

TATA STEEL LIMITED – TAX STRATEGY

This document outlines the tax strategy of Tata Steel Limited and its subsidiaries, emphasising compliance, transparency, and collaboration in tax matters.

About Tata Steel

Tata Steel is a leading global steel manufacturer, serving diverse market segments including construction, automotive, industrial, engineering, and agriculture. Headquartered in Mumbai, India, the Company has manufacturing assets in India, the Netherlands, the UK, and Thailand.

Tax Objective

Tata Steel's tax strategy is based on the following tax objective:

- a) **Comply with the Law**
Commit to timely payment of appropriate taxes and adherence to tax laws in all operating countries, supported by strong internal tax controls.
- b) **Be Transparent**
Enforce accountability by proactively and voluntarily disclosing critical aspects of tax policies and strategies, ensuring transparent tax systems.
- c) **Be Collaborative**
Maintain collaborative relationships with tax authorities, industry associations, shareholders, vendors, and employees, communicating and advocating on relevant tax policies and contributions to government.

Tata Steel maintains a consistent tax strategy across all its group companies.

Tax Governance Approach

We are committed to managing our tax matters with integrity, transparency, and accountability, consistent with our foundational principle of responsible business conduct. We aim to comply fully with the letter and spirit of the tax laws and regulations in the countries in which the Company operates, ensuring that the right amount of tax is paid at the right time.

We do not engage in, nor do we support any form of tax evasion. Our tax strategy is governed by both stringent compliance requirements and an unwavering commitment to upholding our reputation and Tata Steel's values.

Our tax implementation is taken by integrating tax teams closely with business units to understand operational models, value drivers, and associated risks. Tax decisions are escalated through a defined hierarchy, involving qualified tax professionals, experienced departmental personnel, and senior management. External subject matter experts are consulted when necessary for the interpretation and timely resolution of subjective tax law and opinions. We promote group-wide information exchange and best practices to ensure uniformity. Internal financial controls, embedded within business processes, are regularly assessed, with business heads accountable for compliance.

On a global scale, we are committed to integrity in all our business activities as well as in our relationships with stakeholders. All transactions between related parties are conducted on an arm's length basis in accordance with the Organisation for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines and local regulations.

We publish our tax strategy in all jurisdictions where it is legally required. Tax considerations are embedded in our commercial decision-making processes.

Enterprise Risk Management Framework (ERM) and Practices

The Company employs an ERM due diligence framework for the proactive identification and management of business risks, including tax-related risks associated with significant transactions. This framework integrates industry best practices and international standards (including Committee of Sponsoring Organisation of the Treadway Commission, COSO, and ISO 31000:2018).

The Risk Management Committee ('RMC') of the Tata Steel Board provides oversight and sets the context for implementation of the ERM process across the organisation. The RMC reviews the status of key risks, including tax-related risks and any exceptions flagged to it, on a quarterly basis.

To drive the ERM implementation, the Apex Risk Committee ('ARC') reviews the ERM business plan, engages on the macroeconomic environment and deliberates on risks, including tax-related risks, on a quarterly basis.

A dedicated tax management team continuously monitors changes in tax legislation, institutes effective controls, seeks professional advice for complex tax matters, and analyses industry trends.

Diligent professional care and judgement are applied to assess and mitigate our tax risks through robust internal controls, effective legal structures and enabling technologies. We seek to minimise risk in relation to tax matters through processes and controls such as tax risk assessments and self-assessment on a periodic basis.

Engagement with Tax Authorities

In engaging with tax authorities, we strive for transparent dialogue to resolve matters. Tata Steel aims to obtain advance agreements or clearances, wherever possible so that litigation would only be considered as a last resort.

Review and Amendment

This tax strategy undergoes annual review by the Tata Steel management to align with internal transformations and external regulatory changes.

