

Price Waterhouse & Co Chartered Accountants LLP

Independent practitioner's Reasonable assurance report on Identified Sustainability Indicators in Tata Steel Limited's Integrated Report

To the Board of Directors of Tata Steel Limited

We have undertaken to perform a reasonable assurance engagement for Tata Steel Limited (the 'Company' or 'TSL') (including its subsidiaries, Tata Steel Long Products Limited (TSLP), Tata Steel Nederland BV (TSN) and Tata Steel UK Limited (TSUK)) vide our Engagement Letter in respect of the agreed indicators listed below (the 'Identified Sustainability Indicators'). These indicators are as included in the "ESG Factsheet" on pages 116 to 127 of the Integrated Report of the Company for the year ended March 31, 2023 (the 'Integrated Report').

Identified Sustainability Indicators

The Identified Sustainability Indicators for the year ended March 31, 2023, are summarised in Appendix 1 to this report.

Our reasonable assurance engagement was with respect to the financial year ended March 31, 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Indicators are Global Reporting Initiative (GRI) standards 2021, World Steel Association (WSA) Sustainability Indicators & internally defined criteria by the management of the Company as set out under Appendix 1 to this report (the 'Criteria').

Management's Responsibility

The Company's Management is responsible for identification of key aspects of Integrated Report, engagement with stakeholders, and content and preparation of the Integrated Report in accordance with the Criteria mentioned above. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Report and the measurement of the Identified Sustainability Indicators, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse gas ('GHG') quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behavior.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and ISAE 3410 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain reasonable assurance about whether the Identified Sustainability Indicators are prepared, in all material respects, in accordance with the reporting criteria.

A reasonable assurance engagement involves assessing the risks of material misstatement of the agreed indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the Identified Sustainability Indicators and related disclosures
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Indicators
- Made enquiries of Company's Management, including those responsible for Sustainability, Environment Social Governance ('ESG'), Corporate Social Responsibility ('CSR'), Human Resource (HR) etc., and those with the responsibility for managing the Company's Integrated Report
- Obtained an understanding and performed an evaluation of the design of the key systems, processes and controls for managing, recording and reporting on the Identified Sustainability Indicators including at the sites visited. Further, for select identified sustainability indicators, in addition to obtaining an understanding and performing evaluation of certain Information Technology General Controls (ITGC), operating effectiveness of the ITGCs was also tested
- Based on the above understanding and the risks that the Identified Sustainability Indicators may be materially misstated, determined the nature, timing and extent of further procedures
- Checked the consolidation for various sites / offices under the reporting boundary for ensuring the completeness of data being reported
- Performed substantive testing on a sample basis of the Identified Sustainability Indicators at corporate level and in relation to steel manufacturing plants of TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia), TSN (Ijmuiden) and TSUK (Port Talbot), to verify that data had been appropriately measured with underlying documents recorded, collated and reported
- Assessed records and performed testing including recalculation of sample data to establish an assurance trail
- Assessed the level of adherence to the Global Reporting Initiative (GRI) standards, World Steel Association (WSA) Sustainability Indicators & internally defined criteria by the management of the Company followed by them in preparing the Integrated Report
- Assessed the Integrated Report for detecting, on a test basis, any major anomalies between the information reported in the Integrated Report on performance with respect to agreed indicators and relevant source data/information
- Obtained representations from Company's Management



Exclusions:

Our reasonable assurance scope excludes the following and therefore we do not express an opinion on the same:

- Testing the operating effectiveness of management systems and controls for all the controls
- Performing any procedures over other information/operations of the company/aspects of the report and data (qualitative or quantitative) included in the Integrated Report not agreed under our engagement letter/ Scope of Assurance
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data

Opinion

Based on the procedures we have performed and the evidence we have obtained, the Company's Identified Sustainability Indicators in the Integrated Report for the year ended March 31, 2023 are prepared in all material respects, in accordance with the respective Criteria.

Restriction on use

Our Reasonable Assurance report, including the opinion, has been prepared and addressed to the Board of Directors of Tata Steel Limited at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our deliverables are shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No: 304026E/E-300009

abhaewal

Heman Sabharwal
Partner

Place: Gurugram
Date: June 12, 2023

Membership Number: 093263
UDIN: 23093263BGWPNG6023

Appendix 1

Identified Sustainability Indicators

Sr. No.	Indicators	Criteria	Boundary for Assurance
1	GHG Emission Intensity (per tonne of crude steel)	WSA Sustainability Indicators	TSL (Jamshedpur, Kalinganagar, Meramandali),
2	Direct (Scope 1) GHG emissions	As per GRI Standards*	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
3	Energy Indirect (Scope 2) GHG emissions	As per GRI Standards*	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
4	Other indirect (Scope 3) GHG emissions	WSA Sustainability Indicators	TSL (Jamshedpur, Kalinganagar, Meramandali)
5	Specific Freshwater consumption (per tonne of crude steel)	Specific freshwater consumption = Total freshwater consumed/Total crude steel production. Total freshwater consumed = 'water withdrawn from source' minus 'water sent to other companies & captive power plant' Water drawn from the sources and used for steel production purposes is considered as freshwater consumption.	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
6	Effluent discharge volume	Total effluent discharge means: Total effluent discharged to surface water and drains after treatment.	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
7	Effluent discharge intensity (per tonne of crude steel)	Effluent discharge intensity = Total effluent discharged/Total crude steel production.	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
8	Loss Time Injury (LTI)	WSA Sustainability Indicators	TSL (Standalone except 'CSD Hubs & Stockyards' and 'Steel Processing Centers'), TSLP (Company Level), TSUK (Company Level), TSN (Company Level)
9	Loss Time Injury Frequency Rate (LTIFR)	WSA Sustainability Indicators	TSL (Standalone except 'CSD Hubs & Stockyards' and 'Steel Processing Centers'), TSLP (Company Level)



Sr. No.	Indicators	Criteria	Boundary for Assurance
10	Stack NOX emission	Total NOX Emissions includes: NOX Emissions from all the emissions stacks in plant. NOX emission is calculated basis the gas concentration, volumetric flow rate and operating hours.	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
11	Stack NOX emission intensity (per tonne of crude steel)	NOX emission intensity = Total NOX emissions /Total crude steel production	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
12	Stack SOX emission	Total SOX Emissions includes: SOX Emissions from all the emissions stacks in plant. SOX emission is calculated basis the gas concentration, volumetric flow rate and operating hours.	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
13	Stack SOX emission intensity (per tonne of crude steel)	SOX emission intensity = Total SOX emissions/Total crude steel production	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
14	Stack Dust emission	Total Dust Emissions includes: Dust Emissions from all the emissions stacks in plant. Dust emission is calculated basis the gas concentration, volumetric flow rate and operating hours.	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
15	Stack Dust emission intensity (per tonne of crude steel)	Dust emission intensity = Total dust emissions/Total crude steel production	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
16	Total energy consumption	WSA Sustainability Indicators	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
17	Energy intensity (per tonne of crude steel)	WSA Sustainability Indicators	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia)
18	Female employees in workforce	The indicator gives percentage of women workforce over the total employee on rolls.	TSL (Standalone), TSLP (Company Level), TSN (Ijmuiden), TSUK (Company level)
19	Diversity - % women / AA / PWD / LGBTQ in workforce	Indicator gives the percentage of individuals who are Affirmative Action/Women/Persons with Disabilities/ Lesbian, Gay, Bisexual, Transgender, Queer over the total Employee on Rolls.	TSL (Standalone)



Sr. No.	Indicators	Criteria	Boundary for Assurance
20	No of supply chain partners assessed on Responsible Supply Chain Policy	This indicator indicates number of supply chain partners assessed on Responsible Supply Chain Policy (RSCP) of TSL in FY 2022-23. Supply chain partners refer to all the business associates of Tata Steel in its supply chain with whom the company interacts directly or indirectly for business or transactional dealings. Assessment is conducted on parameters such as fair business practices, human rights, health and safety and environmental protection as defined in the Company's Responsible Supply Chain Policy.	TSL (Standalone)

Notes:

1.*- As per GRI standards, the reporting for GHG emissions is based on the requirements of the 'GHG Protocol Corporate Accounting and Reporting Standard' ('GHG Protocol Corporate Standard')

2. With respect to the boundary for assurance on the above indicators,

- TSL (Standalone) includes its 3 crude steel making sites TSL (Jamshedpur, Kalinganagar, Meramandali), TSL (Noamundi), mining locations, downstream units and offices
- TSLP (Company level) includes its crude steel making site TSLP (Gamharia), TSLP (Jodha), other sites and offices
- TSN (Company level) includes its crude steel making site TSN (Ijmuiden), other sites and offices
- TSUK (Company level) includes its crude steel making site TSUK (Port Talbot), TSUK (Shotton), other sites and offices

