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Independent limited assurance report on the Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR) of a selection of indicators published in the 2022 Annual Statistics report of the Confederation of European Paper Industries

To the Board of CEPI,

We have been engaged by Confederation of European Paper Industries ("CEPI") to conduct a limited assurance engagement on the Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR) metrics that are applied by CEPI on a selection of indicators ("Selected Information") published in the 2022 Annual Statistics Report ("the Document"). In preparing the Selected Information as included in appendix 1, CEPI applied the Applicable Criteria prepared by the Directors as laid out in CEPI's Data Quality Rating Methodology attached to this assurance report in appendix 2 ("Applicable Criteria").

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the Selected Information as published in CEPI's 2022 Annual Statistics Report, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Responsibility of the Board

The Board of CEPI is responsible for the preparation of the Selected Information and the references made to it presented in the Document as well as for the declaration that its reporting meets the requirements of the methodology as included in appendix 2.

The Board is also responsible for:
- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

Our responsibilities

Our responsibility is to express a conclusion on the Selected Information based on our procedures. 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), in order to state whether anything had come to our attention that causes us to believe that the Selected Information has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the Selected Information does not contain material misstatements. 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 and 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 work was performed on the data gathered and retained in the reporting scope by CEPI as mentioned above. Our conclusion covers therefore only the abovementioned Selected Information and not all information included in the Document. The limited assurance on the Selected Information was only performed on the Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR) on the selected indicators covering the year 2022 for industry and raw materials data and 2021 for the energy, environmental and social data.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Through inquiries of management and National Associations, obtaining an understanding of CEPI's reporting process with regard to the Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR), including internal control relevant to collection of the information used to prepare the Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR);
- Performing analytical review procedures and considering the risks of material misstatement linked to the selected information;
- Challenging the Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR) prepared by CEPI at consolidated level;
- Performing, on a sample basis, consistency checks on the consolidation of the data received from the national association, and performing interviews with national associations, for purposes of assessing the proper application of CEPI's methodology;
- Accumulating misstatements and control deficiencies identified, assessing whether material;
- Reading the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

The scope of our assurance engagement as described above does not include assurance:

- on the reported value of the selected indicators on which the Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR) have been prepared. We therefore do not provide any assurance on the reliability of the underlying data of the indicators provided to CEPI by the National Associations, from individual companies or based on estimates provided by paper industry consultants;
- on the appropriateness of the applied methodology;
- on the Document.

We apply International Standard on Quality Management 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Use of our report

This report is made solely to the Board of CEPI in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Board those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than CEPI and its Board, we acknowledge that the Board may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than CEPI and its Board as a body, for our work, for this report, or for the conclusions we have formed.

Signed at Zaventem.

Digitally signed by
Sofian Milad
Signed By: Sofian Milad (Signature)
Signing Time: 28-Jul-2023 | 22:22 CEST

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Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises BV/SRL
Represented by Sofian Milad

Appendix 1: Overview of the DQR and DDQR prepared by management on the selected indicators.
Appendix 2: CEPI's Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR) methodology ("Applicable Criteria").

APPENDIX 1: Overview of the DQR and DDQR prepared by CEPI's management on the selected indicators.

	DQR		DDQR	
Industry Structure (2022 Data)				
Number of companies	1,0	Excellent Quality	1,3	Very Good Quality
Number of pulp mills	1,0	Excellent Quality	1,0	Excellent Quality
Number of P&B mills	1,0	Excellent Quality	1,3	Very Good Quality
Number of paper machines	2,0	Very Good Quality	1,5	Very Good Quality
Paper & board capacity	3,0	Good Quality	1,8	Very Good Quality
Pulp capacity	3,0	Good Quality	1,8	Very Good Quality
Paper & board production	1,0	Excellent Quality	1,0	Excellent Quality
Market pulp production	1,0	Excellent Quality	1,3	Very Good Quality
Paper & board consumption	3,0	Good Quality	2,0	Very Good Quality
Pulp consumption	2,0	Very Good Quality	1,3	Very Good Quality
Paper & board exports	2,0	Very Good Quality	1,3	Very Good Quality
Pulp exports	1,0	Excellent Quality	1,0	Excellent Quality
Paper & board imports	2,0	Very Good Quality	1,3	Very Good Quality
Pulp imports	2,0	Very Good Quality	1,5	Very Good Quality
Employment	3,0	Good Quality	2,3	Good Quality
Turnover	4,0	Fair Quality	2,8	Good Quality
Raw Materials (2022 Data)				
Wood consumption	2,0	Very Good Quality	1,8	Very Good Quality
Collection of Paper for Recycling	3,0	Good Quality	2,0	Very Good Quality
Utilisation of Paper for Recycling	1,0	Excellent Quality	1,3	Very Good Quality
Utilisation of Paper for Recycling (sector)	2,0	Very Good Quality	1,5	Very Good Quality
Exports of Paper for Recycling	2,0	Very Good Quality	1,5	Very Good Quality
Imports of Paper for Recycling	2,0	Very Good Quality	1,5	Very Good Quality
Non-fibrous materials consumption	3,0	Good Quality	2,3	Good Quality
Energy and Environment[1] (2021 Data)				
Fuels consumption	1,0	Excellent Quality	2,0	Very Good Quality
Electricity consumption	2,0	Very Good Quality	2,3	Good Quality
Electricity production from CHP	3,0	Good Quality	4,0	Fair Quality
Biomass Utilisation	1,0	Excellent Quality	1,5	Very Good Quality
SO2 Emissions	3,0	Good Quality	2,3	Good Quality
NOx Emissions	2,0	Very Good Quality	2,5	Good Quality
Water intake	2,0	Very Good Quality	1,8	Very Good Quality
COD Emissions	2,0	Very Good Quality	1,8	Very Good Quality
AOX Emissions[2]	2,0	Very Good Quality	1,8	Very Good Quality

Residues Landfilled	3,0	Good Quality	2,8	Good Quality
EMS certification	2,0	Very Good Quality	2,3	Good Quality
Social Aspects (2021 Data)				
Accidents[3]	2,0	Very Good Quality	2,0	Very Good Quality

[1] Hungary, Romania and Slovenia are not included in Energy and Environment data.

[2] Italy is not included in AOx emissions data.

[3] Belgium, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia are not included in Accident **data.**

APPENDIX 2: CEPI's Data Quality Rating (DQR) and Data Delivery Quality Rating (DDQR) methodology

Cepi Data Quality Rating methodology
Briefing document

The European methodology for the calculation of environmental footprints of products has been altered to be used as a quality assessment tool on a larger variety of indicators than only environmental footprint indicators. Cepi has decided to remove the following two parameters: (i) Technological representativeness and (ii) the Methodological appropriateness and to split the Data Quality Rating methodology in 1) Data Delivery Quality (DDQR: assessment of the quality of data delivery by the National Associations towards Cepi) and 2) Data Quality Rating (DQR: assessment of the quality of the statistical data published towards stakeholders).

1) Cepi Data Delivery Quality Rating formula (DDQR):

$$DDQR = \frac{GR + TiR + C + P2}{4}$$

C - Completeness

The completeness is calculated as follows: figures that have not been received by the National Associations are deleted from the total to obtain a total B.

The percentage of this total B compared to the total is considered:

$\geq$ 90% =1
$\geq$ 80% and < 90% = 2
$\geq$ 70% and < 80% = 3
$\geq$ 50% and < 70% = 4
< 50% = 5

TiR - Time related representativeness

Annual figures reported to Cepi by the National Associations are one year old. When a figure is estimated by Cepi or the National Association, the age of the basis year for estimation is considered (2 years, 3 years, etc...). A total B is calculated by multiplying for each country the data figure received with the "year number".

The ratio between total B and total is considered:

$\leq$ 1 =1
$\leq$ 2 and > 1 = 2
$\leq$ 3 and > 2 = 3
$\leq$ 4 and > 3 = 4
> 4 = 5

GR - Geographical representativeness

The geographical representativeness is calculated as follows: geographical representativeness is considering paper & board production + market pulp production for each country. Paper & board production + market pulp production of countries without any figure received is deleted from the total to obtain a total B.

The percentage of this total B compared to the total is considered:

≥ 95% =1
≥ 85% and < 95% = 2
≥ 75% and < 85% = 3
≥ 50% and < 75% = 4
< 50% = 5

P2 - Parameter uncertainty

Through a survey, the National Associations have provided Cepi with a "reliability factor" for each core data: (1) high - (2) satisfactory - (3) can be further improved - (4) low – (5) no data received, indicating the quality of data reported by the Producers to the National Associations.
Figures to be estimated or overruled by Cepi are given factor (5) by default.
A total B is calculated by multiplying for each country the data figure received with a specific percentage for each factor: (1) = 100% - (2) = 75% - (3) = 50% (4) = 25% and (5) = 10%.

The percentage of this total B compared to the total is considered:

≥ 90% =1
≥ 80% and < 90% = 2
≥ 70% and < 80% = 3
≥ 50% and < 70% = 4
< 50% = 5

2) Cepi Data Quality Rating formula (DQR):

$$DQR = P1$$

P1- Parameter uncertainty

Through a survey, the National Associations have provided Cepi with a "reliability factor" for each core data: (1) high - (2) satisfactory - (3) can be further improved - (4) low, indicating the quality of data reported by the Producers to the National Associations.
To ensure the 'P1' parameter is used here to measure Data Quality towards stakeholders, in case Cepi decided to estimate itself or overrule the figure received from the National Associations to make it more qualitative, Cepi makes itself an assessment of a "reliability factor" for the data they enter: (1) high - (2) satisfactory - (3) can be further improved - (4) low. Scores (1) - (4) should be attributed based on the reliability of the source.

Corresponding guidance has been drawn up:

(1) Not possible in case Cepi needs to complete or estimate the data itself based on alternative sources.
(2) The data has not been estimated by Cepi itself but has been found through other sources (Companies data, Eurostat, RISI mill database) and refers to the current year.

(3) The data has been estimated by Cepi based on data received from the National Associations relating to the last 3 years OR based on relevant data found through other sources on the previous year, AND takes into account the trends in production and other KPIs within the country.
(4) The data has been estimated by Cepi based on data received from the National Associations which is older than relating to the last 3 years OR based on relevant data found through other sources which is older than the previous year OR the data of previous year(s) received from the National Associations has just been re-used without investigating trends in production and other KPIs OR any other estimation or data has been used.

A total B is calculated by multiplying for each country the data figure received with a specific percentage for each factor: (1) = 100% - (2) = 75% - (3) = 50% and (4) = 25%.

The percentage of this total B compared to the total is considered:

≥ 90% =1
≥ 80% and < 90% = 2
≥ 70% and < 80% = 3
≥ 50% and < 70% = 4
< 50% = 5

In this approach 'P1' is used differently than 'P2' for Data Delivery Quality. It provides a real indication of the quality of data reported towards stakeholders and takes into account partly time-related representativeness (TiR) (score depends partly on recentness of data) and geographical representativeness (GR) (score per country is multiplied with the data figure replied by the country).