

BOARD'S REPORT

To the Members,

The Board of Directors ('**Board**') of Tata Steel Limited ('**Tata Steel**' or '**Company**') take pleasure in presenting the 11th Integrated Report prepared as per the Integrated Reporting <IR> framework of the International Integrated Reporting Council (now consolidated into IFRS Foundation) and the 119th Annual Accounts on the business and operations of Tata Steel, along with the summary of standalone and consolidated financial statements for the financial year ended March 31, 2026.

A. Financial Results

(₹ crore)

Particulars	Tata Steel Standalone		Tata Steel Group	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	1,39,720.22	1,32,516.66	2,32,139.94	2,18,542.51
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	1,07,248.40	1,04,651.17	1,97,787.50	1,93,244.06
Operating Profit	32,471.82	27,865.49	34,352.44	25,298.45
Add: Other income	2,165.70	2,246.90	1,401.78	1,540.53
Profit before finance cost, depreciation, exceptional items and tax	34,637.52	30,112.39	35,754.22	26,838.98
Less: Finance costs	5,116.88	4,238.35	7,167.06	7,340.95
Profit before depreciation, exceptional items and tax	29,520.64	25,874.04	28,587.16	19,498.03
Less: Depreciation and amortisation expenses	7,068.68	6,253.16	11,954.51	10,421.33
Profit/(Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax	22,451.96	19,620.88	16,632.65	9,076.70
Share of profit/(loss) of Joint Ventures & Associates	-	-	368.50	190.81
Profit/(Loss) before exceptional items & tax	22,451.96	19,620.88	17,001.15	9,267.51
Add/(Less): Exceptional Items	(1,098.86)	(902.04)	(1,032.46)	(854.64)
Profit before tax	21,353.10	18,718.84	15,968.69	8,412.87
Less: Tax Expense	5,287.97	4,749.14	5,082.87	5,239.09
(A) Profit/(Loss) after tax	16,065.13	13,969.70	10,885.82	3,173.78
Total Profit/(Loss) for the period attributable to:				
Owners of the Company	-	-	10,793.87	3,420.51
Non controlling interests	-	-	91.95	(246.73)
(B) Total other comprehensive income	(2,769.69)	(23,973.16)	5,492.11	273.30
(C) Total comprehensive income for the period [A + B]	13,295.44	(10,003.46)	16,377.93	3,447.08
Retained Earnings: Balance brought forward from the previous year	1,09,729.39	1,00,380.17	33,698.53	34,815.73
Add: Profit for the period	16,065.13	13,969.70	10,793.87	3,420.51
Add: Other Comprehensive Income recognised in Retained Earnings	245.41	(126.41)	338.63	(50.49)
Add: Other movements within equity	-	-	(666.36)	2.65
Balance	1,26,039.93	1,14,223.46	44,164.67	38,188.40
Which the Directors have apportioned as under to:-				
(i) Dividend on Ordinary Shares	4,494.07	4,494.07	4,489.87	4,489.87
Total Appropriations	4,494.07	4,494.07	4,489.87	4,489.87
Retained Earnings: Balance to be carried forward	1,21,545.86	1,09,729.39	39,674.80	33,698.53

Notes:

During the year under review, exceptional items (Consolidated Accounts) primarily represent:

- a. Provision for impairment of non-current assets ₹120 crore, for partly retained assets as part of sale of ferro chrome plant at Tata Steel Limited (Standalone).
- b. Net Provision for Employee Separation Scheme ('**ESS**') amounting to ₹485 crore under Sunehere Bhavishya Ki Yojana ('**SBKY**') and other scheme at Tata Steel Limited (Standalone), Tata Steel Downstream Products Limited ('**TSDPL**') and Neelachal Ispat Nigam Limited ('**NINL**').
- c. Provision for Statutory Impact of New Labour codes at Tata Steel Limited (Standalone), NINL and other Indian subsidiaries ₹85 crore.
- d. Provision for demands and claims at Tata Steel UK ('**TSUK**') and Tata Steel Netherlands ('**TSN**') ₹379 crore.
- e. Provision for redundancy charges at TSUK and TSN ₹994 crore.
- f. Impairment of Property Plant and equipment and Capital work in progress at TSUK, TSN, Tata Steel Minerals Canada ('**TSMC**') and NINL ₹204 crore.
- g. Loss on sale of non-current investments at Tata Steel Advanced Materials Limited ₹14 crore.

Partly offset by,

- h. Fair valuation gain on non-current investments amounting to ₹26 crore at Tata Steel Limited (Standalone).
- i. Fair value gain of existing stake in Tata Steel Colors Private Ltd. on account of acquisition of balance remaining stake ₹901 crore.
- j. Profit on sale of Jajpur Ferro Chrome plant at Tata Steel Limited (Standalone) ₹322 crore.

The exceptional items (Consolidated Accounts) in Financial Year 2024-25 primarily include:

- a. Provision for impairment of non-current assets ₹119 crore, which primarily includes impairment of Property, plant and equipment, intangibles (including capital work-in-progress) at TSUK and TSN.
- b. Net Provision for Employee Separation Scheme ('**ESS**') amounting to ₹692 crore under Sunehere Bhavishya Ki Yojana ('**SBKY**') and other scheme at Tata Steel Limited (Standalone), TSDPL and NINL.
- c. Contribution to Electoral Trust ₹173 crore at Tata Steel Limited (Standalone).

- d. Loss on sale of subsidiaries and non-current investments (net) at TSUK amounting to ₹7 crore.

Partly offset by,

- e. Gain on sale of non-current assets at Tata Steel (Thailand) Public Company Limited ('**TSTH**') amounting to ₹62 crore on sale of land.
- f. Fair valuation gain on non-current investments amounting to ₹17 crore at Tata Steel Limited (Standalone).
- g. Credit of ₹58 crore under restructuring and other provisions mainly at TSUK due to reversal of provision in respect of heavy-end restructuring.

1. Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), the Board of the Company has formulated and adopted the Dividend Distribution Policy ('**Policy**').

The Policy is available on the website of the Company at <https://www.tatasteel.com/media/6086/dividend-policy-final.pdf>

2. Dividend

For the FY2025-26, the Board has recommended a dividend of ₹4/- per Ordinary (equity) Share of face value ₹1/- each (previous year: ₹3.60 per Ordinary (equity) Share of face value ₹1/- each).

The Board has recommended dividend based on the parameters laid down in the Dividend Distribution Policy. The dividend will be paid out of the profits for the year.

The dividend on Ordinary (equity) Shares is subject to the approval of the Shareholders at the Annual General Meeting ('**AGM**') scheduled to be held on Thursday, July 2, 2026 and will be paid, only in electronic form, on and from Monday, July 6, 2026.

The Record Date fixed for determining entitlement of Members to final dividend for the financial year ended March 31, 2026, if approved at the AGM, is Friday, June 12, 2026.

Based on the Ordinary (equity) Shares as on the date of this report, the dividend, if approved, would result in a cash outflow of ~₹4,993.41 crore. The dividend on Ordinary (equity) Shares is 400% of the paid-up value of each share. The total dividend pay-out works out to 31% of the net profits of ₹16,065 crore (on Standalone basis).

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 2025.

3. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for the FY2025-26 in the statement of profit and loss.

4. Capex and Liquidity

During the year under review, the Company, on a consolidated basis spent ₹14,559 crore on capital projects primarily across India and operations at the Netherlands and the UK, largely towards ongoing growth projects in India and the UK, essential sustenance and replacement schemes.

The Company's liquidity position, on a consolidated basis, is ₹45,237 crore as on March 31, 2026, comprising ₹11,573 crore in cash and bank balances (including current investments) and balance in undrawn credit lines.

5. Management Discussion and Analysis

In terms of Regulation 34(2)(e) of the SEBI Listing Regulations, the Management Discussion and Analysis forms part of this 11th Integrated Report and 119th Annual Accounts for FY2025-26 ('**Integrated Report**').

6. Tax Transparency Report

The Tax Transparency Report for FY2025-26 forms part of this Integrated Report.

B. Integrated Report and Business Responsibility and Sustainability Report

In keeping with the Company's valued tradition of 'thinking about society and not just the business', in 2016, Tata Steel Limited transitioned from compliance based reporting to governance based reporting by adopting the Integrated Reporting <IR> framework of the International Integrated Reporting Council (now consolidated into IFRS Foundation). This Integrated Report highlights the measures taken by the Company that contributes to long-term sustainability and value creation, while embracing different skills, continuous innovation, sustainable growth and a better quality of life.

In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Company is glad to present its 4th Business Responsibility and Sustainability Report for FY2025-26.

C. Operations and Performance

1. Tata Steel Group

For FY2025-26, the consolidated crude steel production for Tata Steel Group ('**TSG**') was 31.67 MT which was higher by 2% (FY2024-25: 30.92 MT), primarily owing to ramp-up of BF#2 at Tata Steel Kalinganagar during the year. There was no liquid steel production at Tata Steel UK ('**TSUK**') during FY2025-26 post shut down of Blast Furnaces during H2FY2024-25. Production at Tata Steel Netherlands ('**TSN**') was marginally lower due to planned maintenance in FY2025-26.

The consolidated steel deliveries of TSG at 31.97 MT in FY2025-26 showed an increase of 3% (FY2024-25: 30.96 MT), primarily at Tata Steel Standalone (1.58 MT) mainly on account of commissioning of BF#2 at Tata Steel Kalinganagar. Deliveries decreased at TSN by 0.10 MT due to lower production and despatches to TSUK.

The turnover of TSG in FY2025-26 was ₹2,32,140 crore, higher over FY2024-25 by ₹13,597 crore (6%) on account of increase in deliveries at the Indian operations and South East Asian operations attributable to increase in production, partly offset by decline in steel realisations across geographies.

The EBITDA of TSG in FY2025-26 was ₹34,848 crore, higher over FY2024-25 by ₹9,046 crore (35%), primarily due to increase in EBITDA at Tata Steel Standalone due to lower coal cost and higher deliveries which were partly offset by lower average net realisation, increase at TSN due to reduction in raw material cost partly offset by lower deliveries and lower EBITDA loss at TSUK due to closure of heavy end operations and reduction in its associated expenses partly offset by lower margins.

2. India

During FY2025-26, the crude steel production at Tata Steel Standalone increased to 22.47 MT which was higher by 8% (FY2024-25: 20.72 MT) attributable to commissioning of BF#2 at Tata Steel Kalinganagar during the year. The turnover (standalone) was ₹1,39,720 crore (FY2024-25: ₹1,32,517 crore), which was higher against previous year by 5% on account of increase in deliveries by 1.58 MT mainly due to ramp-up of BF#2 at Tata Steel Kalinganagar, partly offset by lower average realisation compared to last year. EBITDA was ₹33,036 crore (FY2024-25: ₹28,217 crore), which was higher by 17% than that of the previous year, primarily on account of increase in deliveries and lower raw material cost (mainly coking coal), partly offset by decrease in steel prices.

Neelachal Ispat Nigam Limited ('NINL') achieved crude steel production of 0.95 MT, while deliveries stood at 0.91 MT, both at par with previous year. The turnover at ₹5,282 crore was lower on account of decline in steel prices. EBITDA at ₹1,236 crore was higher against ₹1,067 crore in the previous year primarily on account of decrease in raw material prices.

Total deliveries of Tata Steel - India operations, stood at 22.53 MT which is higher than the previous year by 8% due to higher production. The turnover at ₹1,40,302 crore was higher by ~5% against the previous year's turnover primarily due to higher volumes, partly offset by lower average steel realisation. EBITDA (excluding intercompany eliminations and adjustments) was ₹34,272 crore, which was higher by 17% over the previous year, due to decrease in raw material cost in imported coking coal prices and other cost saving initiatives along with higher deliveries partly offset by decline in steel realisations.

3. Tata Steel Netherlands

During FY2025-26, liquid steel production from the Netherlands operations was 6.69 MT (FY2024-25: 6.75 MT), which was slightly lower against the previous year. Deliveries from the Netherlands operations decreased by around 2% to 6.14 MT. The turnover at ₹61,355 crore (FY2024-25: ₹56,889 crore) was higher than FY2024-25 owing to exchange translation, partly offset by reduction in average revenue per tonne and decrease in deliveries.

EBITDA from the Netherlands operations stood at ₹2,722 crore (FY2024-25: ₹825 crore) which was higher over the previous year. This significant improvement in EBITDA was on account of decrease in raw material cost and lower other expenses due to various improvement initiatives.

4. Tata Steel UK

During FY2025-26, there was no liquid steel production from the UK operations (FY2024-25: 1.07 MT), due to complete closure of primary steelmaking facilities during H2FY2024-25. Deliveries from the operations decreased by around 12% to 2.21 MT. The turnover at ₹23,333 crore (FY2024-25: ₹24,990 crore) was marginally lower than FY2024-25 owing to reduction in average revenue per tonne and decrease in deliveries.

EBITDA loss from the UK operations reduced to negative ₹2,569 crore in FY2025-26 from negative ₹4,134 crore in FY2024-25 which was lower over the previous year's operating loss. This significant improvement in EBITDA was on account of reduction in employee cost, repair and maintenance and lower other expenses due to closure of heavy end operations and various improvement initiatives.

D. Key Developments

1. Business Developments

1. Tata Steel India

a) Tata Steel's long-term strategy for its India business

Tata Steel's long-term strategy for its India business is anchored in achieving profitable, disciplined and sustainable growth, guided by prudent capital allocation and a strong focus on long-term value creation. The Company is prioritising investments to drive volume growth through phased capacity expansions across both long and flat steel products, including the 4.8 MTPA expansion of NINL and the proposed 2.5 MTPA Thin Slab Caster and Rolling facilities at Tata Steel Meramandali. Simultaneously, Tata Steel is strengthening its value-added and downstream portfolio through targeted investments in advanced processing facilities, enabling deeper penetration into high-margin segments such as retail construction, automotive and coated products, while enhancing customer proximity and reducing import dependence. The Company is in the process of setting up 0.7 MTPA Hot Rolled Pickling and Galvanising Line at its existing Cold Rolling Complex in Tarapur, Maharashtra, India to meet the requirements of its automotive customers for import substitution and further consolidate its leadership position in this segment, making it 'first of its kind' facility in India.

In parallel, the Company is securing structural competitiveness by investing in identified mining assets, pelletisation capacity and logistics infrastructure through strategic acquisitions and collaborations, particularly in eastern and western India, to ensure raw material security and cost efficiency. Sustainability and future ready steelmaking form a core pillar of the strategy, with focused investments in next-generation, low carbon technologies, including the proprietary Hlsarna technology, alongside progress on digital transformation and operational excellence. Through this integrated approach, Tata Steel aims to reinforce its leadership position in India's steel sector while aligning growth with decarbonisation, responsible operations and long-term stakeholder value creation.

Tata Steel owns the global intellectual property rights of the Hlsarna process technology, and this is one of the key focus areas in the new technology space for the Company. Hlsarna technology is a low carbon technology that uses lower quality iron ore, eliminates the usage of coke and also uses steel slag in its process, hence making it a sustainable technology for the future. Tata Steel has

been operating its pilot plant on HIsarna technology for a decade in its IJmuiden plant. The Company has now evaluated the scalability and opportunities associated with the technology and has planned to set up a demonstration plant of around 1 MTPA capacity in Jamshedpur.

The Company also entered into a non-binding Memorandum of Understanding with Lloyd Metals & Energy Limited to explore strategic collaboration opportunities in the Gadchiroli district of Maharashtra, India including iron ore mining, logistics infrastructure such as slurry pipelines, pelletisation, and steelmaking, with a view to enhance raw material security and enable long-term growth. This partnership envisages operating mining concessions to scale up iron ore production, development by Tata Steel of a greenfield steel capacity of 6 MTPA in two phases, and co-operation in integrated steel projects being developed by Lloyds Metals & Energy Limited subject to detailed evaluation, due diligence, and necessary regulatory and internal approvals.

b) Inauguration of Tata Steel's 'first Scrap-based Electric Arc Furnace' in India

The inauguration of our first scrap-based Electric Arc Furnace ('EAF') at Ludhiana, Punjab, India marks a pivotal advancement in Tata Steel's strategic business development and sustainability agenda. This approximately ₹3,200 crore investment, with a production capacity of 0.75 MTPA, is a cornerstone of our commitment to achieving Net Zero emissions by 2045, significantly reducing our CO₂ footprint to less than 0.3 tonnes per tonne of steel produced. By leveraging 100% steel scrap, including 40% from the Rohtak recycling plant, and integrating nearly 50% renewable energy, this facility will not only bolster our market leadership with the production of construction-grade 'Tata Tiscon' rebar but also exemplify our dedication to responsible growth. Furthermore, through the Tata Steel Foundation, we are actively enhancing employability, education, and climate-resilient agriculture in this region, reinforcing our holistic approach to stakeholder value creation.

c) Other Significant Developments

During the year, the Company achieved significant milestones in advancing its business and strengthening its operational footprint. It successfully inaugurated the expanded Tata Steel Kalinganagar Plant, increasing crude steel capacity from 3 MTPA to 8 MTPA, marking a key step in its journey towards building a state-of-the-art,

future ready steel manufacturing ecosystem anchored in sustainability, advanced technology, and inclusive growth. In Jamshedpur, the Company commissioned a new 0.5 MTPA Combi Mill facility to produce speciality bars and wire rods catering to critical automotive applications. Further, in line with its strategy to enhance its presence in value-added downstream products, the Company approved the expansion of its existing tinplate manufacturing unit in Jamshedpur by 0.3 MTPA, which is expected to reinforce its leadership in the domestic tinplate market while enabling it to tap export opportunities.

Tata Steel also entered into definitive agreements with Paul Wurth S.A. (Luxembourg), part of the SMS Group GmbH, to implement the world's first EASyMelt technology. The Company plans to undertake the first industrial demonstration of this technology in a phased manner at the 'E' Blast Furnace (649 m³) at its Jamshedpur Works, reinforcing its focus on decarbonising ironmaking through resource-flexible, low-carbon solutions with the potential to achieve climate neutrality.

2. Tata Steel Nederland

On September 29, 2025, the Government of the Netherlands and the province of North-Holland, Tata Steel and Tata Steel Nederland ('TSN') have agreed an intended framework for the integrated project in TSN and signed a non-binding Joint Letter of Intent ('JLoI') for the first phase of transition to low CO₂ steel production and to improve the healthy living environment around the IJmuiden site.

The 'Integrated Decarbonisation and Health measures Project' at TSN targets an initial 5.4 MTPA reduction in CO₂ emissions through the decommissioning of Blast Furnace #7 and Coke and Gas Plant 2, and the construction of a Direct Reduced Iron plant and Electric Arc Furnace. The capital expenditure spend and phasing will be finalised at the stage of signing of the tailor-made agreement and at the point of making the final investment decision, and the project execution will also be spread over several years. The Dutch government intends to support up to €2 billion under the JLoI. Additionally, TSN has made an application to the EU Innovation Fund for ~€0.3 billion. The remaining amount is expected to be funded by a combination of the cash generated and contributed by Tata Steel Nederland, project financing debt, and funding procured by the Company over the period of project spend. While this JLoI marks a critical milestone, we continue to diligently work towards a final binding agreement, addressing policy matters, securing necessary permits, and managing

legacy liabilities to ensure the successful realisation of our Net Zero ambitions by 2045.

3. Tata Steel UK

In advancement of our global green transformation strategy, Tata Steel has officially broken ground on the £1.25 billion Electric Arc Furnace ('EAF') project at Port Talbot, marking the commencement of the UK's largest low-carbon steelmaking transition. This strategic investment, bolstered by a £500 million partnership with the UK Government, secures our long-term industrial footprint in the region while positioning the Company at the vanguard of sustainable manufacturing. By transitioning to EAF technology, we are not only projected to reduce site-level CO₂ emissions by 90%-equivalent to 5 million tonnes annually-but also ensuring the futureproofing of our high-quality steel production through a circular economy model utilising domestic scrap.

2. Amalgamation

Amalgamation of Neelachal Ispat Nigam Limited into and with Tata Steel Limited

The Board of the Company, at its meeting held on March 17, 2026, approved the Scheme of Amalgamation of Neelachal Ispat Nigam Limited, a wholly-owned subsidiary of Tata Steel Limited, into and with the Company. The process of amalgamation is underway and the same is subject to approval from judicial/regulatory authorities. This amalgamation will result in operational efficiencies and business synergies. In addition, it will also lead to a simplified corporate structure that will bring agility to business ecosystem of the Company.

3. Acquisitions, Investments and Divestments

a) Acquisition of stake in Indian Foundation for Quality Management

On April 1, 2025, the Company acquired 1,24,90,000 equity shares of face value ₹10/- each aggregating to ₹12.49 crore in Indian Foundation for Quality Management ('IFQM'), a company registered under Section 8 of the Companies Act, 2013. IFQM aims to empower and encourage the Indian organisations in diverse sectors to embrace and integrate quality values, principles and practices in all aspects of management. Post the acquisition, the Company's equity stake in IFQM has increased to 16.66%.

b) Acquisition of stake in T Steel Holdings Pte. Ltd.

During FY2025-26, the Company acquired, in tranches, 2483,95,00,418 equity shares of T Steel Holdings Pte.

Ltd., wholly-owned foreign subsidiary of the Company, at face value per share ranging between USD 0.1005 to USD 0.1008 as per valuation report, for a consideration aggregating to USD 2.5 billion (~₹22,398 crore), calculated as per the foreign exchange conversion rates applicable during the reporting period.

c) Acquisition of stake in TSN Wires Company Limited

On July 31, 2025, Siam Industrial Wire Company Limited ('SIW'), an indirect wholly-owned foreign subsidiary of Tata Steel Limited incorporated in Thailand, executed a Share Purchase Agreement with Nichia Steel Works Ltd., ('Nichia') for acquisition of entire 40% equity stake held by Nichia in TSN Wires Company Limited ('TSN Wires'), a 60:40 joint venture company between SIW and Nichia, at a nominal consideration of THB 100. On August 6, 2025, SIW completed the acquisition and its shareholding in TSN Wires increased from 60% to 100%. This acquisition will enhance synergies and improve efficiency in management of SIW and TSN Wires. Post this acquisition, TSN Wires became an indirect wholly-owned foreign subsidiary of the Company.

d) Divestment of entire stake in Ceramat Private Limited

On August 18, 2025, Tata Steel Advanced Materials Limited ('TSAML'), a wholly-owned subsidiary of the Company, divested its entire equity (90%) and preference (100%) stake held in Ceramat Private Limited ('CPL'), to Lionstead Applied Materials Private Limited, wholly-owned subsidiary of Lionstead Ventures LLP. With this divestment, TSAML ceased to hold any securities in CPL and consequently CPL ceased to be a subsidiary of the Company.

e) Sale of Ferro Alloy Plant to Indian Metals & Ferro Alloys Ltd.

On November 4, 2025, the Company executed an Asset Transfer Agreement with Indian Metals & Ferro Alloys Ltd. ('IMFA') for the sale of its Ferro Alloy Plant at Jajpur, Odisha for a base consideration of ₹610 crore. On February 27, 2026, upon receipt of necessary regulatory approvals, the Company successfully completed this sale transaction. This sale aligns with the Company's strategy of optimising our ferrochrome processing footprint, in view of the planned surrender of the Sukinda mining lease.

f) Acquisition of stake in LAG Velsen B.V.

On November 14, 2025, Tata Steel IJmuiden B.V., ('TSIJ') an indirect wholly-owned foreign subsidiary of the Company at Netherlands, executed a Share Purchase Agreement

with Vattenfall Power Generation Netherlands B.V. ('**Vattenfall**'), for acquisition of 100% equity stake in LAG Velsen B.V., an entity to be incorporated by Vattenfall for the purpose of this transaction, at an agreed purchase price of up to €140 million (~₹1,450 crore). Tata Steel Nederland's operations require power plants for the continued conversion of its process gases and are important for TSIJ operations. With the acquisition of LAG Velsen B.V., TSIJ acquired three power plants in the Netherlands. Post this acquisition, LAG Velsen B.V. became an indirect wholly-owned foreign subsidiary of the Company.

g) Acquisition of stake in Tata Steel Colors Private Limited (formerly Tata BlueScope Steel Private Limited)

On December 31, 2025, the Company acquired 43,29,90,000 equity shares (49.99% stake) of face value ₹10/- each for a consideration of ₹1,099.97 crore in Tata BlueScope Steel Private Limited (a 50:50 joint venture between Tata Steel Limited and BlueScope Steel Limited, through their respective wholly-owned subsidiaries) from BlueScope Steel Asia Holdings Pty Ltd ('**BSAH**') as per the terms and conditions of the Share Purchase Agreement executed on November 12, 2025 ('**SPA**'). The acquisition is part of the Company's broader strategy to focus on downstream business in the flat products segment. Post this acquisition, the Company indirectly held 99.99% stake in Tata BlueScope Steel Private Limited and it became an indirect subsidiary of the Company. Thereafter, the name of Tata BlueScope Steel Private Limited was changed to Tata Steel Colors Private Limited. On April 9, 2026, the Company acquired the remaining 10,000 equity shares (0.01% stake) of face value ₹10/- each for a consideration of ₹0.03 crore in Tata Steel Colors Private Limited from BSAH on same terms and conditions as mentioned in the SPA. Tata Steel Colors Private Limited became wholly-owned subsidiary of the Company.

h) Acquisition of stake in Thriveni Pellets Private Limited

On January 30, 2026, upon receiving approvals from the Competition Commission of India, the Company acquired 90,06,801 equity shares of face value ₹10/- each comprising 50.01% stake, for a consideration of ₹635.13 crore in Thriveni Pellets Private Limited ('**TPPL**') from Thriveni Earthmovers Private Limited. The balance 49.99% stake in TPPL will continue to be held by Lloyds Metals & Energy Limited. TPPL holds 100% equity stake in Brahmani River Pellets Private Limited ('**BRPL**'). This acquisition aims to secure pellet making facility for supply of iron ore pellets to the Company in India. Post

this acquisition, the Company, directly holds 50.01% in TPPL and indirectly holds 50.01% in BRPL. TPPL and BRPL have both become subsidiaries of the Company.

i) Acquisition of stake in Medica TS Hospital Private Limited

On March 30, 2026, the Company acquired the following securities in Medica TS Hospital Private Limited ('**Medica TS Hospital**'), a subsidiary company, from Manipal Hospitals Eastern India Private Limited (formerly known as Medica Hospitals Private Limited), as per the terms and conditions of the Share Purchase Agreement executed on March 17, 2026, for an aggregate consideration of ₹1.49 crore:

- a) 7,40,000 equity shares of face value ₹10/- each, constituting 49% equity stake; and
- b) 2,30,05,182 - 0.01% Optionally Convertible Redeemable Preference Shares constituting 31.85% of preference share stake.

The above acquisition will enable the Company to extend better healthcare facility to its employees, contract workers, their families, and the local community at Kalinganagar. Post this acquisition, Medica TS Hospital has become a wholly-owned subsidiary of the Company.

j) Acquisition of stake in TP Adarsh Limited

On April 21, 2026, the Company executed the Share Subscription and Shareholders' Agreement with Tata Power Renewable Energy Limited and TP Adarsh Limited ('**TPAL**') and completed the acquisition, by way of subscription, of 59,00,000 equity shares of face value of ₹10/- each of TPAL (26% equity shareholding) for an aggregate consideration of ₹5.90 crore. The objective of the acquisition is to optimise the Company's power cost and carbon footprint by replacing grid power with cost effective renewable power. Post this transaction, TPAL has become an indirect associate company of Tata Steel Limited.

4. Credit Rating

During FY2025-26, Tata Steel upheld its position as the only Indian steel company with dual investment-grade ratings. The Company maintained a 'BBB, Outlook: Stable' rating from S&P Global Ratings and a 'Baa3, Outlook: Stable' rating from Moody's. Both international agencies reaffirmed the Company's credit ratings, citing its large scale, strong market position, higher output in India, and the Company's ongoing cost-reduction initiatives. These ratings place the Company at par with India's sovereign rating.

Domestic rating agencies (India Ratings and CARE Ratings) also reaffirmed their confidence in Tata Steel's creditworthiness. India Ratings assigned the Company's debt instruments a rating of 'AAA, Outlook: Stable', while CARE Ratings reaffirmed its rating of 'AA+, Outlook: Stable'.

5. Material Litigation

- a) The State of Odisha ('**State**') enacted the Orissa Rural Infrastructure and Socio-Economic Development Act, 2004 ('**ORISED Act**'), effective February 1, 2005, providing for levy of tax on mineral-bearing land. The Company had challenged the constitutional validity of the ORISED Act before the Hon'ble High Court of Orissa, which in 2005 held that the State lacked legislative competence to levy tax on minerals. This was challenged by the State before the Hon'ble Supreme Court. Similarly, matters from several other states involving the legislative authority of the States to tax minerals were also challenged before the Hon'ble Supreme Court. In view of this, the Hon'ble Supreme Court framed common questions of law arising in the matter and in 2011, referred them for decision to its Constitution Bench. The Constitution Bench of the Hon'ble Supreme Court, vide its judgement dated July 25, 2024, held that the Mines and Minerals (Development and Regulation) Act, 1957 does not denude the States of the power to levy tax on mineral rights. Certain clarifications were also issued by the Constitution Bench on August 14, 2024 in respect of its judgement dated July 25, 2024. Thereafter, a batch of review petitions against the judgement dated July 25, 2024 and August 14, 2024 were dismissed on September 24, 2024. On January 17, 2025, the Company has filed Curative Petition(s) before the Hon'ble Supreme Court invoking its extraordinary jurisdiction against the aforesaid order dated September 24, 2024. The matter remains subject to the outcome of the Curative Petition(s) filed by the Company.
- b) On March 13, 2025, the Company had received a show cause notice from the Assessing Officer, Office of the Deputy Commissioner of Income Tax, Circle 2(3)(1), Mumbai in connection with waiver of a ₹25,185.51 crore loan in favour of Tata Steel BSL Limited (now merged with the Company), for the purpose of reassessment of taxable income for AY2019-20. On March 24, 2025, the Company had filed a writ petition with the Hon'ble High Court of Bombay, challenging the authority of the Assessing Officer in conducting the reassessment of this taxable income. Further, on March 31, 2025 the Company had received an Assessment Order issued by the Assessing Officer, reassessing the

taxable income for AY2019-20 and increasing the taxable amount by the amount of debt waived.

On August 12, 2025, the Hon'ble High Court of Bombay heard the matter and set aside the Notice and all subsequent proceedings or orders arising therefrom.

- c) On April 2, 2024, the Company filed a writ petition before the Hon'ble High Court of Calcutta in the matter of rejection of a representation made by the Company in respect of waiver of loans availed by the Company from the Steel Development Fund, managed by the Joint Plant Committee ('**JPC**'). After multiple hearings, on May 24, 2024, the Hon'ble High Court of Calcutta dismissed the writ petition filed by the Company, with liberty to the Company to approach the JPC. The Company filed an appeal against this order before the Hon'ble High Court of Calcutta. In the meantime, the Company discharged its liability towards JPC aggregating to ₹2,970 crore, without prejudice to its rights and contentions in the Appeal pending before the Hon'ble High Court of Calcutta.
- d) On July 3, 2025, the Company had received a Demand Letter issued by the Office of Deputy Director of Mines, Jajpur ('**Demand Letter 1**'), raising a demand of ₹1,903 crore, in connection with revised assessment of shortfall in dispatch of minerals from the Company's Sukinda Chromite Block, for the 4th year in terms of Mine Development and Production Agreement (i.e., July 23, 2023 through July 22, 2024) in alleged violation of Rule 12-A of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 ('**MCR 2016**').

Further, on October 3, 2025, the Company received another Demand Letter issued by the Office of Deputy Director of Mines, Jajpur ('**Demand Letter 2**'), raising a demand of ₹2,411 crore, in connection with assessment of shortfall in dispatch of Chrome Ore from the Company's Sukinda Chromite Block, for the 5th year in terms of Mine Development and Production Agreement (i.e., July 23, 2024 through July 22, 2025) in alleged violation of Rule 12A of the MCR 2016.

The Company challenged these demands before the Hon'ble High Court of Orissa ('**Hon'ble High Court**') by filing two separate Writ Petitions for Demand Letter 1 and Demand Letter 2 on August 8, 2025 and October 29, 2025, respectively. The Hon'ble High Court stayed the demands and heard the Writ Petitions over several occasions during August 2025 through February 2026.

On April 20, 2026, the Hon'ble High Court pronounced the Judgement for both the Writ Petitions. In terms of the

Judgement, the Hon'ble High Court disposed of both the Writ Petitions, with certain directions and conclusions.

Based on the conclusions and directions passed by the Hon'ble High Court in its judgement, the Company believes that the Demand Letter 1 and Demand Letter 2 issued by the Office of Deputy Director of Mines, Jajpur stands quashed to the extent they are contrary to the conclusions and directions passed by the Hon'ble High Court.

- e) On December 19, 2025, Stichting Frisse Wind.nu ('**SFW**') issued a writ of summons on two subsidiaries of the Company, viz., Tata Steel Nederland B.V. and Tata Steel IJmuiden B.V. (jointly '**TSN**'). SFW has initiated a collective action against TSN under the Dutch Act on Collective Settlement of Mass Claims ('**WAMCA**') before the District Court of North-Holland at Haarlem, on behalf of local residents living in the vicinity of TSN. The proceedings pertain to allegations by SFW holding TSN liable for alleged damages caused by its operations in Velsen-Noord which led to emissions of hazardous and/or harmful substances. SFW under WAMCA has sought compensation of approximately EUR 1.4 billion on account of increased susceptibility to various health issues and loss of enjoyment of living.

The Company believes that the allegations by SFW are unsubstantiated and speculative. The proceedings under the WAMCA regime will be conducted in two phases- admissibility and merits, each expected to take approximately 2 to 3 years to conclude and thus no immediate financial implication on the Company is anticipated.

E. Sustainability

1. Sustainability and Climate Change

Over the years, Tata Steel has embedded sustainability at the core of its business strategy, aligned with the Tata Group's 2045 net-zero emissions goal and the overarching Project Aalingana. Tata Steel marked a major milestone and advanced its decarbonisation pathway with progress on the 0.75 MTPA scrap-based Electric Arc Furnace ('**EAF**') plant in Ludhiana, Punjab, India. Tata Steel Jamshedpur and Tata Steel Meramandali continued regular use of biochar and the Metaliks division achieved a breakthrough by charging 60 tonnes of bamboo-based biochar into the blast furnace, enabling a ratio of 1:1 fossil-fuel replacement.

The Company continued its shift towards usage of renewable power, accelerated by the commissioning of the 198 MW wind power facility at Karur in partnership

with Tata Power Renewable Energy Limited. At the World Economic Forum, Tata Steel and the Government of Jharkhand signed a Letter of Intent and MoU to invest ~₹11.1 billion in next-generation green steel technology.

To achieve its net-zero target by 2045, Tata Steel is advancing towards low-carbon ironmaking technologies through Hlsarna, a direct smelting process designed to reduce CO₂ intensity and deliver Carbon Capture Utilisation & Storage-ready flue gas, with a 1 MTPA demonstration plant planned at Jamshedpur, and EASyMelt, an electric-assisted syngas smelting technology being developed with SMS group, offering reduction in emissions up to 50%.

Under the Indo-Sweden Industry Transition Partnership, Tata Steel has secured funding for two projects which focus on microwave plasma conversion of blast furnace gas and metal recovery from slag with development of cement substitutes. The Company continues its pioneering focus on nature stewardship, through the publication of its inaugural Taskforce on Nature-related Financial Disclosures aligned to Nature Report and declaration of the Sukinda Ecorace project as a Nature-based Solution validated by International Union for Conservation of Nature, both of which are a first within Tata Group. Five new site-specific Biodiversity Management Plans are also under preparation in collaboration with external ecological experts to enhance biodiversity management across India sites.

The Company further reinforced its global Environmental, Social, and Governance ('**ESG**') commitment by completing the ResponsibleSteel™ recertification for Jamshedpur and surveillance audits for its operations at Meramandali and Kalinganagar. In the area of mining, the Noamundi Iron Mine received a 7-Star Rating, while Joda East and Khondbond mines earned 5-Star Ratings from the Ministry of Mines, Government of India.

In the Netherlands, TSN continues to advance its climate transition objective through the continuous development of the Green Steel Project, a key element of its long-term strategy. During FY2025-26, progress was made on engineering, permitting and preparatory work to enable the construction of a Direct Reduced Iron ('**DRI**') plant and an EAF, marking its first major step in the transition away from coal based steelmaking at the IJmuiden site.

In September 2025, Tata Steel Limited and the Dutch government signed a non-binding Joint Letter of Intent ('**JLoI**') which explores a framework for transitioning to low CO₂ steel production, with the Dutch Government

intending to provide support of up to €2 billion for phase one. As part of the JLoI TSN plans to decarbonise its operations by decommissioning Blast Furnace #7 and Coke & Gas Plant 2 and replacing them with a DRI Plant which will operate initially on natural gas and an EAF with higher scrap usage, which together are expected to reduce scope 1 CO₂ emissions by approximately 5.4 MTPA, with further reductions of around 0.6 MTPA through Carbon Capture and Storage and up to 1.2 MTPA through the phased use of biomethane and/or hydrogen. TSN will also implement measures to improve the local living environment by reducing dust, NO_x, SO₂, odour, and noise through infrastructure enclosures and mitigation initiatives. Additionally, TSN aims to improve slag processing methods and increase scrap intake from 17% to 30% to enhance circularity.

TSN aims to achieve Net Zero Scope 1 and Scope 2 emissions by 2045, in line with EU climate goals, while continuing to produce high-quality steel and contributing to the wider energy transition through the supply of low-CO₂ steel products.

In the UK, Sustainability continues to remain a fundamental pillar of TSUK's strategic transformation, and is crucial for ensuring the viability and future of steelmaking in the UK. TSUK supported the low-carbon economy through the supply of steel for renewable energy infrastructure, electric vehicles, sustainable buildings, and recyclable packaging, while also promoting responsible use of resources, circularity, product sustainability and community resilience. Further, TSUK contributed to sustainable development with its new innovative product - Catnic SolarSeam®, a bonded photovoltaic solution that delivers efficient renewable energy without visible frames and is guaranteed to operate for 25 years.

During FY2025-26, TSUK progressed its £1.25 billion transition to low-CO₂ steelmaking, supported by a grant from UK Government, and centred on the development of a large-scale electric arc furnace. Key milestones were achieved in planning, technology selection, partnerships, and customer agreements for low-emission steel. The sustainability priorities for TSUK focused on accelerating decarbonisation, maintaining high standards of safety and environmental stewardship, and developing a skilled, future-ready workforce.

TSUK continued its progress with the Zero Carbon Logistics programme which helped in reducing transport related emissions. Opportunities to deploy biofuels such as Hydrotreated Vegetable Oil ('HVO') were assessed and trials were conducted for customer deliveries from

the Shotton site to destinations in the Netherlands and Belgium. During the year under review, more than 70 on-site vehicles at Shotton operated fully on HVO, as an alternative to conventional diesel and some onsite vehicles transitioned to fully electric. HVO was also adopted for on-site vehicles at the Catnic site in Caerphilly. In parallel, TSUK worked closely with potential hydrogen providers in South Wales and monitored the HyHaul project, which aimed to develop hydrogen refuelling infrastructure along the M4 corridor at UK.

2. Environment

Tata Steel remains firmly committed to environmental excellence, continuously strengthening its environmental performance and advancing responsible stewardship across its operations. The Company's vision for a sustainable future is rooted in the pursuit of zero harm, resource efficiency, and a robust circular economy, all while minimising the ecological footprint and nurturing communities and workforce. The Company is dedicated to environmental protection and the responsible utilisation of natural resources, guided by comprehensive corporate policies on climate change, environment, and energy. The Company has a robust governance system, overseen by the Safety, Health and Environment Committee of the Board which provides essential guidance on global environmental matters.

Tata Steel is advancing towards its goal of achieving Net Zero emissions across its global operations by 2045, and is also committed to adopting eco-friendly processes, leveraging advanced technologies, and integrating global best practices for sustainable growth. The Company is committed to replenish freshwater and achieving zero waste to landfill for its India operations by 2030.

During FY2025-26, Tata Steel advanced its commitment to sustainable water management through a comprehensive Reduce-Recover-Recycle-Reuse strategy across all its sites by focusing on minimising freshwater consumption and enhancing treated water reuse. Key initiatives include increased recovery of treated wastewater from township sewage treatment plants and commissioning of the Biological Oxidation Tertiary Treatment Plant at the Coke Plant in Jamshedpur. Further the Company enhanced stormwater and treated effluent recovery at Kalinganagar through Central effluent treatment plant improvements and commissioning of the Coke Oven Effluent Treatment Plant. At Meramandali, Zero Effluent Discharge and rainwater harvesting projects were implemented to reduce freshwater demand. At Gamharia, the storage stump interlocks have been automated to prevent

water losses. The Company has made efforts across all its locations in India to measure and control water losses. Collectively, these actions demonstrate the Company's integrated, technology-driven approach to water stewardship, strengthening water efficiency, resilience, and long-term resource sustainability.

The Company continues to invest in advanced air pollution control technologies and energy-efficient operations to maintain and constantly enhance the ambient air quality around its facilities. This science based approach encompassing real-time monitoring, emission source tracking, AQI tracking, and control of fugitive emissions has resulted in significant reductions in stack dust emissions across the Indian operations of the Company.

Innovation at Tata Steel enables the reuse and recycling of over 99% of waste generated, embedding circular economy principles into core operations. This industry-leading performance underscores Tata Steel's commitment to responsible resource management and advances the goal of Zero Waste to Landfill, aligned with Tata Group's Project Aalingana.

In the Netherlands, during FY2025-26, TSN continued its focus on improving environmental performance, with emphasis on reduction of emissions, regulatory compliance and the preparation of structural environmental upgrades linked to the Green Steel Project. Phase 1 of the Green Steel Project is expected to deliver significant CO₂ reductions, structural improvements in local environmental performance through the replacement of coal-based processes. In addition to this, as a part of the Green Steel Project and related environmental programmes, TSN has identified planned improvements such as coverage and enclosure of selected ore fields, scrapyards, windbreakers and related measures to reduce dust emissions from raw material handling which would be implemented in a phased manner subject to necessary approvals and agreements. The Roadmap+ programme remained the key framework for environmental action which targeted dust, noise and odour reduction along with reduction in emissions of substances of concern, supported by enhanced monitoring, strengthened governance and continued engagement with regulators and local stakeholders.

A key area of progress during the year under review was the further development of large scale nitrogen oxide (NO_x) reduction measures. This included the DeNO_x installation linked to the Pellet Plant, designed to deliver an estimated 80% reduction in NO_x emissions

once commissioned. TSN has also been developing a Biodiversity Policy during the year under review and planned a biodiversity risk and impact assessment with anticipated structural benefits linked to the Green Steel transition.

In the UK, with the successful decommissioning of the blast furnace assets in 2024, TSUK has made a significant progress in developing its low-CO₂ steelmaking infrastructure. As a part of TSUK's green transformation journey, it commenced construction of UK's largest low-carbon steel making facility in Port Talbot. This state-of-the-art Electric Arc Furnace is expected to reduce direct carbon emissions by approximately 90% in Port Talbot. TSUK maintains ISO 14001:2015 certification for environmental management systems at its main sites and continues to certify its products to the BES6001 sustainability standard.

3. Health and Safety

Tata Steel remains committed to fostering a strong health and safety culture, aiming for zero harm and setting industry benchmarks. Safety and Health Management are integrated into the Company's annual business plan, ensuring accountability at all levels across the organisation. Governance is driven by the Safety, Health, and Environment ('SHE') Committee of the Board, with oversight from the Apex Safety Council, chaired by the Chief Executive Officer & Managing Director.

At Tata Steel, an ISO 45001:2018 aligned management system connects policy, strategy and frontline execution, while digitised risk registers enables systemic risk management by identifying hazards, validating critical controls and maintaining focus on high-consequence scenarios. The Company strengthened its safety leadership through structured shop-floor engagement, capability-building programmes, and fair reward and consequence mechanisms. Capability building at Tata Steel is driven by the Safety Leadership Development Centre and Practical Training Centre, having refreshed curricula on high-potential scenarios, Kiken Yochi Training (KYT) for hazard prediction, and programmes on mindfulness decision-making for supervisors. The Company has embraced digital innovations with the introduction of various initiatives such as the Safety Lens, Tata Digital Assistant and AI-enabled CCTV which has enabled the Company with AI-assisted safety observations, data accuracy and reporting quality. The governance cadence has been refined through Performance Improvement Team which was reconstituted for cross-site learning, and generation of weekly insights using Gen-AI.

During FY2025-26, early-warning alerts were introduced for critical parameters in LD Shops and Blast Furnaces. Tata Steel also strengthened the Pre-Startup Safety Review ('PSSR') standard supported by guidelines for explosion-proof control rooms, flare-stack operations, upgraded gas safety systems, structural-integrity assessments, and hydrogen-readiness training. The digital linkage of Project Hazard PSSR have progressed to ensure safe start-up of new facilities.

Tata Steel has significantly enhanced its road and rail safety through targeted traffic-management, reduced vehicle in/out cycle times, digital support for yard discipline, paperless weighbridge processes, and strengthened speed control and surveillance along rail corridors-standardised via cross-site logistics workshops. Contractor safety is advanced through parity of protection via a common Personal Protective Equipment platform, a redesigned Vendor Star Rating for cadence and transparency, digitised sub-vendor onboarding for traceability, and skill certification for high-risk jobs.

Emotional well-being and occupational health continues to be the topmost priority of the Company. The Company places focus on industrial hygiene and ergonomics programmes across locations. Emotional well-being support has been deepened through the Employee Assistance Programmes. The Company also employs services of physical counsellors, along with telephonic and chat-based counselling services. It has undertaken programmes for developing emotional first aiders and launched targeted campaigns to promote psychological safety, complemented by wellness recognition initiatives with the involvement of joint workforce committees.

Fatality at workplace is the foremost safety concern of the Company. It is with deep regret that we report eight fatalities in Tata Steel India operations. With the expansion of the footprint in India, we have to prioritise safety and be firmly committed to zero-harm across locations. We are strengthening our processes, deploying technology, and deepening awareness to ensure highest standards of safety.

To nurture a positive safety culture, the Company continues to recognise and encourage safe behaviours and contributions from workforce, fostering continuous improvement in Health & Safety.

In the Netherlands, Health & Safety remains a top priority reflecting the inherent risks of large scale integrated steelmaking and the need for robust control during a period of significant operational change. In October 2025, TSN launched a dedicated Health,

Safety and Environment Turnaround Programme ('HSE programme'), prioritising the Health & Safety governance, compliance and execution across the organisation thereby supporting the License to Operate for TSN and safe execution of its major projects, including the Green Steel Project. The HSE programme aims to reinforce regulatory discipline, improve transparency and strengthen capabilities in both process safety and occupational safety. Key elements of the HSE Programme include clearer roles and accountabilities, enhanced oversight of safety critical-risks and a stronger emphasis on measurement quality, monitoring and incident follow-up. TSN has also established safety programmes such as TrueSafe, strengthening incident investigation, contractor safety management resulting into visible leadership engagement.

In the UK, TSUK continues to operate its internal 15-Principle Health and Safety Management System, and has progressed towards achieving ISO 45001:2018 certification with five business units having obtained the certification compared to three in the previous fiscal year. TSUK also continued to strengthen its Health, Safety and Environment culture through various initiatives including the implementation of a new Health Safety Sustainability and Environment culture survey aligned with the ISO principles and the continuation of FELT Leadership safety training. At TSUK, health and safety performance improved during the year under review, with total accidents reduced by 20% compared to previous year and Lost Workday Cases reduced by 9%. It is nevertheless with deep regret that TSUK reported a fatal incident to an employee at its Corby works in January 2026. In process safety, the key focus was the completion of hazard studies to support the safe design and construction of new assets, including the Electric Arc Furnace.

4. Research and Development

Tata Steel's Research & Development ('R&D') function continues to serve as a strategic driver of sustainability leadership and competitive strength for the Company. The R&D efforts focus on developing high-performance, environmentally responsible products while reducing carbon footprint and improving process efficiency across the value chain.

Tata Steel, in collaboration with a fuel-oil manufacturing start-up, successfully developed and implemented a biofuel for blast furnace injection, replacing carbon-emitting Low Sulphur Fuel Oil after rigorous lab, pilot and phased plant trials. The successful establishment of biofuel injection offered a reduction of approximately

100 kg of CO₂ per ton of hot metal. During the year under review, the Company also developed and patented a combustion accelerant based process to enhance coal combustibility in BF-PCI and DRI operations by lowering ignition temperature and improving carbon utilisation. Commercial trials demonstrated a 6.5% reduction in coal consumption in DRI kilns with just 1% additive dosing and a 2–2.5 kg/ton hot metal fuel-rate reduction in blast furnaces, promising lower cost and carbon-footprint.

In September 2025, under the 'One Tata Steel' initiative, the establishment of Tata Steel Research and Innovation Limited ('**TSRIL**') marked a significant and pivotal step in centralising and accelerating advanced R&D. TSRIL, a subsidiary of TSUK, operates from the UK and provides R&D benefits to Tata Steel Limited, TSUK and other Tata Steel Group Companies. TSRIL functions as an agile, asset light innovation hub, optimising returns through efficient resource deployment and strong collaboration with leading universities and research institutions.

Accelerating the Development of Automotive and Packaging Steel Technology for EAF production ('**ADAPT-EAF**'), a flagship research initiative in Low Carbon Green Steelmaking, was launched to develop next-generation, high-performance steels for automotive and packaging applications using Electric Arc Furnace ('**EAF**') technology. The Company has entered into collaborative projects for ADAPT-EAF with the University of Cambridge, Imperial College London, and the University of Warwick, to reinforce Tata Steel's ambition to lead green steel innovation in the UK. This initiative addresses challenges related to residual elements in high-recycled-content steel. An AI-enabled platform is being developed to predict scrap-related impacts on steel quality, supported by rapid alloy prototyping and testing to design EAF-optimised steel grades. This will strengthen TSUK's capability to produce high-quality, low-carbon steel domestically while enabling group-wide knowledge sharing.

In India, Tata Steel achieved a major milestone by successfully completing plant trials for advanced high-strength steel grades Dual Phase (DP) 980 and DP 1180. These grades are crucial for the automotive sector as they directly support the 'Make in India' and 'Atmanirbhar Bharat' initiatives thereby reducing dependency on imports.

During FY2025-26, Tata Steel significantly expanded its intellectual property portfolio by filing 139 new patent applications, focused on technological advancements throughout the steel value chain. Tata Steel, while prioritising the protection of its new inventions, successfully obtained 71 patent grants in FY2025-26 from

patent applications filed in prior years. The Company highlighted strong portfolio management practices and high patent grant success rate which was recognised by Tata Steel's inclusion in the ASIA IP Elite 2025, making it the only Indian manufacturing company to receive this distinction.

In the Netherlands, TSN continued to collaborate with external partners on fundamental and applied research to drive innovation and accelerate the development of new technologies. The most important future oriented focus areas are the development and implementation of new processes, particularly Direct Reduced Iron and Electric Arc Furnace technologies, as well as product development aligned with these new installations. During FY2025-26, TSN was linked to ~80 Ph.D. and postdoctoral research positions with prominent Dutch technical universities such as Delft, Twente and Eindhoven including government supported Growing with Green Steel consortium which focused on green steel transition. In FY2025-26, first successful melt was delivered out of scrap melter which was built in-house by TSN in collaboration with Growing with Green Steel consortium and so far approximately 17 melts have been done.

TSN focussed towards enhancing R&D and applied the learnings to advance digital technologies and data-driven solutions to support sustainability objectives and enhance operational efficiency and performance.

In the UK, research activities in TSUK continued in line with the strategic technology roadmaps through four core thematic areas focusing on scrap, slag and secondary metallurgy, materials design and process modelling, end product design and application, and coatings and laminates. Further, in order to leverage the best in research and development, TSUK closely collaborated with universities and Research and Technology Organisations in the UK. During FY2025-26, TSUK maintained robust portfolio of 196 patents across 33 patent families, 432 trademarks within ~207 trademark families, and 6 designs in 3 design families. In FY2025-26, TSUK had filed for 8 patents out of which 6 were granted to it.

5. New Product Development

In FY2025-26, Tata Steel developed 81 new products across various segments, supported by product quality assurance, proactive customer engagement, and extended technical assistance, all aimed at enhancing customer satisfaction and operational excellence.

Cold Rolled and Coated Products: Tata Steel's product portfolio now includes Bake Hardening (BH) steels

(BH180, BH220), offering exceptional formability, superior in-service strength, and enhanced dent resistance, tailored for Indian conditions. The Company has also developed high-strength interstitial-free (IFHS) steels (IFHS390, IFHS440), significantly expanding its offerings for automotive panel segments. For critical safety components, the Company has developed C-Mn440, HSLA420, and CQ590 grades to bolster Company's product offerings with materials designed for improved crash resistance. To meet the demands of lightweighting and superior crash performance, the Company has developed a comprehensive family of Advanced High-Strength Dual Phase (DP) steels (DP590, DP780, DP980, DP1180) and secured approvals from major automotive customers. Furthermore, towards its commitment to sustainability, Tata Steel has developed multiple secondary coatings with Cr+3 and Cr-free passivation, eliminating carcinogenic hexavalent chromium and ensuring products meet stringent Restriction of Hazardous Substances norms with improved service life.

Shipbuilding Excellence: At the Kalinganagar Hot Strip Mill, the Company has successfully developed advanced steel grades designed for the most stringent shipbuilding applications. These materials meet critical requirements for strength and toughness at low temperatures. Tata Steel's capabilities have been validated by international approvals, including four grades (B, D, AH36, DH36), leading to commercial supplies to major shipbuilding customers. Additionally, the Company has secured Det Norske Veritas approvals for three grades (NVA, NVB, NVA36).

Oil & Gas Solutions: Tata Steel's advanced line pipe steel solutions are driving innovation in the Oil & Gas sector and pioneering green energy infrastructure by commercially supplying HSAW and LSAW/X60 grades for naphtha pipelines, meeting stringent fracture toughness at -25°C and -29°C respectively. Further, the Company has successfully produced and commercially supplied X65 Sour grade and X52 Sour grade to the Middle East and North Africa region. Additionally, Tata Steel's capability to produce API X65 Sour and API X65 grades specifically for 100% hydrogen transportation at 200 bar pressure, has strategically positioned the Company at the forefront of future green energy solutions.

General Engineering, Construction, and Projects: Tata Steel has developed the S700MC grade, a high-strength, high-toughness steel guaranteed for impact at -40°C. This critical material is vital for demanding applications, such as hanging platforms in arctic regions. Additionally,

the Company produces high-strength steels of YST450 and YST550 variants tailored for solar mounted structures, supporting renewable energy infrastructure with durable and efficient materials. In the Long Products segment, the Company has marked a significant achievement with the development of 50 new products, 6 of which are 'First-Time-in-India' products.

In the Netherlands, during FY2025-26, TSN successfully launched and commercialised 12 new products and services across Automotive, Engineering, Packaging, Construction and Building Systems. Automotive innovations included (i) extension of the Full Finish portfolio with galvanised CR270BH, the strongest full finish grade, offering increased strength and improved dent resistance and (ii) introduction of Fuchs Advanced Tribo Primer Boosterlube, improving stamping performance in customers' press shops. TSN launched a 25 mm extension of its 'S235 Thicker and Stronger' product range, designed for use in heavy vehicles, machinery applications and engineering applications. Additionally, Protact-TCCT TH550, a thin and wide material for food cans with direct seal, increased width for aerosol bottom applications and strong buckle and burst performance was introduced for packaging material. A Green Roof system was launched for building systems. Additionally, a 'Take Back' service was introduced for product use after 20 - 40 years, supporting circularity. TSN also introduced Next Generation Magizinc which improved flexibility and surface quality and launched Colorcoat SDP35 on ZM120 with reduced zinc weight, supporting customers' sustainability performance in the Colors segment. The Tubes segment witnessed extension of high strength piling tubes in the 10 mm thickness range for unstable soils and the launch of the Contiflo tube with improved, more environmentally friendly coatings and enhanced corrosion resistance.

In the UK, during FY2025-26, TSUK retained a healthy pipeline of new product developments, each making progress in its journey, while focusing on embedding its roller model across its existing range of new and differentiated products. The Company ensured that its imported substrate meet its customer expectations in the UK and export markets while upholding the commitment of TSUK to sustainability, in-service performance guarantees, and rigorous product assessment standards. TSUK continues to focus on strengthening its market position by developing, testing and supplying low embodied carbon versions of the existing products by using third party EAF substrate underpinning its transition to the new EAF steelmaking in the UK.

6. Customer Relationship

During FY2025-26, Tata Steel marked a clear step-change in its approach to customer relationships shifting from engagement led initiatives to deep, solution-oriented partnerships anchored in capability, innovation and digital & AI enablement. The reporting fiscal was characterised by domestic demand resilience and global volatility, during which the Company continued to reinforce trust, relevance and value delivery across customer segments.

Strategic Investments supporting customer value

The Company reinforced its production and service infrastructure with key capacity additions such as the Continuous Annealing Line which enabled increased localisation and scaling up of advanced automotive grades. The Galvanising Line at Kalinganagar and Combi Mill at Jamshedpur were commissioned which produced commercial output, strengthening Tata Steel's ability to supply application-specific and value added steels. FY2025-26 marked an important milestone in Tata Steel's transition towards sustainable steelmaking with the inauguration of its scrap-based Electric Arc Furnace ('EAF') at Ludhiana, Punjab, India. The EAF is engineered for CO₂ emissions of less than 0.3 tonnes per tonne of steel, and strengthened Tata Steel's low-emission pathway while reinforcing long-term alignment with customer priorities and sustainability imperatives.

Strengthening Automotive, Engineering and Strategic Sector Partnerships

At Tata Steel, customer engagement in automotive segments deepened through increased localisation of advanced grades, supported by a growing portfolio of Advanced High Strength Steel, Ultra High Strength Steel, Forging quality steel along with multiple Original Equipment Manufacturer approvals. These capabilities enabled customers to meet safety, lightweighting and performance requirements with greater supply assurance. To further enhance service experience, Tata Steel introduced a real time mixed reality customer support solution for automotive customers, enabling experts to remotely assess issues in 3D and collaborate directly within customers' production environments, thereby significantly improving speed of resolution and operational alignment.

During FY2025-26, in addition to the automotive segments, Tata Steel strengthened its presence across strategic, future-oriented segments, including shipbuilding and defence-related applications,

supported by international certifications that enabled the Company to participate in higher-spec and global orders with stringent quality and reliability requirements. The Company entered into a partnership with a state-of-the-art processing facility in the northern region which further enhanced serviceability and customer engagement in the appliances segment. In parallel, the Company expanded its footprint in renewable energy, consumer durables and capital goods, driven by targeted product approvals and the commercialisation of innovative offerings such as poly-coated steel and advanced high-strength grades. Through dedicated customer service teams and structured programmes such as Wired2Win, VAVE, EVI and Building Bonds, Tata Steel deepened co-creation and capability-led performance improvement across the value chain, complemented by expanded service-centre reach and tighter integration with customers' development and sourcing processes.

Construction and Infrastructure: An Integrated Execution-Led Proposition

During FY2025-26, customer relationships in construction and infrastructure increasingly evolved from material supply to execution certainty. Tata Steel strengthened this engagement through an integrated model that combined fabrication capability, downstream processing, service centres and differentiated execution solutions. The downstream value-added portfolio was further enhanced through acquisition of 100% equity stake in Tata Steel Colors Private Limited (erstwhile Tata BlueScope Steel Private Limited), which expanded roofing and wall-cladding solutions to address the growing demand for aesthetically superior products in the retail segment, while also supporting infrastructure requirements across sectors.

During FY2025-26, plate-fabricated construction solutions scaled up, serving over 11 major infrastructure projects, supported by an expanded fabrication and processing network. These capabilities improved responsiveness to complex project requirements and reinforced Tata Steel's position as a trusted partner for high-value infrastructure and industrial developments, including data centres, airports and power plants.

Execution-focused innovations further strengthened this proposition. The InQuik modular bridge system, a globally proven rapid-construction solution, achieved a key milestone with successful deployment in India, demonstrating its potential to significantly compress construction timelines. The Mobile Bore Pile Cage, a first-of-its-kind on-site solution, addressed critical foundation stage challenges by enabling faster,

safer and more consistent pile-cage fabrication at project sites. Complementing these initiatives, solution-led downstream offerings such as Ready Build and Sm@rtFAB continued to gain traction, reflecting a growing customer preference for execution ready models that reduce complexity and improve delivery outcomes.

Sustainable Solutions and Value-Added Offerings

Tata Steel advanced low-carbon, energy efficient and future-ready solutions through Nest-In, including the delivery of a Zero Energy Building and 100+ Light Gauge Steel Frame Anganwadi centres, reinforcing its commitment to sustainable construction. These sustainability-linked offerings deepened customer partnerships by integrating speed of execution, structural durability and lower lifecycle impact into construction outcomes.

In the packaging segment, trial production of DoS-A coils further strengthened Tata Steel's sustainability proposition by enabling potential savings of ~6 litres of water per drum manufactured, reinforcing long-term customer relationships through shared value creation.

Experience, Transparency and Ecosystem Enablement

As customer engagements widened, experience and transparency became key differentiators. Digital platforms strengthened ease of interaction and visibility across segments. Aashiyana continued to evolve as a content-to-commerce ecosystem for individual home builders, while DigECA expanded digital engagement with Emerging Corporate Account ('ECA') customers through end-to-end visibility and integration. Platforms such as COMPASS Nxt for B2B customers and SmartTrack for Tata Pravesh embedded real-time visibility, faster service response and intuitive engagement interfaces into everyday customer interactions. TSL Cares, the GenAI-enabled complaint management platform, progressively emerged as the preferred channel for service resolution, strengthening responsiveness and enhancing customer confidence. Complementing these, Techlab - India's first mobile rebar testing unit, further reinforced customer assurance through transparent, on-site quality validation.

Alongside digital enablement, sustained capability-building initiatives such as Create, TechTalk, Skilling India, inslTe, and PAG interventions benefitted over 3,500 SME customers and over 4,500 masons, fabricators, influencers and channel partners. These interventions strengthened correct application practices, safety awareness and on-

site productivity, helping ensure that value delivery consistently met customer expectations.

In the Netherlands, TSN strengthened its customer proposition by focusing on the reliable supply of high-quality steel and long-term market-specific partnerships, tailored to market needs. The commercial strategy of TSN emphasises on stability, and expertise, thereby positioning the Company as a trusted partner, more specifically in applications where material performance is critical for operational continuity, safety and long-term asset value. Customer engagement is embedded in the functioning of TSN and is supported through direct dialogue, satisfaction surveys, complaint management and joint workshops and partnerships (including R&D trials). This enables alignment with the customer requirements and growing demand for responsible production and sourcing. During the year under review, TSN's focus on broader stakeholder engagement related to the Green Steel Project enhanced transparency, reinforced customer confidence & market position and helped integrate expectations into decision-making.

In the UK, TSUK advanced strategic growth through product innovation and stronger customer partnerships, supporting major projects across building systems, engineering, automotive, and distribution businesses, including advanced ComFlor® composite floor decking solutions, which enabled the securing of high-profile projects such as the Luton Airport Pheonix MSCP2 and the Qiddiya Speed Park Track. Collaborative development initiatives and a new EAF-focused automotive and packaging steel technology programme strengthened customer-aligned R&D.

During FY2025-26, TSUK made substantial progress in advancing sustainability and increased supply of low-carbon steel solutions across construction, automotive, and packaging sectors. Progress was made in reducing emissions, increasing renewable energy use, and advancing circularity initiatives, reinforcing its role as a key partner in customers' decarbonisation pathways. TSUK offered market-leading product solutions and received accolades for innovation.

Building Systems UK supplied Optemis® Carbon Lite to major London projects, while Colorcoat advanced low-carbon leadership through certifications, industry recognition, and enhanced product durability. The Packaging and Automotive sectors focused on low-CO₂ solutions, higher recycled content, emissions reduction, and scrap circularity, positioning Tata Steel UK as a key sustainability partner. Catnic GmbH transitioned

to 100% renewable electricity, reduced Scope 1 and 2 emissions, and progressed bio-engineered insulation solutions for future products. Catnic's SolarSeam renewable solution gained market traction through a partnership in social housing scheme. The Surahammar electrical steel plant secured three automotive projects and initiated strategic investments to further enhance product quality for automotive applications. The Tubes business developed fully normalised pipe solutions across the Corby and Hartlepool sites strengthening product differentiation and delivering consistent, high-performance outcomes. Several sites also received industry recognition for innovation and sustainability.

7. Digital Transformation

Tata Steel continues its accelerated journey towards becoming a digitally empowered, data and AI enabled, future-ready enterprise. During FY2025-26, the Company strengthened its Industry 4.0 foundation through large-scale AI adoption, enhanced data governance, and integrated digital operations across geographies. Some of these initiatives which collectively enabled measurable improvements in productivity, cost efficiency, and operational resilience are as follows:

AI Adoption and Engagement: In FY2025-26, Tata Steel significantly expanded the use of Narrow (a mathematical AI running on large datasets like Operations and Forecasting) and Generative AI (a creative, conversational, language-based medium) across the value chain. The Company deployed 860 models and agents globally covering machine learning, optimisation, deep learning and autonomous agents to enhance employee and customer experience, safety, and business automation. The adoption of over 300 agents led to improvements across business processes including invoice processing, audit functions, commercial intelligence and personalised day-to-day human resource activities.

AI Enabled Decision Support: During FY2025-26, Tata Steel Digital Assistant ('TDA'), a secure, in-house AI platform providing governed access to employees, was upgraded to an agentic architecture. The enhanced TDA allows employees to perform complex tasks by combining multiple data sources while ensuring strong data security and privacy. The Company invested in customised architecture to align models with underlying organisational knowledge and business context with sustained usage expected to further improve contextual understanding and personalised outcomes. Tata Steel advanced its AI-ready data strategy and achieved 98% standardisation of key data and KPI definitions across major units, and deployed the Data and Analytics Target

Operating Model ('DATOM') framework globally to assess data maturity through evidence-based dip-checks. AI was also embedded into core management processes, transitioning leadership KPI reporting from manual to system-driven mechanisms.

Manufacturing Excellence: During FY2025-26, Tata Steel has significantly progressed towards manufacturing excellence through AI-enabled Remote Operations & Maintenance which continues to evolve into strategic assets, enabling predictive, real-time management of critical assets and AI assisted autonomous operations.

Customer Experience: The Company has achieved a strong sales performance through its digital platforms, amounting to approximately USD 1 billion. Tata Steel is in the process of deploying Unified Customer Service Agent, a first in the steel industry, for better client servicing.

Functional Excellence: Functional excellence was sustained through the Company's long-term initiatives in supply chain optimisation, spares and repairs management, and inventory reduction, which continued to deliver meaningful value. A major step towards the vision of 'One Tata Steel' was the successful harmonisation of technology platforms across India, Netherlands and the UK with the migration of Tata Steel UK's SAP system to India being a key milestone. Integrated operations were further strengthened through enhanced cybersecurity, unified SAP landscapes, and the adoption of common digital standards across geographies.

The Company maintains strong digital leadership across data, AI, automation, and integrated IT architectures recognised by Gartner for six consecutive years. Our WEF Global Industry Lighthouse sites at IJmuiden, Kalinganagar and Jamshedpur account for 78% of steel production, delivering sustainable value creation, cost efficiency, and organisational agility.

8. Corporate Social Responsibility

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities globally through long-term value creation for all stakeholders. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, is annexed to this Report as **Annexure 1**. The Company's CSR policy provides guidelines to conduct CSR activities of the Company as well as provides governance mechanism for the same. The salient features of this Policy form part

of the Annual Report on CSR activities. The CSR Policy is available on the website of the Company at: <https://www.tatasteel.com/media/23872/tata-steel-csr-policy.pdf>

For decades, the Company has pioneered various CSR initiatives. The Company continues to address societal challenges through societal development programmes and remains focused on improving the quality of life. During FY2025-26, the Company spent ₹473.09 crore towards its CSR activities and positively impacted over 6.9 million lives through its CSR programmes and initiatives. The Company implements its CSR programmes primarily through its wholly-owned subsidiary Tata Steel Foundation, a company incorporated under Section 8 of the Companies Act, 2013, which works in close collaboration with public systems and partners. Through its CSR activities, the Company envisions an enlightened, equitable society in which every individual realises her/his potential with dignity through work with tribal and excluded communities to co-create transformative, efficient and lasting solutions to their development challenges.

Through large-scale, proven Signature Theme Models of change, the Company addresses core development gaps in India, while being replicable at global platform. These include programmes on maternal and child mortalities, access to school and learning enrichment for rural children, pan-India focus on key aspects of tribal identity, and comprehensive development through empowerment of panchayats between the manufacturing locations of the Company at Jamshedpur and Kalinganagar.

The Company also fosters Regional Change Models enabling lasting betterment in the well-being of communities, prioritising those who are excluded and proximate to its operating areas. The Company undertakes its CSR Programmes in areas of health, nutrition, water, education, livelihoods, infrastructure, sports, disabilities, rural development, grassroot governance, environment, ethnicity and empowering the voice of women within communities.

In the Netherlands, TSN's CSR efforts continue to focus on responsible operations, structured stakeholder engagement and sustained contributions to communities around its operations. During the year under review, TSN transparently engaged with employees, local communities, authorities and civil society organisations through formal consultation processes, communication channels and grievance mechanisms. The insights gained from these engagements guided the operational decisions.

TSN also strengthened regional technical education and future-ready skills through the TSN Academy and active participation in Techport, aligning industry needs with vocational training to support the energy transition and industrial renewal. Inclusion and diversity were promoted through initiatives such as Girls' Day, while community engagement was further reinforced through targeted sponsorships and programmes, including programmes such as Tata - Kids of Steel® and support for local sports and social initiatives like Telstar and Telstar in de wijk, aimed at enhancing social cohesion and youth engagement in the IJmond region.

In the UK, as TSUK continues to transform the Port Talbot site, it remains strongly focused on supporting local communities through its long-standing community programme that benefits tens of thousands of people each year. In FY2025-26, TSUK sponsored key community and charity events such as the Richard Burton 10K, which raised £60,000, and celebrated the 16th anniversary of Aberavon Wizards League to promote inclusive youth sport. Community engagement was further strengthened by inaugurating the starting point of the Llanelli Half Marathon, running a Winter Wrap Up campaign to collect food and warm clothing for those in need, and employee fundraising through various national charity events such as Macmillan Coffee Mornings, Founders Day, Comic Relief and Children in Need. TSUK, through its subsidiary companies, supported the GirlsGetSet international STEM program and invested in mental health first aid training. TSUK's CSR activities reflects its values and importance of strong relationships with the community and key stakeholders.

F. Corporate Governance

The Company ensures that it evolves and follows the corporate governance guidelines and best practices diligently, not just to boost long-term shareholder value, but also to respect rights of the minority. Tata Steel considers its inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership, and governance of the Company.

In accordance with its Vision, Tata Steel aspires to be the global steel industry benchmark for value creation and corporate citizenship. Tata Steel expects to realise its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people.

Pursuant to the SEBI Listing Regulations, the Corporate Governance Report along with the Certificate from a

Practicing Company Secretary, certifying compliance with conditions of Corporate Governance, forms part of this Board's Report and is enclosed as **Annexure 2**.

1. Meetings of the Board and Committees of the Board

The Board met six times during the year under review. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Listing Regulations. The Committees of the Board usually meet the day before or on the day of the Board meeting, or whenever the need arises for transacting business. Details of composition of the Board and its Committees as well as details of Board and Committee meetings held during the year under review and Directors attending the same are given in the Corporate Governance Report forming part of this Board's Report.

2. Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') engages with the Board to evaluate the appropriate characteristics, skills and experience for the Board as a whole as well as for its individual members with the objective of having a Board with diverse backgrounds and experience in business, finance, governance, and public service. The NRC, basis such evaluation, determines the role and capabilities required for appointment of Independent Directors. Thereafter, the NRC recommends to the Board the selection of new Directors.

Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Company has in place a Policy on Appointment & Removal of Directors.

The salient features of the Policy are:

- › It acts as a guideline for matters relating to appointment and re-appointment of Directors
- › It contains guidelines for determining qualifications, positive attributes of Directors, and independence of a Director
- › It lays down the criteria for Board Membership
- › It sets out the approach of the Company on board diversity

- › It lays down the criteria for determining independence of a director, in case of appointment of an Independent Director

The Policy is available on the website of the Company at <https://www.tatasteel.com/media/6816/policy-on-appointment-and-removal-of-directors.pdf>

3. Familiarisation Programme for Directors

As a practice, all new Directors (including Independent Directors) inducted to the Board go through a structured orientation programme. Presentations are made by Senior Management giving an overview of the operations, to familiarise the new Directors with the Company's business operations. The new Directors are given an orientation on the products of the business, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy of the Company. Visits to plant and mining locations are organised for the new Directors to enable them to understand the business better.

Details of orientation given to the new and existing Independent Directors in the areas of strategy/industry trends, operations & governance, and safety, health and environment initiatives are available on the website of the Company at <https://www.tatasteel.com/media/25696/familiarization-programme-ids-2026.pdf>

4. Evaluation

The Board evaluated the effectiveness of its functioning of the Committees and of individual Directors, pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The Board sought the feedback of Directors on various parameters including:

- › Degree of fulfilment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long term strategic planning, etc.);
- › Structure, composition and role clarity of the Board and Committees;
- › Extent of co-ordination and cohesiveness between the Board and its Committees;
- › Effectiveness of the deliberations and process management;
- › Board/Committee culture and dynamics; and

- › Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Master Circular issued by the Securities and Exchange Board of India on January 30, 2026.

The Chairman of the Board had one-on-one meetings with the Independent Directors ('IDs') and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

In a separate meeting of the IDs, the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Company were evaluated taking into account the views of Executive Directors and other Non-Executive Directors.

The NRC reviewed the performance of the individual Directors and the Board as a whole.

In the Board meeting that followed the meeting of the IDs and the meeting of NRC, the performance of the Board, its Committees, and individual directors were discussed.

Outcome of Evaluation

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and duties.

In the coming year, the Board intends to enhance focus on monitoring key capital expenditure projects, strengthening downstream business, cost competitiveness and operations of overseas entities - TSN, TSUK, Tata Steel Minerals Canada.

5. Remuneration Policy for the Board and Senior Management

Based on the recommendations of the NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMPs') and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- › the level and composition of remuneration is reasonable and sufficient to attract, retain and

motivate Directors of the quality required to run the Company successfully;

- › relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- › remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The salient features of the Policy are that it lays down the parameters:

- › Based on which payment of remuneration (including sitting fees and remuneration) should be made to IDs and Non-Executive Directors ('NEDs').
- › Based on which remuneration (including fixed salary, benefits and perquisites, bonus/performance linked incentive, commission, retirement benefits) should be given to whole-time directors, KMPs and rest of the employees.
- › For remuneration payable to Directors for services rendered in other capacity.

During the year under review, there has been no change to the Policy. The Policy is available on the website of the Company at <https://www.tatasteel.com/media/6817/remuneration-policy-of-directors-etc.pdf>

6. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are annexed to this report as **Annexure 3**.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Rules, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Board's Report. Further, the Integrated Report is being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Companies Act, 2013, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary at cosec@tatasteel.com

7. Directors

Re-appointment of Director retiring by rotation

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Koushik Chatterjee (DIN:00004989), Whole-time Director of the Company designated as Executive Director & Chief Financial Officer, retires at the ensuing AGM scheduled to be held on Thursday, July 2, 2026, and, being eligible, seeks re-appointment.

The necessary resolution for re-appointment of Mr. Chatterjee forms part of the Notice convening the ensuing AGM. The profile and particulars of experience, attributes and skills that qualify Mr. Chatterjee for board membership, are disclosed in the said notice.

8. Independent Directors' Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

9. Key Managerial Personnel

In terms of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. T. V. Narendran, Chief Executive Officer & Managing Director, Mr. Koushik Chatterjee, Executive Director & Chief Financial Officer and Mr. Parvatheesam Kanchinadham, Company Secretary and Chief Legal Officer. During the year under review, there has been no change in the Key Managerial Personnel of the Company.

10. Audit Committee

The Audit Committee of the Board was constituted in the year 1986. The Committee has adopted a Charter for

its functioning. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee presently comprises Mr. Deepak Kapoor (Chairman), Ms. Bharti Gupta Ramola, Mr. Pramod Agrawal and Mr. Saurabh Agrawal. The Committee met six times during the year under review, the details of which are given in the Corporate Governance Report forming part of this Board's Report.

During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board of Directors.

11. Internal Control Systems

The Company's internal control systems commensurate with the nature of its business, the size, and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. Details on the Internal Financial Controls of the Company forms part of Management Discussion and Analysis forming part of this Integrated Report.

12. Risk Management

Tata Steel has established a robust Enterprise Risk Management ('ERM') framework to navigate the evolving and volatile business environment to create sustainable value for its stakeholders. The ERM framework focuses on developing a risk intelligent culture that facilitates risk informed decision making and builds business resilience. This has been developed by integrating best practices from international standards including the Committee of Sponsoring Organisations of the Treadway Commission, ISO 31000:2018 and benchmarking industry practices.

The Risk Management Committee ('RMC') of the Board provides an oversight and guides ERM team on risk management policy and deployment. It reviews the status of key risks, progress of ERM implementation across locations and any exceptions flagged on a quarterly basis.

The Risk Appetite, approved by the RMC, has been developed by analysing industry's best practices and aligns to the vision of the Company. This is an important metric and the guiding principle for management of risks, driven by the following:

- Health and safety of the employees and the communities in which the Company operates are the prime concern and the operating strategy is focused on this objective.

- › All business decisions are aligned to the Tata Code of Conduct.
- › Management actions are focused on continuous improvement.
- › Environment and Climate Change impacts are assessed on a continuous basis and business decisions support systems including capital allocation, considers climate impact through the internal carbon pricing framework.
- › The long-term strategy of the Company is focused on generating profitable growth and sustainable cashflows that creates long-term stakeholder value.

Risk Owners may accept risk exposure to their annual and long-term business plans, which after implementation of mitigation strategies, is aligned to the Company's risk appetite.

The Company has also constituted a Management Committee called Apex Risk Committee ('**ARC**') comprising of Chief Executive Officer & Managing Director ('**CEO & MD**'), Executive Director & Chief Financial Officer ('**ED & CFO**'), and Vice President - Corporate Finance, Treasury & Risk Management who is also the Chief Risk Officer. The ARC reviews the business plan of ERM quarterly, engages on the macro environment and deliberates on key risks. Additionally, it engages with senior risk owners to deep dive on specific risk areas and their mitigations.

The ERM framework is driven across the organisation by the ERM team led by the Chief Risk Officer, who reports to ED & CFO and the RMC Chairperson. The bottom-up ERM process is decentralised to keep the risk ownership with the BUs to drive accountability and ensure agility. This is complemented by a top down process, which helps in identification of strategic enterprise level risks. The ERM team carries out horizon scanning to track the external landscape and organises 'Expert Lens' sessions and webinars for the leadership team and Risk Community to identify emerging risks.

The Company follows coordinated risk assurance through which the ERM process is integrated with Audit, Strategy, Legal & Compliance, and Security functions. Corporate Audit conducts an independent audit of the ERM process deployment across the organisation, as the third line of defence.

The Company has developed an in-house Risk Management IT system which provides dashboards and data repository for risk analytics. An Artificial Intelligence

enabled 'Horizon Scanning' feature has been launched to scan relevant external risk developments.

The Company views ERM as an enabler to achieve business objectives and aims at intelligent risk taking for Business decisions. Capability development for ERM has been a key focus area across the organisation and various formats of communication & training have been developed, focusing on Risk Champions (Extended arm of ERM Team), risk owners, new joiners and specific functions.

Risk culture is considered as an important lever for assessing the risk maturity. Risk Management has been institutionalised as an additional metric in the performance assessment of Risk Owners and Champions. The Company periodically conducts Risk Maturity Assessments and Risk Culture Survey from independent external assessors to benchmark practices and identify areas of improvement.

ERM Effectiveness model has been developed to assess the effectiveness of the ERM process annually. This analysis is carried out by the respective Business Units and the findings are discussed in Senior Management reviews.

FY2025-26 was marked by significant economic and geopolitical challenges, including Russia-Ukraine conflict, Middle East instability, tariff pressures, FX volatility, and elevated Chinese steel exports impacting prices. The Company proactively monitored early warning indicators and developed scenario based risk responses.

The Company was awarded the 'Masters of Risk - Risk Technology' in the Large Cap category at the CNBC-TV18 India Risk Management Awards 2025, recognising the Company in leveraging technologies to strengthen risk management.

13. Vigil Mechanism

The Company has a robust Vigil Mechanism that provides a formal channel for all its Directors, employees, and business associates, including customers, to approach the Chairman of the Audit Committee or Chief Ethics Counsellor to make protected disclosures about any ethical misconduct, actual or suspected fraud, or violations of the Tata Code of Conduct ('**TCoC**'). No person is denied access to the Chairman of the Audit Committee. This mechanism reinforces a culture of transparency, accountability, and trust across all stakeholders.

The Company has established various policies to govern the vigilance procedures, such the Whistle-Blower Policy for Directors & Employees, the Whistle-Blower

Policy and Whistle-Blower Protection Policy for Business Associates, the Gift and Hospitality ('G&H') Policy, the Conflict-of-Interest ('CoI') Policy for employees, the Anti-Bribery & Anti-Corruption ('ABAC') Policy, and the Anti-Money Laundering ('AML') Policy. Collectively, these policies outline behavioural expectations, reporting pathways, and safeguards against unethical practices.

The Whistle-Blower Policies encourage the reporting of any actual or potential violation of the TCoC or any event that could impact the Company's operations or reputation. They provide protection against retaliation such as threats, demotion, termination, or any other disciplinary/discriminatory action. These policies also cover reporting of leaks or suspected leaks of Unpublished Price Sensitive Information ('UPSI') as required in terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.

The Whistle-Blower Protection Policy for Business Associates strengthens confidence among external stakeholders such as vendors, suppliers, distributors, and customers by safeguarding them from retaliation and specifying consequences for malicious or false reporting.

The ABAC and AML policies focus on risk assessment, third-party due diligence, training, audits, and reporting to prevent corruption and financial misconduct. The G&H Policy guides employees and representatives on acceptable and unacceptable forms of gifting and hospitality, ensuring alignment with ABAC and AML policies. The CoI Policy mandates employees to disclose actual or potential conflicts annually or whenever such conflicts arise.

To encourage internal reporting, the Company has implemented Whistleblower Reward and Recognition Guidelines. All disclosures are processed as per defined timelines. Additionally, a Third-Party Whistleblowing Helpline, which offers multiple communication channels including toll-free numbers, web access, postal mail, and email is established which supports stakeholders across Tata Steel and its Group companies.

During the year under review, extensive communication and training initiatives were conducted on TCoC, Prevention of Sexual Harassment, ABAC, CoI, Third-Party Due Diligence, and other ethical standards. The Company received 564 Whistle-Blower Complaints ('WBCs') and 1,507 grievances and other concerns. Out of these, 469 WBCs were investigated and closed after taking appropriate actions, 1,403 grievances and other concerns were addressed as appropriate. A total of 95 WBCs were open as of March 31, 2026, for which investigations

are underway. The unaddressed 104 grievances and other concerns are being reviewed and will be closed as appropriate.

14. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Tata Steel upholds a zero-tolerance approach to sexual harassment at the workplace. The Company follows a comprehensive policy on prevention, prohibition, and redressal of sexual harassment, aligned with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and its applicable Rules made thereunder, as amended from time to time.

The Company has complied with the requirements for constituting Internal Complaints Committees across its locations as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

For the year ended March 31, 2026, the Company received 35 sexual harassment complaints. Of these, 28 complaints were investigated and resolved with appropriate action(s) – of the 28, 4 cases were investigated and closed beyond 90 days. 7 cases are currently under investigation, of which 1 case is under investigation for more than 90 days.

15. Compliance with Maternity Benefit Act, 1961

During the FY2025-26, the Company has complied with all the applicable provisions relating to the Maternity Benefit Act, 1961.

16. Subsidiaries, Joint Ventures and Associates

The Company has 127 subsidiaries and 39 associate companies (including 22 joint ventures) as on March 31, 2026. During the year under review, the Board of Directors reviewed the affairs of material subsidiaries. There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company and all its subsidiaries, associates and joint ventures has been prepared and forms part of this Integrated Report. Further, the report on the performance and financial position of each subsidiary, associate and joint venture and salient features of their Financial Statements in the prescribed Form AOC-1 is annexed to this Board's Report as **Annexure 4**.

In accordance with the provisions of Section 136 of the Companies Act, 2013, read with the SEBI Listing

Regulations, the audited Financial Statements, including the consolidated Financial Statements and related information of the Company and Financial Statements of the subsidiary companies are available on the website of the Company at www.tatasteel.com

The names of companies that have become or ceased to be subsidiaries, joint ventures and associates during the year under review are disclosed in an annexure to this Board's Report as **Annexure 5**.

17. Related Party Transactions

In line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the SEBI Listing Regulations. The updated Policy can be accessed on the Company's website at <https://www.tatasteel.com/media/5891/policy-on-related-party-transactions.pdf>

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. All material related party transactions and their material modifications, if any, were entered into after being approved by the Company's shareholders. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for FY2025-26 and hence does not form part of this report.

Details of related party transactions entered into by the Company, in terms of Indian Accounting Standard 24 (Ind AS-24) have been disclosed in the notes to the standalone/consolidated financial statements forming part of this Integrated Report.

18. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance system established and maintained by the Company, work performed by the internal, statutory, cost, and secretarial auditors and external agencies including audit of internal financial controls over financial reporting

by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY2025-26.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures;
- it has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- it has prepared the annual accounts on a going concern basis;
- it has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were in place, are adequate and operating effectively.

19. Auditors

Statutory Auditors

The Shareholders of the Company at the AGM held on August 8, 2017, approved the appointment of Price Waterhouse & Co Chartered Accountants LLP (Registration No.- 304026E/E300009) ('PW'), Chartered Accountants, as the statutory auditors of the Company. Further, the shareholders approved the re-appointment of PW for a second term of five years commencing from the conclusion of the 115th AGM held on June 28, 2022 until the conclusion of 120th AGM of the Company to be held in the year 2027.

The report of the Statutory Auditor forms part of this Integrated Report. The said report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors

In terms of Section 148 of the Companies Act, 2013, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Companies Act, 2013.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Shome & Banerjee as the cost auditors of the Company (Firm Registration No. 000001) for the year ending March 31, 2027. M/s Shome & Banerjee have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration of ₹35 lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors for conducting cost audit of the Company for FY2026-27 as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. The same is placed for ratification of Members and forms part of the Notice of the ensuing AGM scheduled to be held on Thursday, July 2, 2026.

Secretarial Auditors and Secretarial Audit Report

In terms of Regulation 24A read with other applicable provisions of the SEBI Listing Regulations and applicable provisions of the Companies Act, 2013, the Company is required to appoint Secretarial Auditors for a period of 5 years commencing from FY2025-26, to conduct the secretarial audit of the Company in terms of Section 204 and other applicable provisions of the Companies Act, 2013 read with Regulation 24A and other applicable provisions of the SEBI Listing Regulations.

Based on the recommendation of the Audit Committee and the Board, the Shareholders of the Company, at the AGM held on July 2, 2025, approved the appointment of M/s Parikh & Associates, (Registration No. P1988MH009800), Practicing Company Secretaries ('PNP'), as the secretarial auditors of the Company for a period of five years commencing from the conclusion of the 118th AGM held on July 2, 2025, until the conclusion

of 123rd AGM of the Company to be held in the year 2030, for conducting secretarial audit of the Company for the period beginning from FY2025-26 through FY2029-30.

The Report by the Secretarial Auditors of the Company issued by PNP is annexed to this Report as **Annexure 6**. There are no qualifications, observations, adverse remark or disclaimer in the said Report.

Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, the details of which need to be mentioned in the Board's Report.

20. Annual Return

The Annual Return for FY2025-26 as per provisions of Section 92 of the Companies Act, 2013 read with rules thereto, is available on the website of the Company at <https://www.tatasteel.com/media/25723/annual-mgt-7.pdf>.

21. Significant and Material Orders passed by the Regulators or Courts

There has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

22. Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees given and investments made during FY2025-26 in accordance with Section 186 of the Companies Act, 2013 is annexed to this report as **Annexure 7**.

23. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report as **Annexure 8**.

24. Deposits

During FY2025-26, the Company has not accepted any deposits from public in terms of the Companies Act, 2013. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

25. Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of the Company Secretaries of India and such systems are adequate and operating effectively.

26. Other Disclosures

- a) There has been no change in the nature of business of the Company as on the date of this Report.
- b) There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.
- c) There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

G. ACKNOWLEDGEMENTS

The Board thanks the customers, vendors, dealers, investors, business associates, bankers and communities for their continued support during the year. The Board places on record its appreciation of the contribution made by employees at all levels (including Unions).

The Board thanks the Government of India, the State Governments and the Governments in the countries where Tata Steel has its operations and other regulatory authorities and government agencies for their support and look forward to their continued support in the future.

On behalf of the Board of Directors

sd/-

N. CHANDRASEKARAN

Chairman

DIN: 00121863

Mumbai

May 15, 2026