

Price Waterhouse & Co Chartered Accountants LLP

Independent Practitioner's Reasonable Assurance Report on Identified Sustainability Information in Tata Steel Limited's Integrated Annual Report, which includes the Business Responsibility and Sustainability Report

To the Board of Directors of Tata Steel Limited

We have undertaken to perform a reasonable assurance engagement for Tata Steel Limited (the "Company" or "TSL") vide our Engagement Letter dated May 11, 2024 and subsequent addendum, in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the:

- (a) Business Responsibility and Sustainability Report ("BRSR") section in the Integrated Annual Report of the Company for the financial year ended March 31, 2024, (the "Integrated Annual Report") pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations"). The Reporting Boundary for BRSR is as disclosed under Question No. 13 of Section A of the BRSR, and any exceptions thereto are disclosed by way of a note under the respective questions in BRSR; and
- (b) the "ESG Factsheet" section in the Integrated Annual Report of the Company for the financial year ended March 31, 2024.

This engagement was conducted by a team comprising assurance practitioners and engineers/ environment experts.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024, is summarized in Appendix 1 to this report.

Our reasonable assurance engagement was with respect to the financial year ended March 31, 2024, information only and we have not performed any procedures with respect to prior periods or any other elements included in the Integrated Annual Report, which includes the BRSR, other than those listed as BRSR Core Key Performance Indicators ("KPIs") in Appendix 1 to this report and, therefore, do not express any opinion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information are as follows:

- (a) for the information summarised in Part A – "BRSR Core indicators" in Appendix 1 to this report, the criteria used is the "BRSR Core", which is a subset of the BRSR, consisting of a set of KPIs/ metrics under nine Environmental, Social and Governance ("ESG") attributes, as specified by SEBI vide Annexure I and Annexure II to the circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 (the "SEBI Circular").



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- (b) For the information summarised in Part B – “Other Indicators” in Appendix 1 to this report, the criteria used is the Global Reporting Initiative Standards, 2021 (“GRI Standards”), GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol), World Steel Association (“WSA”) Sustainability Indicators and internally defined criteria by the Management of the Company as set out under Appendix 1 to this report.

Management's Responsibilities

The Company's Management is responsible for determining the Reporting Boundary of the Integrated Annual Report including the BRSR, and for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circular, GRI Standards, GHG Protocol and WSA Sustainability Indicators related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report, which includes the BRSR, and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for overseeing the Company's compliance with the requirements of LODR Regulations and the SEBI Circular in relation to the BRSR Core, GRI Standards, GHG Protocol and WSA Sustainability Indicators in relation to the sustainability information in the Integrated Annual Report which includes the BRSR.

Inherent Limitations in Preparing the Identified Sustainability Information

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

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse & Co Chartered Accountants LLP (the “Firm”) applies Standard on Quality Control 1, “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements”, the International Standard on Quality Management (“ISQM”) 1 “Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements” and ISQM 2 “Engagement Quality reviews”, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.



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We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements ("SSAE") 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements ("SAE") 3410, "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements", both issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards").

These Standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

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

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

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Information.
- Made enquiries of Company's Management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) team, etc., and those with responsibility for managing Company's Integrated Annual Report and BRSR Core.
- 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 Information, including at the sites and corporate office visited. Further, for select Identified Sustainability Information, 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 above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing, and extent of further procedures.
- Checked the consolidation for various sites and corporate office under the Standalone reporting boundary (as mentioned in the Integrated Annual Report, which includes BRSR and in Appendix 1 to this report) for ensuring the completeness of data being reported.
- Performed substantive testing on a sample basis of the Identified Sustainability Information within the reporting boundary to check that data had been appropriately measured with underlying documents recorded, collated, and reported. This included assessing records and performing testing, including recalculation of sample data to establish an assurance trail.
- Assessed the level of adherence to BRSR Core, GRI Standards, GHG Protocol, WSA Sustainability Indicators and internally defined criteria by the Management, followed in preparing the Integrated Annual Report which includes the BRSR.
- Assessed the Integrated Annual Report, which includes BRSR, for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report, which includes BRSR, on performance with respect to Identified Sustainability Information and the relevant source data/information.
- Where applicable for the Identified Sustainability Information in the BRSR Core, we have relied on the information in the audited standalone financial statements of the Company for the year ended March 31, 2024 and the underlying trial balance.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information.
- Obtained representations from the Company's Management.



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Exclusions

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

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1 to this report.
- Aspects of the Integrated Annual Report, including the BRSR, and data/ information (qualitative or quantitative) included in the Integrated Annual Report, including the BRSR, other than the Identified Sustainability Information.
- Data and information outside the defined reporting period, i.e., the financial year ended March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

Opinion

Based on the procedures performed and the evidence obtained, the Company's Identified Sustainability Information summarised in Appendix 1 to this report and included in the Integrated Annual Report, which includes BRSR, for the financial year ended March 31, 2024, are prepared, in all material respects, in accordance with the Criteria.

Other Matter

The information included under prior year ended March 31, 2023 for BRSR Core is unaudited and is as furnished by the Management of the Company.

Restriction on Use

Our obligations in respect of this deliverable are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this deliverable, nor anything said or done in the course of or in connection with the services that are the subject of this deliverable, will extend any duty of care we may have in our capacity as auditors of the Company.

This deliverable has been issued at the request of the Board of Directors of the Company to whom it is addressed, solely to enable them to comply with the requirements of the Circular and LODR Regulations and on reporting Company's sustainability performance and activities, for publishing the same in the Company's Integrated Annual Report, which includes the BRSR. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any person to whom this deliverable is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009



Heman Sabharwal
Partner
Membership Number: 093263
UDIN: 24093263BKFG9169
Place: Gurugram
Date: June 20, 2024

Appendix 1

Identified Sustainability Information

A. BRSR Core Indicators (for Tata Steel Limited on a Standalone basis)

S. No.	Principle/ Indicator Reference	Attribute	Parameter
1.	Principle 6 – E7	Green-house gas (GHG) footprint	<ol style="list-style-type: none"> 1. Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) 2. Total Scope 2 emissions (Break-up of the GHG (CO₂e) into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) 3. GHG Emission Intensity (Scope 1 +2) <ol style="list-style-type: none"> a) Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP b) Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services
2.	Principle 6 – E3 Principle 6 – E4	Water footprint	<ol style="list-style-type: none"> 1. Total water consumption 2. Water consumption intensity <ol style="list-style-type: none"> a) Water Intensity per rupee of turnover adjusted for PPP b) Water Intensity in terms of physical output 3. Water Discharge by destination and levels of treatment
3.	Principle 6 – E1	Energy Footprint	<ol style="list-style-type: none"> 1. Total Energy Consumed 2. % of energy consumed from renewable sources 3. Energy intensity <ol style="list-style-type: none"> a) Energy Intensity per rupee of turnover adjusted for PPP b) Energy Intensity in terms of physical output



S. No.	Principle/ Indicator Reference	Attribute	Parameter
4.	Principle 6 – E9	Embracing circularity- details related to waste management by the entity	<ol style="list-style-type: none"> 1. - Plastic waste (A) - E-waste (B) - Bio-medical waste (C) - Construction and demolition waste (D) - Battery waste (E) - Radioactive waste (F) - Other Hazardous waste (G) - Other Non-hazardous waste generated (H) - Total waste generated ((A+ B + C + D + E + F + G + H) - Waste intensity <ol style="list-style-type: none"> a) Waste Intensity per rupee of turnover adjusted for PPP b) Waste Intensity in terms of physical output 2 For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations 3 For each category of waste generated, total waste disposed by nature of disposal method
5.	Principle 3 – E1 (c) Principle 3 – E11	Enhancing employee wellbeing and Safety	<ol style="list-style-type: none"> 1. Spending on measures towards well-being of employees and workers- cost incurred as a % of total revenue of the company 2. Details of safety related incidents for employees and workers (including contract-workforce) <ol style="list-style-type: none"> a) Number of Permanent Disabilities b) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) c) No. of fatalities
6.	Principle 5 – E3 (b) Principle 5 – E7	Enabling Gender Diversity in Business	<ol style="list-style-type: none"> 1. Gross wages paid to females as a % of wages paid 2. Complaints on POSH <ol style="list-style-type: none"> a) Total Complaints on Sexual Harassment (POSH) reported b) Complaints on POSH as a % of female employees / workers c) Complaints on POSH upheld



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S. No.	Principle/ Indicator Reference	Attribute	Parameter
7.	Principle 8 – E4 Principle 8 – E5	Enabling Inclusive Development	<ol style="list-style-type: none"> 1. Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers and from within India 2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
8.	Principle 9 – E7 Principle 1 – E8	Fairness in Engaging with Customers and Suppliers	<ol style="list-style-type: none"> 1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events 2. Number of days of accounts payable
9.	Principle 1 – E9	Open-ness of business	<ol style="list-style-type: none"> 1. Concentration of purchases & sales done with trading houses, dealers, and related parties <ol style="list-style-type: none"> a) Purchases from trading houses as % of total purchases b) Number of trading houses where purchases are made from c) Purchases from top 10 trading houses as % of total purchases from trading houses d) Sales to dealers / distributors as % of total sales e) Number of dealers / distributors to whom sales are made f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors 2. Loans and advances & investments with related parties Share of RPTs (as respective %age) in- <ol style="list-style-type: none"> a) Purchases b) Sales c) Loans & advances d) Investments



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B. Other Indicators

Sr. No.	Indicators	Criteria
1	GHG Emission Intensity (per tonne of crude steel)*	WSA Sustainability Indicators
2	Direct (Scope 1) GHG emissions*	GRI Standards, GHG Protocol
3	Indirect (Scope 2) GHG emissions*	GRI Standards, GHG Protocol
4	Other indirect (Scope 3) GHG emissions*	WSA Sustainability Indicators
5	Specific Freshwater consumption (per tonne of crude steel)*	Specific freshwater consumption = Total freshwater consumed/Total crude steel production. Total freshwater consumed = 'water withdrawn from freshwater sources' minus 'water sent to other companies & captive power plant' Water used for crude steel production purposes is considered as freshwater consumption.
6	Effluent discharge volume*	Total effluent discharge means: Total effluent discharged to surface water and drains after treatment
7	Effluent discharge intensity (per tonne of crude steel)*	Effluent discharge intensity = Effluent discharge volume /Total crude steel production
8	Loss Time Injury (LTI)#	WSA Sustainability Indicators
9	Loss Time Injury Frequency Rate (LTIFR)#	WSA Sustainability Indicators
10	Stack NOX emission*	Stack NOX Emissions includes: NOX Emissions from all the emissions stacks in plant. NOX emission is calculated basis the gas concentration, volumetric flow rate and operating hours.
11	Stack NOX emission intensity (per tonne of crude steel)*	Stack NOX emission intensity = Stack NOX emissions /Total crude steel production
12	Stack SOX emission*	Stack SOX Emissions includes: SOX Emissions from all the emissions stacks in plant. SOX emission is calculated basis the gas concentration, volumetric flow rate and operating hours.
13	Stack SOX emission intensity (per tonne of crude steel)*	SOX emission intensity = Stack SOX emissions/Total crude steel production



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Sr. No.	Indicators	Criteria
14	Stack Dust emission*	Stack Dust Emissions includes: Dust Emissions from all the emissions stacks in plant. Dust emission is calculated basis the gas concentration, volumetric flow rate and operating hours.
15	Stack Dust emission intensity (per tonne of crude steel)*	Stack emission intensity = Stack dust emissions/Total crude steel production
16	Total energy consumption*	WSA Sustainability Indicators
17	Energy intensity (per tonne of crude steel)*	WSA Sustainability Indicators
18	Total energy consumed from Renewable sources*	Total consumption from the renewable energy sources
19	Female employees in workforce#	The indicator gives percentage of women employees over the total workforce on rolls.
20	Diversity - % women / AA / PWD / LGBTQ in workforce#	Indicator gives the percentage of individuals who are Women/Affirmative Action/ Persons with Disabilities/ Lesbian, Gay, Bisexual, Transgender, Queer over the total workforce on rolls.
21	No of supply chain partners assessed on Responsible Supply Chain Policy#	This indicator indicates number of supply chain partners assessed on Responsible Supply Chain Policy (RSCP) of TSL in FY 2023-24. Supply chain partners refer to all the business associates of Tata Steel in its supply chain with whom the company interacts directly or indirectly for business or transactional dealings. Assessment is conducted on parameters such as fair business practices, human rights, health and safety and environmental protection as defined in the Company's Responsible Supply Chain Policy.
22	Direct (Scope 1) GHG emissions*	WSA Sustainability Indicators
23	Direct (Scope 2) GHG emissions*	WSA Sustainability Indicators

Notes:

“*” - denotes reporting boundary for Indicators is Steel Making Sites of Tata Steel Limited (Standalone) i.e. Jamshedpur, Gamharia, Kalinga Nagar and Meramandali

“#” - denotes reporting boundary for Indicators is Tata Steel Limited (Standalone)

