



**Verification report – UK producer
Case TD0031: Anti-dumping duty on certain corrosion resistant
steels originating from The People’s Republic of China**

Period of Investigation:	1 January 2022 to 31 December 2022
Injury Period:	1 January 2019 to 31 December 2022
Date of report:	07 September 2023
Case team contact details:	TD0031@traderemedies.gov.uk
Company verified:	TATA Steel UK Limited

For further details, please see the [Notice of Initiation](#) on the public file.



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Executive Summary

The Trade Remedies Authority (TRA) is conducting a transition review to determine whether the UK should vary or revoke anti-dumping measures on certain corrosion resistant steels (CRS) from The People's Republic of China (PRC), pursuant to Part 12 of The Trade Remedies (Dumping & Subsidies) (EU Exit) Regulations 2019 ('the D&S Regs.' or 'the Regulations') - Statutory Instrument 450/2019.

As part of the review, the TRA sought to assess the completeness, relevance, and accuracy of the information that the producer TATA Steel UK Limited (TSUK) provided in its questionnaire response. This covered its company structure and operations, imports, costs, sales, injury, and the economic impact of varying or revoking the measure.

During the verification process, the TRA compared TSUK's questionnaire response, including the data annexed, to the accompanying evidence such as source documentation, and/or to information from sources such as Companies House, HM Revenue & Customs (HMRC) and TSUK's website. A reconciliation was performed between the audited financial statements and the financial data provided in the questionnaire annex in order to verify the consistency and completeness of the information. Accuracy and relevancy of data were verified through the performance of downwards verification procedures by tracing a sample of transactions to their source documentation.

The TRA does not have any concerns to report in respect of TSUK's questionnaire response. We were able to verify the information provided by TSUK in its questionnaire response, annex data and throughout the verification process.

Based on the verification activities that we have undertaken, we have concluded that we have a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by TSUK and we can use it for the purpose of this transition review.

Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance considered necessary to make a decision as to whether the information (data) provided by the interested party is verifiable and can be used for the purposes of our investigation. We drew a reasonable level of assurance on the completeness, relevance and accuracy of information deemed verifiable. Such data may then be considered in our assessments and analysis to determine whether injury is caused or likely to be caused to the UK industry by dumped imports of the goods subject to review. This will form the basis for establishing appropriate measures where necessary, and to assess whether these are in the UK's economic interest.

We carried out verification activity using desk-based research and undertook on-site verification analysis. We did not seek to verify all information provided, but to check the work considered appropriate and practical within the time constraints of the



transition review, to obtain the level of assurance required in order to base a recommendation.

This verification report documents the work we have completed, the checks the case team has carried out and conclusions we have reached about the reliability of information provided by the verified party.

Confidential information

The verification report is classified as 'confidential' and provided to the verified party. The verified party must provide a non-confidential version of the verification report marked as 'non-confidential' in the header.

If any information contained in the confidential verification report is considered confidential by the verified party, they should delete or redact those sections and provide a non-confidential summary of the information which has been removed. The summary must include reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



Verification

Please find below a summary of work that has been completed and the checks that have been carried out by the case team to determine whether the information provided by the interested party in their questionnaire response is verifiable.

A. Company information and associations

What information was considered

- General set up, ownership locations, and management
- Associations
- Accounting practices and policies
- Accounting system walkthrough

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked



General set-up, ownership, locations, and management

We cross-checked the information provided by TSUK on company details, ownership, and locations by examining submissions published by Companies House, including TSUK's most recent audited financial report for the year ending 31st March 2022 and its corporate status. We found the information from these sources to be consistent with the information provided by TSUK in its questionnaire response and on its own website.

Associations

We conducted our investigation using information found on Companies House. This allowed us to determine whether any of the company's directors or shareholders had associations with other companies. The findings were then compared to the questionnaire responses and we found that the information retrieved from those sources to be consistent with the information provided by the company in its questionnaire response.

We also collected information concerning the size and scope of the group of companies associated with TSUK, including documentation of the ultimate controlling entity. We found the information to be consistent with TSUK's questionnaire responses.

Accounting Practices and Policies

The financial statements for TSUK are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Detailed accounting policies for the company are included in the audited financial statements. We were able to verify TSUK's basis for accounts preparation, the financial year convention, the methodology for valuing stock, and the method for revenue recognition. There were no discrepancies between those results and TSUK's questionnaire response.

Accounting system walkthrough

A walkthrough of TSUK's accounting system (Systems Applications and Products in Data Processing, or more commonly "SAP".) was not conducted during onsite verification. Instead, the TRA's existing Permanent File (PF) notes on TSUK, compiled with evidence and explanations from previous cases were used to understand the main SAP system and its interactions with various modules. These previous notes documented explanations of the integrations between various systems and how data from different manufacturing executions systems are compiled in TSUK's main accounting system automatically through an integration layer. We obtained written permission from TSUK for the use of these existing PF notes, as well as confirmation that there has been no changes to the systems and/or controls that underpin them.



The PF notes show that, during a previous case, the TRA was able to gain an understanding of the accounting process, as well as determine whether we could rely on the information provided for sales and costs from the accounting system. During this process, we determined what tasks were manual; where there are segregated duties; and what checks and approvals are needed before transactions are posted to the accounts.

In addition, the TRA was previously provided with relevant supporting evidence of the general sales and purchasing processes; demonstrations of the audit trail generated when changes are made in the accounting system; an explanation of system controls; and copies of reports from the system that were used to extract the data for the purposes of compiling questionnaire responses.

Based on our documentation, we have obtained a reasonable level of assurance on the reliability of the systems in place from which the information we have been given was sourced.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, and adjustments to report with regards to the company information and associations.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to company information and associations that has been provided by the interested party is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the Economic Interest Test (EIT) assessment, the injury likelihood assessment and for any other purpose within this transition review.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

B. Goods

What information was considered

- Internal product coding system
- Goods description and comparability to the Like Goods made and sold in the UK.
 - Notice of Initiation
 - Annex 2 Product Comparison
 - Annex 7 T by T Domestic Sales

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked



Internal coding system

The Like Goods were identified through their sales classifications. During a demonstration of TSUK's sales reporting systems, we were able to identify the intermediate, galvanised products based on their internal classification. TSUK then demonstrated the methodologies to identify the Like Goods from the galvanised sales in high-level sales reports. These reports included product details used to determine the PCN specification, such as width, thickness, coating mass, and whether or not the products were chemically passivated. This allowed us to verify that these products were within the scope of the investigation.

We cross-checked TSUK's product specification details (as detailed in Annex 2 Product Comparison) and subsequent allocation of their products to commodity codes, with the information available on the UK integrated Online Tariff website. TSUK reconciled commodity codes based on the products width; either equal to, above, or below 600mm, which was consistent with the aforementioned UK Tariff website. [Redacted – The reason for the redaction is given in the box below by TSUK]

We examined the product descriptions contained within Annex 7 T by T Domestic Sales of the questionnaire response against the product description and commodity codes listed in the Notice of Initiation, to determine whether the goods were in scope of the investigation and the data was relevant. In addition to downwards testing on transactions within Annex 7 T by T Domestic Sales of the questionnaire, we conducted additional downwards testing. This testing focused on products that were not separately identifiable within commodity codes, but could be differentiated by the product description and subsequent production methodology, in respect of products that had, or had not been chemically passivated. We found no inconsistencies with the submitted information.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

TSUK has redacted information related to how the company differentiates its products by commodity codes. Such information is not publicly available and commercially sensitive, and may be used by TSUK's competitors to its disadvantage.

Exceptions/Findings/Adjustments

There were no exceptions, findings, and/or adjustments to report with regards to goods.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to the company’s goods that we have been provided by the interested party is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the EIT assessment, the injury likelihood assessment and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

C. Costs

What information was considered

- TSUK’s audited financial statements
- TSUK’s quarterly management accounts
- Domestic Producer Questionnaire
- Domestic Producer Questionnaire Annex:
 - Annex 3: Cost To Make And Sell
 - Annex 4: Cost Reconciliation
- Cost structure, components and allocation methodologies

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked



Upwards verification

We performed upwards verification in order to test the completeness of TSUK's cost to make (CTM). We did this by comparing total CTM for all goods provided by TSUK in its questionnaire response annex to the latest audited financial statements. Given that the most recent accounts submitted to Companies House are for the year ending 31st March 2022, we could only use these for part of our reconciliation. In order to check the entire submitted questionnaire annex data, we used the statutory accounts in conjunction with TSUK's quarterly management accounts records to;

- align the internal management accounts records with the statutory accounts; and
- construct a Period of Investigation (PoI) using the appropriate data from the management accounts records to compare with the submitted questionnaire annex.

We checked CTM for all goods and were able to reconcile what was submitted in TSUK's questionnaire annex with the statutory accounts for the overlapping period, as well as to reconcile the management accounts report with the questionnaire annex for the PoI.

Standard cost methodology and application

We performed additional work to document TSUK's standard cost allocation methodology and to consider if it was applied consistently and in a manner whereby costs were effectively absorbed into the Like Goods. A walkthrough of a selected transaction was performed to understand the individual cost elements that interact via the numerous standard cost types that flow through to individual orders on a "bill of materials" basis. We examined individual cost components and requested source documentation evidence to document certain inputs and fluctuations in raw material prices. Finally, we tested a sample of sales orders' costs (the costs linked to each order) to consider whether there were any inconsistencies or omissions in terms of cost allocations.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, and/or adjustments to report with regards to costs.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to costs that have been provided by the interested party is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the EIT assessment, the injury likelihood assessment, and for any other purpose within the transition review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

D. Sales

What information was considered

- TSUK’s audited financial statements
- TSUK’s quarterly management accounts and supporting sales documentation
- Domestic Producer Questionnaire
- Domestic Producer Questionnaire Annex
 - Annex 7 T by T Domestic Sales
 - Annex 8 Sales Reconciliation

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked



Upwards verification

The Pol of January to December did not align with TSUK's financial year (April to March). We examined TSUK's management accounts which covered TSUK's financial years of both 2022 and 2023. These periods were split quarterly, which allowed the total turnover within the period April 2022 to March 2023 to be reconciled to the audited financial statement. This provided us with an increased assurance that in addition to the January 2023 to March 2023 of the Pol being accurate, the unaudited total turnover period of April to December 2022 could also be considered reliable.

TSUK explained and demonstrated the methods used to identify the sales revenue for the Like Goods, including identification of domestic and export sales, as reported in the questionnaire annex responses. Prior to and during on site verification, TSUK showed the Like Goods were identified through reporting entities: [Redacted – The reason for the redaction is given in the box below by TSUK]

In order to ensure the completeness of the sales data, we requested a breakdown of the sales outside the scope of the Like Goods, which, when added to the in scope sales of each respective divisional entity, reconciled with the total revenue for each entity as per the management reports.

In order to ensure the relevance of the sales data, TSUK provided a transaction level breakdown of the out-of-scope sales by product type; we selected a sample of out of scope transactions, ranging across multiple product types, throughout the Pol. All transactions in the sample agreed to their in scope/out of scope classifications.

Sales analysis

We examined the transaction-by-transaction sales data, identifying trends and outliers, taking into consideration the product specifications, customer type and other factors; these were compared to general trends observed across global steel prices, HMRC import data, and UK Office for National Statistics (ONS) statistical data. We then examined products by PCN, comparing identical or, where practicable, similar PCN sales to customers; this allowed a comparison of customers' average unit prices for the same/similar product specifications. We were then able to identify price trends, which, when taking into consideration the aforementioned customer type and other factors, allowed for the identification of typical, and outlier transactions. The materiality of these transactions was then assessed, which assisted with the finalisation of a sample of sales transactions for verification.

During the process of selecting transactions we ensured we adequately covered all customer types, PCNs transactions based on their materiality, in addition to volume, value, and product specification analyses that identified anomalous



transactions. We also ensured the transactions were evenly spread, considering industry price and seasonality trends.

Downwards verification

Based on the sales analysis described above, we selected 15 sales transactions that would allow us to test the accuracy of TSUK's product identification in addition to testing any outliers. We tested this by comparing the volume, value, and other key information provided within the questionnaire annex, to the source documents in order to verify the relevance and accuracy of the data. We compared these transaction elements to the source documentation listed below and ensured they were in alignment:

- Sales invoice;
- evidence to support the domestic freight;
- copy of Purchase Order/order of acknowledgement;
- proof of delivery;
- evidence to corroborate rebates (if relevant);
- SAP screenshots to show accounting entries;
- evidence of payment received (bank statements);
- any other information deemed relevant but not covered in the above.

For a proportion of the material sold via TSUK's retail arm (TSD), of the invoices identified, some of these contained multiple batches of coils and/or sheets; some from the same batch with the same specifications, and some invoices containing multiple batches, which meant coil specifications differed. This resulted in some of the coil's specifications not aligning with the PCN categorisation within the questionnaire annex's transaction by transaction data. TSUK explained where multiple coil specifications were present, they would extract the specifications of the largest, most material coil on the invoice, and populate the PCN category with those specifications. All of the invoices tested that contained multiple batches of coils with varying specifications, but were reconciled to one PCN category, were all confirmed to be within the scope of the Like Goods description.

As part of our downwards testing, we also selected a sample of sales transactions that are out of scope to confirm that they were correctly classified with no inconsistencies found.

Rebates

In their questionnaire submission, TSUK stated four customers had rebate contracts with TSUK. Contractual requirements were provided for [Redacted – The reason for the redaction is given in the box below by TSUK], we observed the methodology and application of these rebates to the annexed transaction by transaction data. No issues were identified.



Associated party transactions

We compared all declared associated parties with customers detailed within the transaction by transaction annex; there were no associated parties identified.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

TSUK has redacted information related to its internal structure and rebates arrangements. Such information is not publicly available and commercially sensitive, and may be used by TSUK’s competitors to its disadvantage.

Exceptions/Findings/Adjustments

There were no exceptions, findings and/or adjustments to report with regards to sales.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to sales that has been provided by the interested party is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the EIT assessment, the injury likelihood assessment and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



E. Injury

What information was considered

- Annex 9: Injury
 - Sales figures for the Injury Period
 - Profitability for all goods and Like Goods
 - Production output by volume and value for the Like Goods
 - Market share for the Like Goods
 - Total production capacity and capacity utilisation for the Like Goods
 - Cashflow for all goods
 - Inventory of all goods
- Annex 10: Investments
 - Investments and return on investment (ROI)
- Annex 12: EIT
 - Employment, median wage, and productivity for the Like Goods

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked



Sales figures for the Injury Period

The verification activities in respect of sales over the PoI have been described in section D, for which we have gained reasonable assurance that the data provided by TSUK is complete, relevant and accurate.

In respect of the remaining Injury Period, we observed the methodology applied by TSUK in calculating the sales for the Like Goods. TSUK used management reports and then apportioned a small revenue stream within the stated sales figures for the injury period.

Profit figures for the Injury Period

The profitability figure over the PoI was calculated by verifying the total revenue of the like goods, and deducting the verified costs of production.

In respect of the remaining Injury Period, TSUK provided standard net margin figures from their management reporting data, which covered 3-month and 9-month periods; these were then combined to account for the Injury Period's calendar years. Variances that accounted for the most significant costs (raw materials and energy) were subsequently applied to the net profit figure, which provided the net operating profit after tax (NOPAT) annex figure for the Like Goods. We concluded this was a reasonable basis on which to calculate the profit figures of the Like Goods.

Production output for the Like Goods

TSUK's submission of output figures were in respect of total galvanised production; this included a significant proportion of goods that were out of scope. We have verified these production figures through TSUK's operational and management information systems, which identified monthly production figures of all galvanised goods for the respective Zodiac and Shotton Galvanising production lines. Subsequently, discussions with TSUK that considered production and inventory knowledge of the Like Goods, provides a reasonable level of assurance that the sales output figures reflect the production output.

The same trends were observed when comparing sales output of the Like Goods against total production of all galvanised goods; a decrease over 2020 due to the COVID-19 Pandemic (Pandemic), followed by an increase over 2021, and subsequent decrease over the PoI.

Accordingly, we have verified the data relating to production volumes of total galvanised products, in addition to a reasonable level of assurance in terms of the Like Goods outputs.

Market share for the Like Goods



The market share for the Like Goods has been estimated, based on TSUK sales data, and HMRC UK Trade data. TSUK is the sole producer of the Like Goods in the UK, with the rest of the demand being met by imports.

HMRC UK Trade data includes out of scope goods which cannot be identified from the applicable commodity codes. TSUK presented a market share estimation that included a percentage of their non-chemically passivated (automotive galvanised steel) sales, to account for the percentage of out-of-scope goods contained within the HMRC data. Having verified the output of TSUK's domestic sales for both automotive and non-automotive goods, we gained a reasonable level of assurance over the trade figures used by TSUK to calculate market share.

Investments and return on investments for all goods

TSUK's Return on Investment (ROI) has been calculated at an organisational level. We concluded that isolating the ROI for the Like Goods would not be appropriate when considering the integrated nature of production.

The ROI calculation was based on the following methodology: 'Net profit/(loss) before tax/Net book value of fixed assets'. We examined TSUK's detailed ledger reports and concluded that items not meeting the definition of an operating asset were correctly excluded for the purposes of the ROI calculation, with no material differences identified.

Utilisation of capacity figures for the Like Goods

TSUK's capacity figures were based on the record annual output of their galvanising lines, and remained unchanged throughout the Injury Period. This included the production capacity of an output line which has been mothballed since 2016. Excluding the line that is currently mothballed, TSUK's total galvanised output has reached approximately 90% of capacity utilisation throughout the Injury Period, with the exception of 2020 when it dropped to 78% (during the Pandemic).

TSUK's submitted capacity utilisation figures were in respect of total galvanised utilisation. This included goods that are out of scope. The total production of all galvanised product figures was verified within the previous production output heading of this section.

In an effort to isolate the Like Goods, TSUK's capacity utilisation has been adjusted to exclude out of scope galvanised products. This did not have an effect on total capacity. We observed similar trends throughout the Injury Period for both the Like Goods in isolation and all galvanised products.

We have verified both the data relating to total production capacity, based on historic maximum output, and total galvanised output over the Injury Period. We are satisfied that the methodology used, and the accuracy of its application, to calculate output of the Like Goods over the Injury Period is reasonable.



Cashflow for all goods

The cashflow figures were provided for all goods. This is due to the integration between product types, and the fact that TSUK advised that it was unable to provide cash flow data for the Like Goods in isolation. Additionally, TSUK has an exemption under UK Generally Accepted Accounting Principles and therefore does not report on cash flow as part of its statutory financial statements. Instead, we reconciled the submitted annex cashflow figures to the management reports, and subsequently to the audited financial statements and found no material inconsistencies.

Inventory for all goods

Total stock volumes have remained relatively consistent throughout the Injury Period, with the valuation trending alongside globally observed steel prices. TSUK provided management reports that supported their annex submissions. The management report figures were then compared to the audited financial statements and no material differences were observed.

Employment, wages, and productivity for the Like Goods

We were able to verify employment figures by comparing the Injury annex submission provided by TSUK to their audited financial statements. We were provided with the number of staff working on the Zodiac line (at Llanwern, South Wales), Shotton (North Wales) and at the TSUK distribution centre, broken down to those working on Like Goods with the source figures and the methodology of how this was calculated.

We were unable to calculate a median wage for Like Goods, only due to the integrated nature of production methods. The average wage that was provided to us as part of TSUK's annex submission was verified by performing high level calculations concerning TSUK-wide datasets. We then compared the wage to secondary sources, which provided company-specific wage information. We found no material inconsistencies.

Productivity data submitted by TSUK was consistent with a decrease in output due to the Pandemic. This was followed by an increase in 2021 and 2022. We performed recalculations using output data for Like Goods only and compared this to TSUK's submission. We concluded that our own methodology was more suitable for the purposes of this review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Exceptions/Findings/Adjustments

There were no material exceptions, findings and/or adjustments to report with regards to injury.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to injury factors that have been provided by the interested party is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the EIT assessment, the injury likelihood assessment and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

F. Economic Interest Test

What information was considered

- UK producers of the Like Goods
- Location of sites
- Structure of supply chain
- Employment
- Exports and exports share
- Market Share
- The significance of the Like Goods to TSUK (Sales of CRS value/volume compared to total sales value/volume)



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked



UK producers

TSUK is the only known producer of CRS in the UK. The principal activities of TSUK are steel manufacturing and it is an integrated manufacturer of various steel products, including CRS. We verified TSUK as the domestic producer of CRS in section A of this report where we checked the information provided by TSUK on company details, ownership, and locations.

Location of sites

We verified the details of locations provided by TSUK during onsite verification and Companies House.

Structure of supply chain

TSUK's supply chain was verified prior to and during on site verification by checking a sample of receipts of raw material purchases and sales to downstream buyers. The receipts contained the names of sellers and buyers. Please refer to sections C and D above.

Employment

TSUK's employment figures were verified against the audited financial statements. We were unable to estimate median wages as the TSUK employment was verified by performing high level calculations concerning TSUK-wide datasets. Therefore, we compared the wage to secondary sources and no material inconsistency was found. Please see section E above.

Exports and export share

In the upwards verification process, we verified exports and export shares by comparing the Pol export figures as reported in the questionnaire annex responses. The figures were verified prior to and during on site verification as outlined in Section D, and we have reasonable assurance that they are accurate.

Market share

We analysed market share by comparing the figures provided by TSUK to estimates derived through desk research using sources including HMRC trade data. Please see Section E for more information.

Significance of Like Goods

We calculated the significance of CRS to TSUK through the transaction data and by comparing the sales of CRS to total turnover from the respective annexes. We found that sales of the Like Goods account for approximately [5%-15%] of TSUK's total turnover and concluded that CRS is somewhat important for TSUK. In respect of the galvanising line, the Like Goods account for [20%-40%] of TSUK's galvanising output, and we conclude that the Like Goods are very important to the



product mix produced at TSUK's galvanised line, which requires a sufficient orderbook in order to be operated in a sustainable manner.

Distributors

We consider the distributors to be part of the TSUK group as they are part of TSUK's internal structure. As a result, we will be able to conduct our analysis and we will provide a largely qualitative analysis of this group based on our understanding of the TSUK's supply chain.

Verified data in the Economic Interest Test (EIT)

In the EIT, the data verified will be used to assess the economic significance of TSUK and the likely impact of the outcome of the investigation on TSUK. The EIT will also use the data to consider the geographic distribution of the businesses across the UK and consider the competition in the UK market for producing CRS. As a result of understanding TSUK's supply chain, we will also be able to make informed decisions concerning other groups in the TSUK's supply chain.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

TSUK has provided a non-confidential range for the share of the product concerned in its total production output and the production output of the galvanising line. Such information is not publicly available and commercially sensitive, and may be used by TSUK's competitors to its disadvantage.

Exceptions/Findings/Adjustments

There were no exceptions, findings and adjustments to report with regards to the Economic Interest Test.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to economic interest that has been provided by the interested party is verifiable. Based on the work we have done, we have a



reasonable level of assurance that the information can be treated as complete, relevant, and accurate. The data can be used by the TRA for the EIT and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

The verification of TSUK's accounting system and the methods used to identify the Like Goods within its system and the questionnaire responses identified only limited discrepancies. We considered these to be immaterial and would not affect the dataset for the purpose for which it is to be used.

We were able to reconcile the questionnaire data submitted with TSUK's published audited financial statements and management accounts during the performance of upward sales, and upwards costs verification procedures.

We reconciled the details of the transactions examined during the downward sales verification procedures against the documentation supplied by TSUK. We found that the clarifications provided by TSUK during this process were appropriate. We have also gained assurance over TSUK's cost methodology and their allocation to the Like Goods over the Pol.

TSUK provided us with the requested source documentation and methodologies to support the data presented on injury factors. We verified that the figures provided by TSUK were consistent with the source documents they had been attributed to and with the methods TSUK reported using to calculate them.

In summary, we have obtained sufficient and appropriate evidence in order to conclude that the information provided by the company under all of the sections above is verifiable. Therefore, we have a reasonable level of assurance that the information is complete, relevant, and accurate for the purpose of this review.



Appendices

Appendix 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
10 th – 12 th July 2023 Verification Visit 3 days	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[REDACTED-Names]	[REDACTED-Names]