

# Fastmarkets

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”) and European Benchmarks Regulation (BMR)

**30 June 2023**

**DISCLAIMER** – This report has been prepared to reflect how Fastmarkets Global Limited (previously known as Euromoney Global Limited) 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 Global Limited and BDO accept no duty of care or responsibility to the recipient or any other party into whose hands this report may come.

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# 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”) and EU Benchmarks Regulation (BMR)

# 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 & indices for the global metal industry, benchmark forest products assessments for the global forest products industry and benchmark animal fats & oils assessments for the global animal fats & oil industry. Fastmarkets, in keeping with its commitment to provide commodity metal, forest products and animal fats & oils’ prices (“commodities’ prices”) that are fair, consistent and reliable, has voluntarily adopted and implemented the Principles.

Fastmarkets became a standalone entity, owned, and controlled by Astorg, a global private equity firm. As such there is a requirement to amend Fastmarkets’ Policy framework. This has resulted in a program of work to implement Company level policies, integrated with previously divisional level policies. The program of work is planned for completion by the end of 2023.

In 2013, the European Commission published a proposal for Benchmarks Regulation (“EU BMR” or “BMR”), which came into effect in January 2018. The regulation’s stated aim is to restore confidence in the accuracy, integrity and reliability of benchmarks. It ensures that benchmarks are not subject to conflicts of interest, are determined in line with published methodologies and reflect the actual market or economic reality they are intended to measure. Pursuant to this regulation, Fastmarkets Benchmark Administration Oy (“FBA Oy”) was incorporated in December 2020 and authorised as an administrator by the Finnish Financial Supervisory Authority (“FIN-FSA”) in February 2021. This includes an independent Board of Directors and its Benchmark Expertise & Oversight Committee (“BEOC”), which comprises of senior members of Fastmarkets. Both meet quarterly to review policies & procedures related to the supervised benchmarks.

As permitted by the BMR, FBA Oy has outsourced certain functions, including the running of external audits to Fastmarkets and its legal entities that have operations supervised under the BMR, including Fastmarkets Global Limited. With the approval of FBA Oy, Fastmarkets has engaged BDO LLP to provide independent assurance over its statements of adherence to the IOSCO PRA Principles, contained in Section IV of this report, with respect to commodities’ benchmarks in scope.

As per guidance by the European Securities and Markets Authority (“ESMA”) in December 2019, this assurance review is sufficient to demonstrate compliance with the requirements of BMR for commodity benchmarks (paragraph 18 of Annex II).

In line with FBA Oy’s BMR authorisation, the following Benchmarks are in scope:

- Aluminium P1020A premium, in-warehouse, Duty-Unpaid Rotterdam
- Cobalt Standard grade, in-whs Rotterdam

The list of benchmarks is reviewed annually by FBA Oy who approve the letters of engagement of the external independent auditor and schedule of audits.

Principle 2.20 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.

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.

Our 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

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

Our team of reporters have a leading breadth and depth of metals, minerals, forest and agriculture products expertise; our footprint ensures global coverage. Our 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.

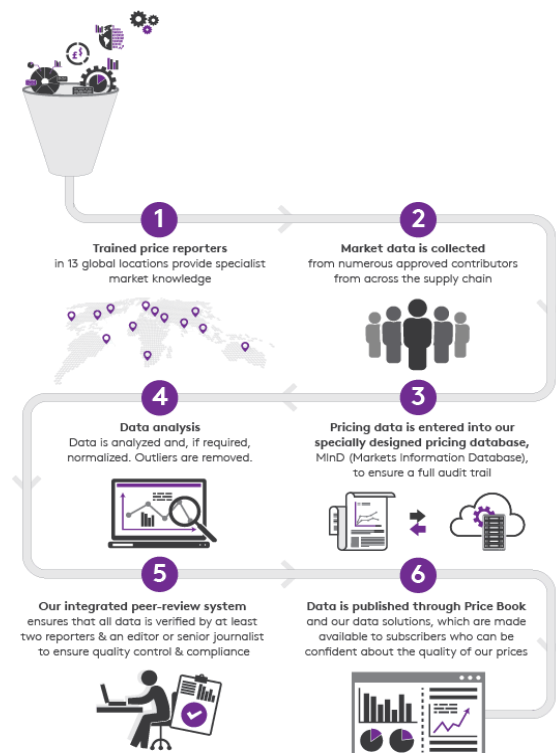
Fastmarkets' business is defined by the integral position of its data within the markets it serves. Over time, the prices assessed and published by Fastmarkets have become the established price assessments used by the industry for reference pricing in contracts and enabling trading in many markets to 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 our data and content is monetised and has allowed us to adopt a new data licensing strategy alongside our traditional subscription-based model.

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

## 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
- Methodology Review and Change Consultation Process
- Corrections and Delays Policy
- Complaints Handling Policy
- Gifts, Entertainment & Hospitality Policy
- Pricing Procedure

The majority of Fastmarkets' policies and procedures are publicly available; those that are not are internal documents that contain confidential information. Fastmarkets' policies and

procedures 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 intensive mandatory training.

### 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

Fastmarkets Global Limited engaged BDO to provide independent assurance over Fastmarkets' description of the policy statements, processes and control activities as at 30 June 2023 and operation of processes and control activities for the year ended 30 June 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 as well as denoting them as 'Category 1' or 'Category 2' price assessments:

	Category 1*	Category 2**
<b>Agricensus</b>		
<b>Wheat family</b>		
Wheat, fob Germany	x	
<b>Soybean family</b>		
Soybean cfr China	x	
Soybean US origin (underlying)	x	
Soybean Brazil origin (underlying)	x	
<b>Metals &amp; Mining</b>		
<b>Aluminium premiums family</b>		
Aluminium P1020A premium, in-whs dp Rotterdam, \$/tonne	x	
Aluminium P1020A premium, in-whs dup Rotterdam, \$/tonne	x	
Aluminium P1020A (MJP) spot premium, cif Japan, \$/tonne	x	
Aluminium P1020A premium, US Midwest delivered, cents/pound	x	
Aluminium 6063 extrusion billet premium, ddp North Germany (Ruhr region), \$/tonne	x	

	Category 1*	Category 2**
Aluminium 6063 extrusion billet premium, ddp Italy (Brescia region), \$/tonne	x	
Aluminium P1020A premium, fca dp Italy, \$/tonne	x	
<b>Alumina family</b>		
Alumina index, fob Australia, \$/tonne	x	
Alumina index adjustment to fob Australia index, Brazil, \$/tonne	x	
<b>Nickel Sulfate family</b>		
Nickel sulfate min 21%, max 22.5%; cobalt 10ppm max, exw China, yuan/tonne	x	
<b>Cobalt family</b>		
Cobalt standard grade, in-whs Rotterdam, \$/lb	x	
Cobalt alloy grade, in-whs Rotterdam, \$/lb	x	
Cobalt hydroxide payable indicator, cif China, \$/lb	x	
Inferred cobalt hydroxide price	x	
Cobalt sulfate 20.5% Co basis, exw China, yuan/tonne		x
<b>Lithium family</b>		
Spodumene min 6% Li <sub>2</sub> O, spot price, cif China, \$		x
Lithium Carbonate min 99.5% Li <sub>2</sub> CO <sub>3</sub> , battery grade, spot cif China, Japan & South Korea, \$/kg	x	
Lithium Carbonate min 99.5% Li <sub>2</sub> CO <sub>3</sub> , battery grade, spot ex-works China, CNY/tonne	x	
Lithium Hydroxide Monohydrate min 56.5% LiOH.H <sub>2</sub> O, battery grade, spot cif China, Japan & South Korea, \$/kg	x	
Lithium Hydroxide Monohydrate min 56.5% LiOH.H <sub>2</sub> O, battery grade, spot ex-works China, CNY/tonne	x	
<b>Manganese family</b>		
Manganese ore index 44% Mn, cif Tianjin, \$/dmtu	x	
Manganese ore index 37% Mn, cif Tianjin, \$/dmtu	x	
Manganese ore index 37% Mn, fob Port Elizabeth, \$/dmtu	x	
<b>Iron ore family</b>		
Iron ore 62% Fe fines, cfr Qingdao, \$/tonne	x	
Iron ore 65% Fe Brazil-origin fines, cfr Qingdao, \$/tonne	x	
Iron ore 62% Fe low-alumina fines, cfr Qingdao, \$/tonne	x	
<b>HRC</b>		
FOB US Midwest HRC Index	x	
Steel hot-rolled coil index domestic, exw Northern Europe, €/tonne	x	
<b>CRC steel family</b>		
Steel cold-rolled coil, fob mill US, \$/cwt	x	
Steel hot-dipped galvanized (base) steel coil, fob mill US, \$/cwt	x	
Steel cut-to-length plate carbon grade, fob mill US, \$/cwt	x	
<b>Steel Scrap Midwest index family</b>		
Steel scrap No1 busheling, index, delivered Midwest mill, \$/gross ton	x	
Steel scrap shredded, index, delivered Midwest mill, \$/gross ton	x	
Steel scrap No1 heavy melt, index, delivered Midwest mill, \$/gross ton	x	
<b>Steel scrap HMS 1&amp;2 family</b>		
Steel scrap HMS 1&2 (80:20 mix) US material import, cfr main port Taiwan, \$/t	x	
Steel scrap HMS 1&2 (80:20 mix), North Europe origin, cfr Turkey	x	



	<b>Category 1*</b>	<b>Category 2**</b>
Steel scrap HMS 1&2 (80:20 mix), USA origin, cfr Turkey	x	
<b>Secondary Aluminium family</b>		
Aluminum alloy A380.1, delivered Midwest c/lb \$/tonne	x	
Aluminium pressure diecasting ingot DIN226/A380, delivered Europe, €/tonne	x	
<b>Individual prices</b>		
Copper grade A cathode premium, cif Shanghai, \$/tonne	x	
Copper concentrates TC/RC index, cif Asia Pacific, \$/dmtu	x	
Cobalt hydroxide index 30% Co min, cif China, \$/lb	x	
Steel billet import, cfr Manila, \$/tonne	x	
Pig iron, import, cfr Gulf of Mexico, US, \$/tonne	x	
Graphite flake 94, fob China		x
Spherical graphite, fob		x
MB-COA-0003 Premium hard coking coal, fob DBCT, \$/dmt		x
<b>The Jacobsen</b>		
<b>Bleachable Fancy Tallow Family</b>		
Bleachable fancy tallow, packer delivered Chicago cts/lb	x	
Bleachable fancy tallow, packer, renderer, delivered Chicago cts/lb	x	
<b>Distiller's Corn Oil Family</b>		
Distiller's corn oil, fob Manly, IA cts/lb	x	
<b>Used Cooking Oil Family</b>		
Used cooking oil, fob, delivered Northeast, cts/lb	x	
Used cooking oil, fob, delivered US Gulf, cts/lb	x	

\*'Category 1' price assessment – under the scope of reasonable assurance for the year from 1 July 2022 to 30 June 2023.

\*\*'Category 2' price assessment – under the scope of limited assurance as at 30 June 2023.

# **Section II:**

## **Directors' Statement of Adherence**

## Directors' Statement of Adherence

As the Directors of Fastmarkets Global Limited, we are solely responsible for the preparation of this report in line with the outsourcing agreement with Fastmarkets Benchmark Administration Oy ("FBA Oy"). We 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 30 June 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 30 June 2023.
- The processes and control activities over Category 1 price assessments have operated as described, throughout the period from 1 July 2022 to 30 June 2023.

DocuSigned by:  
  
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Raju Daswani  
Director

For and on behalf of the Board of Directors of Fastmarkets Global Limited  
2 August 2023

# **Section III:**

## **Independent Assurance Report**

# Independent Assurance Report to the Directors of Fastmarkets Global Limited (“Fastmarkets”) in respect of the Company’s Response to the Principles for Oil Price Reporting Agencies

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We were engaged by Fastmarkets Global Limited (“Fastmarkets”) 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 Organization of Securities Commissions (excluding Principle 2.20, the “PRA Principles”) as at 30 June 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 July 2022 to 30 June 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 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 (“IAASB”) and with regard to the ICAEW’s guidance within technical Release Tech 02/14FSF ‘Assurance reports on benchmarks and indices’.

We also apply the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements (ISQM 1), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 the 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 30 June 2023 and whether the process and control activities therein have operated as described during the period 1 July 2022 to 30 June 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 30 June 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 July 2022 to 30 June 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*

Fastmarkets' 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 30 June 2023 is fairly stated in all material respects; and

The process and control activities have operated as described, throughout the period 1 July 2022 to 30 June 2023.

### *Limited assurance conclusion*

Based on the results of our procedures, nothing has come to our attention to indicate that Fastmarkets' Response to the PRA Principles, with the exception of Principle 2.20, in respect of Category 2 benchmark price assessments, as at 30 June 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 signed 24 May 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.

## 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  
Chartered Accountants  
United Kingdom  
2 August 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 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
<b>Context</b>	N/A	N/A	Where used, this section includes background information only and therefore was not validated.
<b>Policy Statement (PS)</b>	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 30 June 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 30 June 2023.
<b>Process and Control Activity (PCA)</b>	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 July 2022 to 30 June 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 30 June 2023.



Where:

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 30 June 2023 and that any processes and control activities related to the price assessment have operated as described throughout the period from 1 July 2022 to 30 June 2023; and

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 30 June 2023.

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
<b>1. Quality and Integrity of PRA Methodologies</b>		
<b>Methodology</b>		
<p>1.1 A PRA should formalise, document, and make public any Methodology that it uses for a price assessment.</p>	<p><b>Context</b></p> <p>The relevant Fastmarkets' Methodologies (the "Methodologies") for this assurance review and covering all price assessments and indices listed in Section I of this report are:</p> <ul style="list-style-type: none"> <li>• Aluminium P1020 Rotterdam Duty-Unpaid and Duty-Paid Premiums</li> <li>• Aluminium P1020 spot CIF Main Japanese Ports ("MJP")</li> <li>• Aluminium P1020A &amp; 6063 Premiums</li> <li>• European &amp; US secondary aluminium</li> <li>• Alumina indices</li> <li>• Cobalt, Standard &amp; Alloy Grade</li> <li>• Copper Cathode Premiums</li> <li>• Copper Concentrates Index</li> <li>• FOB US Midwest HRC Index</li> <li>• Iron Ore indices</li> <li>• Lithium</li> <li>• Manganese Ore indices</li> <li>• Northern Europe HRC Index</li> <li>• Steel scrap, HMS 1&amp;2 indices</li> <li>• US Midwest Ferrous Scrap indices.</li> <li>• Cobalt Hydroxide index</li> <li>• CRC Steel</li> <li>• Fastmarkets Agriculture Wheat FOB Germany 12.5%</li> <li>• Nickel sulfate</li> <li>• Steel billet import, cfr Manila</li> <li>• Pig iron, cfr Gulf of Mexico</li> <li>• Bleachable Fancy Tallow</li> <li>• Distiller's Corn Oil</li> <li>• Used Cooking oil</li> <li>• Soybean</li> </ul> <p><b>Process and Control Activities</b></p> <p>The Methodologies are formalised, documented and publicly available on the Fastmarkets' websites:</p>	<p><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inspected the following websites and noted that the Methodologies are formalised, documented and publicly available:</p> <p>Metals:</p> <p><a href="http://www.fastmarkets.com/about-us/methodology">www.fastmarkets.com/about-us/methodology</a></p> <p>Agricensus:</p> <p><a href="https://www.agricensus.com/prices-methodology/">https://www.agricensus.com/prices-methodology/</a></p> <p>Jacobsen:</p> <p><a href="https://thejacobsen.com/about/methodology">https://thejacobsen.com/about/methodology</a></p>

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>Metals:</p> <p><a href="http://www.fastmarkets.com/about-us/methodology">www.fastmarkets.com/about-us/methodology</a></p> <p>Agricensus:</p> <p><a href="https://www.agricensus.com/prices-methodology/">https://www.agricensus.com/prices-methodology/</a></p> <p>Jacobsen:</p> <p><a href="https://thejacobsen.com/about/methodology/">https://thejacobsen.com/about/methodology/</a></p>	
<p>1.2 A Methodology should aim to achieve price assessments which are reliable indicators of oil market values, free from distortion and representative of the particular market to which they relate.</p>	<p><b>Policy Statement</b></p> <p>The Methodologies are market-specific methodologies that are tailored to the respective Alumina, Aluminium, Bleachable Fancy Tallow, Copper, Cobalt, Cobalt hydroxide, Distillers Corn Oil, Steel, Global Soybeans, Iron Ore, Lithium, Manganese Ore, Steel scrap and Steel scrap HMS markets, Used Cooking Oil and Wheat fob Germany markets.</p> <p>Please refer to Principle 1.3 (a) – (h) for additional detail on the content of the Methodologies.</p> <p>Please refer to Principle 1.4 (a) for the rationale behind adopting the Methodologies.</p>	<p><b>Category 1 and 2 - Policy Statement</b></p> <p>BDO inspected the Methodologies in scope and noted that 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</p>	<p><b>Policy Statement</b></p> <p>The Methodologies describe:</p> <p>a) All criteria and procedures used to develop an assessment, including:</p> <ul style="list-style-type: none"> <li>• How specific volumes are used;</li> <li>• How transactions, bids, offers and other market indicators of value are taken into consideration;</li> <li>• The specific reference unit used and the rationale for these units; and</li> <li>• Guidelines that assessors and price reporters must follow to produce the price.</li> </ul> <p>Please refer to Principle 1.3 (b) below for information on the guidelines that</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Methodologies in scope 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>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 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</p>	<p>control the exercise of judgment.</p> <p>Please refer to Principle 1.3 (f) below for details on the method through which information is collected.</p> <p>b) 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>c) The relative importance of criteria used (transactions, bids, offers, and other market data). They elaborate that transaction information is the preferred source of data for the markets. However, depending on the liquidity of the markets being assessed, other information can be and is used such as bids, offers and other market information such as:</p> <ul style="list-style-type: none"> <li>• The Aluminium, Lithium, Cobalt, Copper Cathode Premium and Scrap HMS Methodologies state that bids and offers are considered secondary when producing price assessments followed by deals indirectly reported to Fastmarkets and lastly by data sources' own assessment of the market when they have no reported business; and</li> <li>• The Iron Ore, Manganese Ore, HRC steel and Alumina Methodologies state that data points that do not represent actual transactions will be entered into the indices like transaction data but will be weighted according to the lowest tonnage permissible for the respective index.</li> </ul> <p>d) The Aluminium Rotterdam Duty- unpaid &amp; Duty-paid Premium, the Aluminium Spot CIF MJP and the Aluminium P1020A Premium Methodologies set a</p>	

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<p>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" for each price assessment;</p> <p>h) Criteria according to which transaction data may be excluded from a price assessment.</p>	<p>threshold of six data points per price assessment.</p> <p>This threshold is informal and in times of extremely low liquidity, publication can take place without reaching six data points.</p> <p>The threshold of six data points applies to all types of data including transactions, bids/offers and assessments.</p> <p>Fastmarkets cannot guarantee a minimum threshold for actual transactions as the market can be very illiquid at times, but every effort is made to collect as many transactions as possible.</p> <p>The Copper cathode premium methodologies, as well as the Lithium, Alumina, Cobalt and Steel Scrap HMS Methodologies, Steel and Cobalt hydroxide index disclose that they do not establish a minimum transaction data threshold because liquidity varies across the respective markets. It is further described that bids, offers and other market data will be included in price assessments when there is no transaction data available.</p> <p>The Iron Ore, Manganese Ore, HRC Steel, Copper Concentrates and Alumina Methodologies, cobalt hydroxide index describe fall-back procedures that are applied where transaction data is insufficient, which include leveraging market data from other sub-indices and the previous day's market data.</p> <p>e) The Aluminium Rotterdam Duty- unpaid &amp; Duty-paid Premium, the Aluminium Spot CIF MJP and the Aluminium P1020A Premium Methodologies state that there have been no instances when Fastmarkets was not able to reach the minimum data threshold.</p> <p>Furthermore, it states that if the minimum data threshold is not met, pricing data transacted up to two days prior to the collection window may be used.</p> <p>Please refer to Principle 1.3 (d) for the Iron Ore, Aluminium, Lithium, Alumina, Manganese Ore, HRC</p>	

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	<p>Steel, Steel Scrap HMS, Cobalt and Copper Methodologies.</p> <p>f) The timeframes for data submissions. Furthermore, the Methodologies state that market reporters may accept market data by telephone, email or instant messenger.</p> <p>The Aluminium, Lithium, Alumina, Cobalt, Copper Cathode Premium and Steel Scrap HMS Methodologies also allow submission of data via direct face-to-face submission.</p> <p>g) That a 'significant proportion' would be constituted if more than 50% of market data used is sourced from one entity. The Methodologies set forth criteria and processes to be used where a reporting entity submits a significant proportion of the total data upon which the assessment is based, specifically:</p> <ul style="list-style-type: none"> <li>• The Aluminium Rotterdam Duty-unpaid &amp; Duty-paid Premium, the Aluminium Spot CIF MJP and the Aluminium P1020A Premium Methodologies and Cobalt hydroxide index state that one submitter does not account for a significant proportion of the data because several separate sources of the market will contribute to a price assessment.</li> <li>• The German wheat Methodology explains that it does not apply any formal minimum threshold for producing an assessment</li> <li>• The Aluminium Rotterdam Duty-unpaid &amp; Duty-paid Premium, the Aluminium Spot CIF MJP and the Aluminium P1020A Premium Methodologies elaborate that should a significant proportion of data be provided by a single source, the price reporter will continue to collect data points from</li> </ul>	

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	<p>market participants until the minimum threshold is reached. There have been no instances when Fastmarkets was not able to reach the minimum data threshold of six points;</p> <ul style="list-style-type: none"> <li>• The Iron Ore and US Midwest HRC Methodologies state that the index value is an average of three sub- indices, each of which contains data from a single part of the market: producers, consumers and traders. Therefore, no more than 33% of market information used in a price assessment can come from the same source;</li> <li>• The Alumina, Manganese Ore, Copper Concentrates and Northern Europe HRC Steel Methodologies state that the index value is an average of two sub- indices, each of which contains data from either the buy side or sell side of the market. Therefore, no more than 50% of market information used in a price assessment can come from the same source;</li> <li>• The German wheat Methodology explains that submitter dependency is mitigated in the following ways:</li> <li>• In each pricing session, reporters aim to source data from a suitably diverse set of market participants. In the unlikely situation that more than half of the pricing data collected in a session is provided by a single source, the assessor may refer to data collected in the</li> </ul>	

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	<p>previous pricing session to avoid a dependency on a single entity providing an unacceptably significant (50% or more) proportion of data. In markets where, to satisfy their jurisdictional antitrust guidelines, certain companies require us to adhere to a maximum of 25% data concentration from a single entity, Fastmarkets will comply with this stricter threshold.</p> <ul style="list-style-type: none"> <li>• The Cobalt, Steel Scrap HMS and Copper Cathode Premium Methodologies state that one submitter will not account for a significant proportion of the data because the price reporter will continue to collect data points from market participants until the minimum threshold is reached;</li> <li>• The Iron Ore, Manganese Ore, HRC Steel, Copper Concentrates and Alumina Methodologies state that if more than half of the pricing data collected on a day is provided by a single source, the fall-back procedures for low transactional data are utilised; and</li> <li>• The Lithium Methodology states that if more than half of the pricing data collected on a day is provided by a single source, the price reporter will analyse the data and consider whether to publish the assessment based on the data or roll it over from the previous session.</li> </ul> <p>h) Fastmarkets will use its</p>	



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	<p>expert judgment to exclude outlying or unrepresentative numbers that it believes may be questionable or unreliable. In addition; specifically:</p> <ul style="list-style-type: none"> <li>• The Alumina and Iron Ore Methodologies describe that the price adjustment technique automatically discards outlier data that falls outside the stated 4% threshold away from the initial calculated index;</li> <li>• The Manganese Ore, HRC Steel, Copper Concentrates and Steel Scrap Methodologies and Cobalt hydroxide index describe that the price adjustment technique automatically discards outlier data that falls outside the stated 10% threshold away from the initial calculated index; and The Copper Cathode Premium Methodology states that if data cannot be adequately accounted or netted back to the Fastmarkets cif Shanghai copper cathode specifications, it will be discarded.</li> </ul>	
<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</p>	<p><b>Policy Statement</b></p> <p>a) The Methodologies describe:</p> <ul style="list-style-type: none"> <li>• The rationale for adopting the stated process;</li> <li>• Any price adjustment techniques</li> <li>• The particular time periods within which market data is deemed reliable and therefore accepted; and</li> <li>• Justification as to why they are a reliable indicator of physical market values.</li> </ul> <p><b>Process and Control Activities</b></p>	<p><b>Category 1 and 2 - Policy Statement</b></p> <p>BDO inspected the Methodologies in scope and noted that they are as described in Fastmarkets' Response to Principle 1.4 (a).</p> <p><b>Category 1 and 2 - Process Control Activities</b></p> <p>BDO inspected the following websites and noted that the Methodologies are formalised and publicly available:</p> <p>Metals:  <a href="http://www.fastmarkets.com/about-us/methodology">www.fastmarkets.com/about-us/methodology</a></p> <p>Agricensus:</p>

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<p>the procedures to gain market acceptance of the Methodology through consultation with stakeholders on important changes to their price assessment processes.</p>	<p>As noted in Principle 1.1, the Methodologies are formalised and publicly available on the relevant websites:</p> <p>Metals:  <a href="http://www.fastmarkets.com/about-us/methodology">www.fastmarkets.com/about-us/methodology</a></p> <p>Agricensus:  <a href="https://www.agricensus.com/prices-methodology/">https://www.agricensus.com/prices-methodology/</a></p> <p>Jacobsen:  <a href="https://thejacobsen.com/about/methodology/">https://thejacobsen.com/about/methodology/</a></p> <p><b>Policy Statement</b></p> <p>b) Please refer to Principle 1.6 below for detail on the internal review including the frequency of review of the Methodologies.</p> <p>The Methodology Review and Change Consultation Process states that:</p> <p>For prices subject to the EU BMR, any proposed change to the Methodology requires approval by the Managing Director of Fastmarkets Benchmark Administration Oy (FBA). Any material change to the Methodology requires approval by the Board of Directors of FBA. All methodologies subject to the BMR must be ratified by the Board of Directors of FBA on an annual basis.</p> <p>c) Please refer to Principle 1.5 below for details on the external review of the Methodologies.</p> <p><b>Process and Control Activities</b></p> <p>Fastmarkets' risk and compliance team provides a monthly report to FBA Oy highlighting any change to methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to BMR.</p>	<p><a href="https://www.agricensus.com/prices-methodology/">https://www.agricensus.com/prices-methodology/</a></p> <p>Jacobsen:  <a href="https://thejacobsen.com/about/methodology/">https://thejacobsen.com/about/methodology/</a></p> <p><b>Category 1 and 2 - Policy Statement</b></p> <p>For testing of internal reviews and Methodology approval procedures, please refer to Principle 1.6.</p> <p>BDO inspected the Methodology Review and Change Consultation Process and noted it is as described in Fastmarkets' Response to Principle 1.4 (b).</p> <p>For testing of external reviews and stakeholder consultation/ market approval of Methodology procedures, please refer to Principle 1.5.</p> <p><b>Category 1 and 2- Process Control Activities</b></p> <p>For a sample of months, BDO inspected the monthly report and confirmed that FBA Oy received a report detailing any change to Methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to BMR.</p>

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<b>Changes to a Methodology</b>		
<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><b>Context</b></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><b>Policy Statement</b></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 publish 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><b>Process and Control Activities</b></p> <p>The Fastmarkets Methodology Review and Change Consultation Process is formalised and made publicly available on the Fastmarkets' website: <a href="https://www.fastmarkets.com/fm-policies-methodology-review-process.pdf">fm-policies-methodology-review- process.pdf</a> (<a href="https://www.fastmarkets.com">fastmarkets.com</a>)</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</p>	<p><b>Category 1 and 2 – Policy Statement</b></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><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inspected the website: <a href="https://www.fastmarkets.com/fm-policies-methodology-review-process.pdf">fm-policies-methodology-review-process.pdf</a> (<a href="https://www.fastmarkets.com">fastmarkets.com</a>) and noted that the Fastmarkets Methodology Review and Change Consultation Process is publicly available.</p> <p>For testing of process and control activities on publishing the explicit procedures performed, and the rationale for any proposed material change to the Methodologies, please refer to Principle 1.6.</p> <p>For a sample of months, BDO inspected the monthly report and confirmed that FBA Oy received a report detailing any change to methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to BMR.</p>

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	<p>Methodologies.</p> <p><b>Policy Statement</b></p> <p>The Methodology Review and Change Process states that:</p> <p>For prices subject to the EU BMR, any proposed change to the Methodology requires approval by the Managing Director of Fastmarkets Benchmark Administration Oy (FBA). Any material change to the Methodology requires approval by the Board of Directors of FBA. All methodologies subject to the BMR must be ratified by the Board of Directors of FBA on an annual basis.</p> <p><b>Process and Control Activities</b></p> <p>Fastmarkets' risk and compliance team provides a monthly report to FBA Oy highlighting any change to methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to the BMR.</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><b>Policy Statement</b></p> <p>The Fastmarkets Methodology Review and Change Consultation Process details the procedure for the annual 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>For prices subject to the EU BMR, any proposed change to the Methodology requires approval by the Managing Director of FBA Oy. Any material change to the Methodology requires approval by the Board of Directors of FBA.</p> <p><b>Process and Control Activities</b></p> <p>On an annual basis, Fastmarkets carry out a formal review and approval of the Methodologies:</p> <ul style="list-style-type: none"> <li>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</li> </ul>	<p><b>Category 1 and 2 – Policy Statement</b></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><b>Category 1 and 2 - Process and Control Activities</b></p> <p>For a sample of Methodology reviews, BDO inspected the Methodology Review Assessment Forms and noted that each Methodology had been formally reviewed and approved by the editorial team during the period under review.</p> <p>For the sample of Methodology reviews, BDO inspected the published notice and noted that an open consultation was issued inviting 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</p>

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	<p>the duration of that consultation period.</p> <ul style="list-style-type: none"> <li>• 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 price notice sets out the timetable for external consultation, including the method for submission.</li> <li>• 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 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.</li> <li>• A record of the Methodology review is shared with the Risk and Compliance team.</li> </ul> <p>Once changes are implemented, the revised Methodology is made publicly available on Fastmarkets' website: <a href="http://www.fastmarkets.com/about-us/methodology">www.fastmarkets.com/about-us/methodology</a>.</p>	<p>Methodology, BDO inspected the pricing notice and noted it detailed the timetable for the external consultation and method of submission.</p> <p>For the sample of Methodology reviews, BDO inspected the relevant Methodology Assessment Review Form and noted that feedback was reviewed by the Managing Editor and there were no proposed changes.</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 all in scope Methodologies, BDO confirmed that the record of the Methodology review was sent to the Risk and Compliance team.</p> <p>For the sample of Methodology reviews, no changes were identified as being required following feedback received during the period under review. Therefore, BDO did not perform validation procedures to verify their publication on the Fastmarkets' website.</p>

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<b>2. Quality and Integrity of Price Assessments</b>		
<p>2.1 A PRA should take measures that are intended to ensure the quality and integrity of the price assessment process.</p>	<p><b>Policy Statement</b></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"> <li>• Quality and integrity of Methodologies;</li> <li>• Review of Methodologies;</li> <li>• Market data used in price assessments / The Data Submitter Policy;</li> <li>• Selection/performance review and training of assessors;</li> <li>• Supervision and review of price assessments;</li> <li>• Audit trail;</li> <li>• Conflict of Interest; and</li> <li>• Complaint handling.</li> </ul> <p>Please refer to Principle 2.2 to 2.19 below for further process and control activities.</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Fastmarkets' Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.1.</p> <p>For testing of individual measures to ensure quality and integrity of price assessments, including the areas as described, please refer to Principles 2.2 to 2.19.</p>
<b>Market Data used in Price Assessments</b>		
<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"> <li>1. Concluded and reported transactions;</li> <li>2. Bids and offers;</li> <li>3. Other market information.</li> </ol>	<p><b>Policy Statement</b></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 detail on the priority market data.</p> <p>c) The Pricing Procedure requires that, where possible:</p> <ul style="list-style-type: none"> <li>• When transaction data appears questionable and outside the market range reported by other market participants, reporters seek to corroborate the received information by matching trades;</li> </ul>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Methodologies and noted that they are as described in Fastmarkets' Response to Principle 2.2 (a).</p> <p>For testing of Fastmarkets' market data priorities, please refer to Principle 1.3 (a) – (c).</p> <p>BDO inspected the Pricing Procedure and noted that it is as described in Fastmarkets' Response to Principles 2.2 (c) - (e).</p> <p>BDO inspected the Data Submitter Policy and noted that it is as described in Fastmarkets' Response to Principles 2.2 (c), (e) and (f).</p>

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<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 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</p>	<ul style="list-style-type: none"> <li>• If the received information is questionable, reporters consider whether they inspect signed contracts or confirm the information by both sides of the deal;</li> <li>• If an assessor has knowledge that the transactions is inter-affiliated, the assessor judge whether there is a reasonable case for discarding the data if the data point appears to be an outlier clearly not repeatable in the open market; and</li> <li>• If the price level does not appear to be out of range with the rest of the data collected, the transaction can be included in the assessment but must be accompanied by an explanatory note.</li> </ul> <p>The Fastmarkets Data Submitter Policy ("Data Submission Policy") asks that submitters disclose to the price reporter if the transaction occurs with a related or affiliated party</p> <p>d) The Pricing Procedure requires that any anomalous data or data that is believed to be false or provided with the intention of distorting or manipulating prices be excluded. To consider whether information received is credible and if credibility is questionable, the transaction is to be substantiated by contracts or confirmed by both sides. The pricing procedure also requires reporters to understand as far as possible why different sources report different prices.</p> <p>e) The Pricing procedure requires market reporters to encourage parties that submit any market data to submit all of their market data that falls within the methodological criteria for that assessment. The Data Submitter Policy states that submitters are asked to provide all relevant data including all transactions to which they have been a party</p>	<p>BDO inspected the Fastmarkets' Compliance Manual and noted it is as described in Fastmarkets' Response to Principle 2.2 (f).</p> <p>For 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><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inspected the Fastmarkets' website: <a href="http://www.fastmarkets.com/about-us/methodology">http://www.fastmarkets.com/about-us/methodology</a> and noted that the Data Submitter Policy is formalised and made publicly available.</p> <p>For testing of Fastmarkets' training of market reporters on how to identify anomalous or 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>

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<p>market data.</p>	<p>during the period under consideration for assessment. Any organisations that agree to submit data from back-office functions should commit to disclosing transaction data in full for each market segment.</p> <p>The Data Submitter Policy states that, where data submitter agreements ("DSA") are signed with market sources, the DSA requires that all relevant data be provided.</p> <p>f) Data submitters are expected to make every effort to abide by the guidelines provided in this Data Submitter Policy, which can be summarized as follows:</p> <ul style="list-style-type: none"> <li>• Submitters should provide data on an honest, timely and consistent basis;</li> <li>• Submitters should endeavour to provide all relevant data, including transactions to which they have been a party during the period under consideration for assessment.</li> <li>• Organisations that agree to submit data from back-office functions should commit to disclosing transaction data in full for each market segment;</li> <li>• Submitters should disclose to the price reporter deal volumes that significantly exceed or fall below the typical transaction volume for the market under consideration;</li> <li>• Submitters should disclose to the price reporter if a transaction was with a related party or affiliate;</li> <li>• 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, brands and any other detail that contributes substantially to the determination of price;</li> <li>• Submitters should be</li> </ul>	



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	<p>prepared to provide information about the counterparty to a transaction if necessary to categorise, verify or analyse such data (this could include the counterparty type or location, for instance) although Fastmarkets recognises the data submitter's right to keep names confidential; and</p> <ul style="list-style-type: none"> <li>• Submitters should report firm bids and offers that they are prepared to match.</li> </ul> <p>The Compliance Manual requires that the Risk &amp; Compliance team, in conjunction with the Managing Director of FBA Oy for matters related to the BMR, 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 details on the procedures to ensure, to the extent possible, that submitters comply with applicable quality and integrity standards.</p> <p><b>Process and Control Activities</b></p> <p>c) The Data Submitter Policy is formalised and made publicly available on the Fastmarkets website:  <a href="http://www.fastmarkets.com/about-us/methodology">www.fastmarkets.com/about- http://www.fastmarkets.com/abo ut-us/methodology</a></p> <p>d) Please refer to Principle 2.6 for details on the training of market reporters on how to identify anomalous or suspicious transactions.</p> <p>e) 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</p>	

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	capturing of excluded data.	
<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", "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><b>Policy Statement</b></p> <p>The Pricing Procedure requires that Fastmarkets publish for each price assessment:</p> <ul style="list-style-type: none"> <li>• The details of all market data unless it was provided under a DSA; and</li> <li>• An explanation of the basis and extent to which expert judgment was exercised in forming price assessments, including instances when data is discarded or fall back procedures are used.</li> </ul> <p><b>Process and Control Activities</b></p> <p>A concise explanation on how the assessment was developed is published for each price assessment. It includes the details of all market data not submitted under DSAs, including type of market data, price and volume, although the data points can be grouped together to keep the rationale concise.</p> <p>If market data is not published in price assessment reports because it was submitted under DSAs, a supporting note is published disclosing such reasons for omission.</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Pricing Procedure and noted that it is as described in Fastmarkets' Response to Principle 2.3.</p> <p><b>Category 1 - Process and Control Activities</b></p> <p>For a sample of in scope price assessments, BDO inspected the market report and the pricing rationale on the Fastmarkets' website and noted that a concise explanation on how the price assessment was developed was published.</p> <p>The explanation was noted to include the details of all market data not submitted under DSAs including:</p> <ul style="list-style-type: none"> <li>• The type of market data;</li> <li>• The price; and</li> <li>• The volume of the transaction.</li> </ul> <p>For a sample of price assessments that contained market data not published in price assessment reports because it was submitted under DSAs, BDO validated that a supporting note was published disclosing the reasons for the omission.</p> <p><b>Category 2 - Process and Control Activities</b></p> <p>For an example of each in scope price assessment, BDO inspected the market report and the pricing rationale on the Fastmarkets' website and noted that a concise explanation on how the price assessment was developed was published. The explanation was noted to include the details of all market data not submitted under DSAs including:</p> <ul style="list-style-type: none"> <li>• The type of market data;</li> <li>• The price; and</li> <li>• The volume of the transaction.</li> </ul>

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		<p>For any example that contained market data not published in the price assessment report because it was submitted under DSAs, BDO validated that a supporting note was published disclosing the reasons for the omission.</p>
<b>Integrity of the Reporting Process</b>		
<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>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</p>	<p><b>Policy Statement</b></p> <p>a) The Pricing Procedure describes that a reporter can accept data only from data submitters who:</p> <ul style="list-style-type: none"> <li>• Have the knowledge to report the input data; and</li> <li>• Are involved in buying or selling the commodity or interest.</li> </ul> <p>In addition, the Data Submitter Policy states that Fastmarkets expects data submitters to represent credible market participants with a proven track record for regularly providing data.</p> <p>b) The Pricing Procedure states that reporters must verify the identity of submitters and their role at the company.</p> <p>The MInD Contact 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>c) The Data Submitter Policy states that Fastmarkets expects that data submitters involved in the pricing process are appropriately qualified and authorised to report market data on behalf of their organisations.</p> <p>In addition, the Pricing Procedure requires submitters to have knowledge to report the input data to them and therefore requires reporters to gather data from submitters that hold positions such as traders, sales roles and</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Pricing Procedure and noted that it is as described in Fastmarkets' Response to Principle 2.4 (a) – (d).</p> <p>BDO inspected the Data Submitter Policy and noted that it is as described in Fastmarkets' Response to Principle 2.4 (a) and (c).</p> <p>BDO inspected the MInD Contributor Approval Policy (CAP) and noted that it is as described in Fastmarkets' Response to Principle 2.4 (b).</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 (d).</p> <p>For testing of Fastmarkets' procedures for cross-checking market indicators to validate submitted information, please refer to Principle 2.2 (c).</p> <p>For testing of Fastmarkets' procedures for identifying anomalous information, please refer to Principle 2.2 (d).</p> <p><b>Category 1 and 2 - Process and Control Activities</b></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</p>

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<p>escalation by the PRA of inquiry within the submitter's company. Controls should include cross-checking market indicators to validate submitted information.</p>	<p>buyer/purchasing roles. The Pricing Procedure states that Fastmarkets should always encourage data submitters to provide transaction data from both back and front-office functions.</p> <p>d) The Pricing Procedure states that any member of Fastmarkets who has a genuine concern that the behaviour of a colleague, submitter or other market participant breaches or threatens to breach the pricing procedure and is attempting to influence the assessment 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 &amp; Compliance Manager.</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>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> <p><b>Process and Control Activities</b></p> <p>d) If Fastmarkets believes that a submitter has deliberately provided them with false information, it will inform the submitter's company of this suspicion. If it believes it to be necessary, it will also escalate the issue to the relevant authority.</p> <p>Messages raised on the Fastmarkets whistleblowing hotline facility are investigated by the Risk &amp; Compliance Manager.</p> <p>Please refer to Principle 2.8 for</p>	<p>procedures over Fastmarkets' Response to Principle 2.4 (d).</p> <p>BDO inquired with Fastmarkets' management and confirmed that there had been no messages raised on the Fastmarkets whistleblowing hotline facility for in scope price assessments. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principle 2.4 (d).</p> <p>For 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 testing of Fastmarkets' procedures for cross-checking market indicators to validate submitted information, please refer to Principle 2.2 (c).</p> <p>For testing of Fastmarkets' procedures for identifying anomalous information, please refer to Principle 2.2 (d).</p>

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	<p>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>	
<b>Assessors</b>		
<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><b>Policy Statement</b></p> <p>The Fastmarkets Hiring Policy ("Hiring Policy") includes guidelines for:</p> <ul style="list-style-type: none"> <li>• Hiring new market reporters;</li> <li>• Probationary period procedures; and</li> <li>• The process for periodic review of reporter's competence.</li> </ul> <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 there is 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 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 financial year and follows a twelve month performance cycle.</p>	<p><b>Category 1 and 2 – Policy Statement</b></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><b>Category 1 and 2 - Process and Control Activities</b></p> <p>For a sample of new joiners for in scope markets, BDO inspected the scorecard and noted that:</p> <ul style="list-style-type: none"> <li>• The relevant manager editor assessed whether the prospective market reporter met the minimum qualifications and relevant work experience requirements;</li> <li>• The scorecard contained the candidate's performance assessment at both the interview and testing</li> </ul>

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	<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.</p> <p><b>Process and Control Activities</b></p> <p>As part of the hiring process, prospective market reporters go through the following steps:</p> <ul style="list-style-type: none"> <li>• The relevant manager ensures that the prospective market reporter meets the minimum qualifications and relevant work experience;</li> <li>• The prospective market reporter is required to complete at least two interviews, as well as a recruitment test;</li> <li>• A candidate's performance at both the interview and testing stages is assessed using a scorecard; and</li> <li>• The decision to offer a prospective market reporter a position is recorded by the editor within the scorecard.</li> </ul> <p>All new reporters' progress is reviewed quarterly during the first year of employment.</p> <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 &amp; Corruption, Whistle Blow &amp; Speak-Up and the Compliance Manual policy adherence is recorded via the code of conduct declaration section of the Training and Policy Adherence tracker. The Tracker is reviewed by the Risk &amp; Compliance Manager on a quarterly basis.</p>	<p>stages; and</p> <ul style="list-style-type: none"> <li>• The scorecard detailed the decision to offer the prospective market reporter the position by the editor.</li> </ul> <p>For the sample of new joiners noted above, BDO inspected evidence of progress reviews during the first year of employment and noted they were performed on a quarterly basis.</p> <p>For a sample of existing employees, BDO inspected the appraisal forms and noted they were completed on a quarterly basis during the period under review and were filed in the HR repository.</p> <p>For the sample of existing employees noted above, BDO inspected the objectives forms and noted they were completed on an annual basis during the period under review.</p> <p>For a sample of quarters, BDO inspected the Policy review log and noted it recorded that the Training and Policy Adherence Tracker was reviewed by the Risk &amp; Compliance Manager on a quarterly basis.</p> <p>For a sample of quarters, BDO inspected the Training and Policy Adherence Tracker and noted that the status of training related to Code of Conduct, Anti-Bribery &amp; Corruption, Whistle Blow &amp; Speak-Up and the Compliance Manual policy adherence was recorded in the Training and Policy Adherence tracker.</p>
<p>2.6 A PRA should have arrangements to ensure its assessments can be produced on a consistent and regular basis.</p>	<p><b>Policy Statement</b></p> <p>Fastmarkets Pricing Procedures ensure that a robust pricing process is in place to ensure that assessments</p>	<p><b>Category 1 and 2 - Policy Statement</b></p> <p>BDO inspected the Fastmarkets Pricing</p>

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	<p>can be produced on a regular and consistent basis.</p> <p>The Pricing Procedure describes that 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.</p> <p>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><b>Process and Control Activities</b></p> <p>During the initial MInD training and refresher trainings, Fastmarkets' editorial teams are informed how to access MInD remotely.</p> <p>Fastmarkets' Managing Editors review and update their succession plans as necessary, and then submit these on a quarterly basis to the Risk and Compliance Manager. The purpose of the succession plans 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>Succession planning is considered on a quarterly basis depending on the frequency of price publication.</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 reporters, staffing coverage and</p>	<p>Procedure and noted that it is as described in Fastmarkets' Response to Principle 2.6.</p> <p>BDO inspected the Fastmarkets' Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.6.</p> <p>For testing of Fastmarkets' guidelines that control the exercise of judgement, please refer to Principle 1.3 (b).</p> <p><b>Category 1 and 2 - Process and Control Activities</b></p> <p>For a sample of existing employees and new joiners, BDO inspected screenshot evidence of the online MInD refresher training delivered and confirmed that it had been completed.</p> <p>BDO inspected a sample of succession plans for in scope price assessments and noted that they detail the markets a price reporter is capable of covering, and the markets to be trained for.</p> <p>For the sample of succession plans noted above, BDO inspected e-mail confirmations and noted that the succession plans for in scope price assessments were reviewed and updated by editors and submitted to the Risk and Compliance Manager quarterly.</p> <p>For testing of Fastmarkets' process and control activities for the selection of market reporters and the tracking of training status, 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</p>

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	<p>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>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>
<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><b>Context</b></p> <p>Fastmarkets follows the Fastmarkets Institutional Investor Plc Business Continuity Planning Guidance.</p> <p><b>Policy Statement</b></p> <p>The Fastmarkets' Incident Response Plan describes a recovery strategy for possible disruption. The Fastmarkets 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><b>Process and Control Activities</b></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 reviewers 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</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Fastmarkets' Incident Response Plan and Fastmarkets Institutional Investor Plc Business Continuity Planning Guidance and noted that they are as described in Fastmarkets' Response to Principle 2.7.</p> <p>BDO inspected the Fastmarkets' 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><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inquired with Fastmarkets' management and confirmed that there were no instances whereby price assessors were 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 assessments and the backup structure</p>



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	quarterly.	<p>for price assessors, peer reviewers and editor approvers were formally documented.</p> <p>For the sample of succession plans noted above, BDO inspected email confirmations and noted the succession plans were reviewed and updated by editors or senior price reporters at least quarterly.</p>
<b>Supervision of Assessors</b>		
<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><b>Policy Statement</b></p> <p>a) The Compliance Manual describes that 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>The Compliance Manual describes that Fastmarkets has a designated Risk &amp; Compliance Manager 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 &amp; Compliance Manager, 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 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>The MInD Overview document requires that MInD user access rights are reviewed by Price</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Fastmarkets' Compliance Manual and noted that it is as described in Fastmarkets Response to Principles 2.8 (a) - (b).</p> <p>BDO inspected the MInD Overview document and noted that it is as described in Fastmarkets' Response to Principle 2.8 (b).</p> <p><b>Category 1 and 2 - Process and Control Activities</b></p> <p>For a sample of existing employees, BDO inspected the appraisal forms and noted that performance appraisals were performed and included training on adherence to Methodologies.</p> <p><b>Category 1 – Process and Control Activities</b></p> <p>For a sample of in scope price assessments, BDO inspected the price assessment workflow in MInD and noted that the sampled assessments were peer reviewed ensuring that each 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</p>

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	<p>Administrators on a quarterly basis.</p> <p><b>Process and Control Activities</b></p> <p>a) Managers conduct quarterly performance appraisals which include training over markets covered ensuring adherence to Methodologies.</p> <p>b) Each price assessment, except for inferred prices, is a 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. Inferred prices are calculations rather than assessments and are hence not subject to the three-step pricing process.</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>	<p>separate individuals</p> <ul style="list-style-type: none"> <li>• The first assessor inputs the data;</li> <li>• The second assessor peer reviews the data; and</li> <li>• An editor approves the data before it is published.</li> </ul> <p><b>Category 2 – Process and Control Activities</b></p> <p>For an example of each in scope price assessment, BDO inspected the price assessment workflow in MInD and noted that they were 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"> <li>• The first assessor inputs the data;</li> <li>• The second assessor peer reviews the data; and</li> <li>• An editor approves the data before it is published</li> </ul> <p><b>Category 1 and 2 – Process and Control Activities</b></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 the Price Administrators and noted that MInD user access rights were reviewed.</p>

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<b>Audit Trails</b>		
<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 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><b>Policy Statement</b></p> <p>(a) – (d)</p> <p>The Compliance Manual requires that the following information should be retained within MInD:</p> <ul style="list-style-type: none"> <li>• All market data;</li> <li>• Judgments made by assessors in reaching each price assessment;</li> <li>• Whether an assessment excluded a particular transaction that otherwise conformed to the requirements of the relevant Methodology for that assessment and the rationale for doing so; and</li> <li>• The identity of each assessor and of any other person who submitted or otherwise generated any of the above information.</li> </ul> <p><b>Process Control and Activities</b></p> <p>MInD captures market data used in price assessments, as well as:</p> <ul style="list-style-type: none"> <li>• Market data excluded from the price assessment and the rationale for the exclusion;</li> <li>• Identity of each price assessor; Peer reviewer; and</li> <li>• Final reviewer.</li> </ul>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Fastmarkets' Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.9</p> <p><b>Category 1 – Process and Control Activities</b></p> <p>For a sample of in scope price assessments, BDO inspected screenshots of MInD and where applicable, the relevant price assessment calculation spreadsheet and noted that they captured the following:</p> <ul style="list-style-type: none"> <li>• Market data used in price assessments;</li> <li>• Any market data excluded from the price assessment and rationale for the exclusion; and</li> <li>• The identity of each price assessor, peer reviewer and final reviewer.</li> </ul> <p><b>Category 2 – Process and Control Activities</b></p> <p>For an example of each in scope price assessment, BDO inspected screenshots of MInD and where applicable, the relevant price assessment calculation spreadsheet and noted that they captured the following:</p> <ul style="list-style-type: none"> <li>• Market data used in price assessments;</li> <li>• Any market data excluded from the price assessment and rationale for the exclusion; and</li> <li>• The identity of each price assessor, peer reviewer and final</li> </ul>

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		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><b>Context</b></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><b>Policy Statement</b></p> <p>The Pricing Procedure states that records, including email records, must be retained for seven years.</p> <p><b>Process and Control Activities</b></p> <p>All pricing information records within MInD are to be retained for seven years as follows:</p> <ul style="list-style-type: none"> <li>• The Alumina indices from March 20, 2015 and January 29, 2016;</li> <li>• The Aluminium assessment from January 16, 2017 and January 17, 2017;</li> <li>• The Copper Cathode Premium price assessment from January 17, 2017;</li> <li>• The Copper Concentrates index from March 31, 2015;</li> <li>• The Cobalt price assessment from January 13, 2015 and February 28, 2019;</li> <li>• The Iron Ore indices from March 20, 2015 and August 27, 2018;</li> <li>• The Lithium price assessment from November 2, 2017 and November 23, 2017;</li> <li>• The HRC Steel indices from July 27, 2017 and December 5, 2019.</li> <li>• The Manganese Ore indices from March 20, 2015;</li> <li>• The Steel Scrap HMS price assessment from July 01, 2019; and</li> <li>• The Steel Scrap indices from</li> </ul>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Pricing Procedure and noted that it is as described in Fastmarkets' Response to Principle 2.10.</p> <p><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inspected MInD and noted that pricing information for the hereunder price assessments had been retained since:</p> <ul style="list-style-type: none"> <li>• The Alumina indices from March 20, 2015 and January 29, 2016;</li> <li>• The Aluminium assessment from January 16, 2017 and January 17, 2017;</li> <li>• The Copper Cathode Premium price assessment from January 17, 2017;</li> <li>• The Copper Concentrates index from March 31, 2015;</li> <li>• The Cobalt price assessment from January 13, 2015 and February 28, 2019;</li> <li>• The Iron Ore indices from March 20, 2015 and August 27, 2018;</li> <li>• The Lithium price assessment from November 2, 2017 and November 23, 2017;</li> <li>• The HRC Steel indices from July 27, 2017 and December 5, 2019.</li> <li>• The Manganese Ore indices from March 20, 2015;</li> <li>• The Steel Scrap HMS price assessment from</li> </ul>

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	<p>April 10, 2015.</p> <ul style="list-style-type: none"> <li>• The cobalt hydroxide index price assessment pricing information are retained from February 28, 2019 in MInD</li> <li>• The CRC steel: steel cold-rolled coil, fob mill from October 23, 2014; steel hot- dipped galvanized (base) steel coil from October 23, 2014; steel cut-to-length carbon grade, fob mill price assessment pricing information are retained from October 23, 2014 in MInD.</li> <li>• The Bleachable Fancy Tallow from April 4, 2023;</li> <li>• Used Cooking Oil from April 4, 2023</li> <li>• Distiller's Corn Oil from April 4, 2023;</li> <li>• German Wheat from April 19, 2022; and</li> <li>• Aluminium billet North Europe from August 24, 2018.</li> <li>• Asia soybean from February 16, 2022</li> <li>• Nickel sulfate from July 26, 2018</li> <li>• Aluminium Scrap and Secondary from August 8, 2014</li> <li>• Secondary Aluminium Alloy USA from November 3, 2014</li> <li>• Southeast Asia Semis-Daily from August 1, 2018</li> <li>• Latin America and US pig iron from September 4, 2014</li> <li>• Graphite Flake China from May 28, 2019</li> <li>• Graphite Spherical from February 25, 2021</li> </ul>	<p>July 01, 2019; and</p> <ul style="list-style-type: none"> <li>• The Steel Scrap indices from April 10, 2015.</li> <li>• The cobalt hydroxide index price assessment pricing information are retained from February 28, 2019 in MInD</li> <li>• The CRC steel: steel cold- rolled coil, fob mill from October 23, 2014; steel hot- dipped galvanized (base) steel coil from October 23, 2014; steel cut-to-length carbon grade, fob mill price assessment pricing information are retained from October 23, 2014 in MInD.</li> <li>• The Bleachable Fancy Tallow from April 4, 2023;</li> <li>• Used Cooking Oil from April 4, 2023</li> <li>• Distiller's Corn Oil from April 4, 2023;</li> <li>• German Wheat from April 19, 2022; and</li> <li>• Aluminium billet North Europe from August 24, 2018.</li> <li>• Asia soybean from February 16, 2022</li> <li>• Nickel sulfate from July 26, 2018</li> <li>• Aluminium Scrap and Secondary from August 8, 2014</li> <li>• Secondary Aluminium Alloy USA from November 3, 2014</li> <li>• Southeast Asia Semis-Daily from August 1, 2018</li> <li>• Latin America and US pig iron from</li> </ul>

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	<ul style="list-style-type: none"> <li>• Coking Coal indices from March 20, 2015</li> <li>• The Cobalt price assessment (Cobalt Shanghai) from March 23, 2018</li> <li>• The Lithium Spodumene from September 7, 2017</li> </ul> <p>MIND 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>September 4, 2014</p> <ul style="list-style-type: none"> <li>• Graphite Flake China from May 28, 2019</li> <li>• Graphite Spherical from February 25, 2021</li> <li>• Coking Coal indices from March 20, 2015</li> <li>• The Cobalt price assessment (Cobalt Shanghai) from March 23, 2018</li> <li>• The Lithium Spodumene from September 7, 2017</li> </ul> <p>BDO inspected the back-up scheduling system in place for the period and noted that a full back-up was performed daily and the transaction log back-ups were performed at least every fifteen minutes.</p> <p>BDO inspected screenshots of data being stored on the SQL Server and confirmed that 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>
<b>Conflict of Interest</b>		
<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><b>Policy Statement</b></p> <p>The Code of Conduct contains the Conflicts of Interest Policy, Personal Account Dealing Policy and Gifts, Entertainment and Hospitality Policy. These policies contain 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</p>	<p><b>Category 1 and 2 – Policy Statement</b></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 Fastmarkets' Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.11.</p> <p><b>Category 1 and 2 - Process and Control Activities</b></p>

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	<p>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><b>Process and Control Activities</b></p> <p>The Conflicts of Interest Policy, Personal Account Dealing Policy and Gifts, Entertainment and Hospitality policies are reviewed by the Risk &amp; Compliance 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>The completion status 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 &amp; Compliance Manager at least quarterly.</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 bi-annual.</p> <p>Fastmarkets provides training on competition/antitrust law on an annual basis and is mandatory for all Fastmarkets' employees, who must complete an acknowledgement form.</p> <p>Please refer to Principle 2.12 for further 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 to the end of 2023. 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 that they 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>BDO inspected the Training and Policy Adherence Tracker for the year ended 30 June 2023 and noted that the status of Code of Conduct Certificates of Compliance and Declarations of Conflicts had been recorded for all reporters and editors for in scope price assessments.</p> <p>For a sample of quarters, BDO noted that the Training and Policy Adherence Tracker had been reviewed by the Risk &amp; Compliance Manager.</p> <p>BDO inspected the Conflict of Interest Log for the period 1 July 2022 to 30 June 2023 and noted that it contained identified Conflicts of Interest and their resolutions relating to reporters and editors of in scope price assessments.</p> <p>BDO noted that the Conflict of Interest Log had been reviewed by the Chief Financial Operating Officer (CFOO) as at May 2023.</p> <p>For a sample of existing employees, BDO inspected acknowledgement forms and</p>

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		<p>noted that the employees did complete training on competition/ antitrust law training on an annual basis.</p> <p>For testing of Fastmarkets detailed process and control activities for the identification, disclosure, management and avoidance of conflicts of interest, please refer to Principle 2.12.</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 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</p>	<p><b>Policy Statement</b></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 (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 detail 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"> <li>• 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</li> <li>• That where Fastmarkets becomes aware that an</li> </ul>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Fastmarkets' Compliance Manual and noted that it is as described in Fastmarkets' Response to Principles 2.12 (a) and (c).</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>BDO inspected the Code of Conduct and noted that it is as described in Fastmarkets' Response to Principle 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 Principle 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</p>



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<p>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>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> <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 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,</p>	<p>between its price assessment business and any other business of the PRA.</p> <p><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inquired with Fastmarkets' Management and confirmed that there had been no entertainment and/or hospitality gifts for in scope price assessments within our 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> <p>For a sample of months, BDO inspected the monthly report and confirmed that FBA Oy received a report detailing any change to Methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to BMR.</p>

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	<p>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 Personal Account Dealing Policy prohibits all staff from benefiting 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><b>Process and Control Activities</b></p> <p>b) The Risk &amp; Compliance Manager logs all gifts, entertainment, and hospitality gifts in the Gifts Register when notified. All gifts, entertainment and hospitality exceeding the set threshold value or frequency are approved by the line manager; and all gifts, entertainment and hospitality below this threshold value or frequency are declared to employee's line manager or the Risk &amp; Compliance Manager.</p> <p>c) Please refer to Principle 2.8 above for process and controls on price assessments three-step pricing process, supervision, system access and information flows.</p> <p>d) Fastmarkets' risk and compliance team provides a quarterly report to FBA Oy highlighting any change to methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to the BMR.</p>	

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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><b>Context</b></p> <p>In addition to the price-reporting business, the Fastmarkets' portfolio includes news, analysis, conferences and insight services.</p> <p><b>Policy Statement</b></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><b>Process and Control Activities</b></p> <p>Please refer to Principles 2.12 (b) - (c) above for procedures and mechanisms put in place by Fastmarkets, including other business operations, designed to minimise the likelihood of conflicts of interest affecting the integrity of price assessments.</p>	<p><b>Category 1 and 2 – Policy Statement</b></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><b>Category 1 and 2 - Process and Control Activities</b></p> <p>For testing of procedures and mechanisms put in place by Fastmarkets, including other business operations, procedures designed to minimise the likelihood of conflicts of interest affecting the integrity of price assessments, 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 implements the requirements listed in these Principles; and (ii) that responsibilities are clearly defined and do not conflict or cause a perception of conflict.	<p><b>Policy Statement</b></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>The Compliance Manual states that:</p> <p>Any conflict of interest related to the BMR is reported to FBA Oy at least on a quarterly basis.</p> <p>In the event of a material compliance event, the Risk &amp; Compliance team, in consultation with the Managing Director of FBA Oy where related to BMR matters, shall take the appropriate remedial action.</p> <p><b>Process and Control Activities</b></p> <p>Fastmarkets' risk and compliance team provides a quarterly report to FBA Oy highlighting any change to</p>	<p><b>Category 1 and 2 – Policy Statement</b></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 functions, please refer to Principle 2.12 (c).</p> <p>BDO inspected the Fastmarkets' Compliance Manual and noted that it is as described in Fastmarkets' Response to Principle 2.15.</p> <p><b>Category 1 and 2 - Process and Control Activities</b></p> <p>For a sample of months, BDO inspected the monthly report and confirmed that FBA Oy did receive a report detailing any change to Methodologies and any corrections, complaints,</p>

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	Methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to the BMR.	conflicts of interest or any other incident related to price assessments subject to BMR.
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><b>Policy Statement</b></p> <p>The Compliance Manual requires that:</p> <p>Any conflict of interest arising from the ownership of Fastmarkets to be disclosed to its stakeholders immediately.</p> <p>Any conflict of interest arising from the ownership or a change in the ownership of FBA Oy will also be disclosed immediately to subscribers and to regulatory authorities in relevant jurisdictions.</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Fastmarkets' Compliance Manual and noted it is as described in Fastmarkets' Response to Principle 2.16.</p>
<b>Complaints</b>		
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><b>Policy Statement</b></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><b>Process and Control Activities</b></p> <p>Fastmarkets Complaints Handling Policy is formalised and publicly available on the Fastmarkets' website:  <a href="https://www.fastmarkets.com/complaints-handling-policy">https://www.fastmarkets.com/complaints-handling-policy</a></p>	<p><b>Category 1 and 2 – Policy Statement</b></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><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inspected Fastmarkets' website:  <a href="https://www.fastmarkets.com/complaints-handling-policy">https://www.fastmarkets.com/complaints-handling-policy</a> and noted that the Fastmarkets Complaints Handling Policy is formalised and publicly available.</p>
2.18 Among other things, such complaint mechanisms should [be designed to] ensure that:	<p><b>Policy Statement</b></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</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Fastmarkets Complaints Handling Policy and noted that it is as described in Fastmarkets' Response to Principle 2.18 (a) – (f).</p> <p><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inspected the Fastmarkets' website:  <a href="https://www.fastmarkets.com/complaints-handling-policy">https://www.fastmarkets.com/complaints-handling-policy</a></p>

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<p>Methodology in relation to a specific price assessment and other 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>issuing a response to the complainant; or if 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 &amp; Compliance Manager 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 &amp; Compliance Manager will log the issue in their Complaints Register before commencing an investigation.</p> <p>Fastmarkets' Risk &amp; Compliance Manager will independently investigate any formal complaints</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:</p> <ul style="list-style-type: none"> <li>• Details of how the investigation was carried out;</li> <li>• An explanation of their decision; and</li> <li>• Their planned or completed actions as a result where applicable.</li> </ul> <p><b>Process and Control Activities</b></p> <p>Fastmarkets Complaints Handling Policy is formalised and publicly available on the Fastmarkets' website: <a href="https://www.fastmarkets.com/complaints-handling-policy">https://www.fastmarkets.com/complaints-handling-policy</a></p> <p>(c) –(e) Upon receipt of a formal complaint:</p> <ul style="list-style-type: none"> <li>• It is acknowledged in writing within three business days; and</li> <li>• Fastmarkets' Risk &amp;</li> </ul>	<p>and noted that the Fastmarkets Complaints Handling Policy is publicly available.</p> <p>BDO inquired with Fastmarkets' Management and confirmed that there were no formal or informal complaints during the period under review for the in scope price assessments. Therefore, BDO did not perform validation procedures over Fastmarkets' Response to Principles 2.18 (c) - (f) and Principle 2.18 (g).</p> <p><b>Category 1 and 2 – Policy Statement</b></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><b>Category 1 and 2 - Process and Control Activities</b></p> <p>BDO inspected the Fastmarkets Complaints Register and noted that the Complaints Register exists and is retained for at least five years effective from September 1, 2017.</p> <p>For a sample of months, BDO inspected the monthly report and confirmed that FBA Oy did receive a report detailing any change to methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to BMR.</p>

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	<p>Compliance Manager logs the issue in the Complaints Register.</p> <p>If the complainant is not satisfied with how their complaint was handled, the Fastmarkets General Counsel is notified. The Fastmarkets' Managing Director and Risk &amp; Compliance Manager review the appeal.</p> <p>Upon a receipt of an informal complaint the Fastmarkets' Risk &amp; Compliance Manager:</p> <ul style="list-style-type: none"> <li>• Logs the issue in the Complaints Register;</li> <li>• Independently investigates any informal complaints; and</li> <li>• Logs the actions taken within the Complaints Register</li> </ul> <p>f) The 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><b>Policy Statement</b></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 Fastmarkets 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>Any complaint related to prices subject to the BMR will be reported, reviewed and overseen</p>	

IOSCO Principle	Fastmarkets' Response	Practitioner's Testing
	<p>by the Managing Director of Fastmarkets Benchmark Administration Oy (FBA).</p> <p><b>Process and Control Activities</b></p> <p>g) Appeals are reviewed by the Managing Director and Risk &amp; Compliance Manager of Fastmarkets.</p> <p>In the event that a complainant notifies in writing that they remain 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>i) Fastmarkets' risk and compliance team provides a monthly report to FBA Oy highlighting any change to methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to the BMR.</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><b>Policy Statement</b></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 and Delays Policy will be followed in circumstances when an inquiry or complaint results in a price change.</p> <p>The Fastmarkets Corrections and Delays Policy requires that if a price is</p>	<p><b>Category 1 and 2 – Policy Statement</b></p> <p>BDO inspected the Fastmarkets 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 Delays Policy and noted that they are as described in Fastmarkets' Response to Principle 2.19.</p> <p><b>Category 1 and 2 – Process and Control Activities</b></p> <p>BDO inspected the website: <a href="https://www.fastmarkets.com/corrections-and-delays">https://www.fastmarkets.com/corrections-and-delays</a> and noted that the Fastmarkets Corrections and Delays Policy is</p>

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	<p>published incorrectly, it should be rectified and republished as soon as possible.</p> <p>Where related to prices subject to BMR, the Managing Director of FBA Oy will be informed.</p> <p><b>Process and Control Activities</b></p> <p>Fastmarkets Corrections and Delays Policy is formalised and publicly available on the Fastmarkets' website:  <a href="https://www.fastmarkets.com/corrections-and-delays">https://www.fastmarkets.com/corrections-and-delays</a></p> <p>When a pricing correction is required, it is provided to the relevant Price Administration team via email or Microsoft Teams message, detailing:</p> <ul style="list-style-type: none"> <li>• Correction value &amp; date; and</li> <li>• Explanation of what happened so it can be documented in MInD.</li> </ul> <p>Errors are logged into the Correction Log and peer-reviewed by another staff member.</p> <p>Fastmarkets places a Pricing Notice/Coverage Note into the Fastmarkets' website and obtains approval from the Global Newsdesk/ Price Assessment Manager before publication of the correction.</p> <p>Fastmarkets' risk and compliance team provides a monthly report to FBA Oy highlighting any change to methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to the BMR.</p>	<p>publicly available.</p> <p>For a sample of pricing corrections relating to in scope price assessments, BDO inspected email evidence between Fastmarkets' editorial and Price Administration teams and noted that the Price Administration team were informed of the need to make a correction, detailing:</p> <ul style="list-style-type: none"> <li>• Correction value &amp; date; and</li> <li>• Explanation of what happened so it can be documented in MInD.</li> </ul> <p>For the sample of pricing corrections noted above, BDO inspected the Correction Log and noted that the corrections were listed and peer reviewed by another staff member.</p> <p>For the sample of pricing corrections noted above, BDO inspected the Fastmarkets' website and noted that Fastmarkets uploaded a Pricing Notice/Coverage Note.</p> <p>For the sample of pricing corrections noted above, BDO inspected email evidence from the Price Assessment Manager and noted that approval was given by the Price Assessment Manager before publication of the corrections.</p> <p>For a sample of months, BDO inspected the monthly report and confirmed that FBA Oy did receive a report detailing any change to Methodologies and any corrections, complaints, conflicts of interest or any other incident related to price assessments subject to the BMR.</p>



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<b>Cooperation with Regulatory Authorities</b>		
<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><b>Context</b></p> <p>Fastmarkets maintains audit trails and other documentation as required by these Principles.</p> <p>Fastmarkets seeks to comply with all applicable laws.</p>	<p><i>Excluded from scope of Independent Assurance.</i></p>
<b>External Auditing</b>		
<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><b>Context</b></p> <p>Fastmarkets 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>

