

# Price Waterhouse & Co Chartered Accountants LLP

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

### To the Board of Directors of Tata Steel Limited

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

### Identified Sustainability Indicators

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

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

### Criteria

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

### Management's Responsibility

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

### Inherent limitations

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

### Our Independence and Quality Management

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



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

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

### **Our Responsibility**

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

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Indicators, assessing the risks of material misstatement of the Identified Sustainability Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Indicators.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

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

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

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



- Assessed the level of adherence to the Global Reporting Initiative (GRI) standards, World Steel Association (WSA) Sustainability Indicators & internally defined criteria by the management of the Company followed by them in preparing the Integrated Report
- Assessed the Integrated Report for detecting, on a test basis, any major anomalies between the information reported in the Integrated Report on performance with respect to agreed indicators and relevant source data/information
- Obtained representations from Company's Management

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

### **Exclusions**

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

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

### **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Indicators in the Integrated Report for the year ended March 31, 2023 are not prepared in all material respects, in accordance with the respective criteria.

### **Restriction on Use**

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

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



Heman Sabharwal  
Partner

Membership Number: 093263  
UDIN: 23093263BGWPNF4339

Place: Gurugram  
Date: June 12, 2023

## Appendix 1

### Identified Sustainability Indicators

Sr. No.	Indicator	Criteria	Boundary for Assurance
1	GHG Emission Intensity (per tonne of crude steel)	WSA Sustainability Indicators	TSLP (Gamharia), TSN (Ijmuiden), TSUK (Port Talbot)
2	Direct (Scope 1) GHG emissions	As per GRI Standards*	TSN (Ijmuiden), TSUK (Port Talbot)
3	Energy Indirect (Scope 2) GHG emissions	As per GRI Standards*	TSN (Ijmuiden), TSUK (Port Talbot)
4	Other indirect (Scope 3) GHG emissions	WSA Sustainability Indicators	TSLP (Gamharia), TSN (Ijmuiden), TSUK (Port Talbot)
5	Specific Freshwater consumption (per tonne of crude steel)	Specific freshwater consumption = Total freshwater consumed/Total crude steel production  Water drawn from the sources and used for steel production purposes is considered as freshwater consumption.	TSN (Ijmuiden) #, TSUK (Port Talbot) #
6	Effluent discharge Volume	Total effluent discharge means: total effluent discharged to surface water and drains after treatment.	TSN (Ijmuiden) #, TSUK (Port Talbot) #
7	Effluent discharge intensity (per tonne of crude steel)	Effluent discharge intensity = Total effluent discharge/Total crude steel production	TSN (Ijmuiden) #, TSUK (Port Talbot) #
8	Stack NOX emission	Total NOX Emissions includes:  For TSN- NOX emission is calculated basis the gas concentration and total gas volume.  For TSUK- NOX emission is calculated basis the gas concentration, volumetric flow rate and operating hours.	TSN (Ijmuiden) #, TSUK (Port Talbot) #
9	Stack NOX emission intensity (per tonne of crude steel)	NOX emission intensity = Total NOX emissions /Total crude steel production	TSN (Ijmuiden) #, TSUK (Port Talbot) #



Sr. No.	Indicator	Criteria	Boundary for Assurance
10	Stack SOX emission	Total SOX Emissions includes:  For TSN- SOX emission is calculated basis the gas concentration and total gas volume.  For TSUK- SOX emission is calculated basis the gas concentration, volumetric flow rate and operating hours.	TSN (Ijmuiden) #, TSUK (Port Talbot) #
11	Stack SOX emission intensity (per tonne of crude steel)	SOX emission intensity = Total SOX emissions/Total crude steel production	TSN (Ijmuiden) #, TSUK (Port Talbot) #
12	Stack Dust emission	Total Dust Emissions includes:  For TSN- Dust emission is calculated basis the gas concentration and total gas volume.  For TSUK- Dust emission is calculated basis the gas concentration, volumetric flow rate and operating hours.	TSN (Ijmuiden) #, TSUK (Port Talbot) #
13	Stack Dust emission intensity (per tonne of crude steel)	Dust emission intensity = Total dust emissions/Total crude steel production	TSN (Ijmuiden) #, TSUK (Port Talbot) #
14	Solid waste utilization	Solid Waste Utilization=Percentage of total waste generated by total waste utilized in metric tons  Solid waste generated is that from the production process.	TSL (Jamshedpur, Kalinganagar, Meramandali), TSLP (Gamharia), TSN (Ijmuiden) #, TSUK (Port Talbot) #
15	Total energy consumption	WSA Sustainability Indicators	TSN (Ijmuiden), TSUK (Port Talbot)
16	Total energy consumed from renewable sources	Total energy consumption from renewable energy sources	TSL (Jamshedpur, Kalinganagar), TSL (Noamundi), TSLP (Jodha), TSN (Ijmuiden), TSUK (Shotton)
17	Energy intensity (per tonne of crude steel)	WSA Sustainability Indicators	TSN (Ijmuiden), TSUK (Port Talbot)
18	Employee Training	WSA Sustainability Indicators	TSL (Standalone), TSLP (Company level), TSUK (Company level), TSN (Ijmuiden)
19	Training per employee	WSA Sustainability Indicators	TSL (Standalone), TSLP (Company level), TSUK (Company level), TSN (Ijmuiden)



Sr. No.	Indicator	Criteria	Boundary for Assurance
20	Lives reached through CSR	Indicator gives the total number of beneficiaries reached through various projects undertaken by the TATA Steel Foundation (TSF) of TSL. This includes beneficiaries from COVID-19 and Non COVID-19 programs and is based on reports provided by TSF to TSL.	TSL (Standalone)
21	Number of Water Harvesting Structures	This includes all the water harvesting structures that were constructed in FY 2022-23 by TSF of TSL and is based on project reports submitted by TSF to TSL.	TSL (Standalone)
22	Number of employee volunteers for CSR Programmes	This includes the number of employees who volunteered for TSL's CSR activities. This includes COVID-19 and Non COVID-19 programs	TSL (Standalone)
23	Number of employee volunteering hours for CSR Programmes	This includes the number of employees hours volunteered for TSF's CSR activities. This includes COVID-19 and Non COVID-19 programs	TSL (Standalone)

Notes:

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

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

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

3. '#'- For these indicators, data has been presented for calendar year ended December 31, 2022 instead of financial year ended March 31, 2023

