p> <p>All identified conflicts of interest and their resolution are registered in the Conflict of Interest Log and are reviewed by the Managing Director and/or the CFOO on at least a biannual basis.</p> <p>Fastmarkets employees are required to complete mandatory online training on competition/ antitrust law annually.</p> <p>All employees must also familiarise themselves with the company handbook providing guidance on the laws in various jurisdictions and on dawn raids.</p> <p>The completion dates of the Code of Conduct Certificates of Compliance and Declarations of Interest are recorded in the Training and Policy Adherence Tracker, which is reviewed by the Risk & Compliance Team at least quarterly.</p> <p>Please refer to Principle 2.12 for further process and control activities.</p>	<p>there were resolutions for all identified conflicts of interest.</p> <p>For the sample of quarters, BDO noted that the Conflict of Interest Log had been reviewed by the Chief Financial and Operating Officer.</p> <p>For the sample of existing employees, BDO obtained screenshots and noted that the employees did complete training on competition/antitrust law on an annual basis.</p> <p>For the sample of existing employees, BDO obtained the annual acknowledgement form and confirmed that they were completed by the employees, demonstrating that they had familiarised themselves with the company handbook providing guidance on the laws in various jurisdictions and on dawn raids.</p> <p>BDO inspected the Training and Policy Adherence tracker and noted that the completion dates of the Code of Conduct Certificates and Declarations of Interest were recorded for all reporters and editors for in scope price assessments.</p> <p>BDO inspected the policy review document and noted that the Training and Policy Adherence Tracker had been reviewed by the Risk and Compliance Manager at least quarterly during the period under review.</p> <p>Please refer to Principle 2.12 for further process and control activities.</p>
<p>2.12 At a minimum, those policies and procedures should [be designed to]:</p> <p>a) Ensure that price assessments are not influenced by the existence of, or potential for, a commercial or personal business relationship or interest between the PRA (or its affiliates), its personnel, clients, any market</p>	<p>Policy Statement</p> <p>a) The Compliance Manual requires that Fastmarkets personnel avoid situations where personal interests could conflict, or appear to conflict, with the interests of the company and with the integrity of the data. In particular, employees are not allowed to engage in paid work outside the company or to be the director of a company outside the group</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.12 (a) – (c).</p> <p>Please refer to Principle 2.11 for details on completion of the Code of Conduct Certificate of Compliance and the Declaration</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>participant or persons connected with them;</p> <p>b) Ensure that PRA personnel's personal interests and business connections are not permitted to compromise the PRA's functions, including outside employment, travel, and acceptance of gifts and entertainment provided by PRA clients or other oil market participants;</p> <p>c) Ensure, in respect of identified conflicts, appropriate segregation of functions within the PRA by way of supervision, compensation, systems access and information flows.</p> <p>d) Protect the confidentiality of information submitted to or produced by the PRA, subject to the disclosure obligations of the PRA;</p> <p>e) Prohibit PRA managers, assessors and other employees from contributing to a price assessment by way of engaging in bids, offers and trades on either a personal basis or on behalf of market participants.</p> <p>f) Effectively address identified conflicts of interest which may exist between its price assessment business (including all staff who perform or otherwise participate in price assessment responsibilities), and any other business of the PRA.</p>	<p>(unless specifically approved by senior management) and any personal relationships in the workplace, with submitters, other market participants or competitors should be reported to the management who will assess these conflicts of interest and mitigate them if required.</p> <p>Please refer to Principle 2.11 for details on completion of the Code of Conduct Certificate of Compliance and the Declaration of Conflicts of Interest on an annual basis and on maintenance and review of the Conflict of Interest Log.</p> <p>b) The Code of Conduct requires that:</p> <ul style="list-style-type: none"> Any personal relationships in the workplace, with submitters, other market participants or competitors should be reported to the management who will assess these for conflicts of interest. and discuss with employees how to manage the situation; and That where Fastmarkets becomes aware that an employee who is engaged in price-reporting activities has accepted an offer of employment from a market participant, that employee should promptly be excluded from engaging in price-assessment activities in the area of their future employment with the new employer. <p>c) The Code of Conduct states that the price-reporting functions and those responsible for the marketing and sales of Fastmarkets publications and services are kept deliberately separate and operate independently.</p> <p>The Hiring Policy requires that the compensation of pricing personnel should be independent of the performance of the price assessments or indices.</p> <p>In addition, the 2020 Appraisal Guidelines state that any compensation will be based on the appraiser's performance against non-market performance-related</p>	<p>of Conflicts of Interest on an annual basis and on maintenance and review of the Conflict of Interest Log.</p> <p>BDO inspected the Code of Conduct and noted that it is as described in Fastmarkets' Response to 2.12 (b) - (d).</p> <p>BDO inspected the Hiring Policy and noted that it is as described in Fastmarkets' Response to Principle 2.12 (c).</p> <p>BDO inspected the Appraisal Guidelines document and noted that it is as described in Fastmarkets' Response to 2.12 (c).</p> <p>BDO inspected the Personal Account Dealing policy and noted that it is as described in Fastmarkets' Response to 2.12 (e).</p> <p>Please refer to Principle 2.12 (a) – (e) for details on procedures that effectively address identified conflicts of interest which may exist between its price assessment business and any other business of the PRA.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inspected the gift register and confirmed that there had been no gifts and entertainment logged in the gift register relating to the in scope price assessments during the period under review. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.12 (b).</p> <p>For testing of the process and controls on price assessments, three-step peer review, supervision, system access and information flows, please refer to Principle 2.8.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>objectives.</p> <p>The Compliance Manual describes that managers are responsible for ensuring that price reporters operate in accordance with the internal guidelines and within their prescribed Methodologies through a formal review of notes, contact lists and corresponding market commentary recorded in MInD, which are used to prepare a price assessment.</p> <p>The Compliance Manual describes a three-step pricing process in MInD for three separate individuals to carry out. It requires that the first assessor input the data, the second assessor (peer reviewer) review the first assessor's price form and the third assessor (editor review) re- review the price form before publication.</p> <p>d) The Code of Conduct includes the Confidentiality Policy, which stipulates that all personnel are required to keep confidential information about current, former or prospective employees, customers and other third parties (submitters or suppliers) unless the information concerns illegal activities, disclosure is required by relevant law or the relevant employee, customer or third party permits disclosure of the information.</p> <p>e) The Code of Conduct prohibits all staff from benefitting personally from non- public information, trading in any of the products that Fastmarkets cover, advising or requesting friends or family to do so. It strictly prohibits Fastmarkets personnel from contributing to price-assessment calculations by engaging in bids, offers or trades on a personal basis or on behalf of market participants.</p> <p>Please refer to Principle 2.12 (a) – (e) for details on procedures that effectively address identified conflicts of interest which may exist between its price assessment business and any other business of the PRA.</p> <p>Process and Control Activities</p> <p>b) The Risk & Compliance Team logs</p>	

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>all gifts and entertainment in the Gifts & Entertainment Register when notified. All gifts and entertainment exceeding the set threshold value or frequency are approved by the Divisional Director; and all gifts and entertainment below this threshold value or frequency are approved by an employee's line manager or the Risk & Compliance Team.</p> <p>c) Please refer to Principle 2.8 above for process and controls in relation to price assessments, three-step pricing process, supervision, system access and information flows.</p>	
2.13 There is no Principle.	Not applicable.	Not applicable.
2.14 A PRA should ensure that its other business operations have in place appropriate procedures and mechanisms designed to minimise the likelihood that conflicts of interest will affect the integrity of price assessments.	<p>Context</p> <p>In addition to the price-reporting business, the Fastmarkets portfolio includes news, analysis, conferences and insight services.</p> <p>Policy Statement</p> <p>Please refer to Principles 2.12 (a) - (e) above for procedures and mechanisms put in place for Fastmarkets including other business operations and designed to minimise the likelihood that conflicts of interest will affect the integrity of price assessments.</p> <p>Process and Control Activities</p> <p>Please refer to Principles 2.12 (b) - (c) above for procedures and mechanisms put in place in Fastmarkets including other business operations and designed to minimise the likelihood that conflicts of interest will affect the integrity of price assessment.</p>	<p>Category 1 and 2 – Policy Statement</p> <p>For testing of policies put in place by Fastmarkets, including other business operations, designed to minimise the likelihood that conflicts of interest will affect the integrity of price assessments, please refer to Principle 2.12 (a) – (e).</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>For testing of procedures and mechanisms put in place by Fastmarkets including other business operations and designed to minimise the likelihood that conflicts of interest will affect the integrity of price assessment, please refer to Principle 2.12 (b) – (c).</p>
2.15 A PRA should ensure it has appropriate segregated reporting lines amongst its managers, assessors and other employees (as appropriate) and from the appropriate managers to the PRA's most senior level management and its Board (if any), designed to ensure (i) the PRA satisfactorily	<p>Policy Statement</p> <p>Please refer to Principle 2.8 for detail on segregation of roles and responsibilities within the editorial function.</p> <p>Please also refer to Principle 2.12 (c) above for detail on segregation of commercial and editorial functions.</p>	<p>Category 1 and 2 – Policy Statement</p> <p>For testing of segregation of roles and responsibilities within the editorial function, please refer to Principle 2.8.</p> <p>For testing of segregation of commercial and editorial</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
implements the requirements listed in these Principles; and (ii) that responsibilities are clearly defined and do not conflict or cause a perception of conflict.		functions, please refer to Principle 2.12 (c).
2.16 A PRA should disclose to its stakeholders as soon as it becomes aware of a conflict of interest arising from the ownership of the PRA.	<p>Policy Statement</p> <p>The Compliance Manual requires any conflict of interest arising from the ownership of Fastmarkets to be disclosed to its stakeholders immediately.</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.16.</p>
Complaints		
2.17 A PRA should have in place and publish written procedures for receiving, investigating and retaining records concerning complaints made about a PRA's assessment process.	<p>Policy Statement</p> <p>Fastmarkets Complaints Handling Policy describes procedures for receiving, investigating and retaining records concerning complaints made about any Fastmarkets price assessment process.</p> <p>Process and Control Activities</p> <p>Fastmarkets Complaints Handling Policy is formalised and publicly available on the Fastmarkets RISI website:</p> <p>RISI: https://www.fastmarkets.com/complaints</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Fastmarkets Complaints Handling Policy and noted that it is as described in Fastmarkets' Response to Principle 2.17.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inspected the following websites and noted that the Complaints Handling Policy is formalised and publicly available:</p> <p>RISI: https://www.fastmarkets.com/complaints</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p>
2.18 Among other things, such complaint mechanisms should [be designed to] ensure that: a) A PRA should have in place a mechanism detailed in a written Complaints Handling policy, by which its subscribers may submit complaints on whether a specific price assessment is representative of market value, proposed price assessment changes, applications of Methodology in relation to a specific price assessment and other	<p>Policy Statement</p> <p>The Fastmarkets Complaints Handling Policy describes procedures for receiving, investigating and retaining records concerning complaints made about Fastmarkets price-assessment process.</p> <p>The Fastmarkets Complaints Handling Policy states:</p> <p>a) If a complainant desires a number or Methodology to be double-checked, the reporter will open an inquiry and consult with their Team Leader before issuing a response to the complainant; or if</p>	<p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Complaints Handling policy and noted that it is as described in Fastmarkets' Response to Principle 2.18 (a) – (f).</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inspected the following websites and noted that the Fastmarkets Complaints Handling Policy is formalised and publicly available:</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<p>editorial decisions in relation to price assessment processes;</p> <p>b) A PRA should ensure that its written Complaints Handling policy includes, among other things, the process and target timetable for handling of complaints;</p> <p>c) Formal complaints made against a PRA and its personnel are investigated by that PRA in a timely and fair manner;</p> <p>d) The inquiry is conducted independently of any personnel who may be involved in the subject of the complaint;</p> <p>e) A PRA aims to complete its investigation promptly;</p> <p>f) A PRA advises the complainant and any other relevant parties of the outcome of the investigation in writing and within a reasonable period;</p> <p>g) There is recourse to an independent third party appointed by the PRA should a complainant be dissatisfied with the way a complaint has been handled by the relevant PRA or the PRA's decision in the situation no later than six (6) months from the time of the original complaint;</p> <p>h) All documents relating to a complaint, including those submitted by the complainant as well as a PRA's own record, are retained for a minimum of five (5) years.</p>	<p>there are any further concerns raised, the complainant can immediately contact the Fastmarkets Editorial Team to raise a formal complaint.</p> <p>This complaint should be submitted in writing to Fastmarkets Risk & Compliance Team and should include a name, a company and contact details of the complainant and details of the specific issue in dispute.</p> <p>(b) – (f) Once a complaint is received, it will be acknowledged in writing within three business days. The Fastmarkets Risk & Compliance Team will log the issue in their Complaints Register before promptly commencing an investigation.</p> <p>Fastmarkets Risk & Compliance Team will independently investigate any formal complaints in a timely and fair manner.</p> <p>A written response to the complainant will be provided within 28 days from the date of receipt of the complaint. The response will include details of how the investigation was carried out; an explanation of their decision; and their planned or completed actions as a result where applicable.</p> <p>Process and Control Activities</p> <p>Fastmarkets Complaints Handling Policy is formalised and publicly available on the websites:</p> <p>RISI: https://www.fastmarkets.com/complaints</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p> <p>(c)–(e)</p> <p>Upon receipt of a formal complaint:</p> <p>It is acknowledged in writing within three business days; and</p> <p>Fastmarkets Risk & Compliance Team logs the issue in the Complaints Register.</p> <p>If the complainant is not satisfied</p>	<p>RISI: https://www.fastmarkets.com/complaints</p> <p>Random Lengths: https://www.randomlengths.com/Methodology/</p> <p>BDO inquired with Fastmarkets' management and confirmed that there had been no formal complaints during the period under review for in scope price assessments. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.18 (c) - (f).</p> <p>BDO inquired with Fastmarkets' management and confirmed that there had been no informal complaints during the period under review for in scope price assessments. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.18 (c) - (e).</p> <p>Category 1 and 2 – Policy Statement</p> <p>BDO inspected the Fastmarkets Complaints Handling Policy and noted that it is as described in Fastmarkets' Response to Principle 2.18 (g) - (h).</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inquired with Fastmarkets' management and confirmed that there had been no appeals during the period under review for in scope price assessments. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.18 (g).</p> <p>BDO inspected the formal complaints register and noted that it exists and is to be retained for at least five years effective from 1 September 2017.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>with how their complaint was handled, General Counsel within Euromoney Institutional Investor Plc is notified. The Fastmarkets Managing Director and Risk & Compliance Manager review the appeal.</p> <p>Upon a receipt of an informal complaint the Fastmarkets Risk & Compliance Team:</p> <ul style="list-style-type: none"> • Logs the issue in the Complaints Register; • Independently investigates any informal complaints; and • Logs the actions taken within the Complaints Register. <p>f) For a formal complaint, a written response to the complainant is provided in writing within 28 days from the complaint receipt date. The response includes details of how the investigation was carried out, an explanation of their decision and their planned or completed actions as a result, where applicable.</p> <p>Policy Statement</p> <p>The Fastmarkets Complaints Handling Policy states that:</p> <p>g) After going through the Formal Complaint Process, the complainant has an option to appeal any aspect of how the complaint was handled or further question any of the pricing and Methodology explanations by informing Euromoney Institutional Investors Plc's General Counsel.</p> <p>h) All documents relating to a complaint, including those submitted by the complainant as well as company's own record, are retained for a minimum of five years within Fastmarkets Complaints Register.</p> <p>Process and Control Activities</p> <p>g) Appeals are reviewed by the Managing Director and Risk & Compliance Manager of Fastmarkets.</p> <p>In the event that a complainant notifies in writing that they remain</p>	

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>dissatisfied with the way their complaint has been handled internally, an appropriate independent third party is appointed to resolve the complaint within six months of the date of written submission of the original complaint.</p> <p>h) The Fastmarkets Complaint Register is retained for a minimum of five years effective from September 1, 2017.</p>	
<p>2.19 Disputes as to daily pricing determinations, which are not formal complaints, shall be resolved by the PRA with reference to its standard appropriate procedures. If a complaint results in a change in price, that should be communicated to the market as soon as possible.</p>	<p>Policy Statement</p> <p>The Fastmarkets Complaints Handling Policy distinguishes between formal complaints and routine inquiries.</p> <p>If a complainant requests that a number or Methodology be reviewed, the reporter will open an inquiry and consult with their Team Leader before issuing a response to the complainant; or if there are any further concerns raised, the complainant can immediately contact Fastmarkets Editorial Team to raise a formal complaint.</p> <p>The Fastmarkets Corrections, Delays and New Pricing Launch Procedures will be followed in circumstances when an inquiry or complaint results in a price change.</p> <p>The Fastmarkets Corrections, Delays and New Pricing Launch Procedures require that if a price is published incorrectly, it should be rectified and republished as soon as possible.</p> <p>Fastmarkets Pix Pulp and Pix Recovered Methodologies states the following:</p> <ul style="list-style-type: none"> • Publication of price errors can occasionally happen for reasons that may include technical input errors or incorrect application of the Methodology. • To minimise the inconvenience to our subscribers, Fastmarkets aims to investigate each error as soon as it becomes aware of it and to publish a correction promptly on our website through a pricing notice with an explanation of the reason for the correction. 	<p>Category 1 and 2 – Policy Statement</p> <p>BDO reviewed the Complaints Handling policy and noted that it is as described in Fastmarkets' Response to Principle 2.19.</p> <p>BDO inspected the Fastmarkets Corrections and New Pricing Launch Procedures and noted that they are as described in Fastmarkets' Response to Principle 2.19.</p> <p>BDO inspected the Methodologies and noted that they are as described in Fastmarkets' Response to Principle 2.19.</p> <p>Category 1 and 2 – Process and Control Activities</p> <p>BDO inspected the websites: fm-policies-corrections-new-prices.pdf (fastmarkets.com) & https://www.randomlengths.com/Methodology/ and noted that the Fastmarkets Corrections, Delays and New Launch Procedures are publicly available.</p> <p>BDO inquired with Fastmarkets' management and confirmed that there had been no price corrections during the period under review for the in scope price assessments. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.19.</p> <p>BDO inquired with Fastmarkets' management and confirmed that there had been no</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>Fastmarkets will publish a correction of a price only where it has established undeniably that there has been an error. Fastmarkets' price assessments are produced based on the best data available at the time of the assessment. It will not retroactively change a price based on new information or additional submission of data received after a respective pricing session has closed.</p> <p>Process and Control Activities</p> <p>Fastmarkets Corrections, Delays and New Pricing Launch Procedures are formalised and publicly available on the Fastmarkets RISI website:</p> <p>RISI: fm-policies-corrections-new-prices.pdf fastmarkets.com)</p> <p>Random Lengths: https://www.randomlengths.com/Met hodology/</p> <p>Fastmarkets will rectify and republish any incorrectly published price as soon as possible; and will send a correction notice to all subscribers informing them of the change. Fastmarkets employs several procedures and measures to avoid delays in the publication of its prices. A delay is considered material from 10 minutes after the scheduled publication time. In the event of a delay occurring, Fastmarkets will inform subscribers if this occurs outside of the 10 minutes window.</p> <p>In the event of late publication, only data that has been received within the mandated data collection window will be included in the calculation of the price. No prices will be amended due to the emergence of new data or market activity after the initial publication. Retrospective changes to the published values will only be made in cases of administrative or calculation error leading to a material change in price.</p> <p>When a pricing correction is required, it is provided to the relevant Price Administration team via email, detailing:</p> <ul style="list-style-type: none"> • Correction value & date; and 	<p>publication delays during the period under review for the in-scope price assessments. Therefore BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.19.</p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<ul style="list-style-type: none"> Explanation of what happened so it can be documented in MIND. <p>Fastmarkets places a Pricing Notice into the Fastmarkets website and obtains approval from the Global News desk/Price Assessment Manager before publication.</p>	
Cooperation with Regulatory Authorities		
<p>2.20 Audit trails, other documentation required by these Principles and all other relevant information shall be readily available to market authorities in carrying out their regulatory duties and handed over without delay in accordance with applicable law.</p>	<p>Context</p> <p>Fastmarkets maintains audit trails and other documentation as required by these Principles. Fastmarkets seeks to comply with all applicable laws.</p>	<p><i>Excluded from scope of Independent Assurance.</i></p>
External Auditing		
<p>2.21 A PRA should appoint an independent, external auditor with appropriate experience and capability to review and report on the PRA's adherence to its stated Methodology criteria and with the requirements of the Principles. The first resulting audit should be completed within one year of the publication of the Principles by IOSCO and its results published within fifteen months of the publication of the Principles. Subsequent audits should take place annually and be published three months after each audit is completed with further interim audits carried out as appropriate.</p>	<p>Context</p> <p>Euromoney Global Limited has engaged BDO to carry out an assurance review of the independent responses contained in this report on how Fastmarkets' policies, process and control activities relating to its price assessments address the IOSCO Principles for Oil Price Reporting Agencies.</p>	<p><i>This Principle is covered by this assurance work and the ultimate report.</i></p>

