**Anti-Dumping Questionnaire for Exporter**

**Transition review of anti-dumping measures**

**Case TD0011:** **Certain cold rolled flat steel products exported from the People’s Republic of China and the Russian Federation**

|  |  |
| --- | --- |
| **Period of Investigation (POI):** | 1 April 2020 to 31 March 2021 |
|  |  |
| **Injury period:** | 1 April 2017 to 31 March 2021 |
|  |  |
| **Deadline for response:** | 28 June 2021 |
|  |  |
| **Contact details:** | TD0011@traderemedies.gov.uk |
|  |  |
| **Completed on behalf of:** | PAO Severstal |

When you have completed this form, indicate the **confidentiality** **status** of this document by placing an X in the relevant box below:

[ ]  Confidential

[x]  Non-confidential – will be made publicly available

Your completed response must comprise this questionnaire and the corresponding annexes. Please note that you will have to provide **Confidential** and **Non-Confidential** versions of the questionnaire and annexes, as well as of any additional documents you append. All documents should be uploaded to the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by **28 June 2021**.

Table of Contents

[Introduction 1](#_Toc82100469)

[Preparing confidential and non-confidential copies 3](#_Toc82100470)

[Providing information from subsidiaries or associated parties 4](#_Toc82100471)

[What happens next 5](#_Toc82100472)

[Verifying the information you supply 5](#_Toc82100473)

[The scope of this review 7](#_Toc82100474)

[Goods subject to review 7](#_Toc82100475)

[Like goods 8](#_Toc82100476)

[Product Control Numbers 8](#_Toc82100477)

[SECTION A: Company structure and operations 12](#_Toc82100478)

[A1 Identity and contact details 12](#_Toc82100479)

[A2 About your company 12](#_Toc82100480)

[A3 Organisational structure 15](#_Toc82100481)

[A4 Board members and principal shareholders 16](#_Toc82100482)

[A5 Operational links with other companies or persons 19](#_Toc82100483)

[A6 Accounting practices 20](#_Toc82100484)

[A7 Your company’s products 26](#_Toc82100485)

[A8 Product similarity 27](#_Toc82100486)

[SECTION B: Sales 28](#_Toc82100487)

[B1 Sales 31](#_Toc82100488)

[B2 Captive sales 32](#_Toc82100489)

[B3 Sales to the UK 32](#_Toc82100490)

[B3.1 Overview 32](#_Toc82100491)

[B3.2 UK transactions 34](#_Toc82100492)

[B4 Domestic sales 36](#_Toc82100493)

[B4.1 Overview 36](#_Toc82100494)

[B4.2 Domestic transactions 38](#_Toc82100495)

[B5 Currency conversions 39](#_Toc82100496)

[B6 Sales to other countries 40](#_Toc82100497)

[SECTION C: Fair comparison 43](#_Toc82100498)

[C1 Adjustments on export sales 43](#_Toc82100499)

[C1.1 Differences in discounts, rebates and quantities 43](#_Toc82100500)

[C1.2 Differences in transportation, insurance, handling, loading and ancillary costs 44](#_Toc82100501)

[C1.3 Differences in packing expenses 45](#_Toc82100502)

[C1.4 Differences in cost of credit granted 45](#_Toc82100503)

[C1.5 Differences in after sales costs 46](#_Toc82100504)

[C1.6 Differences in commissions paid regarding sales under consideration 47](#_Toc82100505)

[C1.7 Other factors 47](#_Toc82100506)

[C1.8 Future adjustment 47](#_Toc82100507)

[C2 Adjustments on domestic sales 47](#_Toc82100508)

[C2.1 Differences in discounts and rebates, including those given for differences in quantities 48](#_Toc82100509)

[C2.2 Differences in domestic freight 49](#_Toc82100510)

[C2.3 Differences in physical characteristics 49](#_Toc82100511)

[C2.4 Differences in the level of trade 50](#_Toc82100512)

[C2.5 Differences in transportation, insurance, handling, loading, and ancillary costs 50](#_Toc82100513)

[C2.6 Differences in packing expenses 51](#_Toc82100514)

[C2.7 Import charges 51](#_Toc82100515)

[C2.8 Indirect taxes 52](#_Toc82100516)

[C2.9 Differences in the cost of any credit granted for the sales 53](#_Toc82100517)

[C2.10 After sales costs 54](#_Toc82100518)

[C2.11 Differences related to commissions 55](#_Toc82100519)

[C2.12 Other factors 55](#_Toc82100520)

[SECTION D: Costs and performance 56](#_Toc82100521)

[D1 Turnover 56](#_Toc82100522)

[D2 Statement of profit and loss and other comprehensive income 57](#_Toc82100523)

[D3 Production 58](#_Toc82100524)

[D4 Upwards cost reconciliation 59](#_Toc82100525)

[D5 Capacity 59](#_Toc82100526)

[D6 Stocks 60](#_Toc82100527)

[D7 Joint products and by-products 61](#_Toc82100528)

[D8 Employment 61](#_Toc82100529)

[D9 Investments 62](#_Toc82100530)

[D10 Purchases 62](#_Toc82100531)

[D11 Profitability and administration, selling and general costs 63](#_Toc82100532)

[D12 Cost to make (CTM) in the Russian Federation and the UK 64](#_Toc82100533)

[D13 AS&G in the Russian Federation and in the UK 65](#_Toc82100534)

[D14 Raw material (RM) and major input purchases 66](#_Toc82100535)

[D15 Specificities regarding the Russian Federation 67](#_Toc82100536)

[SECTION E: Other questions 70](#_Toc82100537)

[SECTION F: Next steps and declaration 72](#_Toc82100538)

[Next steps 72](#_Toc82100539)

[Declaration 73](#_Toc82100540)

[SECTION G: Checklist and appendices 74](#_Toc82100541)

# Introduction

**About us, this case and this questionnaire**

The Trade Remedies Investigations Directorate (TRID) of the UK’s Department for International Trade investigates whether trade remedies are needed to prevent injury to UK industry. TRID was established within the Department for International Trade in March 2019 to give the UK its own independent trade remedies system. Under the Trade Act 2021, the Trade Remedies Authority (TRA) will shortly be established as an independent Arm’s Length Body, taking over the functions exercised by TRID.

As part of our work, we are carrying out a transition review of each trade remedy measure active under the EU system that the United Kingdom (UK) has decided to maintain after EU exit.

This transition review will consider whether the anti-dumping measure for certain cold rolled flat steel products from the Russian Federation – a customs duty on imports that protects against dumping – is necessary or sufficient to offset dumping and whether there would be injury to the UK industry if this measure was removed.

**Why should I take part?**

We are asking foreign exporters of certain cold rolled flat steel products to complete this questionnaire to inform our review of whether the current anti-dumping measure should be maintained, varied or revoked.

If you are an exporter of the goods subject to review to the UK but do not produce these goods, please complete Annex I, as well as sections of the questionnaire you are reasonably able to answer. Furthermore, please provide the Case Team with contact details for the company/companies that produce the goods subject to review that you export.

The information your company provides will help us to reach a fair and proportionate decision.

**How do I respond?**

Detailed guidance on how to complete the questionnaire is provided in the [instructions](#_Instructions) section below.

Please provide all the information requested by 28 June 2021. We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary. Therefore, please provide as much detail as possible in your responses.

**Where can I find more information?**

Our [trade remedies guidance](https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process) provides general information about our investigations and processes we follow.

If you have any specific questions relating to the case, now or while you’re completing the questionnaire, please contact the Case Team at TD0011@traderemedies.gov.uk.

You can also find out more about the regulatory basis of our investigations. TRID investigates cases under the provisions of[*Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*](https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.legislation.gov.uk%2Fuksi%2F2019%2F450%2Fcontents%2Fmade&data=04|01||b7072ca2f1fe4449cebf08d91ec08a4a|6d05c46229564ec4a0d4480181c849f9|0|0|637574634564679131|Unknown|TWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D|1000&sdata=IjDZEzI7KU4ypPhoMXztbEUAwgFcSsH1RJfDOyOAHWs%3D&reserved=0) *as amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019* and under the[*Taxation (Cross-border Trade) Act 2018*](https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.legislation.gov.uk%2Fukpga%2F2018%2F22%2Fcontents%2Fenacted&data=04|01||b7072ca2f1fe4449cebf08d91ec08a4a|6d05c46229564ec4a0d4480181c849f9|0|0|637574634564679131|Unknown|TWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D|1000&sdata=fpDazQjOc0ImXMBdeYQsmKQ2TsF%2FrF2f0ju2dkKshII%3D&reserved=0)*.*

**Instructions on completing this questionnaire**

**Preparing your response**

This section sets out guidance on how to complete this questionnaire.

If you think you won’t be able to complete the questionnaire within the required time, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension you need and the reasons why. We will notify you of our decision.

If we can accommodate an extension, we will publish a note on our [public file](https://www.trade-remedies.service.gov.uk/public/cases/) to record both the request and the extension granted.

**How to answer the questions**

Please read and follow all the instructions carefully. Your company will need to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all these documents, your completed spreadsheet annexes and any calculations you made when developing your responses.

Please also note the following points:

* Do not leave any questions blank. If the question is not relevant to your organisation, please explain why. If the answer to a question is “zero”, “no” or “none”, please write this.
* Please complete the spreadsheet annexes as requested. Annexes are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you feel you cannot present the information as requested, please contact your Case Team as soon as possible.
* Please provide all formulas and calculations used within your questionnaire response.
* If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
* Any documents not in English should be accompanied by an English translation.
* Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
* Unless otherwise stated, ‘year’ or ‘calendar year’ refers to the period 1 January – 31 December and ‘quarter’ refers to the associated three-month periods e.g. 1 January – 31 March, 1 April – 30 June, etc.
* Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g. do not use kg and metric tonnes interchangeably).
* For all numerical figures, where appropriate please express every third number with a comma (e.g. ‘1,300’ for one-thousand three hundred, ‘1,300,000’ for one million and three-hundred thousand). Please ensure that all numbers which represent increasing costs and sales are reported as positive figures, and decreasing costs and sales are reported as negative figures.
* Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (e.g. £1,300.00).
* Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
* All figures should be reported net of recoverable tax unless otherwise stated.
* Please refer to the case number, **TD0011**, in any correspondence with TRID.

## Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annexes by the due date. We will publish the non-confidential version on the public file. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.**

Please see our guidance on [how to submit information](https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information) for further details on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

In preparing your response, please note the following:

* It is your responsibility to ensure that the non-confidential version does not contain any confidential information.
* Remember to include a statement explaining why information obtained in your response should be treated as confidential e.g. the data is commercially sensitive.
* Provide the source for all information or data you don’t own and clearly state any restrictions on sharing it.
* If you do not provide a non-confidential summary (or a statement of reasons why you cannot provide this) each time you provide confidential information, TRID may disregard the information you give us.
* Please ensure that you remove or redact any personal data (including but not limited to names, signatures, contact details and job titles) from the non-confidential version of the questionnaire, which is to be uploaded to the public file by TRID. Where personal data has been removed, please note this in the non-confidential summary/version of the questionnaire.

All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019)* and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on [www.trade-remedies.service.gov.uk/public/cases](http://www.trade-remedies.service.gov.uk/public/cases).

## Providing information from subsidiaries or associated parties

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our investigation covers all subsidiaries and any other associated companies involved in the import, production, sale, R&D, distribution and/or supply of the like good and/or goods subject to review.

Please note, both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of ‘Related Persons’ in [Regulation 128 of the Customs (Import Duty) (EU Exit) Regulations 2018](http://www.legislation.gov.uk/uksi/2018/1248/regulation/128/made).

* If any of your subsidiaries or associated companies are also an exporting producer of the goods subject to review, they should **also** complete the main questionnaire. Please make sure you provide your subsidiaries with access to this questionnaire.
* If your subsidiaries or associated companies are not producers but are involved in the sales and/or marketing of the export goods subject to review to the UK, they should complete Annex I, as well as sections of the questionnaire they are reasonably able to answer.
* If your subsidiaries or associated parties are producers but are not involved in the sales and/or marketing of the export good to the UK, they should complete the relevant sections of the questionnaire.

If you have any queries about this part of the process, please contact the Case Team using the details provided on the cover of this questionnaire.

## What happens next

Once you have completed your questionnaire responses including the corresponding annex(es) and any additional documents requested, you must upload confidential and non-confidential versions through our [Trade Remedies Service](http://www.trade-remedies.service.gov.uk/). Following this:

* you will receive an email confirming the documents have been uploaded successfully;
* the Case Team will contact you if further information is required;
* the non-confidential responses will be placed on the public file; and
* the Case Team may contact you to arrange a visit to verify the information contained in your responses.

## Verifying the information you supply

TRID will verify, as far as possible, the information provided to it. As part of this process, we may conduct verification visits. If we need to verify information that you provide by visiting your premises, the Case Team will contact you to arrange this.

Visits can last several days, during which we will want to speak to management and staff to help establish the completeness, relevance and accuracy of the information provided.

Please keep a record of formulas and steps used in your calculations and other related material/documentation as it may be asked for during verification.

In some circumstances, verification may be conducted remotely.

Please indicate any dates when you would be unable to host a verification visit.

|  |
| --- |
| Severstal can’t indicate any exact dates right now. |
|  | Appendix reference: |

Once verification is complete, TRID will prepare a report and share a draft with you. TRID will then ask you to prepare a non-confidential copy of the report for the public record. If you feel some information in the report should be kept confidential, please provide your reasons for this.

# The scope of this review

## Goods subject to review

This review covers **certain cold rolled flat steel products** exported from **the Russian Federation**, described as:

Flat-rolled products of iron or non-alloy steel, or other alloy steel but excluding of stainless steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated and not further worked than cold-rolled (cold-reduced);

excluding:

* flat-rolled products of iron or non-alloy steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated, not further worked than cold-rolled, whether or not in coils, of all thickness, electrical;
* flat-rolled products of iron or non-alloy steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated, in coils, of a thickness of less than 0.35 mm, annealed, also known as ‘black plates’;
* flat-rolled products of other alloy steel, of all widths, of silicon-electrical steel; and
* flat-rolled products of alloy steel, not further worked than cold-rolled (cold-reduced), of high-speed steel.

These **cold rolled flat steel products** are currently classifiable within the following TARIC codes:

72 09 15 00 90

72 09 16 90 00

72 09 17 90 00

72 09 18 91 00

72 11 23 30 99

72 11 23 80 19

72 11 23 80 95

72 09 25 00 90

72 09 26 90 00

72 09 27 90 00

72 09 28 90 00

72 11 23 30 10

72 25 50 80 00

72 26 92 00 10

72 11 23 80 99

72 11 29 00 19

72 11 29 00 99

72 11 23 30 91

72 09 18 99 90

72 26 92 00 90[[1]](#footnote-1).

These codes are only given for information.

In this questionnaire, these goods will be referred to as ‘**the goods subject to review**’. Any reference to ‘goods subject to review’in this questionnaire refers to the goods description above, regardless of the commodity code under which they are exported.

## Like goods

In addition to seeking information about your company’s export sales to the UK of the goods subject to review, this questionnaire will also ask about your sales of like goods in your domestic market and to third countries. Any reference to ‘**like goods**’ in this questionnaire refers to goods which are like the goods subject to review in all respects, or with characteristics closely resembling them.

**Please follow the instructions for each question to provide the appropriate information regarding the like goods and goods subject to review.**

## Product Control Numbers

TRID uses Product Control Numbers (PCNs) to define and distinguish the different types of products that fall under the goods description above.

PCNs, which come in the formof an **alphanumeric code,** help to create a categorisation system so that comparisons can be made between goods produced in the domestic UK market and those produced in foreign markets.

**Product Control Number (PCN) construction**

|  |  |  |  |
| --- | --- | --- | --- |
| **Field description**  | **Field format**  | **Explanation**  | **Field length**  |
| **Product Type**  | Alphabetical+ Numerical  | C1 = Cold rolled, in coils, annealed C2 = Cold rolled, in coils, unannealed S1 = Cold rolled, not in coils, annealed S2 = Cold rolled, not in coils, unannealed  | 2 |
| **Product Quality**  | Alphabetical  | P = Prime (i.e., tested as per the relevant standards specification and compliant with that relevant specification)  N = Non-prime or second (i.e., not compliant with relevant standard specifications with regard to chemical composition, mechanical properties, dimensional tolerances or non-standard dimensions)  | 1 |
| **Grade of the product (EN)**  | Numerical  | Indicate the steel grade by reference to the EN norms as listed below (when available): The first two digits refer to the steel type category:01 = steel for cold forming 02 = structural steel 03 = high strength low alloy steel/ bake hardening steel/ Interstitial-Free High Strength steels/ Solid solution steels (EN 10268) 04 = steel with guaranteed mechanical properties 05 = atmospheric corrosion resistant steel 06 = blued steel 07 = steel for enamelling (EN 10209 2013) 08 = high strength steel for light weight gas containers (PrEN 10338 2009) 09 = TRIP steels/ Dual Phase steels/ Complex phase steels (PrEN 10338 2012) 10 = Other The last two digits refer to the following grades:For 01 01 = DC01, DC03, DC04, DC05 02 = DC06, DC07  For 03 01 = HC260LA, HC300LA, HC340LA, HC380LA 02 = HC420LA, HC460LA, HC500LA 03 = HC180B, HC220B, HC260B, HC300B 04 = HC180Y, HC220Y, HC260Y 05 = HC220P, HC260P, HC300P  For 07 01 = DC01EK, DC04EK, DC05EK, DC06EK 02 = DC03ED, DC04ED  For 08 01 = HCT600X  For 09 01 = HCT450X, HCT500X, HCT600X 02 = HCT780X, HCT980X 03 = HCT600C, HCT780C  For 02/04/05/06/09/10 01 = default  **Example**High strength, low alloy steel type with HC340LA grading would be codified as **0301**For products without EN grades use XXXX.  If more than 5% of your domestic sales or more than 5% of your export sales to the UK do not have EN grades, please contact us.  | 4 |
| **Thickness**   | Alphabetical  | A = thickness < 0.30mm  B = 0.30mm <= thickness < 0.40mm C = 0.40mm <= thickness < 0.50mm D = 0.50mm <= thickness < 0.60mm E = 0.60mm <= thickness < 0.70mm F = 0.70mm <= thickness < 0.80mm G = 0.80mm <= thickness < 0.90mm H = 0.90mm <= thickness < 1.00mm I = 1.00mm <= thickness < 1.25mm J = 1.25 mm <= thickness < 1.50mm K = 1.50mm <= thickness < 1.75mm L = 1.75mm <= thickness < 2.00mm M = 2.00mm <= thickness < 3.00mm N = thickness >= 3.00mm  | 1 |
| **Width**  | Alphabetical  | Z = width < 500mm Y = 500mm <= width < 600mm X = 600mm <= width < 700mm W = 700mm <= width < 800mm V = 800mm <= width < 900mm U = 900mm <= width < 1300mm T = 1300mm <= width < 1800mm S = 1800mm <=width < 2000mm R = width >= 2000mm  | 1 |
| **Edges**   | Alphabetical  | M = Mill edged S= Slit edged T = Trimmed edged O = Other  | 1 |
| **Finishing**  | Alphabetical   | BR = Brite SB = Semi-Brite NR = Normal RG = Rough VR = Very Rough  If the finishing of the product in question cannot be classified into any of the above, then use XX. If more than 5% of your domestic sales or more than 5% of your export sales to the UK would be designated as XX, please contact us.  | 2 |

Please do not use any separator within the PCN code.

**Example**

For a product with annealed coils, prime grade, high strength, low-alloy steel type with HC340LA steel grade, a thickness of 0.50mm, a width of 1250mm, with a trimmed edged and rough finishing, the PCN is the following: **C1P0301DUTRG**

In this questionnaire and the corresponding annexes, you will be asked to construct PCNs representing the different types of products you produce. When giving your PCNs, please do not use any spaces, dashes or other means of separation, and ensure you follow the order of characteristics outlined in the table above.

Please review the PCN structure shown in the table above and include any comments on it in the box provided. These comments may include but need not be limited to whether the structure should enable us to differentiate between different product characteristic and costs.

|  |
| --- |
| Product Control Numbers (PCNs) were created by applying the coding system given in Table above with additional instructions provided by the TRID. |

# SECTION A:Company structure and operations

## A1 Identity and contact details

1. Please complete the table below, ensuring that the point of contact given has the authority to provide this information:

|  |  |
| --- | --- |
| Legal name of company: | PAO “Severstal” |
| Legal structure (e.g., limited company, public joint-stock company, state-owned enterprise, partnership, etc.):  | Public Joint Stock Company |
| Year of establishment: | 1955 |
| Other operating names: | Severstal |
| Name (point of contact): | [Non-confidential summary: Name] |
| Position: | [Non-confidential summary: Position] |
| Address: | 30 Mira str., Cherepovets, Vologda reg., Russia, 162608 |
| Telephone No: | +[Non-confidential summary: Telephone No] |
| Email: | [Non-confidential summary: e-mail] |
| Website: | www.severstal.com |

## A2 About your company

1. Describe the role of your company in relation to exports of the goods subject to review to the UK market (e.g. producer, producer/exporter or exporter/distributor). Please make it clear whether you are a producer, and if you are not please contact us within seven days with details of the producers that supply you.

|  |
| --- |
| PAO “Severstal” is a Russian producer and exporter of cold rolled flat steel products. |
| Appendix reference**: not applicable**  |

1. Please provide details of any changes in the legal form of your business over the full injury period (1 April 2017 to 31 March 2021),for example, mergers, acquisitions and/or sales.

|  |
| --- |
| There are no any changes in the legal form of PAO Severstal over the full injury period (1 April 2017 to 31 March 2021).The changes in the legal form since the original establishment of the company provide in the Table below. |

|  |  |  |
| --- | --- | --- |
| **Date** | **Legal form** | **Explanation of change** |
| 1955 | State ownership | Start of Cherepovets Metallurgical Plant |
| 1983 | State ownership | Reorganize Cherepovets Metallurgical Plant into Cherepovets Steel Mill |
| 1993 | Open Joint Stock Company  | Cherepovets Steel Mill was registered as Open Joint Stock Company under the name "Severstal" |
| 2014 | Public Joint Stock Company | Federal Law N 99-FZ  |

+Add additional rows as required.

1. List and explain all authorisations your company has been required to obtain to produce, sell, or to export the goods subject to review. These may include licences, permits, permissions or mining concessions. Indicate if your company is subject to any direct or indirect, quantitative or other, restrictions on any of these activities.

|  |
| --- |
| Severstal operates in full compliance with applicable Russian law and is not subject to any quantitative restrictions. |
|  | Appendix reference: **not applicable** |

1. Please describe all the other products (not including the goods subject to review) produced or sold by your company in the UK

|  |
| --- |
| Severstal is an integrated steelworks of full production cycle integrating more than 100 major process units, from iron ores and coals processing to finishing operations where high-value products are produced. The Company comprises two major operational divisions: Severstal Resources and Severstal Russian Steel. Severstal Russian Steel is a leading Russian steel producer, with a broad product mix. It produces a wide range of flat and long-rolled products, including hot and cold-rolled flat products, galvanized and colour-coated products and long-steel applications, thick plate for large diameter pipes, ship and bridge building and other industries. The downstream assets include the production of large diameter pipes and metalware for machinery, as well as service centres and stamping facilities for exposed automotive parts. Severstal Resources is Severstal’s mining assets. It supplies almost all of the iron ore and coking coal required by Severstal’s steel business, while also selling some volumes to external customers both in Russia and abroad.During the period from 1 April 2017 to 31 March 2021 the Company Severstal produced and sold in the UK follow products: [Non-confidential summary: Names of produced and sold upstream and downstream products].  |
|  | Appendix reference: **not applicable** |

1. State whether your company is a member of any representative organisations (e.g. trade bodies, associations, Chambers of Commerce). If so, provide a copy of the relevant documentation.

|  |
| --- |
| Severstal is a member of Vologda Chamber of Commerce. Chamber of Commerce is a non-governmental and non-profit organization. It represents the interests of small, medium and large businesses and it encompasses all business sectors - industry, domestic and foreign trade, agriculture, financial system services. Severstal’s membership number is 233-49. The confirmation of membership you can find on official web-site of Vologda Chamber of Commerce: <http://vologda.tpprf.ru/ru/chleny/> Severstal is a member of Russian Union of Industrialists and Entrepreneurs (RSPP).RSPP is non-political organization which protects the interests of industry at the time of fast and large-scale transformations in the state politics and economy. RSPP priorities include: promotion of the business community interests in Russian and at the international level and consolidation of Russian industrialists and entrepreneurs` efforts for business environment development; enhancing the status of business in Russia and the world; maintaining the balance of interests of society, government and business.Information about RSPP members you can find on official web-site of Russian Union of Industrialists and Entrepreneurs: <http://old.rspp.ru/simplepage/172>. Registration number of PAO Severstal is 408.08.35, dd. 09.09.2011. and in English <http://en.rspp.ru/about/inform/>Since June 30, 2009 Severstal is a member of Non-profit Partnership “Russian Steel”. Non-profit partnership "Russian Steel" was created in 2001 by leading Russian metallurgical companies to coordinate efforts to protect the interests of Russian metallurgists and implementation of joint projects of a non-commercial nature."Russian Steel" brings together the largest manufacturers of steel products in Russia. The confirmation of membership you can find on official web-site of Russian Steel: <http://eng.russtal.ru/members/>Since 2001 year Severstal is a member of World Steel Association. Worldsteel is a non-profit organization and one of the largest and most dynamic industry associations in the world. Worldsteel represents approximately 170 steel producers (including 9 of the world's 10 largest steel companies), national and regional steel industry associations, and steel research institutes. Worldsteel members represent around 85% of world steel production.The confirmation of membership you can find on official web-site of World Steel Association: <https://www.worldsteel.org/about-us/worldsteel-membership/worldsteel-members/regular-members.html> |
|  | Appendix reference: **not applicable** |

## A3 Organisational structure

Please answer the questions below about the internal structure of your company and any associations with other companies. Both natural persons (individuals) and legal persons (e.g. companies) are associated where they meet the definition of ‘related persons’ in Regulation 128 of the [*Customs (Import Duty) (EU Exit) Regulations*](http://www.legislation.gov.uk/uksi/2018/1248/made) *2018.*

1. Please explain, or demonstrate in a diagram, the legal structure of your company showing the internal hierarchical and organisational structure, all sites/locations and departments which are involved in the production, sale, R&D, supply and distribution of the like goods or goods subject to review. Clearly indicate the different production stages carried out by your company.

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| Severstal is one of the world’s leading vertically integrated steel and steel related mining companies. The company has 2 divisions: Severstal Russian Steel and Severstal Resources with many units within each. But only one unit produces the product under investigation. It is Cherepovets Iron and Steel Works (CherMK) as a part of Severstal Russian Steel Division. The CherMK is an integrated steelworks of full production cycle integrating more than 100 major process units, from iron ores and coals processing to finishing operations where high-value products are produced.The internal hierarchical and organizational structure of Severstal Russian Steel Division is attached as Annex A1.[Non-confidential summary: Severstal structure]For the complete process flow sheet <https://chermk.severstal.com/eng/about/structure/>As can be seen from Annex A1 Severstal Russian Steel Division’s operations are organised by functions (e.g., investments, sales, personnel, legal, repairs and other) and kind of manufactured product (iron production, steel production, flat-rolled production, long rolled production and other). More detailed information about Severstal please refer to <http://www.severstal.com> |
|  | Appendix reference: **Annex A1** |

1. Please complete **Section A – Company structure and operations**, subsection **A3 – Organisational structure** of **Annex II.**
* Include your company’s worldwide corporate structure and affiliations, including parent companies, subsidiaries and/or other associated companies.
* If your company is the subsidiary of another company, please give the name of this company, as well as that of your company’s ultimate controlling entity.
* Please provide the name, address, email address and telephone number for an appropriate representative from each company identified.
* Please list the activities carried out by each company identified (e.g. manufacturing, administration, sales).
* Indicate the shareholdings you have in the associated company and the shareholdings that the associated company has in your company.

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| As mentioned above Severstal has two Divisions:• Severstal Russian Steel• Severstal ResourcesThe chart of world-wide corporate structure of Severstal which shows the major associated companies is attached as Annex A2. [Non-confidential summary: Description of Severstal and affiliates operations] More detailed information about activities of these companies can be found at Severstal’s official web site <http://www.severstal.com> |

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|  | Appendix reference: **Annex II, Annex A2** |

## A4 Board members and principal shareholders

1. Please complete **Section A – Company structure and operations**, subsection **A4 –** **Owners and shareholders** of **Annex II**, providing a list of all your company’s shareholders that owned more than 5% of its shares during the period of investigation (POI), 1 April 2020 to 31 March 2021. Where known, provide details of their activities. Also include, for the full injury period (1 April 2017 to 31 March 2021):
* your company’s registered capital;
* the scope of business; and
* the composition of the Board of Directors and/or shareholders, including their roles and rights.

Please provide this information for your company and for all its predecessor legal entities.

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| --- |
| Severstal is a Public Joint Stock Company. It is publicly-owned, with a large number of shareholders (about [non-confidential range: 26.7 – 20.3 thousand]), that are both natural and juridical persons. All shares of PAO Severstal are fully-paid. Currently private parties hold 100% of the company’s shares. There is no State interference in Severstal's activities whatsoever. The largest shareholders of Severstal who owned more than 5% of the shares as of the 1st of April 2020 and the 31st of March, 2021 are listed in Annex II. These shareholders hold more than 95 % of all shares in Severstal during the POI. The remaining shares are in the possession of minority shareholders (who hold the little blocks of shares) of PAO Severstal.The charter capital of the Company amounts to 8,377,186.60 roubles (Eight million three hundred seventy seven thousand one hundred eighty six roubles sixty kopecks). The Company’s charter capital is divided into 837,718,660 of ordinary nominal shares with the face-value of 0.01 roubles each (100 % of the charter capital).The Company has the right to implement any kind of business activity except for those prohibited by the law of the Russian Federation. The main scope of business is ferrous metallurgy and mining.Severstal’s Board comprises 10 members. The current structure of the Board represents a balance between five Independent Non-Executive Directors, one Non-Executive Directors and four Executives. This structure of Company’s Board of Directors operated throughout the full injury period.Balance on the Board is a prerequisite for good decision-making and governance. The proportion of Independent Non-Executive Directors on the Board guarantees equal regard for the interests of all shareholders. The Board considers all of its Independent Non-Executive Directors to be independent as provided for by The UK Corporate Governance Code, 2014.While taking decisions at the meetings of the Company’s Board of Directors each member of the Company’s Board of Directors shall have one vote.The Board activity is regulated by the applicable law of Russia, the Company's Charter and Regulations for the Board of Directors.Information about company’s registered capital, the scope of business and composition of the Board of Directors are listed in Annex II. |
|  | Appendix reference: **Annex II** |

1. Explain your procedure for appointing the members of the Board of Directors.

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| Severstal’s Board of Directors is responsible for the general management and performance of the Company’s operations, including approval of its strategy and monitoring its financial and business operations. Members of the Company’s Board of Directors shall be elected by the General meeting of shareholders through a cumulative vote for the period until the next annual General meeting of shareholders. At a cumulative vote the votes belonging to each shareholder shall be multiplied by the number of persons which should be elected to the Company’s Board of Directors and the shareholder shall have the right to give the votes received thus completely for one candidate or to distribute them between two and more candidates. The candidates with the greatest number of votes are considered elected to the Company’s Board of Directors.The General meeting of shareholders may terminate the powers of all (but not some) members of the Board of Directors prematurely.The Board of directors shall be accountable to the General Meeting of shareholders and provide execution of resolutions of the latter.The Board’s principal objective is to run the company in such a manner as to increase shareholder value in the medium and long term. |
|  | Appendix reference: **not applicable** |

1. If applicable to your company, please attach the latest copy of the following documents (in the original language and in English):
* articles of association and all related documents;
* business licence;
* proof of registration of the company with the competent authorities;
* yearly evaluation of the company’s business licence issued by the relevant Authority;
* an independent evaluation of contributed capital;
* the file submitted to the Authorities for the company’s formation,
* shareholders register/Certificate of Capital Contribution
* proof of capital paid by the five shareholders with the largest shareholdings. Please note that proof of capital paid by all shareholders listed in the sheet 'Shareholders' should be kept available for the verification visit.

Please describe what you are submitting and provide appendix references for your attachments in the box below. Earlier copies from the date of establishment of the company until the present should be available upon request during any verification visit.

|  |
| --- |
| The Articles of Association (the Charter of PAO Severstal) is attached as Annex A3.There are no Business Licences and yearly evaluation of the business licence of the company issued by the relevant Authority applicable to the company.Proof of registration of the company with the competent Authorities is attached as Annex A4.Main Shareholders register, who owns 95.55% of shares is listed in Annex II.On 31st of March 2021 the amount of shareholders was equal to [non-confidential range: 26.7 – 20.3 thousand].Proof of capital paid by the five shareholders with the largest shareholdings, Independent evaluation of contributed capital and File submitted to the Authorities for the creation of the Company are not applicable for PAO Severstal. |
|  | Appendix reference: **Annex II, Annexes A3.1 and A3.2, Annex A4** |

## A5 Operational links with other companies or persons

1. Please indicate if your company has established long-term agreements with any other company/companies/persons located in the Russian Federation, the UK or in third countries for production (e.g. sub-contracting). This includes specific tolling agreements, supply and sale of the goods subject to review, or other licensing, technical patent or compensatory agreements. Include:
* the name and address of the company;
* an explanation of the nature of the agreement; and
* if your company has long-term agreements with other companies/persons for the supply of goods destined for internal sale, e.g. captive use, please provide the contract to demonstrate this.

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| --- |
| There are no any long-term agreements Severstal held with any company/companies located in the Russian Federation, the UK or in third countries for production (e.g. sub-contracting). |

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| --- | --- |
| **Company name and address** | **Nature of agreement** |
| not applicable |  |
|  |  |
|  |  |
|  |  | Appendix reference: **Not applicable** |

+Add additional rows as required.

## A6 Accounting practices

1. Give the address where your company’s accounting records are kept. If records are maintained in different locations, please indicate which records are kept at which location. If records are digital and do not have a physical location, please mark as N/A.

|  |  |
| --- | --- |
| **Records address** | **What records are held?** |
| Mira 30, Cherepovets, Vologda region, Russia | Accounting records of Severstal. The verification of all data provided above can take place at this address. |
| Via Cantonale 2c, Centro Galleria 2, CH-6928 Manno, Switzerland | Accounting records of export sales of affiliated trader Severstal Export GmbH. |
| Starta iela 13, Riga, LV-1039, Latvia | Accounting records of export sales of affiliated trader SIA Severstal Distribution. |

+Add additional rows as required

1. Please give the financial year convention your company uses for its accounts (e.g. 1 January – 31 December). If any changes have occurred with respect to this period or in your accounting practices over the last five financial years, please describe these changes with reference to any restatements in your financial accounts, including dates and reasons for them.

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| --- |
| The principles and rules of organization and keeping of accounts at Severstal are regulated by “Regulations of Severstal accounting policy” attached as Annex A6.1. This Regulation provides detailed aspects of Severstal’s accounting system with respect to production and sale processes.Severstal have changed its accounting methods in accordance with the changes of legislation of the Russian Federation. However, such changes did not affected the main principles of Severstal’s accounting system. The most significant changes in accounting and taxation over the last five financial years are provided below:1) In 2021 the 3-Personal income tax form was changed. It has a subsection for entering data on the amounts of tax paid by individual entrepreneurs and citizens who are engaged in private practice. The list of non-taxable income has been expanded. The declaration includes a statement on the offset (return) of excess tax paid.Notifications of registration as the largest taxpayerThe previous form of 2005 was recognized as invalid. In the new notification form, the reference to the OKATO code is excluded.New FSBU for accounting for financial assets and financial liabilities. Requirements for accounting of financial assets and financial liabilities arising from transactions with financial instruments are established, as well as requirements for information on financial results of transactions with financial instruments disclosed in accounting (financial) statements.2) In 2020, the rules for accounting for income tax differences in RAS 18/02 were changed, in particular, the concept of [permanent](https://www.multitran.com/m.exe?s=permanent+tax+liability&l1=1&l2=2) fixed [tax liability](https://www.multitran.com/m.exe?s=permanent+tax+liability&l1=1&l2=2) and permanent tax assets was excluded, which led to a change in Profit and loss statement of the financial statements.The rules of accounting for state assistance were brought into line with IAS "Accounting for state subsidies and disclosure of information on state assistance."New reports have been introduced for employers in connection with the transition to electronic work books.The depreciation method can be changed every five yearsThe list of taxable objects at cadastral value has been expanded:At cadastral value, tax will be taxed, including those objects that belong to the organization on the right of economic management. Amendments will be made to the list of real estate, which is taxed at cadastral value. Instead of residential buildings and premises that are not recorded on the balance sheet as fixed assets, there will be objects taxed on the property of individuals. As a result, organizations at cadastral value will pay tax: for residential buildings; apartments, rooms; garages and parking spaces; single real estate complexes; construction in progress; other buildings, buildings, constructions, rooms.3) For 2019, the accounting statements for 2019 need to be handed over according to new forms. The headings of all reporting forms have been modified. There is a new line where you need to mark a mandatory audit. The Federal Tax Service recommended machine-readable forms of accounting reporting. This requirement is mandatory for reporting from 2020, for reporting in 2019 by decision of the company.Increased VAT rates from 18% to 20%.The taxable base for property tax of organizations has been changed. With 01.01.2019, movable property is excluded from the object of taxation.The tax base for land tax is calculated for each land plot as its cadastral value, indicated in the [Unified State Register of Taxpayers](https://www.multitran.com/m.exe?s=Unified+State+Register+of+Taxpayers&l1=1&l2=2) as of January 1 of the year.4) In 2018, the changes in income tax accounting:The new tax deduction is investment. Up to 90% of the legal entity's expenditure on its fixed assets from depreciation groups 3 to 7.Property tax: The taxation of movable fixed assets received since 2013 has changed. Property tax benefit has become regional. Local authorities may introduce special tax incentives for innovative equipment.5) In 2017, the rules for accounting for tax loss have been adjusted (paragraphs 2, 2.1 of article 283 of the Tax Code of the Russian Federation). If earlier the loss could be carried forward by no more than 10 years, then from the new year this restriction is removed, that is, the loss can be accounted for at any time, including outside the ten-year period (sub. "b" paragraph 25 of Art. 2 of Federal Law No. 401). Another amendment is that until 2017, the profit of the current period could be reduced by the amount of tax loss up to zero, and from January 1, 2017 to December 31, 2020, the profit of the current period can be reduced by a loss only within 50 percent of the profit of the current period (sub. "b" paragraph 25 of Art. 2 of Federal Law No. 401).The procedure for forming a reserve for doubtful debts has changed. If there are counter-payables to the debtor, the amount of the debt in excess of the counter-payables to the debtor (for the purposes of income tax) is recognized as doubtful debt.Since 2017, the amended Classification of Fixed Assets for Profit Taxation has entered into force (approved by Decree of the Government of the Russian Federation dated 01.01.2002 No. 1 as amended by Decree of the Government of the Russian Federation dated 07.07.2016 No. 640). Note that these changes are applied only to fixed assets accepted for accounting from January 1, 2017. |
|  | Appendix reference: Annex A6.1 |

1. For your company and any associated parties involved in the production, marketing or sales of the goods subject to review, please attach a copy of your annual accounts covering the injury period. This may include a statement of financial position; statement of profit and loss and other comprehensive income; statement of changes in equity; cash flow statement; notes to the accounts and all reports; and the auditor's opinion on these documents.

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| The audited financial statements of PAO Severstal covering the injury period are attached as Annex A6.2. The audited financial statements of related companies involved in the production, marketing or sales of the production under investigation are attached as Annex A6.3. Related company Severstal Export GmbH does not prepare the quarterly financial statements therefore there is no report for 3 months of 2021. |
|  | Appendix reference: Annex A6.2, Annex A6.3 |

1. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the injury period.

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| Not applicable |
|  | Appendix reference: Not applicable |

1. Please attach a copy of your company’s trial balance (in original and spreadsheet form) covering the POI and the most recent financial year. This includes:
* the trial balance which covers the beginning of the financial year to 1 April 2020;
* the trial balance which covers the full financial year that includes 1 April 2020;
* the trial balance which covers the beginning of the financial year to 31 March 2021.

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| PAO Severstal provides the summary trial balances for the 1st quarter of 2020, full 2020 and the 1st quarter of 2021, as requested. Please note that there can be small deviances from the printed versions in the spreadsheets due to roundings to the closest thousand in the original reports. |
|  | Appendix reference: Annex A6.4 |

1. For your company and any associated parties involved in the production, marketing or sales of the goods subject to review, please attach copies of relevant management reports (e.g. profit and loss statement) for the profit centre that includes the goods and like goods. Please provide these reports for the (i) POI and (ii) most recently completed financial year for both the profit centre and the organisation as a whole.

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| Severstal and related companies does not maintain such reports for the goods subject to review or like goods. The management accounts that includes the goods subject to review and like goods as a whole for the POI and 3 months of 2021 (e.g. Balance sheet, Profit and Loss sheet) were provided as Annex A6.2 (for PAO Severstal) and Annex A6.3 (for related companies). |
|  | Appendix reference: Appendix reference: Annex A6.2, Annex A6.3 |

1. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for the most recently completed financial year.

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| The copy of the consolidated financial statements of PAO Severstal and subsidiaries for 2020 year is attached as Annex A6.5. |
|  | Appendix reference: Annex A6.5 |

1. Please provide a detailed description of your financial accounting system, explaining how sub-ledgers (e.g. costing, debtors, creditors) integrate with the general ledger. Please provide a description of how it links to the management accounting system, including any manual interventions. Please also attach:
* your company’s chart of accounts;
* your company’s cost centres; and
* a brief description of further analysis codes available.

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| Russian Federation: Federal Law N 208 “On Joint Stock Companies” (dd. December 26, 1995), Federal Law N 402 “on Accountancy” (dated December 6, 2011) and other regulations and statutory acts on the accounting. These laws specify the following:* Accounts should be kept in the Russian Federation;
* Accounts should be kept in Russian ruble;
* Accounting records have to be kept for at least five years; annual financial statements and audit reports, consolidated financial statements, articles of association, minutes of board meetings, have to be kept permanently.

Severstal’s chart of accounts is established in accordance with the Order N 94n of the Finance Secretary of the Russian Federation dated October 31, 2000. The order provide the chart of accounts for the organizations. It contains double-digit accounts along with the description. The first two digits of each Severstal’s account are assigned with the Order. Please see Annex A6.6a for a key. The last 6 digits relate to the subaccounts which could be specific for each organization. There are no strict grouping for subaccounts. Annex A6.6b represents the united chart of accounts for several companies within Severstal group which use SAP system for accounting.According to the Russian legislation, a company’s cost accounting system which accumulates costs for goods must be based on the actual production costs incurred. [Non-confidential summary: Description of SAP system] is provided as Annex A6.7. [Non-confidential summary: Description of Severstal’s accounting system].A list of cost centers using for accounting of production cost is provided as Annex A6.9. [Non-confidential summary: Description of Severstal’s accounting system]. |
|  | Appendix reference: Annex A6.6a, Annex A6.6b, Annex A6.7, Annex A6.8, Annex A6.9 |

1. With reference to the chart provided in the question above, please provide the names of the system(s) you use for financial accounting, sales and production. If you use more than one system, please explain how the systems interact (including whether electronic or manual).

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| As it was mentioned above that Severstal uses SAP system for accounting, sales and production. General description of SAP system is provided as Annex A6.7. |
|  | Appendix reference: Annex A6.7 |

1. Describe your accounting policies, where applicable, for:
* the recognition and/or timing of income and the impact of discounts and rebates, sales returns, warranty claims and intercompany transfers;
* the depreciation and amortisation method, and the periods used by your company for each class of asset such as intellectual property, plants, buildings, machinery and equipment (including average useful life and the methods for calculating this);
* provisions for bad or doubtful debts;
* your inventory valuation methods for raw material, work-in-process, and finished goods, for example First In First Out (FIFO), Last In First Out (LIFO), current cost, standard cost or weighted average cost;
* treatment of any subsidies or grants;
* treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items;
* restructuring costs, costs of plant closure, expenses for equipment not in current use and/or plant shut-downs.

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| * the recognition and/or timing of income and the impact of discounts and rebates, sales returns, warranty claims and intercompany transfers;

[Non-confidential summary: Description of Severstal’s accounting system. Confidential by nature because it would directly or indirectly disclosure business confidential information]. |
|  | Appendix reference: Not applicable |

1. Have you changed your financial policies during the injury period? Have you deviated from your financial policies between the financial statements and the POI?

Please explain the changes, including dates and the reasons for those changes along with the financial impact of those changes on the goods subject to review or like goods.

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| As it as mentioned above, Severstal had changed its accounting practices in accordance with the changes of legislation of the Russian Federation. However, such changes had not affected the main principles of Severstal’s accounting system.The detailed description of the most significant changes in accounting and taxation over the last five financial years are provided in A6.2. |
|  | Appendix reference: Not applicable |

## A7 Your company’s products

Please complete **Section A – Company structure and operations**, subsection **A7.1 – Your company’s products, Annex II.**

1. For the goods subject to review, please describe your company’s Company Control Number (CCN) system. Please indicate how your own internal codes correspond to the PCNs provided in the section above on Product Control Numbers.

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| Severstal’s ERP system presents production and sales information by product accounting code. For internal accounting and sales purposes, all products are assigned an internal accounting code.Generally, the product accounting codes are structured in the following manner: [Non-confidential summary: Description of Severstal’s accounting codes]. |
|  | Appendix reference: Annex A7.1 - Your company's products |

1. If your company does not use the same product codes across production, sales and invoicing, please expand the table in **A7.1 – Your company’s products** to further include the corresponding codes. If an associated company sells the good(s), please also provide the same relevant details for that company/companies.

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| Company uses the same product codes across production, sales and invoicing. |
|  | Appendix reference: Not applicable. |

1. For each type of the like goods sold on your domestic market and the goods subject to review destined for consumption on the UK market, please provide a technical description as well as translated sales brochures, if available. Please also provide information on:
* technical characteristics;
* physical characteristics;
* any other important factors.

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| The pages form Severstal’s product catalogue covering the product under investigation are attached as Annex A7.3 Pages from catalogue. Information about products can also be found in Severstal’s internet site <https://chermk.severstal.com/upload/iblock/ab4/ab409c4f92a3a0646e8278e53a3a8717.pdf> |
|  | Appendix reference: Annex A7.3 Pages from catalogue |

1. Describe all other goods produced or sold by your company in the UK, providing a name and description. If appropriate, please group them by type/range. Please complete **Section A – Company structure and operations, A7.2 – Other goods, Annex II.**

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| The information about other goods sold in the UK in the POI is provided in Annex A7.2 Other goods. |
|  | Appendix reference: Annex A7.2 Other goods |

## A8 Product similarity

1. Please complete **Section A – Company structure and operations**, **A8** **– Product similarity, Annex II.** Thinking about the technical, physical and other relevant factors, how are the products you export different to the products made or sold in the UK?

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| The required information is provided in Annex A8 - Product similarity.As for technical characteristics of the UK merchandize, PAO Severstal does not have detailed unequivocal information about the UK products to provide it in the annex and make a reasonable comparison between them and PAO Severstal’s products. |
|  | Appendix reference: Annex A8 - Product similarity |

# SECTION B:Sales

The following describes the type of data needed in this section of the questionnaire. Text in italics provides instructions and/or examples of what to include and how.

| **Column heading** | **Explanation** |
| --- | --- |
| No. | Sequential numbers to list each transaction. ***Numerical input*** *– Put ‘1’ for the first transaction, ‘2’ for the second transaction and so on.* |
| PCN | PCN stands for ‘Product Control Number’. The PCN should correspond to the product sold in the listed transaction. See previous section, ‘*The scope of this review*’, for more details.***Numerical & alphabetical input*** *– ‘A1A0BB0C000*’*.* |
| CCN | Your internal company control number (CCN) for the product model you are selling. |
| Source | This refers to how the product on the invoice was obtained, either through your own production or through an associated/independent supplier.***Categorical input*** *– Put only one of the following: Own product; Associated supplier; Independent supplier.* |
| Customer name | The name of the customer as stated on the invoice. *If the name of the customer (****alphabetical input****) is in a non-Roman/Latin script, such as Arabic, Chinese or Cyrillic, display an appropriate romanisation first and then the customer’s name in the original script in brackets. For example:* ‘*Gongsi Mingzi (公司名字)*’. |
| Customer number | The unique number you have assigned to each of your customers. ***Numerical/alphabetical input*** |
| Customer link | Specify if your customer is associated with your company.***Categorical input*** *– Put only one of the following: Independent; Associated.* |
| Customer type | Specify what category your customer is or what level of trade they are.***Categorical input*** *– Put only one of the following: Producer; Distributor; Wholesaler; Retailer; Others.* |
| Invoice number | The number on the invoice.*Give the number as shown on the invoice.* |
| Transaction number | A number to identify an individual product transaction on an invoice. Multiple transactions of different products may be present on an individual invoice. Equally, one transaction may be split over several invoices.*Give the number as shown on the invoice or assign numbers by line item.* |
| Invoice date | *State the date on the invoice. Use the format DD/MM/YYYY* (*e.g. 23/05/2019*). |
| Purchase order date | State the date the purchase order was raised. *Use the format DD/MM/YYYY* (*e.g. 23/05/2019*). |
| Bill of lading no. | *Provide the number as stated on the bill of lading.* |
| Delivery terms | The terms of delivery given on the invoice such as EXW, FCA, FOB, CIF and others.*Provide the delivery term as stated on the invoice.* |
| Payment terms | The number of days given for the customer to pay the invoice.***Numerical input*** *– Indicate the number of days given (e.g. zero days is ‘0’, thirty days is ‘30’, sixty days is ‘60’).* |
| Transaction quantity | The quantity of the goods per transaction, as stated on the invoice.***Numerical input*** *– Express every thousandth digit with a comma (e.g. 1,200)*. Do this for every appropriate, subsequent field. |
| Transaction unit | The unit used to measure or show the quantity of the goods, per transaction on the invoice. *Provide the unit as stated on the invoice. Where appropriate, use an abbreviation (e.g. ‘kg’ for kilogram or ‘l’ for litre)*.  |
| Quantity in **kilograms (kg)** | The quantity of the goods per transaction in **kilograms**.***Numerical input*** *– Where the transaction unit is not the same as kilograms, where appropriate, convert the invoice quantity to kilograms (e.g. if original quantity on the invoice is 2,000 kilograms and the unit of measurement asked is in tonnes, convert 2,000 kilograms into tonnes: ‘2’. Input only as a number.*  |
| Destination country | The final destination for the consumption of the goods subject to review. |
| Exporting country | The foreign country or territory where an overseas exporter exports its goods, or the foreign country or territory of origin of those goods where the goods are not exported directly to the UK from that foreign country/territory. |
| Gross invoice value | The invoice value inclusive of any taxes.***Numerical input*** *– Keep all figures to two decimal places. Use a full stop as a decimal separator (e.g. 1,300.00).* Do this for every appropriate, subsequent field.*State the figure using the invoice currency.* |
| Taxes | The amount for each tax. Create a new column if there is more than one tax on the invoice (e.g. VAT, import tax, sin tax). Label each tax with a clear and appropriate name such as ‘Tax 1’, ‘Tax 2’ and so on, and provide a legend. Type ‘0.00’ if not applicable.*State the figure using the invoice currency.* |
| Discounts | The amount for each discount. Create a new column if there is more than one discount on the invoice. Label each discount with a clear and appropriate name such as ‘Discount 1’, ‘Discount 2’ and so on, and provide a legend. Type ‘0.00’ if not applicable.*State the figure using the invoice currency.* |
| Rebates | The amount for each rebate. Create a new column if there is more than one rebate on the invoice. Label each rebate with a clear and appropriate name such as ‘Rebate 1’, ‘Rebate 2’ and so on, and provide a legend. Type ‘0.00’ if not applicable.*State the figure using the invoice currency.* |
| Other charges | The amount for each charge. Create a new column if there is more than one charge on the invoice. Label each charge with a clear and appropriate name such as ‘Charge 1’, ‘Charge 2’ and so on, and provide a legend. Type ‘0.00’ if not applicable.*State the figure using the invoice currency.* |
| Net invoice value | The cell has a formula, so no action required. However, if new columns were created, check to see that the formula includes them. |
| Invoice currency | The currency used in the invoice.*Provide the official abbreviation of the invoice currency (e.g. USD – United States dollar; CNY – Chinese yuan; RUB – Russian ruble).* |
| Exchange rate | Provide the exchange rate from the value of one invoice currency to the accounting currency. The accounting currency is provided in Guidance, Annex II.*Show the exchange rate with up to four decimal places (e.g. 0.7575). Provide the source for this rate.* |
| Net invoice value in accounting currency | The cell has a formula, so no action required. However, if new columns were created, check to see that the formula includes them. |
| CIF value in accounting currency | The CIF value for the transaction. |

## B1 Sales

* Complete **Section B – Sales**, subsection **B1 – Upwards sales reconciliation, Annex II**. Sales to third (intermediary) countries, where the ultimate destination is the UK, **must** be included in the data where applicable.
* Please use the box below to reference any source documentation for the data.
* When completing the annex, please only fill in the white cells and update the formulae as required.
* If you use any additional formulae to complete the table, please include these.
* Insert additional columns or rows if needed.
* Please ensure that the table is complete using your accounting currency.

Please coordinate the responses to each of the relevant sections in this questionnaire with your associated companies and ensure that the sales information for your associated companies to independent customers reconciles fully with the information given.

1. Please explain in the text box below how the volume and value of your future sales would be affected if the existing anti-dumping measure on the goods subject to review was no longer applied. Also provide evidence to support your claims. Additionally, in **B1 – Upward sales reconciliation,** please provide quantitative estimates for five years (e.g. projections or forecasts) that would help illustrate this, and explain the methodology and assumptions underpinning these estimates in the text box below.

|  |
| --- |
| No major changes are likely to occur if the existing anti-dumping measures on the goods subject to review are no longer applied. Other exporting regions (such as EU) are geographically closer to UK than Russia. They can provide faster delivery with lower transportation costs, which Russian producers/exporters are unable to do. It is reasonable to anticipate them to meet most of the UK importers’ need in the subject merchandize.[Non-confidential summary: Explanation of some figures in the annex]Since PAO Severstal currently has no sales of the subject merchandize to the UK, it is not possible to provide reasonable estimates in Annex B1 Upward sales reconciliation. |
|  | Appendix reference: Annex B1.1 Upward sales |

1. If you also sell the goods subject to review or the like goods to third countries, please explain in the text box below whether they are affected by any anti-dumping, countervailing or safeguard measures. If so, please list the countries that have imposed these measures and a weblink to the findings published by the relevant investigating authority.

|  |
| --- |
|  The list of countries that have imposed antidumping and safeguard measures on the imports of the goods subject to review or the like goods is provided as Annex B1.2. The sales of the goods subject to review or the like goods to third countries are not affected by these measures. |
|  | Appendix reference: Annex B1.2 |

## B2 Captive sales

If your company has sales that are made between associated companies for further processing, transformation, or assembly (captive sales) please complete **Section B – Sales**, subsection **B2 – Captive sales**.

|  |
| --- |
| Captive sales are attached as Annex B2 Captive sales. |
|  | Appendix reference: Annex B2 Captive sales |

## B3 Sales to the UK

### B3.1 Overview

1. Please describe your company's channels of distribution to the UK, from the factory gate to the first resale to independent customers. Please provide your terms of sale and pricing to each customer category (e.g. traders, distributors, wholesalers, industrial users, end users, etc.) including associated companies. Use this box to explain how you have categorised customers in your sales data in Section B3.2 (see below).

|  |
| --- |
| Sales to the UK are made through Severstal Export GMBH (“Severstal Export”) and SIA Severstal Distribution (“Severstal Distribution Europe”). Sales to other export countries are made through Severstal Export GMBH (“Severstal Export”). Terms of sale and pricing typically do not depend on a customer category. General flow chart showing the structure of export sales of Severstal is attached as Annex B3.1 Channels of distribution export |
|  | Appendix reference: Annex B3.1 Channels of distribution export |

1. Describe each step in the sales negotiation process, from the first contact with the customer up to and including any after-sale price adjustments (commissions, discounts, rebates and allowances). Please include a description of how the process varies for different customer categories.

|  |
| --- |
| Generally, the customer contacts Severstal Export. The proposed order is then sent to Severstal. The Severstal sales person will determine whether the goods requested can be manufactured and will come up with a price. The price will then be reviewed to determine whether it meets the internal guidelines and whether to accept the offer. If the offer is accepted an order is sent to the production line and the goods are produced. Once the goods are produced, a mill test certificate is sent to the Sales Department with the details (including exact quantity) of the order. Using this document an invoice is prepared. The goods will generally be shipped in the day of the invoice is completed. The process is the same for different customer categories. |
|  | Appendix reference: Not applicable. |

1. Please describe in detail how the contracts, prices and quantities are agreed in accordance with sales made in long or short-term contracts. Describe the types of contracts applicable to the goods subject to review, including the terms, price changes and renegotiation by either side, etc. Explain the requirements on either party, should the contract be terminated early.

|  |
| --- |
| The exact prices, quantities and payment terms are agreed with each client in specifications to a contract. A contract sets general conditions of business relationship between PAO Severstal and a client (such as transportation, acceptance of goods, claims and disputes resolution etc.).No penalties are set on either party if the contract is terminated early. |
|  | Appendix reference: Not applicable. |

1. Please explain production scheduling, such as whether production begins after the customers have established their product specifications (contract/order) and the sale has been made, or according to normal company production schedules.

|  |
| --- |
| Production begins after the customers have established their product specifications and the sale has been made. In general, production begins in the month following the month, when a customer has provided the product specifications and ordered the product. |
|  | Appendix reference: Not applicable. |

1. Provide copies of all price lists applicable during the POI for all customer types in the UK, including those used by associated companies. Explain your pricing procedure and whether sales prices differ between or among grades, types or specifications of the goods subject to review or among customers, regions or time periods.

|  |
| --- |
| Severstal does not maintain the price lists for the export sales. Price quoted by a customer is compared to market levels from different sources for the product and geographical region and checked for sufficiency to cover distributional expenses and company’s normal margin. In case a customer’s order passes all the checks and requirements along with proper agreed financial security, it’s released for production. |
|  | Appendix reference: Not applicable. |

1. Please provide copies of the relevant policy documentation for the duty drawback schemes and export VAT schemes.

|  |
| --- |
| Export sales of the product under investigation are not the subject of VAT, therefore this question is not applicable. Custom export duties for the product under investigation are zero. |
|  | Appendix reference: Not applicable. |

1. For all sales through associated companies, please provide a detailed description of how sales are made, detailing the procedure followed between time of order and delivery to the first independent customer. Please explain how the invoicing and payments are made.

|  |
| --- |
| [Non-confidential summary: Explanation of sales through related companies]  |
|  | Appendix reference: Not applicable. |

1. In relation to questions 1 – 7 above, is anything likely to change if the existing anti-dumping measure on the goods subject to review was no longer applied?

|  |
| --- |
| No major changes are likely to occur if the existing anti-dumping measures on the goods subject to review are no longer applied. |
|  | Appendix reference: Not applicable. |

### B3.2 UK transactions

In this part, you must provide complete information on sales of the goods subject to review made by your company to the UK for the POI.

Please provide the sales information for your company’s sales to all customers in the UK in **Section B – Sales**, subsection **B3 – Sales to the UK, Annex II.** For instructions on filling out and explaining the adjustments for sales to the UK, please see **Section C**, subsection **C1 – Adjustments for export sales to the UK, Annex II** (below).

1. Provide all sales and returns of the goods subject to review to all customers in the UK on a transaction-by-transaction basis. Please report returns or after invoice discounts as negative (-) sales figures. Please also provide the customer category of where transactions occur – are the sales to traders, distributors, wholesalers, industrial or end users? Report each goods sale on a given invoice with a different PCN (see Section A on Product Control Numbers) or invoice line as a separate transaction. If there are any other sales costs, charges or expenses incurred which have not been identified in the table above, add a column for each item (see ‘other factors’). For example, other particular selling expenses incurred.

See Section C for further information on how to record adjustments in this table.

|  |
| --- |
| There were no sales of subject merchandize by PAO Severstal to the UK in the POI. |
|  | Appendix reference: Not applicable. |

1. If your sales have not been made on a CIF basis, explain below how you have calculated the CIF values included in the ‘CIF value in accounting currency’ column in **Section B – Sales**, subsection **B3 – Sales to the UK, Annex II**.

|  |
| --- |
| There were no sales of subject merchandize by PAO Severstal to the UK in the POI. |
|  | Appendix reference: Not applicable. |

1. Please list any costs incurred by your associated companies which have been paid or reimbursed by your company, directly or indirectly linked with the goods subject to review. In detail, explain the types of costs listed.

|  |
| --- |
| Not applicable as there were no sales of subject merchandize by PAO Severstal to the UK in the POI. |
|  | Appendix reference: Not applicable. |

1. Select two invoices from two different customers regarding sales to the UK during the POI. Provide a complete set of documents for these sales. For example:
* purchase order;
* order acceptance;
* commercial invoice;
* applicable discounts or rebates;
* credit/debit notes;
* long or short-term contract of sale;
* inland freight contract;
* bank documents showing proof of payment;
* details of any tax rebates; and
* documents relating to transport at CIF or DDP.

|  |
| --- |
| Not applicable as there were no sales of subject merchandize by PAO Severstal to the UK in the POI. |
|  | Appendix reference: Not applicable. |

1. Should the existing anti-dumping measure on the goods subject to review no longer be applied, how will you change your export pricing policy?

|  |
| --- |
| No major changes are likely to occur if the existing anti-dumping measures on the goods subject to review are no longer applied. |
|  | Appendix reference: Not applicable. |

## B4 Domestic sales

### B4.1 Overview

1. Please describe your company's channels of domestic distribution, from the factory gate to the first resale to independent customers. Please provide your terms of sale and pricing to each customer category (e.g. traders, distributors, wholesalers, industrial users, end users, etc.) including associated companies. Use this box to explain how you have categorised customers in your sales data in Section B4.2 (see below).

|  |
| --- |
| [Non-confidential summary: Severstal distribution system. Confidential by nature because it would directly or indirectly disclosure business confidential information.]The flow chart for the distribution channels for domestic market is attached as B4.1 Channels on domestic market.[Non-confidential summary: Severstal sales details. Confidential by nature because it would directly or indirectly disclosure business confidential information.] |
|  | Appendix reference: B4.1 Channels on domestic market |

1. Please describe each step in the sales negotiation process, from the first point of contact with the customer up to and including any after-sale price adjustments (commissions, discounts, rebates and allowances). If this sales process varies between customer categories, please describe each variation separately.

|  |
| --- |
| Negotiating purchase agreements in Russia can be a lengthy process. Therefore, it is common in Russia to negotiate long-term (framework) agreements. These agreements specify the terms of sale and delivery and generally the goods to be produced and may have some indicative prices and quantities. But the agreements do not require that goods be purchased or sold at specific prices for specific quantities.During the course of the year, customers will negotiate individual purchases for specific prices and quantities and these individual purchases will become an addendum to the contract.On the domestic market for all types of customers, both in cases of sales through re-sellers or to end users, the sales process is the same. [Non-confidential summary: Description of Severstal sales process]  |
|  | Appendix reference: Not applicable. |

1. Please explain your production scheduling. For example, do you produce to order or maintain continuous production and hold stock?

|  |
| --- |
| [Non-confidential summary: Severstal order process]. |
|  | Appendix reference: Not applicable. |

1. Provide copies of all pricelists issued or in use during the POI for all customer types in the Russian Federation, including those used by associated companies. Explain your pricing method and whether sales prices vary between grades, types or specifications of the goods subject to review and/or like goods or among customers, regions or time periods.

|  |
| --- |
| Severstal does not maintain price lists per se. It does though provide internal guidelines to its sales people. Internal price guidelines are attached as B4.1 Internal price guidelines. [Non-confidential summary of Annex B4.1 Internal price guidelines: The information in Annex is confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information]. It also calls “base price”. Additionally there is a “list of extras and discounts”. Please refer to B4.1 List of extras [Non-confidential summary of Annex B4.1 List of extras: The information in Annex is confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information]..Using “base price” and “list of extras” each sales manager has full range of effective prices (i.e. finish prices for customer on any production position on EXW basis), but this range reflects the minimal permitted level of sales prices only.Finally, the prices are agreed individually between Severstal’s sales manager and the client. |
|  | Appendix reference: B4.1 Internal price guidelines, B4.1 List of extras |

1. Explain how sales prices are set and whether sales prices vary between grades, types or specifications of the goods subject to review and/or like goods, or among customers, regions or time periods.

|  |
| --- |
| The pricing mechanism is described in the answer to the question above. The impact of customer location, grades and other technical features of the merchandize on prices can be seen in the presented list of extras. |
|  | Appendix reference: Not applicable. |

1. In relation to questions 1 – 5 above, is anything likely to change if the existing anti-dumping measure on the goods subject to review was no longer applied?

|  |
| --- |
| No major changes are likely to occur if the existing anti-dumping measures on the goods subject to review are no longer applied. |
|  | Appendix reference: Not applicable. |

### B4.2 Domestic transactions

In this part, you must provide complete information on sales of the like goods made by your company to independent and associated customers on the domestic market for the POI.

Please provide the sales information for your company’s sales to all customers in the Russian Federation in **Section B – Sales**, subsection **B4 – Domestic sales, Annex II.** For instructions on filling out and explaining the adjustments for domestic sales, please see **Section C**, subsection **C2 – Adjustments for domestic sales** (below).

1. Provide all sales and returns of the like goods to all customers in the Russian Federation on a transaction-by-transaction basis. Please report returns or after invoice discounts as negative (-) sales figures. Report each goods sale on a given invoice with a different PCN (see Section A on Product Control Numbers) or invoice line as a separate transaction. If there are any other sales costs, charges or expenses incurred which have not been identified in the table above, add a column for each item (see ‘other factors’). For example, other particular selling expenses incurred.

See Section C for further information on how to record adjustments in this table.

|  |
| --- |
| The sales of subject merchandize in Russian Federation are attached as Annex B4 Domestic sales. |
|  | Appendix reference: Annex B4 Domestic sales |

1. Select two invoices from two different customers regarding sales to domestic customers during the POI. Provide a complete set of documents for these sales. For example:
* purchase order;
* order acceptance;
* commercial invoice;
* applicable discounts or rebates;
* credit/debit notes;
* long or short-term contract of sale;
* inland freight contract; and
* bank documents showing proof of payment.

|  |
| --- |
| The copies of two invoices from PAO Severstal to two different independent customers on domestic market are attached as B4.2 Sample invoices domestic market. |
|  | Appendix reference: B4.2 Sample invoices domestic market |

## B5 Currency conversions

To compare export sales prices with domestic sales prices, a conversion of currency will be required.

1. Provide the central bank exchange rates in your country for the past two years. This should be the official daily selling rate of exchange for the foreign currencies in which your company traded in relation to the export of goods to the UK. Please also provide the same exchange rates for any other countries for which you have provided sales data.

|  |
| --- |
| During the POI PAO Severstal sold the subject merchandize in two foreign currencies - USD and EUR. Hence, PAO Severstal provides the Central Bank of Russia official currency rates for both of the currencies in Annex B5 Central Bank of Russia currency rates. The source hyperlinks are indicated in the annex in column K. |
|  | Appendix reference: Annex B5 Central Bank of Russia currency rates |

1. Also provide the actual exchange rates used by your company for converting the payment for export sales into your domestic currency during the POI.

|  |
| --- |
| The actual exchange rates used for conversion into RUB are provided in the Annex B6 - Sales to other countries (please address the ‘Exchange rate’ column of the annex). |
|  | Appendix reference: Annex B6 - Sales to other countries |

1. Please provide details for any sales of foreign currency on forward markets directly linked to your export sales.

|  |
| --- |
| The company holds funds in various currencies, including foreign ones. When revenue in foreign currency from export sales is received, the company is guided by the market situation, as well as by the forecast of a change in its liquidity position. In most cases, the company keeps foreign currency in its accounts without conversion. |
|  | Appendix reference: Not applicable. |

## B6 Sales to other countries

In this part, you are requested to provide information on sales of the goods subject to review made by your company to the other countries you export to (by volume).

1. Please provide aggregated sales data for the goods subject to review to all customers in your top three export destinations. Please also indicate at what level of trade these transactions occur – are the sales to traders, distributors, wholesalers, industrial or end users?

|  |
| --- |
| The top three export destinations for the subject merchandize in the POI are – [Non-confidential summary: Countries]. They represent about [non-confidential range: 95% – 65 %] of subject merchandize export volume in the POI. The customer type indicated in the respective field of Annex B6a - Sales to other countries. It is either end-user (companies that buy the merchandize for their own needs) or resellers (companies that buy in order to resell it to a third party). |
|  | Appendix reference: Annex B6a - Sales to other countries |

1. Where your sales have not been made on a CIF basis, explain how you have calculated the CIF values included in the Excel column labelled ‘CIF value’.

|  |
| --- |
| [Non-confidential summary: CIF calculation explanation. Confidential by nature because it would directly or indirectly disclosure business confidential information].  |
|  | Appendix reference: Annex B6b – Brazil sea freight. |

1. Select two invoices from two different customers concerning sales to the top three countries during the POI. Provide a complete set of documents for these sales. For example:
* purchase order;
* order acceptance;
* commercial invoice;
* applicable discounts or rebates;
* credit/debit notes;
* long or short-term contract of sale;
* inland freight contract; and
* bank documents showing proof of payment.

|  |
| --- |
| The copies of two invoices from PAO Severstal to two different independent customers from top three countries on export markets in the POI are attached as B6c Sample invoices export unrelated. The sales contracts are also attached. [Non-confidential summary: Names of destination countries]A sample translation of a contract into English is also provided in Annex B6e PAO Contract EN sample.A complete set of documents for one sale through Severstal Export GmbH is also provided. |
|  | Appendix reference: B6c Sample invoices export unrelated, Annex B6d Severstal Export Gmbh sales documents, Annex B6e PAO Contract EN sample |

1. Please provide transaction-by-transaction sales information for your company’s sales to all customers in your top three countries in **Section B – Sales**, subsection **B6 – Sales to other countries.** Report each goods sale on a given invoice with a different PCN (see Section A on Product Control Numbers) or invoice line as a separate transaction. If there are any other sales costs, charges or expenses incurred (such as other particular selling expenses) that have not been identified in the table, add a column for each item (see ‘other factors’). For instructions on filling out and explaining the adjustments for sales to the UK, please see **Section C** below.

|  |
| --- |
| The sales of subject merchandize to top-3 exporting destinations are attached as Annex B6a - Sales to other countries.The sales of affiliated reseller Severstal Export GmbH are attached as Annex B6f - Sales to other countries SSE. Such adjustments as “Transport, insurance and handling 1”, “Inspection”, “Commissions”, and ‘Bank charges” reflect actual expenses for the exact order. Total amount paid were divided by quantity of sold products. Then per-unit cost was multiplied by the INVOICE QUANTITY.Adjustment “Credit” was calculated in accordance with the following formula: [NET INVOICE VALUE IN ACCOUNTING CURRENCY \*(-0.70176)%\*PAYMENT TERMS/365]. -0.70176% is the SARON (Swiss Average Rate Overnight, 12.00 noon fixing), calculated as simple average for the POI as reported in <https://www.six-group.com/exchanges/indices/data_centre/swiss_reference_rates/reference_rates_en.html>The sales of affiliated reseller ZAO Severstal Distribution Belarus are attached as Annex B6g - Sales to other countries ZAO Severstal Distribution Belarus. “Domestic Freight” reflect cost of freight to client for a sale. “Taxes” represent the VAT tax which is 20% in Belarus (Belarus VAT is regulated by Chapter 14 of Belarus Tax Code, you can see it [here](http://law.by/document/?guid=3871&p0=Hk0200166e#Chapter_14)). |
|  | Appendix reference: Annex B6a - Sales to other countries, Annex B6f - Sales to other countries SSE, Annex B6g - Sales to other countries ZAO Severstal Distribution Belarus |

# SECTION C:Fair comparison

To do a fair comparison between the normal value and the export price adjustments may be required. All adjustment claims will need to show how the factor concerned is one which affects price comparability.

To claim and evidence adjustments, the following sections request details on the adjustments that your company may claim and the information that should be provided and/or kept to verify these claims.

This section is divided into subsections **C1 – Adjustments on export sales to the UK** and **C2 – Adjustments on domestic sales in the Russian Federation**. Please complete those questions that relate to adjustments you wish to claim and report all charges in your accounting currency.

## C1 Adjustments on export sales

Adjustments should be made for each transaction in the relevant columns of the transaction-by-transaction lists requested in **Section B – Sales**, subsection **B3 – Sales to the UK** and subsection **B6 – Sales to other countries,Annex II**.

Please report actual expenses where possible. If you allocate any of these expenses across goods, explain the method used and the reason for your choice.

|  |
| --- |
| In the export sales database PAO Severstal reported VAT taxes expenses, freight packing and credit expenses. The essential information about each of the expenses is provided in answers to the questions below. |
|  | Appendix reference: Not applicable. |

### C1.1 Differences in discounts, rebates and quantities

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on discounts, rebates and quantities. Any claim should be properly quantified and linked or allocated to the relevant transactions in the transaction-by-transaction sales listing in **Section B – Sales,** subsection **B3 – Sales to the UK** and subsection **B6 – Sales to other countries**.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please detail your policy for granting discounts and rebates to customers in the UK and to third countries.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please list all the types of discounts or rebates you have granted and describe their terms including:
* cash discounts;
* deferred discounts;
* quantity discounts;
* loyalty discounts;
* year-end rebate, etc.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. If discounts or rebates vary by customer category or level of trade, please explain separately the discounts and rebates given to each category.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please provide your discount schedules. Be aware that at a later date we may request supporting information such as the contracts/agreements reflecting all discounts and rebates.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

### C1.2 Differences in transportation, insurance, handling, loading and ancillary costs

An adjustment may only be made for transportation costs incurred from moving products from production premises to independent and associated customers.

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above. Adjustments may be based on the cost of domestic freight associated with the transportation, insurance, handling, loading and ancillary costs which are included in the export prices.

|  |
| --- |
| The freight is reported in the transaction-by-transaction sales listing. For details please see the response to the next question. |
|  | Appendix reference: Not applicable. |

1. Please explain how you have quantified each of these charges and identify the general ledger account(s) where each expense is recorded.

|  |
| --- |
| [Non-confidential summary: Description of charges]. |
|  | Appendix reference: Not applicable. |

### C1.3 Differences in packing expenses

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above.

|  |
| --- |
| The packing expenses are reported in the transaction-by-transaction sales listing. For details please see the response to the next question. |
|  | Appendix reference: Not applicable. |

1. If the goods are subsequently repackaged, please report these charges and costs separately in **Section B – Sales**, subsection **B3 – Sales to the UK, Annex II** and identify the general ledger account(s) where each expense is recorded.

|  |
| --- |
| The packing expenses are a part of manufacturing & rerolling expenses. They include costs borne on preparation of transportation vehicles. They are written-off to GL account [Non-confidential summary: GL account number]. Selling expenses.[Non-confidential summary: Calculation of packing costs] |
|  | Appendix reference: Annex C1.3 Packing expenses export markets |

### C1.4 Differences in cost of credit granted

Credit means the cost of the time the buyer is given to pay for the goods, as typically agreed in the terms of payment. An adjustment is warranted when credit terms for export sales differ from the credit terms for domestic sales. A credit adjustment is to be made even if funds are not borrowed to finance the accounts receivable.

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on the cost of credit granted.

|  |
| --- |
| The credit related expenses are reported in the transaction-by-transaction sales listing. For details please see the response to the next question. |
|  | Appendix reference: Not applicable. |

1. Please attach applicable interest rates over each month of the POI and in the box below explain the nature of the interest rates most applicable to these export sales.

|  |
| --- |
| For export countries that are geographically close to Russia ([Non-confidential summary: Names of thecountries]) and if sales to such countries are nominated in RUB, PAO Severstal used the same credit rate as for the domestic market. Otherwise, PAO Severstal used average LIBOR rate as per <https://www.global-rates.com/en/interest-rates/libor/american-dollar/2020.aspx>. For details please see answer to the question 2 in the C2.9 section.[Non-confidential summary: Calculation of credit cost] |
|  | Appendix reference: C1.4 LIBOR rate, C2.9 Weighted average rate calculation, C2.9 Bank of Russia the key rate |

### C1.5 Differences in after sales costs

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on after sales costs.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please show relevant sales contracts and how you calculated the expenses (for example, ‘Warranty and Guarantee’ expenses and ‘Technical assistance and other services’), including the basis of any allocations.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please include a record of expenses incurred. Technical services include costs for service, repair or consultation. If these expenses are closely related to the sales in question, an adjustment will be considered. Please also identify the general ledger account(s) where each expense is recorded.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

### C1.6 Differences in commissions paid regarding sales under consideration

1. Please report the adjustment in the transaction-by-transaction sales listing referred to above, based on commissions paid, and identify the general ledger account(s) where each adjustment is recorded. Please explain the terms under which commissions are given.

|  |
| --- |
| Not applicable.[Non-confidential summary: Additional information about paid commissions] |
|  | Appendix reference: Not applicable. |

### C1.7 Other factors

1. An adjustment may also be made for differences in other factors not provided for under C1.1 to C1.6 if it is demonstrated that they affect price comparability. Please list any factors here:

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

### C1.8 Future adjustment

1. In relation to C1.1 – C1.7 above, is anything likely to change if the existing anti-dumping measure on the goods subject to review was no longer applied?

|  |
| --- |
| No major changes are likely to occur if the existing anti-dumping measures on the goods subject to review are no longer applied. |
|  | Appendix reference: Not applicable. |

## C2 Adjustments on domestic sales

Adjustments are to be made for each transaction in the relevant columns of the transaction-by-transaction lists requested in **Section B – Sales**, **B4 – Domestic sales, Annex II**. All charges must be reported in your accounting currency.

Please report actual expenses where possible. If you allocate any of these expenses across goods, explain the reason for your choice and the methodology used.

|  |
| --- |
| In the domestic sales database PAO Severstal reported VAT taxes expenses, freight packing and credit expenses. The essential information about each of the expenses is provided in answers to the questions below. |
|  | Appendix reference: B4 – Domestic sales |

### C2.1 Differences in discounts and rebates, including those given for differences in quantities

The term ‘rebate’ includes credit on current or future purchases, promissory notes, extension of credit, or free goods or services.

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on discounts, rebates and quantities. Any claim should be properly quantified and linked or allocated to the relevant transactions in the transaction-by-transaction sales listing.

|  |
| --- |
| [Non-confidential summary: Confidential information about discounts program] |
|  | Appendix reference: Annex C2.1a Bonus program sample documents, Annex C2.1b Bonus rates. |

1. Please describe in detail your policy for granting discounts and rebates to customers in your country.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please list all the different kinds of discounts or rebates you have granted and describe their terms, including:
* cash discounts;
* deferred discounts;
* quantity discounts;
* loyalty discounts;
* year-end rebate, etc.

|  |
| --- |
| [Non-confidential summary: Information about classification & terms of discounts] |
|  | Appendix reference: Not applicable. |

1. If discounts or rebates vary by customer category, please explain separately the discounts and rebates given to each category.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please provide your discount schedules and be prepared to provide, on request, contracts or agreements that reflect all discounts and rebates given.

|  |
| --- |
| [Non-confidential summary: Information about discounts schedule]. Sample documentation for the Bonus Program is attached as Annex C2.1a |
|  | Appendix reference: Annex C2.1a Bonus program sample documents. |

### C2.2 Differences in domestic freight

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on the cost of freight associated with a sale.

|  |
| --- |
| The freight is reported in the transaction-by-transaction sales listing. For details please see the response to the next question. |
|  | Appendix reference: Not applicable. |

1. Please explain how you have quantified each of these charges and report the adjustments in the transaction-by-transaction sales listing referred to above, and identify the general ledger account(s) where each expense is recorded.

|  |
| --- |
| The freight indicated in the databases is a calculated value that is included in the total price. It is calculated by the Logistics Department based on type of goods and the distance from Cherepovets production facilities to a destination point.The freight costs for CPT sales are included in the net invoice value. They are a part of selling expenses. They are recorded at accounts [Non-confidential summary: GL account number] or [Non-confidential summary: GL account number]. |
|  | Appendix reference: Not applicable. |

### C2.3 Differences in physical characteristics

An adjustment can be made to take account of differences in physical characteristics between the goods sold in the UK and other third countries and similar types sold in the domestic market.

1. Please report the adjustment in the transaction-by-transaction sales listing referred to above, based on differences in physical characteristics.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please identify the physical differences between each of your relevant exported goods and domestic goods, separately. Please provide a full explanation of each difference identified.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

### C2.4 Differences in the level of trade

An adjustment can be made for differences in levels of trade where the export price (including a constructed export price) is:

* at a different level of trade from the normal value; and
* the difference has affected price comparability.

These can include any differences which may appear in Original Equipment Manufacturer (OEM) sales and should relate to the distribution chain in both markets.

A difference in price comparability is demonstrated by consistent and distinct variants in seller functions and prices for the different level of trade in the domestic market of the exporting country.

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on the level of trade. The adjustment amount must be based on the market value of the difference.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please explain how you have calculated this adjustment.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

### C2.5 Differences in transportation, insurance, handling, loading, and ancillary costs

An adjustment can only be made for transportation costs which were incurred after the sale was made, for moving the products from the production premises to the independent customer. All charges must be reported in your accounting currency – please refer to section B5.

1. Please report the adjustments in the transaction-by-transaction sales listing referred to above and identify the general ledger account(s) where each adjustment is recorded.

|  |
| --- |
| The transportation costs for CPT sales are included in the net invoice value. They are a part of selling expenses. They are recorded at accounts [Non-confidential summary: GL account number]. or [Non-confidential summary: GL account number].[Non-confidential summary: Calculation of handling costs] |
|  | Appendix reference: Not applicable. |

1. Please list all charges included in the domestic prices and explain how you have quantified each of these charges.

|  |
| --- |
| The freight, packing expenses, handling and VAT tax are included in the domestic sales prices. The information regarding each of the expenses is provided in the responses to the questions in sections C2.2, C2.5, C2.6, C.2.8 of the questionnaire. |
|  | Appendix reference: Not applicable. |

### C2.6 Differences in packing expenses

1. Please report the adjustment in the transaction-by-transaction sales listing referred to above based on the cost of production provided for packing as reported in **Section D – Costing information, subsection D4 – Cost of production, Annex II** and identify the general ledger account(s) where each adjustment is recorded.

|  |
| --- |
| The packing expenses are a part of manufacturing & rerolling expenses. They include costs borne on preparation of transportation vehicles. They are written-off to GL account [Non-confidential summary: GL account number]. Selling expenses.[Non-confidential summary: Calculation of packing costs] |
|  | Appendix reference: Annex C2.6 Packing expenses domestic market |

### C2.7 Import charges

For these adjustments, please do the following:

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on duty drawback you received for sales to the UK and to third countries.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Provide original and English translations of statutes and regulations authorising duty drawback on exported goods and the governing methods used to calculate duty drawback.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please explain the method you used to connect the duty drawback amount to the specific UK sale and to third country sales.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please explain the association between the amount received from the government when you export and the amount paid for imported materials.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

### C2.8 Indirect taxes

For these adjustments, please do the following:

1. Report in the transaction-by-transaction sales listing referred to above the amount of any such taxes imposed in the domestic market but rebated or not imposed on sales to the UK and to third countries.

|  |
| --- |
| The VAT tax is reported in the transaction-by-transaction sales listing. For details please see the response to the next questions. |
|  | Appendix reference: Not applicable. |

1. List all indirect taxes imposed on the products sold in the domestic market which were either rebated upon exportation or not collected on the products exported to the UK and to third countries.

|  |
| --- |
| The amount reported in the column “Taxes” of the Annex B4 - Domestic sales is VAT tax only. Since January 2019, VAT in Russia is 20%. Hence, 20% of a net invoice value is reported as a tax for each transaction.There are no other indirect taxes, which are either rebated upon exportation or not collected on the products exported to the UK and to third countries and relevant to the goods subject to review and/or like goods. |
|  | Appendix reference: Not applicable. |

1. For each tax listed above, provide English translations of statutes and regulations authorising the collection of the tax, including documents explaining the method of calculation, assessment, and payment of the tax.

|  |
| --- |
| The VAT tax is regulated by the Chapter 21 of Russian Federation Tax Codex (please see the Chapter in English [here](https://www.nalog.ru/html/sites/www.eng.nalog.ru/Tax%20Code%20Part%20Two.pdf)). |
|  | Appendix reference: Not applicable. |

1. For each tax listed above, separately provide information on the tax base or taxable price, the tax rate, the amount of taxes assessed, any deductions or offsets to the tax and the formula used to calculate the tax amount.

|  |
| --- |
| Tax base for VAT is revenue, i.e. gross value of the goods sold. It cannot be deducted and is calculated as 20% of the gross value of the goods sold. |
|  | Appendix reference: Not applicable. |

1. Specify when you are legally obligated or liable for tax payment. Report when you actually paid taxes and whether you maintain separate accounts for these taxes.

|  |
| --- |
| VAT tax is included in price, hence it is paid by a customer. Severstal maintains a separate account for VAT, namely [Non-confidential summary: GL account number]. |
|  | Appendix reference: Not applicable. |

### C2.9 Differences in the cost of any credit granted for the sales

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on any credit granted for sales.

|  |
| --- |
| The credit related expenses are reported in the transaction-by-transaction sales listing. For details please see the response to the next question. |
|  | Appendix reference: Not applicable. |

1. Specify the relevant interest rate for credit costs for domestic sales.

|  |
| --- |
| The Central Bank of Russia changed the key rate a numerous number of times during the POI. Hence, a weighted-average rate was calculated for the POI. The calculation is present in C2.9 Weighted average rate calculation. The interest rates in the table are according to the Central Bank of Russia and can be found in C2.9 Bank of Russia the key rate.[Non-confidential summary: Calculation of credit costs] |
|  | Appendix reference: C2.9 Weighted average rate calculation, C2.9 Bank of Russia the key rate |

1. If your accounts receivable shows that the average number of collection days is different to the payment terms shown in the sales listing, and ifdomestic prices are influenced by this longer or shorter period, please calculate the average number of collection days and explain the method of calculating it.

|  |
| --- |
| For credit cost calculation an annualized amount of days till payment is used (for actual amount of days till payment collection, please refer to the field “Payment terms” of Annex B4; zero means payment in advance). |
|  | Appendix reference: Not applicable. |

### C2.10 After sales costs

1. Please report any relevant adjustments in the transaction-by-transaction sales listing referred to above, based on after sales costs.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. Please show relevant sales contracts and how you calculated the expenses (for example, ‘Warranty and Guarantee expenses’ and ‘Technical assistance and other services’), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

### C2.11 Differences related to commissions

1. Report the adjustment in the transaction-by transaction sales listing referred to above and identify the general ledger account where the adjustment is recorded.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

1. If commissions were paid to independent or associated sellers, please report the amount of commission expenses and explain the terms under which commissions are given.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

### C2.12 Other factors

1. An adjustment may also be made for differences in other factors not provided for under C2.1 to C2.11 if it is demonstrated that they affect price comparability, in particular where customers consistently pay different prices in the domestic market because of the difference in such factors.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

# SECTION D:Costs and performance

## D1 Turnover

Please complete **Section D – Costing Information**, subsection **D1 – Turnover, Annex II** by reporting your total sales after all discounts and excluding taxes.

* If your company accounts are consolidated with accounts of associated companies, create a copy of the table to report **total group** turnover.
* The total turnover must reconcile with the turnover in your financial reporting (accounts).
1. Please explain how the volume and value of your future sales would be affected if the existing anti-dumping measure on the goods subject to review was no longer applied. Also provide evidence to support your claims. Additionally, please provide quantitative estimates for future years (e.g. projections or forecasts) that would help illustrate this, and explain the methodology and assumptions underpinning these estimates in the text box below.

|  |
| --- |
| The turnover of PAO Severstal and consolidated turnover are present in appendix D1 - Turnover. The volumes are only provided for “turnover of goods subject to review and like goods” groups because “all goods” & “other goods” groups contain sales of works, services and co- and by-products that are not measured in metric tonnes (like oxygen, water, etc.).For consolidated turnover it is impossible to select the merchandize under investigation exactly (only product groups are available), so no values/volumes are shown.No major changes are likely to occur if the existing anti-dumping measures on the goods subject to review are no longer applied. The UK is a distant market for PAO Severstal. It is now shared by local producers and more competitive importers from third countries. So there could be some sporadic non-regular sales if measures are withdrawn. And since Russia is the key market regarding the subject merchandize for PAO Severstal, the total future sales will not be affected much.PAO Severstal does not make long-term projections for the merchandize market. Hence, no reasonable quantitative estimates can be provided. |
|  | Appendix reference: D1 - Turnover |

## D2 Statement of profit and loss and other comprehensive income

1. Complete **Section D – Costing information, subsection D2 – Income statement, Annex II** with information about all the goods your company produces.

**The allocation method is used to calculate the data provided in Annex D2.1 Income statement. [Non-confidential summary: Explanation of the allocation method].**

**It should also be noted that the specified cost of production of all goods subjects to review including the cost of semi-finished products for further processing.**

1. Please attach copies of your (corporate) income tax statements, any other company tax statements and the corresponding tax returns for the POI and the preceding three financial years.

|  |
| --- |
| The copies of corporate income tax declarations and VAT declarations for the POI and preceding three financial years are attached. |
|  | Appendix reference: Annex D2.2a and Annex D2.2b |

1. If your company sells via an associated company, please provide the accounts of that company.

|  |
| --- |
| As stated above Annex A6.6b represents the united chart of accounts for several companies within Severstal group which use SAP system for accounting. Since 2016 Severstal Export GmbH explores SAP ERP system and uses the united chart of accounts provided in Annex A6.6b. The chart of accounts for SIA Severstal Distribution is provided as Annex D2.3. |
|  | Appendix reference: Annex A6.6b an Annex D2.3 |

1. If your company incurred any extraordinary costs (such as start-up or ramp up costs) during the POI, please provide details of these costs, explaining why they were extraordinary and how they have been included and amortised in your accounts.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

## D3 Production

1. Please provide a description of your company's production facilities. List all facilities involved in the production process, explaining the production activities at the major facilities and whether any stages are subcontracted.

|  |
| --- |
| Severstal operates fully integrated iron and steelmaking facilities. [Non-confidential summary: Detailed description of equipment and production stages]A detailed description of Severstal’s production facilities is attached as Annex D3.1. |
|  | Appendix reference: Annex D3.1 |

1. Describe each stage of the production process of the goods subject to review as produced and sold by your company. To support this, please attach a complete flowchart of the production cycle.

|  |
| --- |
| The description of production process is provided in Annex D3.1. The flowchart of Severstal’s production process is attached as Annex D3.2. |
|  | Appendix reference: Annex D3.1 and Annex D3.2 |

1. Describe the main inputs to the production process and whether the supplier is associated or not. Specify whether these input materials or parts were imported, and whether the input value includes import charges and indirect taxes (for both exported and domestic types).

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| The major inputs for Severstal’s production are coal concentrate, iron ore concentrate, iron ore pellets and metal scrap.

|  |  |  |
| --- | --- | --- |
| Name of major input | Related supplier or not | Imported or not |
| Coal concentrate | [Limited – Confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information] | [Limited – Confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information] |
| Iron ore concentrate | [Limited – Confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information] | [Limited – Confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information] |
| Iron ore pellets | [Limited – Confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information] | [Limited – Confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information] |
| Metal scrap | [Limited – Confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information] | [Limited – Confidential by nature and cannot be summarized because it would directly or indirectly disclose business confidential information] |

 |
|  | Appendix reference: Not applicable |

1. List any products produced by your company in the same facilities as the goods subject to review and/or like goods, and comment on your ability to switch production.

|  |
| --- |
| Severstal produces non-subject products in the same production facilities as the product under investigation. For instance, the facilities of Formed section shop are used for cutting various types of products such as hot rolled products, cold rolled products and tubes by slitting machines At the same time, the Cold Rolled Strip/sheet Plant is used only for the production of the goods subject to review. The slitting machines of Formed section shop are used only for the cutting. |
|  | Appendix reference: Not applicable |

## D4 Upwards cost reconciliation

Complete **Section D – Costing information,** subsection **D4.1 – Upwards cost reconciliation, Annex II.**

* Please complete the blank white cells of the table in **D4.1 – Upwards cost reconciliation**. Please use the box below to reference any source documentation for the data, assigning the relevant appendix number and highlighting where the relevant figures in the document are located.
* If you use any additional formulae to complete the table, please include these.
* Please ensure that the table is completed using your accounting currency.

|  |
| --- |
| [Non-confidential summary: Severstal accounting practices. Confidential by nature because it would directly or indirectly disclosure business confidential information]. |
|  | Appendix reference: Annex D4 and Annex D12.1 |

## D5 Capacity

Complete **Section D – Costing information,** subsection **D5 – Capacity, Annex II**.

1. Explain your calculation of the capacity and the capacity utilisation for the goods subject to review. What is the basis for calculating your capacity? (For example, number of shifts, working days per year, name plate versus actual capacity, idle time for machinery maintenance and changes in the production process etc.)

|  |
| --- |
| [Non-confidential summary: Calculation of production capacity] |
|  | Appendix reference: Annex D5 |

1. If you have plans to begin new product chains or increase current production capacity of goods in the UK market, your domestic market or any other third country markets, please provide us with full details of your plans. Please explain how you expect these plans to be affected if the existing anti-dumping measure on the goods subject to review were to no longer apply.

|  |
| --- |
| Severstal does not have plans to begin new product chains or increase current production capacity of goods in the UK market, domestic market or any other third country markets. |
|  | Appendix reference: Not applicable |

1. Other than the goods subject to review and like goods, please explain whether the plant production capacity can be used to produce other goods and how this is done. Explain your method for allocating production capacity in this situation.

|  |
| --- |
| Cold-rolling mill can produce the goods subject to review and like goods only. |
|  | Appendix reference: Not applicable |

## D6 Stocks

1. Complete **Section D – Costing information, D6 – Stocks, Annex II.** Explain the difference between your own production and purchased goods.

|  |
| --- |
| Severstal provides the data of stocks in Annex D6. The information of purchased goods is presented in Section D10 Purchases of like goods.[Non-confidential summary: Comparison of produced and purchased products]. |
|  | Appendix reference: Annex D6 |

1. Please comment on the level and trend of stocks that you have reported above.

|  |
| --- |
| [Non-confidential summary: Stocks level. Confidential by nature because it would directly or indirectly disclosure business confidential information]. |
|  | Appendix reference: Not applicable |

1. If the existing anti-dumping measure on the goods subject to review were to no longer apply, how do you expect your stocks would be affected?

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable. |

## D7 Joint products and by-products

1. Please explain any waste, scrap or by-products related to the production of the goods subject to review and the like goods. Please explain:
* how you differentiate your waste, scrap, and by-products;
* what you do with your waste, scrap, and by-products;
* how any income or cost from waste, scrap, and by-products is recorded;
* the average waste, scrap, and by-product ratio resulting from the production process of the goods subject to review and like goods.

|  |
| --- |
| [Non-confidential summary: Severstal accounting practices]. |
|  | Appendix reference: Not applicable |

1. Please explain how your costs of production (per unit) differ between the goods subject to review and/or the like goods and its joint products, if any. Comment on the reason for this difference and explain your method(s) of calculation.

|  |
| --- |
| The detailed explanation of calculation of cost of production for the goods subject to review and its joint products is described above. |
|  | Appendix reference: Not applicable |

## D8 Employment

1. Complete **Section D –** **Costing information** subsection **D8 – Employment, Annex II**.

Table “D8 – Employment” is provided in Annex D8.

1. Referring to the direct and indirect labour costs within your Costs of Production, please describe how you calculate the figures and how these are allocated and apportioned. For example, do you base this on hours of work, units produced, or something else?

|  |
| --- |
| Labour costs are accounted on a different cost centers and in accordance with it, the calculation of labour costs is made depending on the cost centers. |
|  | Appendix reference: Not applicable |

## D9 Investments

Please complete **Section D –** **Costing information,** subsection **D9 – Investments, Annex II**.

1. Please use the box below to explain your investment plans for the future, focussing on both new investments and whether or not you plan to bring existing facilities back into operation.

|  |
| --- |
| [Non-confidential summary: Severstal investment plans]. |
|  | Appendix reference: Annex D9 |

1. Please use the box below to explain how you would change your investment plans (if at all) if the existing anti-dumping measure on the goods subject to review were to no longer apply.

|  |
| --- |
| Not applicable. |
|  | Appendix reference: Not applicable |

## D10 Purchases

Please complete **Section D –** **Costing information,** subsection **D10 – Purchases, Annex II**.

1. Give the name(s) of the country/countries of origin and the name(s) of the supplier(s) of the goods subject to review purchased and sold by your company and your associated companies.

|  |
| --- |
| PAO Severstal purchases goods subject to review in small volumes only from Russian suppliers, all detailed information of purchases and suppliers’ names is provided in Annex D10. |
|  | Appendix reference: Annex D10 |

1. Show purchases in value exclusive of VAT and net of credit notes and trade discounts (discounts immediately deducted on the invoice) received from suppliers.
2. Show purchases in volume net of returns outwards (purchases returned to the supplier).
3. Within your company, do you use any integrated processes in the production of the goods subject to review? If so, please explain.

|  |
| --- |
| Severstal is an integrated steelworks of full production cycle integrating more than 100 major process units. PAO Severstal mainly produces the merchandize on its own production facilities. |
|  | Appendix reference: Not applicable |

1. Please use the box below to explain if your purchasing patterns will change should the existing anti-dumping measure on the goods subject to review no longer applied.

|  |
| --- |
| No major changes are likely to occur if the existing anti-dumping measures on the goods subject to review are no longer applied. |
|  | Appendix reference: Not applicable |

## D11 Profitability and administration, selling and general costs

Please complete **Section D –** **Costing information,** subsection **D11 – Profitability, Annex II**.

Please explain how you calculate profitability, referring to your accounting and bookkeeping methods. Attach a breakdown to show how you have calculated the figures in **D11 – Profitability**.

|  |
| --- |
| The profitability is calculated according to the explanatory note to the Annual accounting reporting (line 2200 Profit/loss of sales is divided by line 2110 Revenue).This method recommended by the “Regulation on disclosure of information by issuers of equity securities”, dated December 30, 2014. [Non-confidential summary: Severstal accounting practices]. |
|  | Appendix reference: Annex A6.2 and Annex D11 |

Please explain how you calculated your AS&G costs stated in Section D – Costing information, subsection D2 – Income Statement, Annex 11.

|  |
| --- |
| AS&G costs stated in Section D – Costing information, subsection D2.1 – Income Statement, Annex 11 is calculated according to the Profit and loss statements. The allocation method is used for goods subject to review. The detailed calculation of AS&G costs for good subject to review in POI is provided in Annex D13. |
|  | Appendix reference: Annex D11 and Annex D13 |

## D12 Cost to make (CTM) in the Russian Federation and the UK

1. Please provide the CTM for your domestic market (the Russian Federation) and the export market (UK)by completing **Section D – Costing information**, subsections **D12.1 – CTM in domestic market** and **D12.2 – CTM in UK**.
* Provide details for each PCN of your goods during the POI, produced by your company or an associated party.
* For each associated party, make a new copy and complete the spreadsheet annex separately.
* If several internal company production or sales codes correspond to the same PCN, report each production or sales code separately.
* Note that subheadings of each line item (e.g. raw materials, energy) can be changed to suit the categorisation of your own cost accounting system.

1. If there are differences in costs for the same PCN between **D12.1 – CTM (the Russian Federation)** and **D12.2 – CTM (UK)**, explain and highlight the reasons for the differences in figures.

|  |
| --- |
| [Non-confidential summary: methodology for reporting PCN. Confidential by nature because it would directly or indirectly disclosure business confidential information] |
|  | Appendix reference: Annex D12.1 |

1. Please state the cost allocation method used for each PCN for the POI, including an explanation of that placement under each subheading.

|  |
| --- |
| Severstal reported cost of production for all Product Control Numbers of the product under investigation sold during the POI in Annex D12.1. [Non-confidential summary: methodology for reporting PCN. Confidential by nature because it would directly or indirectly disclosure business confidential information]Severstal provides information about production volumes and expenses, please refer to Annex D12.2. Calculations of the cost for each reported PCN are presented in worksheets provided as Annex D12.3. |
|  | Appendix reference: Annex D12.2 and Annex D12.3 |

1. Please explain how you finance your production of like goods, your sources of finance, whether there is any cost of finance associated with the production of like goods, and how you have reported this in the cost to make figures and company accounts.

|  |
| --- |
| The source of production financing is the results of financial and economic activities of Severstal. The detailed description of how the cost of production figures displayed on the company accounts is provided above. |
|  | Appendix reference: Not applicable |

## D13 AS&G in the Russian Federation and in the UK

1. Please provide AS&G costs for:
* the like goods produced for your domestic market;
* the like goods produced for export to third countries; and
* the goods subject to review produced for export to the UK,

by completing **Section D – Costing information**, subsections **D13.1 – AS&G for domestic market, D13.2 – AS&G for third countries** and **D13.3 – AS&G for the UK**.

Provide details for each PCN of your goods during the POI, produced by your company or an associated party.

* If several internal company production or sales codes correspond to the same PCN, report each production or sales code separately.
* Note that subheadings of each line item (e.g. sales commissions, supply and client) must be changed to suit the categorisation of your own cost accounting system.

1. Please explain the cost allocation and apportion method used for each PCN for the POI, including an explanation of that allocation and apportion method under each cost type.

|  |
| --- |
| The detailed information of AS&G costs for goods subject to review during the POI provided in Annex D13. The apportion method is used for each PCN for the POI, the total of AS&G costs corresponds to the AS&G expenses presented in Annex D2.1 Income statement.**[Non-confidential summary: Explanation of apportion method].**The total cost other indirect expenses presented in Annex D13 is the difference between Selling costs in Annex D13 (the total selling costs is calculated according to the sales database) and Selling costs provided in Annex D2.1. |
|  | Appendix reference: Annex D13 |

1. If there are differences in costs for the same PCN between **D13.1 – AS&G for domestic market**, **D13.2 – AS&G for third countries** and **D13.3 – AS&G for UK**, explain the reasons for the differences.

|  |
| --- |
| [Non-confidential summary: methodology for reporting PCN. Confidential by nature because it would directly or indirectly disclosure business confidential information]. |
|  | Appendix reference: Annex D13 |

1. Explain the calculation of research and development expenses for your goods.

|  |
| --- |
| [Non-confidential summary: R&D expenses description]. |
|  | Appendix reference: Not applicable |

1. If your company is part of a consolidated group of companies, explain if reported interest expenses are on a company or consolidated basis. Please explain possible differences between the two amounts and how they have been established. State whether interest has been paid to associated parties and explain the details of the borrowings between the associated companies.

|  |
| --- |
| [Non-confidential summary: Interest expenses description]. |
|  | Appendix reference: Not applicable |

1. If your company is part of a consolidated group of companies, explain if reported depreciation charges are on a company or consolidated basis. Please explain possible differences between the two amounts and how they have been established.

|  |
| --- |
| [Non-confidential summary: Depreciation charges description]. |
|  | Appendix reference: Not applicable |

## D14 Raw material (RM) and major input purchases

1. Please complete **Section D – Costing information**, subsection **D14 – RM purchased, Annex II** detailing the principal RM and major input purchases in **D14** used in the production of your goods during the POI by your company.
* Please provide a breakdown of cost for any raw materials or major inputs (such as energy) that account for over 5% of the cost to make and sell your goods. This information should include all purchases of these materials used or purchased during the POI.
* For each reported purchase transaction, describe the input and its characteristics (e.g. grade, purity).
* Please provide an invoice and any supporting documents for two of your purchases stated within D14. Use the box below to give an overview of any supporting documents provided.

|  |
| --- |
| Due to the fact that there are no materials that satisfy the specified condition – raw materials or major inputs that account for over 5% of the cost to make and sell goods, PAO Severstal provides a breakdown of cost for major inputs such as coal concentrate, iron ore concentrate, iron ore pellets and metal scrap in Annex D14.1a. The copies of invoices for two purchases of PAO Severstal are attached as Annex D14.1b. |
|  | Appendix reference: Annex D14.1a and Annex D14.1b |

1. If you purchase materials or inputs from associated suppliers, please provide information about how prices are set, the negotiation process on price setting; and any contracts or evidence of price negotiation. Also, in addition to the ‘Cost to make (CTM)’ sheets for domestic and UK sales (D12.1 and D12.2), please provide the cost to make of the material by the associated suppliers on the same basis by adding in a column to the ‘raw materials and input purchases’ sheet (D14), labelling it as ‘Associated supplier CTM’.

|  |
| --- |
| PAO Severstal purchases iron ore pellets, iron ore concentrate, coal concentrate and metal scrap from associated suppliers (such as [Non-confidential summary: names of related parties]).Prices for iron ore pellets, iron ore concentrate and coal concentrate, which are presented in Annex D14.1, [Non-confidential summary: pricing information]. The contracts containing information of price setting and the examples of specifications are attached as Annex D14.2.[Non-confidential summary: Pricing information]The contracts containing information of price setting and the examples of specifications are attached as Annex D14.2. |
|  | Appendix reference: Annex D14.2 |

1. For material costs purchased from independent companies, explain the nature of contractual arrangements. State whether the material costs include transportation charges, duties and other expenses normally associated with obtaining the materials used in production.

|  |
| --- |
| [Non-confidential summary: Severstal contractual arrangements] |
|  | Appendix reference: Not applicable |

## D15 Specificities regarding the Russian Federation

1. Are you aware of any market distortions in your domestic market affecting the **production of the goods** subject to review during the POI? Please describe the nature of the market distortions in detail, including any impacts on the level of production of the goods.

Please provide evidence to support your response.

|  |
| --- |
| Severstal does not aware of any distortions in the domestic market related to the production of the goods subject to review during the POI. |
|  | Appendix reference: |

1. Please describe how any market distortions affected the **price of goods** subject to review, including any raw material or inputs, in the domestic market during the POI. Provide examples and evidence to support your response, including any evidence concerning the following:
* situations/distortions in the domestic market where prices of the goods subject to review are artificially low; and
* situations/distortions in the domestic market where prices of the goods subject to review reflect non-commercial factors.

Please provide evidence to support your response.

|  |
| --- |
| There are no any market distortions affected the price of goods subject to review, including any raw material or inputs, in the domestic market during the POI. |
|  | Appendix reference: |

1. Please describe how any market distortions affected the **level of exports** of the goods subject to review, during the POI. In your response, you may refer to any international markets, which you may be aware of, that are affected by differential levels of exports of the goods subject to review by your domestic market.

Please provide evidence to support your response.

|  |
| --- |
| There are no any market distortions affected the level of exports of the goods subject to review during the POI. |
|  | Appendix reference: |

1. Please provide **any additional information**, which you think could assist the assessment of market distortions in your domestic market; this could include:
* situations/distortions in the domestic market where there is significant barter trade;
* situations/distortions in the domestic market where there are subsidies involved in the production of the goods subject to review; and
* any other reason, which could evidence that the comparable price cannot be used to determine the normal value of the goods subject to review.

Please provide evidence to support your response.

|  |
| --- |
| Not applicable. There is no any barter trade for goods subject to review.Severstal does not use any subsidies in the production of the goods subject to review and to the best of our knowledge other Russian producers and exporters avoid any subsidies due to possible countervailing measures on export markets. |
|  | Appendix reference: |

The

# SECTION E:Other questions

Please note that all questions in this section are optional. If you choose not to provide information to a question in this section, please state this or write ‘N/A’ in the respective text box.

1. Please indicate any other factors which might have caused the injury to the UK industry, for example:
* volume and prices of imports not sold at dumped prices;
* contraction in demand or changes in patterns of consumption;
* restrictive trade practices of, and competition between, third country and UK producers;
* developments in technology; and
* export performance and the productivity of the UK.

Would the cause(s) or degree of injury change if the existing anti-dumping measure on the goods subject to review were to no longer apply? Please describe the nature of any change and substantiate your claims with evidence.

|  |
| --- |
| Other factors which might have caused the injury to the UK industry are the following:- Ineffective management;- Wrong investment decisions;- Low productivity;- High cost of energy and other raw materials;- High competition against EU producers;- Supply chains ineffectivenessThe anti-dumping measure on the goods subject to review has no relation to the above mentioned factors. |
|  | Appendix reference: |

1. Please describe how you would expect to be affected if the existing anti-dumping measure on the goods subject to review were to no longer apply:
* your production of the goods subject to review
* your exports of the goods subject to review to the UK
* market price of the goods in the UK;

Where possible, please provide estimates for future years (e.g. projections or forecasts) to support your claims.

|  |
| --- |
| If the existing anti-dumping measure on the goods subject to review were to no longer apply, it really doesn't make any difference for Severstal production.Severstal did not sell the goods subject to review to the UK in the Period of Investigation and is not going to sell any significant volume to the UK market in the future.Moreover, the goods subject to review are under safeguard measures. Severstal does not have any information about market price of the goods in the UK.  |
|  | Appendix reference: |

# SECTION F:Next steps and declaration

## Next steps

Once you have completed all parts of the questionnaire the declaration on the following page should be signed by an authorised official of your company.

The questionnaire, annexes and any appendices should be submitted through the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by 28 June 2021. The checklist in Section G of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and spreadsheet annex(es) must be submitted. You can find guidance on how to complete confidential and non-confidential versions in our guidance on [how to submit information](https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information).

## Declaration

By signing this declaration, you agree that all information supplied in this questionnaire (whether translated or not) is complete and correct to the best of your knowledge and belief and understand that the information submitted may be subject to verification by TRID.

Please ensure that you remove or redact any personal data (including but not limited to names, signatures, contact details and job titles) from the non-confidential version of the questionnaire, which is to be uploaded to the public file by TRID. Where personal data has been removed, please note this in the non-confidential summary/version of the questionnaire.

Company name: PAO Severstal

|  |  |  |
| --- | --- | --- |
|    September 10, 2021 |   |   |
| Date |  | Signature of authorised official |
|  |  | [Non-confidential summary: Name of person] [Non-confidential summary: Title of authorised official]  |
|  |  | Name and title of authorised official |

# SECTION G:Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

|  |  |
| --- | --- |
| **Section** | Please tick if you have responded to all questions |
| Section A – Company structure and operations | √ |
| Section B – Sales | √ |
| Section C – Fair comparison | √ |
| Section D – Costing information | √ |
| Section E – Other questions | √ |
| Section F – Declaration | √ |

|  |  |
| --- | --- |
| **Electronic data** | Please tick if you have provided spreadsheets |
| **INCOME STATEMENT** | √ |
| **TURNOVER** – Sales summary | √ |
| **UK SALES** – List of sales to the UK |  |
| **DOMESTIC SALES** – List of all domestic sales of like goods | √ |
| **THIRD COUNTRY** – Third country sales | √ |
| **PRODUCTION** – Production figures | √ |
| **DOMESTIC COSTS** – Costs of goods sold domestically | √ |
| **UK COSTS** – Costs of goods sold to the UK |  |

+Add additional rows as required.

Please list any appendices that you have referenced throughout and are attaching along with this questionnaire.

|  |  |
| --- | --- |
| **Appendix reference** | **Document title** |
| Annex A1  | Severstal organizational structure |
| Annex A2  | Corporate structure of Severstal |
| Annex A3.1  | Charter of PAO Severstal (Russian) |
| Annex A3.2 | Charter of PAO Severstal (English) |
| Annex A4 | Proof of registration of the company |
| Annex II  | A3 and A4 forms |
| Annex A6.1  | Severstal accounting policy |
| Annex A6.2 | The audited financial statements of Severstal |
| Annex A6.3  | The audited financial statements of affiliates |
| Annex A6.3  | Basic differentiation cost elements |
| Annex A6.4  | Severstal summary trial balances |
| Annex A6.5  | The consolidated financial statements |
| Annex A6.6a  | Severstal’s chart of accounts key |
| Annex A6.6b | Severstal’s chart of accounts |
| Annex A6.7 | General description of SAP system |
| Annex A6.8 | Basic differentiation |
| Annex A6.9 | The list of cost centers  |
| Annex A7.1  | Your company's products |
| Annex A7.2 | Other goods |
| Annex A7.3 | Pages from catalogue |
| Annex A8  | Product similarity |
| Annex B1  | Upward sales |
| Annex B1.2 | List of antidumping and safeguard measures |
| Annex B2  | Captive sales |
| Annex B3  | Sales to the UK |
| Annex B3.1  | Channels of distribution export |
| Annex B4  | Domestic sales |
| Annex B4.1a  | Channels on domestic market |
| Annex B4.1b  | Internal price guidelines |
| Annex B4.1c  | List of extras |
| Annex B4.2  | Sample invoices domestic market |
| Annex B5 | Central Bank of Russia currency rates |
| Annex B6a  | Sales to other countries |
| Annex B6b  | Brazil sea freight |
| Annex B6c | Sample invoices export unrelated |
| Annex B6d | Severstal Export Gmbh sales documents |
| Annex B6e | PAO Contract EN sample |
| Annex B6f | Sales to other countries SSE |
| Annex B6g | Sales to other countries ZAO Severstal Distribution Belarus |
| Annex C1.3  | Packing expenses export markets |
| Annex C1.4  | LIBOR rate calculation |
| Annex C2.1a | Bonus program sample documents |
| Annex C2.1b | Annex C2.1b Bonus rates |
| Annex C2.6  | Packing expenses domestic market |
| Annex C2.9a  | Bank of Russia the key rate |
| Annex C2.9b  | Weighted average rate calculation |
| Annex D1  | Turnover |
| Annex D2.1 | Income statement |
| Annex D2.2a  | Income tax declaration |
| Annex D2.2b  | VAT Declaration |
| Annex D2.3 | Chart of accounts SDE |
| Annex D3.1  | Description of the production process |
| Annex D3.2  | The flowchart of production process |
| Annex D4  | Upwards cost reconciliation |
| Annex D5  | Capacity |
| Annex D6  | Stocks |
| Annex D8  | Employment |
| Annex D9  | Investments |
| Annex D10  | Purchases |
| Annex D11  | Profitability |
| Annex D12.1  | Cost to make |
| Annex D12.2  | Initial cost sheets |
| Annex D12.3  | Working COP |
| Annex D13  | AS&G costs |
| Annex D14.1a  | RW and input purchases |
| Annex D14.1b | Sample invoices for purchases |
| Annex D14.2  | Supporting documentation |
| Declaration | Declaration form |

+Add additional rows as required

1. As set out in the UK Global Tariff. For more details on the UK Global Tariff and the commodity codes above, please [click here](https://www.gov.uk/guidance/tariffs-on-goods-imported-into-the-uk). [↑](#footnote-ref-1)