

TATA STEEL



Tata Steel Nederland B.V.

**ANNUAL REPORT
2025/2026**



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06

Message from the CEO

Steel remains vital for Europe’s infrastructure, energy and security. With the Green Steel Project, we are aiming to secure the future of steel production in the Netherlands while transforming it to become cleaner, greener and more circular — ensuring sustainable steel for Europe for decades to come.

Hans van den Berg CEO Tata Steel Nederland

SCALE

30

Through our SCALE transformation programme, we are reshaping our organisation together with our stakeholders. We work closely with employees, customers, suppliers, governments and the communities around us to build a performance-driven, future-proof and sustainable steel company.

Green Steel Project

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By replacing coal-based production with Direct Reduced Iron, electric arc furnaces, biomethane and natural gas and more steel recycling, we are aiming to fundamentally change how we make steel. Together with Carbon Capture and Storage, this will significantly reduce emissions and put us on a clear path to net zero steelmaking by 2045. Through innovation and collaboration, we are building a cleaner and more sustainable future for steel.

Stakeholder engagement

44

Stakeholder dialogue is key for Tata Steel Nederland. TSN is committed to an active dialogue with its stakeholders. We listen to their concerns and try to address these in order to gain support for our plans to improve our operations and to raise our ambitions even further.



ABOUT THIS REPORT

This Annual Report and Accounts provides an overview of the financial and sustainability performance of Tata Steel Nederland B.V. (also referred to as Tata Steel Nederland and TSN) and its subsidiary companies during the financial year 2026, running from 1 April 2025 to 31 March 2026. Events from before or after this reporting period are also included when necessary or important to fully understand TSN's activities.

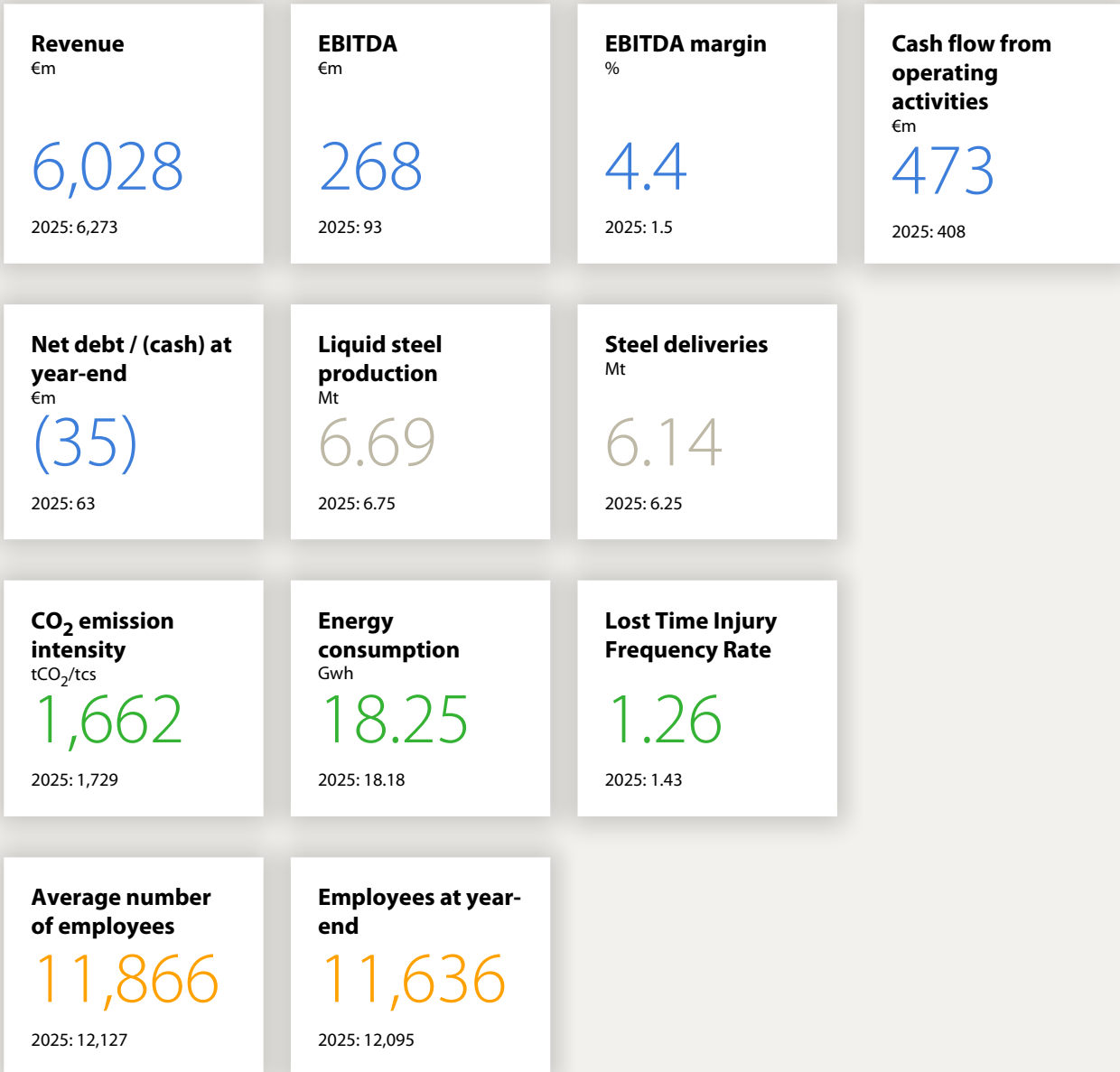
Sustainability reporting

To prepare for future compliance with the Corporate Sustainability Reporting Directive (CSRD), Tata Steel Nederland has prepared its Sustainability Statements for the financial year 2025 – 2026 on a voluntary basis, with reference to the current European Union (EU) European Sustainability Reporting Standards (ESRS). These Sustainability Statements do not constitute full CSRD-compliant reporting and reflect transitional provisions and areas where data, scope or methodologies continue to develop. Mandatory CSRD reporting is expected to apply for TSN in subsequent reporting periods. The external auditor has audited the financial statements; however, the external auditor has not been requested to provide assurance on these Sustainability Statements and, accordingly, does not provide any assurance thereon.

Assurance and presentation

The external auditor, PricewaterhouseCoopers Accountants N.V., has audited the financial statements for 2025 – 2026 and issued an unqualified auditor's report, which includes a paragraph drawing attention to a material uncertainty related to going concern, as disclosed in the Basis of preparation. The members of TSN's Board of Management and Supervisory Board, after discussion with the external auditor, have approved these financial statements.

KEY FIGURES





“In the last year TSN has started to fundamentally change the way it operates to be ready for the Green Steel Project.”

Hans van den Berg CEO Tata Steel Nederland

Message from the CEO

THE CROSSROADS

2026 will be a defining year for Tata Steel Nederland. A year in which we plan to take decisive steps and shape a shared future. For the 30,000 people in the Tata Steel ecosystem in the IJmond region, for the Netherlands, and for Europe. This year, we aim to sign the Tailor-Made Agreement with the Dutch government that will allow us to embark on the next steps of the Green Steel Project: the best route to safeguarding sustainable steel production in the Netherlands. A transformation that we are already working hard on to achieve.

In the past year, market conditions have been challenging for our steel production, with high tariffs on our exports to the US, a high volume of imports into the EU out of Asia, relatively high energy prices and consequently low margins. Despite, or maybe because of this, steel is higher on the (geo)political agenda than ever. As a strategic product, it forms the backbone of infrastructure, energy systems, technology, the European industrial heartland and national security. In a world where international dynamics are shifting rapidly and markets are distorted, Europe's strategic autonomy and security are essential. With the Green Steel Project, high-quality, cleaner and reliable European steel will continue to be produced in the Netherlands.

The early 2026 coalition agreement of the Dutch government underscores the importance of strategic autonomy, in addition to measures addressing energy costs, CO₂ pricing and grid congestion. Europe is also acting decisively: the Carbon Border Adjustment Mechanism, tightened steel quotas, and Made-in/with-Europe policies are restoring the level playing field and market conditions needed for Tata Steel Nederland to thrive.

Against this backdrop, the Dutch government, the Dutch TSN Board, the Province of Noord Holland and our parent company Tata Steel Limited have joined forces and underwrote the Green Steel Project through a joint letter of intent which is intended to lead up to the Tailor-Made Agreement.

With a clear goal: to keep steel production in the Netherlands while fundamentally transforming it.

Cleaner, greener and more circular. Steel that remains available to Dutch and European people and industries in the decades ahead. It is a project that prioritises health improving measures, significantly reducing emissions and optimising the operational process.

This multi-billion euro transformation is strategically critical. Thousands of people are working every day to make it happen and to reduce our environmental footprint. Their determination is clear: this project must succeed. Thankfully, we see broad support for the Green Steel Project from regional communities, national politicians and the European Commission. In 2026, a final confirmation in the form of the Tailor-Made Agreement must secure this joint effort. And with it, the future of tens of thousands of people.

To capitalise on the changing market conditions and deliver the Green Steel Project, TSN is building a new organisation, in fact also transforming it. With a sharper product-market focus, an improved product mix, and higher delivery reliability, we are improving competitiveness. Our ambition is clear: to be among the top three most profitable steel companies in Europe.

But our transformation is about more than technology and products. It is also about a new way of working and a culture of ownership.

With our restructuring programme SCALE – our focus on Sustainability, Cost-efficiency, Agility, Leadership and Execution – we are creating an organisation that moves faster, collaborates better, and delivers the results needed, also for the communities near our factories.

In the coming years, and as part of the Green Steel Project, we will continue our efforts to make the site cleaner and greener.

While we are committed to a sustainable future, we have to deal with reality of today. Not everybody is supportive for continued steel production in this region, in the Netherlands. Some choose legal routes. And the regulators fulfil their roles with increasing demands. Also here, we strongly believe, our Green Steel Project in essence is the answer. The closure of our Cokes and Gas plants has been in the news recently. It has always been part of our Green Steel Project, but we are exploring the possibility of closing our coke and gas plants (CGP 1 and 2) sooner than previously anticipated. The technical and logistical complexity of such a step is significant, particularly given the need to responsibly safeguard environmental and safety considerations and the continuity of our operations. In assessing the possibilities for an early closure, we therefore take into account the interest of all stakeholders involved, and especially also the interests of our own employees.

“TSN is building a new organisation. With a sharper product-market focus, an improved product mix, and higher delivery reliability, we are improving competitiveness.”

In view of the uncertainty on closure timelines, TSN's financial statements are prepared with a material uncertainty regarding our continuity, as extensively disclosed in our financial statements. Concurrently, as we also acknowledge that a steel plant will inherently always have emissions, we are stepping up our engagement with local communities.

In 2025, we also started building a new Risk & Compliance team to further strengthen our processes; we renewed our HSE organisation to enable the highest focus on measurement quality, monitoring systems and reduction of emissions; and we enhanced how we manage environmental challenges, including substances of very high concern and steel slag, with strong governance, consistent methodologies and improvement programmes. TSN's blast furnace–basic oxygen route ranks among the more energy efficient globally, with low coal use and CO₂ emissions per ton. Bolstered by these results, we are accelerating this effort, continuing investments, with clear and ambitious goals to further reduce emissions. Responsible transformation of our production processes is the only way forward. It is an integral part of the Green Steel Project.

At the same time, as the Board of Management of TSN, we fully recognise that the ongoing restructuring of our organisation as part of this transformation will have a significant impact on our employees.

The necessary transformation to a new organisation that is more effective, functional, centralised and with fewer management layers, asks a lot from our colleagues.

Some will be matched on different or new positions in the company, others may have to leave, and we understand the worries of employees and their families. Throughout 2026, we will therefore continue to work closely with our employees and their representation to navigate this path together.

Our community and people – steelmakers, technicians, specialists, operators, planners, innovators – form the heart of our success. Their commitment, pride and perseverance make the transformation to more sustainable steelmaking possible. For that, they deserve a warm ‘thank you’. Together, we will make the Green Steel Project a historic success.

I would also like to thank our customers, partners, local communities and government stakeholders for their continued trust and collaboration.

Together, we are building a cleaner, stronger and reinvigorated steel industry in the Netherlands. 2026 will be the year in which we aim to secure that future. The defining year.

Hans van den Berg

Chief Executive Officer and Chair of the Board of Management

Tata Steel Nederland



ABOUT TSN

“Hard-to-abate industries are suffering not only from high energy prices, but also from lack of public support to reach decarbonisation targets and investment in sustainable fuels. Despite the massive investment needs facing Energy Intensive Industries, there should be more public support for the transition in Europe. (...) Raising the EU’s competitiveness is necessary to reignite productivity and sustain growth in this changing world. Added to that a modern competitiveness agenda must also encompass security. Security is a precondition for sustainable growth.”

Mario Draghi, The future of European competitiveness (2024)

Domestic steel production – a necessity for a strong Europe

“Strategically crucial sectors must be kept competitive through European demand coordination, protection against dumping, and the expansion and strengthening of the Carbon Border Adjustment Mechanism (CBAM), complemented by coordinated support for sustainability initiatives. Such support is essential to enable long-term investments in the Netherlands. At present, industry and energy suppliers often face a ‘chicken-and-egg’ dilemma: industries hesitate to commit without certainty about their energy supply, while energy suppliers are reluctant to invest without guaranteed customers. As a result, innovation in blue and green hydrogen remains limited. (...) To maintain industrial competitiveness while encouraging sustainable transformation, the government must play a facilitating role that provides clarity and certainty for both industry and energy suppliers.”

The Wennink Report, A strong Netherlands in a relevant Europe

Profile

RELIABLE PRODUCER OF HIGH-QUALITY STEEL

Tata Steel Nederland (TSN) is one of the major steel producers in mainland Europe, with approximately 12,000 employees and an annual output of around 7 million tonnes. We make and supply high-quality steel and steel products to customers, most of whom are located in Europe, with some in the USA. The majority of these customers are in the construction, automotive, packaging and mechanical engineering industries, but we also serve customers in industries that are key to the energy transition, providing steel solutions for solar panels and wind turbines for instance.



TSN is located in IJmuiden, the Netherlands, and is a wholly-owned subsidiary of Tata Steel Netherlands Holdings BV, a private limited company based in the Netherlands. Tata Steel Netherlands Holdings BV is owned by Tata Steel Europe Limited, a private limited company based in the United Kingdom (UK). The ultimate parent company is Tata Steel Limited (TSL), an India-based public limited company with shares listed on BSE Limited (formerly known as Bombay Stock Exchange Limited) in Mumbai and the National Stock Exchange of India, and with global certificates listed on the London and Luxembourg stock exchanges. TSL is part of the Tata Group.

TSN consists of Tata Steel IJmuiden B.V. (also referred to as Tata Steel IJmuiden and TSIJ), an integrated steel plant at a unique location in IJmuiden (the Netherlands), and Tata Steel Downstream (also referred to as TSDE), which is formed by a group of steel processing companies in mainland Europe (the Netherlands, Belgium, Germany, France, Sweden, Finland, Switzerland and Spain) and the USA.

Tata Steel IJmuiden

Tata Steel IJmuiden is our main site, containing TSN's integrated steel operation in the IJmond region of the Netherlands. It produces many varieties of high-quality hot and cold rolled steel and coated steel. TSIJ employs more than three-quarters of TSN's total workforce.

These operations are located on the largest continuous industrial estate in the Netherlands, which is part of the municipalities of Heemskerk, Beverwijk and Velsen. Strategically positioned on the coast, TSIJ receives most of its raw materials via its deep-sea port. The products we make in the IJmond region reach the market either directly from our location in IJmuiden or indirectly via processing locations and a network of distribution hubs, via rail, road and water.

Located in the IJmond region, the IJmuiden site operates in close proximity to local communities, infrastructure and natural environments. As an integrated steel plant with historically grown installations, the site operates within a clearly defined regulatory framework governing environmental performance, safety and compliance. This requires disciplined and consistent execution, as well as continuous management attention to ensure that applicable standards and obligations are met and that the impact of our activities on the surrounding area is properly controlled.

Tata Steel Downstream

The main site is complemented by the 20 sites of Tata Steel Downstream, where steel made at the IJmuiden site is processed further, preparing it for high-quality applications in specific market segments. TSDE is divided into five business units: Building Systems, Colors, Distribution, Plating and Tubes.

Colors

The Colors business unit manufactures pre-painted coils in a wide variety of finishes. These coils can be used for further manufacturing into construction products such as roof and wall cladding. The products are designed with corrosion protection and UV resistance along with aesthetic appearance for external application.

Manufactured goods involve applications such as garage doors, cold storage, lighting, domestic appliances, door frames, HVAC systems, trailers and horticulture (greenhouse) applications.

Building Systems

Building Systems profiles and transforms coated steel into building products, such as profiles and panels, mainly for roof and wall cladding in the agricultural, housing and construction markets. Products made by our Building Systems business unit can be found in all types of building components: from roofs to facades to draining systems.

Distribution

The Distribution business unit is a key route to market for all sectors we serve, including automotive, yellow goods, construction and mechanical engineering customers. The Distribution business unit processes steel from Tata Steel IJmuiden and other suppliers using methods such as decoiling (unwinding and cutting coils of steel to length), blanking (pressing plates) and slitting (cutting steel into lengths).

Plating

Plating applies specialised coatings to steel for specific applications, such as nickel plating for batteries, as well as automotive and other industrial uses. In Germany and the US, steel is processed in cold rolling mills and annealing plants for use in many different products, such as batteries or brake and fuel lines.

Tubes

The Tubes business unit produces structural, precision and galvanised steel tubes. Our structural tubes are available in different steel grades up to high strength qualities, enabling strong and lightweight constructions. With our precision tubes supplied to EN 10305-3, we serve a variety of demanding applications, from engineering components, roller conveyance, furniture and heating systems to automotive components. Typical applications for our galvanised tubes are central heating systems, industrial packaging, automotive parts, greenhouse construction, recreational equipment and household appliances.

TSN offers a wide range of strip steel products, solutions and associated services. Our main product categories are hot rolled, direct rolled and cold rolled steel, metallic coated, organic coated and packaging steel, electro-plated steel, building products, welded tubes and semis.

Production sites Tata Steel Nederland



Employees Tata Steel Nederland

Reporting year 2025-2026 (end of)

	Total
Netherlands	9,679
Germany	629
France	514
USA	230
Belgium	188
Spain	139
Switzerland	121
Sweden	68
Other	68
Total	11,636

Total no. of employees
Tata Steel Nederland

11,636

Business Units

- Tata Steel IJmuiden
- Building Systems
- Tubes
- Colors
- Distribution
- Plating

Who we are

FUTURE-ORIENTED STEEL MANUFACTURER

For more than a century, Tata Steel Nederland has been a central part of the industrial fabric of the IJmond region and a reliable steel producer in the Netherlands and Europe. Steel remains a strategic material that is essential for economic development, infrastructure and Europe’s energy transition. This makes us not just a steel producer, but a vital link in the European supply chain. Building on this role, TSN is working towards a future in which high-quality steel production is combined with substantially lower environmental impact and responsible operations.

Producing steel at industrial scale in close proximity to our surroundings comes with responsibilities that go beyond economic contribution alone. As an integrated steel producer, TSN operates within clearly defined legal, regulatory and societal boundaries. This requires that we act responsibly, transparently and demonstrably in control of our operations.

Looking forward, TSN aims to continue producing steel in a way that is reliable, competitive and increasingly clean and sustainable. We are preparing significant steps to fundamentally transform how we operate. This includes investing in cleaner steelmaking routes and reducing emissions, while taking ownership of the impact of our activities, operating in line with applicable laws, regulations and permits, and continuously improving performance where standards are not yet met.

Responsible steel production is therefore not an abstract ambition, but a necessary condition for maintaining trust and long-term legitimacy.

At the same time, we recognise the importance of TSN as a value engine in the economic ecosystem of the IJmond region. Thousands of people live and work in and around our company, directly and indirectly. Together with our employees, customers and other stakeholders, we are committed to shaping a future in which steel production continues to play a meaningful role for our region and for society as a whole. Innovation and close collaboration with customers are key to developing high-quality, future-oriented steel solutions that support the transition to a more sustainable economy.

These principles form the basis for our purpose, mission and vision, and guide the choices we make as we work towards a more sustainable, resilient and future-proof Tata Steel Nederland.

Reliable producer of high-quality steel in the heart of Europe

Purpose
Why we are here

Mission
The route we follow

Vision
What we will find at the end of our journey

Purpose

Why we are here

With our sustainable steel, we improve the way people around the world work, live and move.

Mission

The route we follow

We create value as a cleaner, greener and circular steel company, being a good employer and engaging with all our stakeholders.

Vision

What we will find at the end of our journey

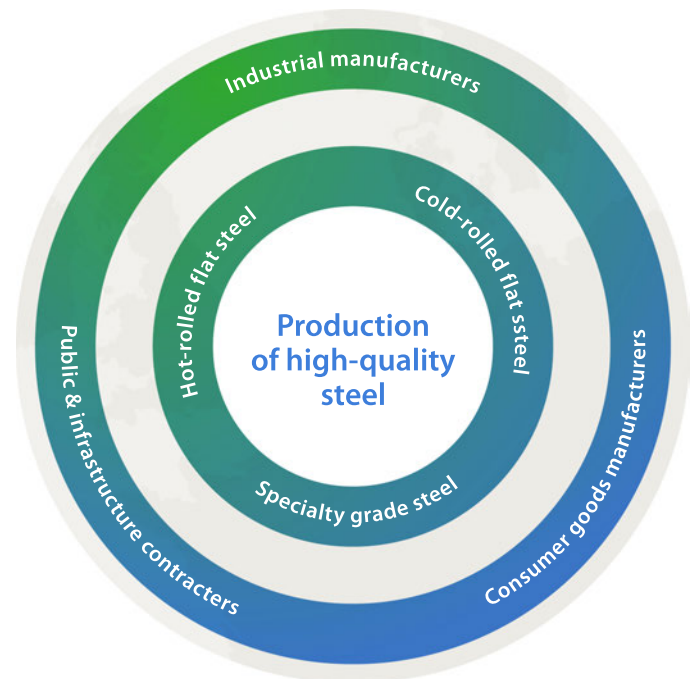
A cleaner, green and circular steel company.

Business model

TSN operates an integrated steelmaking business model focused on the production of high-quality flat steel products, including hot-rolled steel, cold-rolled steel and a range of specialty grades essential to industrial and consumer applications in engineering, automotive, packaging and construction.

While steel is produced in IJmuiden, it is further processed at our various sites in Europe for high-quality applications. We serve customers in industry, consumer goods, the public sector and infrastructure. We also produce coated steel for the agricultural sector, manufacture precision tubes and structural hollow sections, and process steel for use in batteries and cars or for innovative products in roof and wall cladding. With services including decoiling, blanking and slitting, we serve various customer groups.

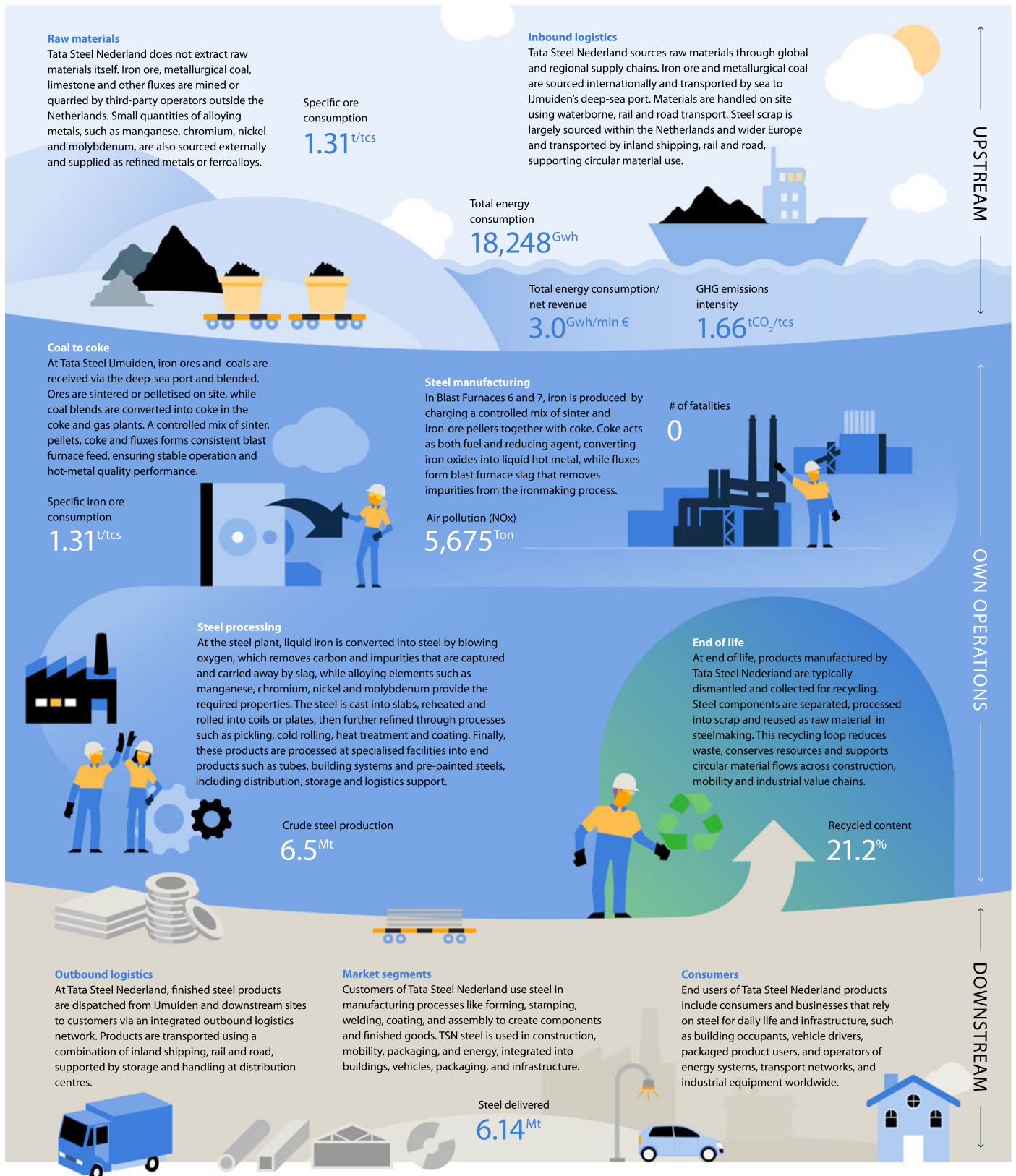
TSN commits to embedding circular economy principles into every stage of its operations. Our by-products (blast furnace slag and steel slag) are also marketed. When properly treated and contained, the reuse and recycling of blast furnace slag and steel slag contribute to decarbonisation and circularity in other sectors by replacing CO₂-intensive raw materials.

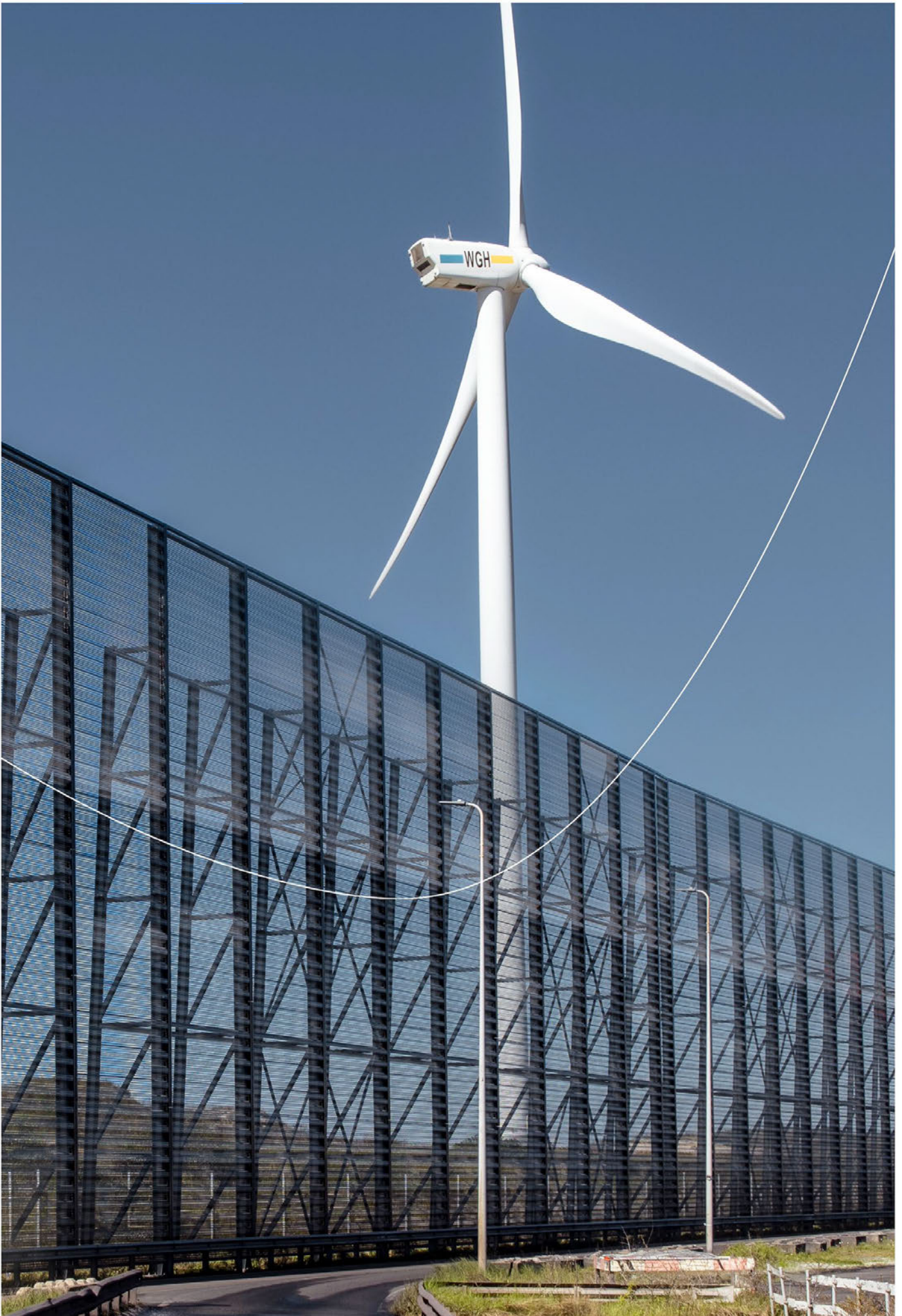


“TSN operates an integrated steelmaking business model focused on the production of high-quality flat steel products.”

Our value chain

Tata Steel Nederland operates an integrated steel value chain, converting raw materials such as iron ore and coal into high-quality steel. The chain covers production, specialised processing and distribution to end users.







Interview with Dennis Gunneweg, Bobach

GROWING TOGETHER

Every day, a team of up to 120 Bobach builders and engineers are ready to help out in keeping the crucial mills and piping systems on TSN's sites in top condition. There's a strong bond between Bobach and TSN, and the two companies go back a long way. Dennis Gunneweg, Managing Director at Bobach, explains how innovation and green thinking are paving the way forward in this special collaboration.

How did the relationship with TSN start?

"Our relationship started more than forty years ago, when we were asked to deliver hydraulics components to TSN, which then also needed installing and maintenance. In 1986, Bobach opened its first location on the TSN site in IJmuiden, and ever since we have quite literally 'grown together'. Our services now also include maintenance services and repair of machinery and installations. In particular, we specialise in the installation and maintenance of the hot strip mills, as well as the larger piping projects. Because of our in-depth knowledge and longstanding expertise, we are one of the front runners in our sector, and we enjoy thinking along with TSN to find innovate tailor-made solutions to complex challenges."

How does Bobach support TSN in its transformation to becoming a cleaner and greener steelmaker?

"The transition to green steel is going to be a huge challenge, and to take the necessary steps in this transformation, we need innovation more than ever. What matters to us most is that TSN is a customer who understands the added value of investing in innovation for the long term. They give us freedom to develop new ideas and they encourage us to look for alternative, more sustainable options and solutions. Our mutual focus on innovation and sustainability makes our collaboration even stronger."

"TSN is a customer who understands the added value of investing in sustainability and innovation for the long term. This makes our collaboration even stronger."

Can you give an example of green solutions you're working on?

"One of the innovations we're currently bringing into practice is that we bend piping rather than weld it, which saves a lot of energy. Another important project has been TSN's new Electrolytic Tinning Line, also known as the EV11. This production line, which focuses on tinning steel for packaging, has recently undergone major modifications to make production more sustainable. Bobach delivered and installed all the piping for this new line."

What makes your relationship with TSN special?

"First of all, we're very proud to be TSN's no. 1 piping supplier. We feel that our expertise is valued, which enables us to invest in our own future as well as that of TSN. In fact, our relationship extends beyond just the work we do. Our people live in the area and often have family members and friends who work at TSN. Everyone feels involved and we all aim for the best for both our companies and our neighbourhood. And what makes it really special is that we keep 'growing' together, in the widest sense of the word."

THE WORLD AROUND US

The world around us is changing fast, and both global and local trends and developments are driving our strategic choices for the near and more distant future. TSN identifies six key trends that affect our business and licence to operate, both positively and negatively.



Stagnation of industrial activity in the EU

Steel-using sectors in the EU are experiencing stagnating output, driven by persistently high energy costs, subdued investment levels and intensifying global competition. Higher-value segments, including automotive, face increasing competitive pressure, particularly from China. This environment is constraining demand growth for steel in the EU and placing sustained pressure on the profitability of European steel producers.

Increasingly stringent environment legislation

Legislation and regulation regarding CO₂ emissions in the EU are becoming increasingly ambitious and comprehensive compared to other regions. This is reflected in measures such as carbon pricing, emissions reduction targets and reporting requirements, which continue to evolve and tighten over time. For the steel industry, this creates both challenges in terms of cost and competitiveness, as well as a clear direction towards lower-emission production. For TSN, this means maintaining a strong focus on reducing emissions, strengthening compliance and improving overall environmental performance.

Rising expectations on health and living environment

Expectations regarding health, safety and the impact of industrial activities on the living environment are increasing, both from regulators and from society more broadly. In addition to formal requirements, there is a growing emphasis on transparency, reliability and the management of environmental and health-related impacts on surrounding communities. For TSN, this translates into a continued focus on improving the safety and wellbeing of our workforce, as well as reducing the impact of our operations on the local environment.

Growing geopolitical tensions

Geopolitical tensions are growing among the US, China, Russia and the EU, as each seeks to strengthen its influence within their respective spheres. This leads to high levels of economic policy uncertainty, impacting the investment climate and exports of goods from the EU to the rest of the world. As a result, TSN risks losing sales to the US and other non-EU markets, while there is also an opportunity to increase EU sales as customers source more locally.

In addition, the threat of war is resulting in significant increases in EU defence spend. This latest trend provides an opportunity to supply the EU defence sector, adding an important new growth segment.

Circularity and scarcity of materials

Circularity is increasingly seen as part of the solution in reducing environmental footprint and counteracting scarcity of raw materials. Steel is a permanent material that can be repeatedly reused and recycled without loss of quality, making it well suited to a circular economy. Increased recovery of steel has the potential to materially reduce industry emissions by lowering the need for primary steelmaking.

In Europe, manufacturers are also showing a growing interest in using recycled steel for their products. To capitalise on this trend, TSN aims to increase the usage of scrap from 17% now to 30% from the completion of phase 1 of the Green Steel Project onwards.

AI boom

Artificial Intelligence (AI) is developing fast in the US and China, while the EU follows. In a traditional industry such as steel, AI presents opportunities both in supplying steel for data centres and in transforming operations. For TSN, this means we need to embed digital and AI into our processes and operations, with a clear focus on cost-effective innovation.



WHERE ARE
WE NOW

A TURNING POINT

Building on the developments described in the previous chapter, it is clear that steel remains a strategic material, essential to the economic development and strategic autonomy of Europe and the Netherlands. At the same time, these developments also show that the way steel is produced today must change in order to align with environmental ambitions and significantly reduce its impact on the climate and the living environment. For Tata Steel Nederland, this creates a clear imperative: continuing operations without fundamental change is no longer sufficient to ensure long-term continuity. Against this backdrop, TSN is at a turning point.

To remain fit for the future, we must significantly reduce our emissions and fundamentally change the way we produce steel, including transitioning towards cleaner production routes and reducing our environmental footprint and impact on the living environment. At the same time, we will need to improve and strengthen the way we manage our operations, ensuring that performance, compliance and control are consistently in place. Over recent years, we have experienced growing challenges in meeting expectations in these areas. We recognise that our performance has not been consistent, and incidents, regulatory interventions and intensified oversight have made it clear that change is needed.

At this turning point, we have made a deliberate choice to fundamentally improve how we operate and how we produce steel. It requires more than incremental optimisation. Structural change is needed: both in accelerating the transition towards cleaner, greener steelmaking and in strengthening control, discipline in execution and a consistent focus on compliance, reliability and performance.

That steel is a strategic material that is crucial for the strategic autonomy of Europe, and therefore the Netherlands, has been increasingly recognised by policy makers, resulting in an unusually strong and coordinated EU-level effort to protect the steel industry and initiate strategic steel plans for the EU. In the Netherlands, on several occasions over the past year, the Dutch Parliament also emphasised the strategic importance of Tata Steel IJmuiden as a steel production site and the importance of devising a solution to ensure its long-term sustainability. However, it is also recognised that the way we make steel now no longer fits in with environmental and societal ambitions.

For TSN, this means addressing both dimensions simultaneously: maintaining our role as a reliable producer of high-quality steel, while fundamentally transforming how we operate to significantly reduce emissions and our impact on the living environment. The Green Steel Project is central to this transition. This ambitious programme, which

requires significant upfront capital investments, sets out the roadmap towards clean, Direct Reduced Iron (DRI)-based, low-carbon steelmaking. To support the delivery of this transformation, TSN has launched its transformation programme SCALE, which focuses on strengthening performance, governance and execution across the organisation. More information on SCALE is provided in the [Strategy](#) chapter.

On 28 May 2024, the House of Representatives authorised the Minister of Climate and Green Growth to commence negotiations with TSN and TSL regarding the provision of financial and other forms of support. These negotiations resulted in TSN, TSL, the Dutch State and the Province of North Holland agreeing to a Joint Letter of Intent in September 2025, with the non-binding aim of coming to a formal binding Tailor-Made Agreement no later than 30 September 2026.

“This moment defines the direction in which TSN is moving. Delivering on our transformation will be essential to restore trust, meet our obligations and secure TSN’s long-term future as a responsible and competitive steel producer.”

JOINT LETTER OF INTENT

The Joint Letter of Intent (JLoI) details the terms of the final Tailor-Made Agreement (TMA) which is intended to be signed in 2026. The primary aim of the JLoI is for the Parties to lay down the intention and reasonable effort obligation (*inspanningsverplichting*) to come to a TMA.

The TMA in its turn is intended to include firm obligations (*resultaatsverplichtingen*) for TSN to:

- materially reduce Scope 1 CO₂-emissions and set a pathway to climate neutrality by 2045 (see the [Green Steel](#) chapter for further details); and
- accelerate material reduction of various substances, as well as peak/tonal noise and odour (see the [License to Operate](#) chapter for further details).

To achieve its environmental objectives, TSN expresses its intent to execute the projects that belong to Phase 1 of the Green Steel Project. This includes an annual CO₂ reduction of at least 5.4 million tonnes by transitioning to natural gas, with further gains in CO₂ possible by applying Carbon Capture and Storage (CCS) and replacing natural gas with biomethane and/or hydrogen.

TSN will also take additional measures to improve local environmental performance and to address possible health risks for local residents. These measures include a reduction in dust and NO_x emissions, as well as reductions in the emissions of substances of very high concern, alongside mitigation of key community concerns such as dust, noise and odour.

To embed this focus in the organisation, it has also been agreed in the JLoI that TSN will further strengthen its culture and operation in relation to compliance. In response, and as part of the fundamental transformation, TSN is undertaking to increase transparency and strengthen its performance culture.

In the JLoI, TSN reaffirms its intention to continue to support TSN in its ambition to be among Europe's most competitive and leading steel producers, as well as an employer of choice. TSN also confirms its willingness and ability to cooperate reasonably with TSN and fully encourages TSN to meet its obligations under the JLoI related to the transition.

In return, the State has expressed its intention to use reasonable efforts to provide a one-off subsidy with a maximum of €2,000 million subject to approval from the European Commission and parliament.

The JLoI contains certain conditions for the benefit of TSN that need to be fulfilled to come to the TMA. In short, these are that national policy changes related to the CO₂ levy, network tariffs, and steel-slag regulation should not result in significant additional costs or other materially adverse impacts on TSN's business, projects, operations, or financial position.

The JLoI also contains safeguards for the Dutch State in relation to the period leading up to the Tailor-Made Agreement, including parliamentary support, European Commission approval of envisaged State aid, continued policy compatibility and satisfactory progress by TSN on environmental and health-related governance and compliance. These safeguards are reflected through termination rights, consistent with the non-binding character of the JLoI prior to final agreement.

Following the Dutch elections in October 2025, a new government coalition was formed, which published its coalition agreement in January 2026. The agreement includes proposals aimed at strengthening industrial competitiveness, such as lowering electricity costs for industry and abolishing the Dutch national CO₂ levy.

Following a plenary debate in the Dutch Parliament on 7 April 2026 regarding the Joint Letter of Intent with Tata Steel, the subsequent voting outcome was interpreted by TSN as a constructive signal to continue work towards a definitive agreement, subject to the conditions and safeguards included in the JLoI. It is expected to become clear later this year whether the parties to the JLoI are able to reach agreement on a Tailor-Made Agreement. If no agreement is reached, TSN will have to reassess its options.

After the signing of the JLoI, the commitments set out in the JLoI were integrated into TSN's broader SCALE transformation programme (see [Strategy](#)). The JLoI provides a clear deadline and set of conditions under which the larger transformation of TSN can proceed. This ensures complete alignment with the Green Steel Project and the company's long-term strategic transformation. Delivering on these commitments is of the highest priority to TSN.

“The JLoI provides a clear deadline and set of conditions under which the larger transformation of TSN can proceed. This ensures complete alignment with the Green Steel Project.”





Interview with Koen Overtoom, Port of Energy

TOGETHER FOR CLEAN INDUSTRY

The North Sea Canal area, which includes the IJmond region, is home to numerous industries forming a major economic ecosystem stretching from IJmuiden to Amsterdam. All these industries are currently facing the same urgent question of how to make their businesses cleaner and more sustainable. Making industry future-proof is a complex undertaking. It requires new energy infrastructure, innovation, investment and, above all, collaboration. With this in mind, in July 2025, businesses, public authorities and knowledge institutions in the North Sea Canal region set up Port of Energy, a collaborative platform committed to a future-proof, circular and cleaner industry in the region. TSN was one of the founding partners. We talked to Koen Overtoom, CEO at Port of Amsterdam, also a founding partner.

From your perspective, what role do you see for TSN in the development of a sustainable industry in the North Sea Canal area?

"In any large transition, constructive dialogue is always the basis of success. The Amsterdam Economic Board and Port of Energy are both playing a crucial role in bringing the various industries in the Amsterdam port region together to create this dialogue. We all share the same ambition in that we wish to maintain our industries while transforming to sustainable operations. This is reflected in the Port of Energy's slogan 'Together for clean industry'.

Tata Steel is by far the biggest industrial player in the region and as such the Green Steel Project will be crucial for the energy transition. The economic added value generated by TSN is enormous. They provide huge numbers of jobs and drive an entire services ecosystem around their own activities. Thanks to its sheer scale, TSN could really serve as an accelerator for the energy transition and innovation in the region and the Netherlands as a whole."

What are the challenges and opportunities for making industry in the area more sustainable?

"One of the main challenges we're facing is that a lack of space makes it complex to build the extra infrastructure we need for renewable energy, such as landfall locations for offshore wind energy, high-voltage power stations and batteries, as well as CO₂ and hydrogen

pipelines. Another challenge is that we need a level playing field. Compared to other European countries, restrictions placed on Dutch industries are significantly more stringent and energy prices are much higher. But we certainly also see opportunities. Companies like Tata Steel have a long, successful history and unequalled knowledge and expertise. If TSN succeeds in transitioning to carbon-neutral steel, all other industries in the region will benefit from this, accelerating the energy transition and creating sustainable earning capacity for the entire ecosystem in the region."

How would you characterise TSN's role as a stakeholder in this ecosystem and what could TSN do even better?

"Besides industry, a whole range of parties are active in the region providing critical services, such as terminals, transshipment companies and waterway and railway operators. These systems are highly integrated. As a large player and user of these services, TSN will be an important driving force in realising the necessary changes in infrastructure, distribution and logistics required for the energy transition. In addition, future-proof energy systems will require the integration of large-scale offshore wind with hydrogen production. TSN's transition will create a flywheel effect for the region, as TSN will need huge amounts of hydrogen. Production and storage could partly be done on site. And of course, to build wind turbines we need steel, ideally sustainably produced steel.

What TSN could do better? I feel they're still rather cautious in expressing their ambitions. If they open up a bit more and explicitly ask partners to help them in their journey to carbon-neutral steel, I'm sure everyone wants to be part of the solution!"

The North Sea Canal area is celebrating its 150th anniversary. What needs to happen to ensure we can also celebrate its 200th anniversary in 2076?

"The most important thing will be that we keep our precious ecosystem intact. That's why TSN's survival is crucial. What people often fail to see is that it's not just about one industry or factory. It's a carefully built system that makes the region thrive. If you pull out a significant player such as Tata Steel, the entire system would fall apart. And that's why, through Port of Energy, we're hoping to create awareness of the tremendous value of industry in our region while working towards a cleaner, greener future."

"If TSN succeeds in transitioning to carbon-neutral steel, all other industries in the region will benefit."





STRATEGY

TATA'S

THE ROAD AHEAD

In order to meet the expectations of our stakeholders, including the undertakings under the Joint Letter of Intent (JLoI), and to bridge the gap between our fossil-based present and a sustainable future, Tata Steel Nederland must establish a solid foundation. This foundation is critical to ensuring that the Green Steel transition is both credible and deliverable. To make sure that we address the transformation challenges we face in a structured and forward-looking manner, TSN has implemented a company-wide transformation programme: SCALE.

As part of SCALE, we distinguish three strategic pillars:

1. **Strengthening financial performance and resilience.** A structurally improved financial performance and financial position are essential to sustain day-to-day operations, restore resilience and create the financial capacity required for the significant upfront investments associated with the Green Steel Project.
2. **Preparing the organisation for Green Steel.** This includes technical readiness, programme execution capability and alignment of the broader SCALE transformation with the Green Steel roadmap, enabling TSN to move from plans and commitments to implementation.
3. **Ensuring robust compliance and governance.** Strengthening compliance, risk management and environmental and health-related governance is a prerequisite for regaining trust, meeting regulatory and societal expectations and fulfilling the obligations set out in the JLoI and the future Tailor-Made Agreement.

These three strategic pillars are not separate projects, but parts of one integrated movement that strengthens TSN as a whole. SCALE brings together our strategic and operational efforts and provides a common direction for change across the organisation. In this sense, SCALE serves as a new 'processor': a shared way of working through which we create value for all our stakeholders. More details on each pillar are set out in the sections [Financial Performance](#), [Green Steel Project](#) and [Licence to Operate](#).

Culture shift through SCALE

Through SCALE, we drive change at every level of the company by working in a more forward-looking and disciplined way, reducing complexity and duplication, and enabling faster and clearer decision-making. It requires strong leadership, ownership at all levels and a clear focus on execution. Sustainability underpins all elements of SCALE. It is not optional; it is imperative. It means that we must produce, think and work differently, in close collaboration with our customers, suppliers and the communities in which we operate.

SCALE stands for Sustainability, Cost-Efficiency, Agility, Leadership and Execution. Together, these elements define the culture we envision, the direction of our transformation and the way in which we operate as an organisation. Clear behavioural principles that are intrinsically linked to SCALE serve as our compass. They guide us in doing what is necessary every day to ensure that our company functions in a healthy and responsible way; we do whatever it takes, while minimising harm for each other, for our environment and for our future.

As part of SCALE and the broader organisational restructuring, we launched a leadership development programme for TSN's senior and middle management. Participants took part in three online sessions focusing on key leadership topics. Among other themes, the sessions addressed how SCALE, its associated KPIs and behaviours can be explained to teams, as well as how SCALE can be embedded into performance management and goal-setting to support the development of a stronger performance culture. The programme helped create a shared language and align expectations, supporting a more consistent application of SCALE principles in daily leadership practices.



SCALE consists of three strategic pillars

Financial Performance
Delivering financial results and improving efficiency
[See page 32 →](#)

Green Steel Project
Transforming our business towards the production of green steel
[See page 35 →](#)

Licence to Operate
Earning and maintaining the trust of all our stakeholders
[See page 37 →](#)

**Environmental Compliance
Risk & Compliance**
In Control Programme

SCALE culture drivers

- S** > Sustainability
- C** > Cost-efficiency
- A** > Agility
- L** > Leadership
- E** > Execution

“It is all about SCALE. We are going to change, just like the world around us. Cleaner production, higher standards and full responsibility.”

FINANCIAL PERFORMANCE

The financial performance pillar of the SCALE transformation programme is designed to enhance resilience, improve profitability and increase free cash flow generation, thereby supporting TSN's long-term sustainability and establishing a robust foundation for the substantial capital expenditure required for the transition in the coming years. Strong financial performance is also more important than ever, given that the European steel industry continues to face unprecedented challenges, including volatile market demand, lower steel prices, rising input costs for key raw materials such as iron ore and coal, stringent environmental regulations, and intensifying global competition. Through a structured financial performance transformation programme, TSN is positioning itself to navigate these headwinds and to strengthen its competitive standing within the rapidly evolving European steel landscape.

We must be financially strong and perform solidly throughout the cycle and in all critical areas of our business, continuously improving efficiency and delivering results. This means we must take a hands-on approach to tackle our most important challenges. TSN is at a structural turning point. The company's strategy is anchored in the SCALE transformation programme, which is built around the core objectives improving gross margin, reducing controllable costs and driving focused initiatives related to improvement and release of working capital, leading to additional cash flow generations.

Initiatives to improve gross margin span the end-to-end value chain, including supply chain optimisation, procurement, pricing and sales discipline, operational excellence at the shop floor, and productivity improvements. In parallel, cost actions focus on structurally reducing maintenance, labour and other controllable costs,

The programme consists of nine workstreams. Each workstream consists of multiple impact centres comprising of various project improvement teams which are spread throughout the whole organisation. The Transformation Project Management Office (TMO) plays a central role in integrating the programme across all value chains, focusing on rigorous measure detailing and progress tracking across all workstreams. It is responsible for comprehensive financial due diligence, reporting and effective change communication, supporting transparency and alignment throughout the organisation. The TMO also oversees programme governance and maintains data transparency, enabling informed decision-making and consistent execution of improvement initiatives.

This structured approach makes sure that all critical areas are addressed, driving sustainable performance improvements across the organisation.

What we achieved so far

During the year, TSN made tangible progress in operational improvements, supply chain efficiencies, organisational restructuring and preparation for the next phase of transformation. The company continued to reinforce its competitive positioning through portfolio optimisation, product market focus and operational efficiency

initiatives. As part of the SCALE programme and organisational transformation, TSN recognised restructuring costs, including provisions related to the agreed Social Plan. These measures are aimed at transitioning towards a leaner, functionally led operating model and strengthening long term competitiveness.

Progress to date has been encouraging. In Sales & Supply Chain, higher prime deliveries were achieved in the automotive and engineering segments, supported by improved price premiums across major markets. Further value was created through product innovations and logistics optimisation, enhancing efficiency and reducing structural costs.

In procurement, value initiatives were implemented through the deployment of a range of procurement levers, delivering positive results across identified focus areas.

Operational performance improvements focused on enhancing throughput rates, increasing speed of work, optimising process yields, improving raw-material mix and blend optimisation and reducing fuel rates. In parallel, steps were taken to reduce maintenance expenditure through the introduction of improved maintenance strategies, including optimisation of corrective and preventive maintenance practices.

Further progress was made in driving cost efficiencies through targeted reductions across multiple operational overhead categories. In addition, organisational restructuring was initiated, intended to enhance employee productivity and support sustainable performance improvements.

Financial results

In our financial year 2025/26, the European steel industry continued to operate in a challenging market environment, marked by a weak economic outlook, elevated energy costs, growing geopolitical tensions and rising expenses linked to climate-related requirements, all of which placed significant pressure on TSN and the broader European steel industry's long-term competitiveness.

Early in the business year, sentiment in the European strip steel market briefly improved due to supply-driven stimuli, supported by tighter EU safeguard measures, provisional antidumping duties and a major funding package approved in Germany. This temporary uplift was soon offset by the US decision to double tariffs on steel, which weighed heavily on EU steel exports and redirected additional volumes into the European market, intensifying price competition across the sector.

Towards the start of the fourth quarter of the business year, sales prices started to increase in our favour following higher priced import offers mainly because of the EU Carbon Border Adjustment Mechanism (CBAM), which came into effect on 1 January 2026.

Notwithstanding such challenging market environment, the benefits of the SCALE transformation programme are increasingly evident in the improved financial performance, with underlying EBITDA (excluding penalties and specific regulatory costs) rising from €93 million (1.5% of revenue) in FY25 to €268 million (4.4% of revenue) in FY26.

Within this market environment, TSN's financial performance was as follows:

€m	2025/26	2024/25
Liquid steel production (Mt)	6.7	6.7
Deliveries (Mt)	6.1	6.2
Revenue	6,028	6,273
EBITDA*	268	93
Depreciation and amortisation	(315)	(296)
Operating profit (loss) before restructuring and impairment	(80)	(194)
Restructuring and impairment	(99)	-
Operating profit/(loss)	(178)	(203)
Finance income/(costs)	(36)	(55)
Taxation	6	53
Profit/(Loss) for the financial year	(206)	(204)
Net cash flow from operating activities	473	408
Net cash flow from investing activities	(359)	(279)

* excluding penalties and specific regulatory costs

Revenue

Revenue for the 2025/26 financial year amounted to €6,028 million, a decrease of 3.9% compared to the prior year. Driven by lower deliveries and prices. Deliveries in 2025/26 stood at 6.14 Mt, or 1.7% down on last year. Revenue per tonne declined by 2.3% year-on-year, reflecting persistent price pressure due to imports, weak industrial demand and overcapacity.

Following the increase in US steel import tariffs to 50% effective 4 June 2025 and the expiry of most remaining product-specific tariff exclusions from November 2025 onwards, pressure on US export volumes and realised prices intensified in the second half of the financial year. TSN deliveries to North America declined by approximately 21% year-on-year. The impact on overall deliveries was partly mitigated through the redirection of shipments to alternative markets.

As a result, revenue from North America amounted to €953 million and was only 2% lower than in the prior year, reflecting substantial pass-through of higher tariffs to customers.

Costs

The principal raw materials used in TSN's carbon steelmaking operations are iron ore, metallurgical coal and steel scrap. In 2025, the market reference price for iron ore (China CFR 62%) was lower than in the prior year, reflecting weaker demand from China. Hard coking coal spot prices (Australia FOB) also declined, continuing their normalisation following the elevated levels seen in the second half of 2023 and the first half of 2024. Together with a weaker US dollar, these developments provided partial relief from the downward pressure on steel sales prices.

In addition, TSN delivered further benefits through SCALE initiatives. These included improved purchasing conditions for iron ore and coal, lower inbound logistics costs through shipping and freight optimisation, and improved performance in fuel rates, scrap usage and overall material yield.

Emission rights costs increased by €26 million to €179 million in 2025/26. The prior year benefitted from a surplus of free emission allowances related to the Blast Furnace 6 outage. Average EUA prices increased to approximately €75 per tonne compared with €67 per tonne in the prior year. This cost increase was partly mitigated by an improvement in the emission intensity of production, with emissions per tonne of liquid steel decreasing from 1.68kg/t to 1.63kg/t, driven by higher scrap utilisation.

As part of the SCALE transformation programme, Tata Steel Nederland approved a major organisational restructuring in December 2025, aimed at transitioning to a leaner, functionally led and centrally managed operating model. The restructuring involves organisation-wide downsizing with a targeted reduction of approximately 1,200 FTEs. Implementation commenced in January 2026 through a staged placement process, with the new organisational structure becoming effective from 1 April 2026.

Employment costs, excluding redundancy and related costs, amounted to €1,184 million an increase of 0.3% compared with the prior year, reflecting the full-year cost base prior to the implementation of the new structure. The full impact of the planned headcount reduction is expected to be visible from the 2026/27 financial year onwards.

The restructuring is supported by a negotiated Social Plan, which provides for redeployment opportunities, job guarantee provisions for roles up to a defined level, and access to voluntary departure arrangements. These measures are designed to mitigate the impact on employees while enabling the implementation of the new operating model. As part of the implementation of the Social Plan, TSN recognised a restructuring provision of €94 million in the 2025/26 financial year, reflecting the expected cost of agreed voluntary and involuntary redundancies arising from programmes announced before the end of the reporting period.

EBITDA

EBITDA for the 2025/26 financial year amounted to €268 million, or 4.4% of revenue, compared to €93 million, or 1.5% of revenue in the prior year. This improvement was achieved despite continued challenging market conditions and a significant negative impact from increased US tariffs, and reflects the combined impact of improved cost performance and ongoing operational optimisation initiatives.

Net result

The net result for the year amounted to a loss of €206 million (2024/25: €204 million loss). The change compared with the prior year was primarily driven by improved underlying operating performance, as reflected in higher EBITDA, and lower net finance costs, partly offset by redundancy and related costs of €98 million (2024/25: €5 million) and the absence of recognition of a tax credit on losses incurred in 2025/26.

Net cash flow from operating activities

TSN maintained a strong focus on liquidity and cash flow management. Net cash flow from operating activities remained at a favourable level in the 2025/26 financial year, amounting to €473 million (2024/25: €408 million). This performance was driven by an improvement in the underlying business and by focused, stringent working capital improvement measures alongside tight cash management. As a result, TSN continued the positive trend seen in the previous year, during which working capital had already been reduced by €289 million.

Net cash flow from investing activities

Capital expenditure

Capital expenditure on property, plant and equipment in 2025/26 amounted to €251 million (2024/25: €300 million) and comprised investment across several major capital projects throughout TSN. The principal projects undertaken during the year included investments at our IJmuiden site as part of our Roadmap Plus initiatives, particularly the Pellet Plant Dedusting and DeNOx projects, providing essential sustenance capital to maintain asset reliability, and business-driven upgrades to support operational performance, in particular the TCCT One Pass project, a dedicated new production line for high-quality packaging steel. In alignment with TSN's decarbonisation pathway, TSN invested capital in connection with the realisation of the future Direct Reduction Plant (DRP), the Electric Arc Furnace (EAF) and the Coverages projects to facilitate the Green Steel Project.

Investments and acquisitions

On 15 July 2025, Tata Steel Nederland B.V. entered into a share purchase agreement with Vattenfall Power Generation Netherlands B.V. for the acquisition of 100% of the shares in LAG Velsen B.V. (LAG), consolidating ownership of strategic power generation assets supporting energy integration and transition readiness. Completion of the transaction took place on 1 January 2026, at which date control was obtained. Prior to completion, Vattenfall carved out three power plants (i.e., Velsen 24, Velsen 25 and IJmond 01) together with a solar park and the land on which these assets are situated. These assets, along with the associated personnel, contracts and permits, were transferred to LAG before the shares were sold to TSJ.

For TSN, these plants represent a strategic link in the transition towards more sustainable steel production. Direct ownership enables improved coordination between steelmaking activities and residual gas processing, supporting both the shift to low-carbon steel production and the creation of a healthier living environment around the IJmuiden site.

The total purchase consideration on an equity value basis amounts to €125 million, consisting of a cash consideration of €115 million paid at completion and a deferred payment of €10 million due 24 months after the transaction date.

Full details of TSN's subsidiary companies are provided in [Note 29](#) to the financial statements.

Financing

For financing its operations, TSN mainly relies on cash generated by operations, its multi-bank revolving credit facility (RCF) and a trade receivables financing arrangement. TSN has a multi-bank revolving credit facility (RCF) in place for a total amount of €550 million (March 2025: €550 million). As at 31 March 2026, the drawn amount equalled €110 million (March 2025: €310 million), following repayments of in total €200 million during the reporting period.

TSN continues to make use of the trade receivables securitisation program of €600 million, under which trade receivables are purchased on a non-recourse basis (see [Note 12](#) to the financial statements).

In addition to the committed RCF and the securitisation program, TSN has access to multiple non-committed overdraft facilities, to a total amount of €115 million (March 2025: €68 million) to support efficient cash management operations. At reporting date, these facilities were undrawn.

Based on the current operating outlook and available committed facilities, TSN considers its liquidity position to be adequate to support the requirements of the existing business. However, the execution of the planned multi-billion euro decarbonisation and transformation investments is expected to require financial support from Tata Steel Limited and governmental support mechanisms.

Balance sheet

TSN's net assets on 31 March 2026 were €2,810 million (31 March 2025: €3,001 million). The decrease of €191 million compared with the prior year primarily reflects the loss for the financial year of €206 million, partly offset by positive other comprehensive income of €15 million.

Improved EBITDA and a strong focus on working capital and cash flow management have enabled TSN to reduce gross debt (including capital leases) from €491 million as at 31 March 2025 to €240 million as at 31 March 2026 while funding the LAG acquisition from its own means.

Net debt on 31 March 2026 amounted to €35 million positive (31 March 2025: €63 million negative). Cash and short-term deposits totalled €275 million (31 March 2025: €428 million). Further information on borrowings is provided in Note 15 to the financial statements.

GREEN STEEL PROJECT

The second pillar of our SCALE strategy, the Green Steel Project, will help us to maintain steel production in the Netherlands by fundamentally transforming our business. The main goal of the Green Steel Project is to reduce our CO₂ and other emissions, while simultaneously improving the environmental and health impact of our operations for the surrounding region (see also [Licence to Operate](#)). To achieve this, we will need to invest in cleaner processes, maintenance and innovation. Eventually, the only way forward will be the full transformation of our production processes, which will enable us to sustainably produce cleaner, greener and more circular steel.

TSN's blast furnace–basic oxygen route ranks among the more energy efficient globally, with low coal use and CO₂ emissions per ton. But to become net-zero by 2045, we will fundamentally redesign the core of our production processes. This involves transitioning from coal-based blast furnace technology to cleaner technologies and more sustainable energy sources that structurally eliminate coal from the primary steelmaking route. This transition has been structured into two phases: Phase 1 and Phase 2.

In Phase 1 of our transformation, we plan to construct a Direct Reduced Iron (DRI) plant and an electric arc furnace (EAF). These new installations

will replace existing coal-intensive assets. With the commissioning of the DRI plant and the EAF, one blast furnace and one coke and gas plant will be shut down, marking a major step away from coal-based steelmaking. The DRI plant will initially operate on natural gas. Once sufficient biomethane and/or hydrogen becomes available at a competitive price, it will transition to a mix of natural gas and/or biomethane and/or hydrogen. Importantly, this transition will not require any technical modifications to the installation. In addition, Carbon Capture and Storage (CCS) will be applied.



“Saying goodbye to coal is the biggest change for our company ever. The process of making steel as we have known it for over 100 years will be completely different.”

Through CCS, the CO₂ emitted from the DRI process is captured and stored underground beneath the seabed, further reducing emissions during the transitional phases. In parallel, we will increase circularity by significantly raising the share of recycled steel through greater use of scrap. As recycling increases, the need for primary raw materials will decrease, resulting in lower direct emissions as well as reduced upstream environmental impacts across the value chain.

In Phase 2, the transformation will be fully completed by shutting down the remaining blast furnace and the remaining coke and gas plant, thereby fully replacing coal-based steelmaking with the DRI-EAF route.

The switch to net zero steelmaking will most likely be the biggest industrial transition in the Netherlands in the coming years. This takes time, requires permits and many changes at the site in IJmuiden. But we are convinced this is the right way forward, especially in the light of current global geopolitical developments, as it will enable our country to keep its own steel industry. Steel is and remains an essential material in our daily lives and also supports the energy transition. TSN is therefore uniquely positioned to help shape the future of green steel.

Innovation always requires collaboration. TSN pursues a deliberate strategy of collaborating with external partners on fundamental and applied research. In the financial year 2025/26, TSN was connected to approximately 80 PhD and postdoctoral research positions, largely supported through public funding and collaborative programmes. In addition, TSN works closely with a limited number of key research institutes focused on scaling technologies to industrial application, embedded within the same national and international academic networks. A key example of such a collaboration is TSN's role as a major partner in the 'Growing with Green Steel' consortium, funded by the Dutch government through the National Growth Fund. For a period of eight years, this consortium of 30 companies and universities has developed valuable knowledge and expertise with regard to net zero steelmaking.

More detailed information on TSN's transition plan can be found in the Sustainability Statements ([Environment – Climate change](#)).

Innovation and sustainability

High-quality steel requires continuous innovation. To develop new technologies and keep improving existing products and processes, especially in light of the transition, we use advanced digital technologies. TSN's Research & Development department runs a long-term innovation programme, which works closely with all other relevant functions to turn initial ideas into actual applications and to ensure that new technologies can be scaled safely and reliably in an industrial environment. We also work extensively with customers and external partners to jointly develop the best possible products and solutions.

Innovation is often data-driven. We use data to help us achieve sustainability goals, such as reducing energy consumption, CO₂ emissions and odour, noise and dust nuisance. We also use data for our economic goals, such as improved efficiency (chain optimisation), better quality and the optimal use of energy and raw materials.

LICENCE TO OPERATE

The third pillar of our strategy focuses on maintaining our licence to operate. This will be critical for the long-term continuity of Tata Steel Nederland and for the successful execution of our transformation. As an operator in a hard-to-abate sector, we recognise that steelmaking is associated with significant environmental and social impacts. Decarbonisation, pollution and impacts on nearby communities are outlined in the Joint Letter of Intent (JLoI) between TSN, TSL, the Province of North-Holland and the Dutch government and reflect the topics of greatest importance to our stakeholders, including local communities, NGOs, local authorities and regulators. We address these topics within our licence to operate pillar, together with steel slag, in response to growing societal attention. We are therefore committed to maintaining steelmaking in the IJmond region while fundamentally transforming the way we operate, with the objective of preventing and/or mitigating adverse impacts, and operating in a manner that is aligned with our neighbours' expectations.

Over recent years, TSN has taken actions to strengthen its licence to operate. Through targeted investments, operational improvements and stricter governance, we have reduced emissions, improved monitoring and reinforced our control framework. While progress has been made, further improvements remain necessary. Strengthening our licence to operate is therefore an ongoing journey.

Our licence to operate plays a central role in our SCALE strategy. It means we not only continue to reduce emissions, odour and nuisance at source, but also be demonstrably more in control of our operations, strengthen compliance and governance, and embed responsibility and accountability throughout the organisation. Discussion about accelerated closure of the Cokes and Gas Plants is ongoing, see [Basis of Preparation](#).

In this chapter, we outline how TSN strengthens its licence to operate across four interconnected areas: decarbonisation, pollution, steel slag and communities. It describes the measures already implemented, the additional actions currently underway and those planned for the coming years, as well as the reinforcement of our HSE, Risk & Compliance function and control frameworks and how we monitor and steer progress.

Decarbonisation

Decarbonising steel production is a key component of TSN's licence to operate, reflecting our responsibility as one of the largest industrial emitters in the Netherlands. As a hard-to-abate sector, steelmaking is inherently energy-intensive and associated with significant greenhouse gas emissions, and reducing these emissions requires fundamental process transformation, substantial long-term investment and time. In line with the JLoI, this transition is pursued in close cooperation with the Dutch State and regional authorities, with the dual objective of significantly reducing CO₂ emissions while also limiting impacts on the local environment and health of surrounding communities.

Nitrogen oxide

We are reducing nitrogen oxide (NO_x) emissions, which are a key environmental focus area given their impact on air quality and nitrogen

deposition in biodiversity-sensitive areas. Over the past twenty years, we already reduced our NO_x emissions by around 20%.

To achieve further reductions, a DeNO_x installation has been installed at the Pelletising Plant. The installation is designed to reduce emissions from this process by approximately 80% compared to 2019 levels. However, commissioning is currently contingent upon obtaining the required regulatory permit approvals and, as such, the installation is not yet operational. Once commissioned, the DeNO_x installation is expected to materially reduce TSN's contribution to nitrogen deposition, including in nearby Natura 2000 sites.

Further information on nitrogen emissions, assumptions, monitoring and the link to nature-permit requirements is provided in the Sustainability Statements ([Environment – Pollution and Biodiversity](#)).

Dust

To prevent dust nuisance, TSN has implemented a broad set of measures aimed at reducing both coarse and fine particulate emissions across the IJmuiden site. These include the installation of dust extraction and dedusting systems at pelletising plants, blast furnaces and other key installations, as well as windscreens around raw-material handling and storage areas to limit wind-driven dispersion. As part of our Roadmap Plus and the Green Steel transformation, large-scale physical barriers and enclosures are being implemented. This includes, among other things, windbreakers of approximately 800 metres in length and over 20 metres in height at ore blending fields, as well as the progressive enclosure of stockyards. These measures structurally reduce wind exposure and dust formation during storage, processing and transport of materials.

Looking ahead, the transition to carbon-neutral steelmaking will structurally reduce dust emissions further. The closure of coal-based installations and coke and gas plants will eliminate several dust-intensive activities, while new DRI and EAF facilities are designed with modern containment, extraction and filtration systems that limit dust emissions by design.

More detailed information on dust-reduction measures, underlying assumptions and monitoring can be found in the Sustainability Statements ([Environment – Pollution](#)).

Noise and odour

TSN's operations can negatively affect the local living environment through noise and odour. We operate an extensive engagement and grievance system and we are investing in mitigation. We are also working on an extended monitoring system with an automated data dashboard as part of the HSE turnaround to create more consistent transparency on improvement outcomes and to strengthen trust.

Noise-reduction measures have been implemented across several installations and operational activities to minimise disturbance for neighbouring communities. We have also reduced night-time activities as much as possible, and together with our neighbours we will install new noise monitoring systems at critical locations to trace noise more accurately to its source. In response to persistent concerns about materials-handling noise, we have placed sound meters on cranes involved in scrap handling, installed sound silencers at our steel factory, and prohibited night-time scrap handling.

We are also taking proactive measures to minimise odour in the surrounding area by implementing a comprehensive set of odour-reduction measures in line with the Geurbesluit 2027. These measures target key emission sources such as coke and steelmaking operations through defined reduction requirements, while phasing out older high-odour installations and replacing them with lower-emission alternatives. These efforts are supported by targeted technical upgrades, including improved vapour capture at granulation processes, enhanced performance of third-party treatment facilities, and upgrades to wastewater and flue gas treatment systems. We use e-nose networks and third-party event analysis to match complaints with wind and sensor data, identifying sources and adjusting operations when needed.

Substances of Very High Concern (ZZS)

Tata Steel Nederland applies a structured, evidence-based approach to manage and reduce emissions of substances of very high concern (ZZS). For example, between 2019 and 2022 polycyclic aromatic hydrocarbons (PAHs) emissions at the three largest sources were reduced by more than 50%.

Looking ahead, Tata Steel intends to further reduce emissions of ZZS by embedding substance-specific reduction roadmaps into its environmental programmes and by implementing additional avoidance and reduction measures where technically feasible and permitted. The Green Steel transformation forms an important structural element of this next phase: the gradual replacement of coal-based installations by DRI-EAF technology is expected to substantially reduce the formation and release of ZZS such as PAHs, and certain metal compounds. These developments are subject to regulatory processes and stakeholder engagement and are aimed at achieving stable, long-term compliance and further reductions in environmental impact over time.

Steel slag

The use of steel slag, a by-product of our steelmaking process, supports circularity by replacing primary raw materials particularly in infrastructural applications.

However, due to current temporary regulatory restrictions in the Netherlands, TSN is not supplying steel slag for these applications at present, reflecting concerns around its safe use and application. Recognising that improper handling, treatment or application of steel slag may lead to environmental impact, TSN is strengthening its Duty of Care efforts to ensure that slag is used responsibly. This includes providing steel slag customers with clear risk documents on safe applications. It should be noted that the continued offloading and distribution of steel slag is existential to the viability of TSN.

Further details on slag management, environmental risks and governance measures are provided in the Sustainability Statements ([Environment – Resource use and Circular economy](#)).

Our neighbours

The prevention and mitigation of impacts, including GHG emissions, pollution and steel slag, are critical components of TSN's licence to operate. Equally important is how TSN engages with affected communities and addresses their concerns. This requires not only compliance with permits and regulatory requirements, but also credible action to address local communities' concerns, including noise, odour and dust.

The ongoing acceptance and trust granted by neighbouring communities depend on TSN's ability to engage in a transparent, accessible and respectful manner and, where necessary, to remedy adverse impacts associated with its activities.

TSN engages with affected communities through dialogue and informs on its activities and impacts. Channels are in place through which community members can raise concerns or complaints, supported by defined follow-up processes. TSN undertakes measures aimed at limiting local disturbances such as noise and odour, as part of its approach to managing pollution-related impacts.

Meaningful dialogue, timely responses to questions and grievances, and the integration of community perspectives into decision-making are essential elements in sustaining this trust. Looking ahead, TSN is further developing its stakeholder engagement framework and considers the potential positive impacts of its transition for communities, including green job creation, as described in the Sustainability Statements under [Affected communities in the IJmond region](#) chapter.

Sustainability Statements

The Sustainability Statements build on TSN's Licence to Operate foundation by providing a comprehensive overview of TSN's material sustainability impacts, risks and opportunities, including topics such as water management, biodiversity, own workforce, responsible value chain and governance, and serve as the primary source of detailed sustainability information.

Embedding responsibility and control

While the measures described above are essential to reduce our environmental impact, maintaining our licence to operate requires more than technical solutions alone. It requires that responsibility, discipline and proactive risk management are structurally embedded in the way we operate and take decisions. Strengthening our licence to operate is therefore a continuous effort. It means being demonstrably more in control of our operations, anticipating regulatory and societal expectations, and sustaining improvements over time.

HSE turnaround

The HSE Turnaround Programme plays a central role in embedding these principles into the organisation by ensuring that the protection of health, people and nature becomes an integral part of daily operations and long-term management control.

As part of the HSE Turnaround Programme, we are reshaping the HSE operating model and strengthening both capabilities and reporting systems. This includes the development of a single emissions data platform to serve as the foundation for both internal oversight and external disclosure.

The platform is being developed with clear governance, defined ownership and traceable data flows to enhance consistency, reliability and decision-making as we advance our transition to net zero steelmaking.

As monitoring coverage and measurement methodologies are expanded, TSN is gaining deeper insight into emissions at installation level. In some cases, enhanced monitoring has led to the identification of substances exceeding applicable limits at specific emission points, including chromium-6 at our Direct Sheet Plant (DSP). This insight results from increased measurement resolution and transparency rather than a change in underlying operations, and it enables timely corrective action in close coordination with regulators. Such insights support more targeted follow-up measures and continuous improvement of environmental performance.

In parallel, we are strengthening the governance and execution of environmental projects. This includes further improving the quality, consistency and auditability of regulatory submissions such as Substances of Very High Concern (ZVS) and the annual environmental report (eMJV). We are also developing substance-specific roadmaps to reduce priority emissions. In addition, we are applying a more systematic approach to managing emission point registers, odours and noise. Together, these measures are intended to support more predictable environmental performance and sustained compliance over time.

Through the HSE Turnaround Programme, we are reinforcing the foundations to sustain our licence to operate and successfully deliver our transition to net zero steelmaking, while strengthening the confidence of regulators, governments and local communities.

“Strengthening our licence to operate is an ongoing journey – one in which progress has been made, but in which continued action remains essential.”



Interview with Michèlle Prins, Natuur & Milieu

ACCELERATING CHANGE

As Programme Manager Industry at Natuur & Milieu, a prominent Dutch environmental NGO, Michèlle Prins engages with businesses and politicians to influence policymaking and accelerate the transition to greener and cleaner industry in the Netherlands. Rather than emphasising activism, Natuur & Milieu focuses on constructive dialogue, coalition-building and evidence-based research.

How do you view the steel industry and its role in a sustainable future?

“Steel production is one of the most polluting processes in the world, generating huge CO₂ emissions and various other pollutants. But we also know that as a society we will always need steel. Fortunately, there are already technologies available to produce steel sustainably, so in that sense it’s a great case for sustainable industry. In our view, the steel industry in Europe should be climate-neutral by 2040, which is in line with European objectives, the Paris Agreement and the EU’s Emissions Trading System (ETS). This requires electrification of steel production, using green hydrogen rather than fossil fuels. In addition, the steel industry of the future should not have any negative impact on the living environment and the health of people living nearby.”

In light of this, how do you rate TSN’s Green Steel Project?

“The Green Steel Project is an important first step, and it shows that TSN is moving away from coal towards cleaner production. At the same time, we see that the plan offers insufficient guarantees in a number of areas. Particularly the pathway from 2030 onwards is unclear. Our main concern is that TSN risks becoming fossil-fuel dependent again if the final steps fail to materialise or take too long to materialise. We would like to see clearer, more binding commitments on the part of TSN, especially when public money is involved.”

How could TSN improve in terms of performance and planning?

“First of all, we would like to see a clearer and more comprehensive transition plan towards net-zero by 2040, rather than 2045. These five years make a huge difference for our climate targets in the Netherlands and the carbon budgets after 2040. Secondly, we need to prevent another fossil-fuel lock-in on natural gas by setting clear deadlines for the transition to sustainable biomethane and ultimately towards renewable hydrogen. And finally, we would like to see TSN prioritise public health. This would require accelerating the closure of the most polluting installations while the new facilities are being built. Commercially this may not be the most desirable option, but when it comes to people’s health it would be a sensible one. After all, when people’s living environment is affected, this also leads to huge environmental and healthcare costs for society.”

How would you characterise your collaboration with TSN?

“As Natuur & Milieu, we aim to work together with government authorities and businesses in a constructive way. As such, our experience with TSN is characterised by open dialogue, even where we disagree. In February this year, we even wrote a letter together to the then Prime Minister to call for a strong ETS and an effective CBAM in the EU. On this issue, we both have the same objective: it is important to create a green level playing field in Europe to make sure that industry can be both competitive and sustainable in the long term.

At the same time, we find it disappointing that TSN still seems to breach its own standards and is involved in several legal proceedings on environmental issues. This undermines our confidence that TSN will actually implement its plans sufficiently quickly and effectively.”

If you were in charge, what would you do?

“I would accelerate the pathway to green steel considerably and be much more ambitious, realistic and concrete about what is needed to meet the climate and environmental commitments. Specifically, I would turn the plans into concrete and enforceable measures, which would lead to visible improvements for the living environment. Only then will you be able to fully restore trust in TSN as a company. Another thing I would certainly do is make people’s health leading in the choices you make rather than short-term commercial interests. This requires the courage to say goodbye to parts of the current business case that no longer fit in a sustainable and socially responsible future and find opportunities for new, cleaner activities. In the long term, sustainability will be the only thing that will guarantee competitiveness.”

“Our experience with TSN is characterised by open dialogue, even where we disagree.”





STAKEHOLDER ENGAGEMENT

BUILDING TRUST THROUGH DIALOGUE

We can only succeed in transitioning and securing our position in the Netherlands and Europe when there is a healthy balance between the interests of people, the environment, the community and our company. TSN is committed to an active dialogue with its stakeholders. We listen to their concerns and try to address these in order to gain support for our plans to improve our operations and our ambitions as described in the Green Steel Project.

We recognise that regulatory findings and fines for breaches of environmental and compliance requirements have clearly shown that we have not met stakeholders' expectations. We regret this and take these outcomes seriously. We are therefore working to put both corrective and preventative actions in place. These preventative actions include changes to our Health, Safety & Environment (HSE) operating model, the continued strengthening of our Risk & Compliance framework and improvements to the quality and reliability of our measurement and monitoring systems. In parallel, we are raising expectations around behaviour and accountability to ensure a more consistent and disciplined approach to compliance in day-to-day operations. However, steelmaking also is limited by technical solutions and best-in-class techniques. Together, these measures form part of a broader, multi-year effort to improve the predictability of our performance and secure sustainable compliance. Further detail on the scope, governance and progress of this work is set out in the [Licence to Operate](#) and [Risk & Compliance](#) sections of this report.

We continue to engage with stakeholders through transparent governance and structured decision-making, aiming to earn and maintain the trust of regulators and authorities, local communities, employees, customers and other stakeholders. Through continuous dialogue and an annual Double Materiality Assessment (DMA), we identify material sustainability impacts, risks and opportunities. Stakeholder insights are considered as part of this assessment and inform decision-making processes. Further details on stakeholder engagement outcomes and their linkage to material topics are provided in the Sustainability Statements.

During all stages of the development of the Green Steel Project, stakeholders are invited and actively engaged to express their opinions and give feedback. This stakeholder dialogue takes place in a variety of ways, including formal and informal meetings, participation meetings, focus groups, live online sessions, interviews, surveys and desktop research. We assess the information we collect from these stakeholder dialogues to determine the impact and importance of a range of topics.

We regularly organise site visits for anyone who is interested. Last year, some 13,000 people, including local residents, customers, suppliers,

employees and family members, politicians, media representatives and many others were given a tour hosted by our IJmuiden Visits team.

Over the past year, we intensified our contacts with local residents. We engage with these residents, as well as local and national authorities, experts and other organisations, to ensure that we are focusing on the right areas to minimise the negative impact of our operations on the community in which we operate.

Partnerships and events

In 2025, together with a select number of partners, we joined Port of Energy, a regional collaboration platform for companies, governments and knowledge institutions in the North Sea Canal Area. Port of Energy aims to contribute to a cleaner, greener and more circular future for industry in the region by bringing stakeholders together around concrete initiatives.

Alongside company-wide partnerships and flagship events, TSN's commercial teams engaged with customers and industry stakeholders through a range of events and conferences across Europe and beyond. A highlight was the multi-stakeholder programme during SAIL 2025 in Amsterdam, which supported dialogue on the company's strategy, sustainability ambitions and the role of steel in Europe's industrial and energy transition.

TSN also organises the world-famous Tata Steel Chess Tournament for professional and amateur chess players. In early 2026, the 88th edition of the tournament took place, welcoming more than 15,000 visitors in person and reaching over 1,000,000 viewers online over two weeks.

Community engagement

To engage with the community on environmental matters, we organise regular community meetings, resident panels, site tours and information sessions. We keep in touch through a community newsletter and have participation processes in place. Our walk-in service desk and complaints channels ensure accessibility.

Grievance mechanism

Residents experiencing nuisance from our operations in IJmuiden can report issues to us through multiple channels, including at our information office in Wijk aan Zee, by phone or by using the complaint form on our website. We investigate complaints and aim to trace the source of the disturbance promptly and accurately, taking necessary measures as quickly as possible. We use data measurements as well as complaints to improve processes wherever feasible. In 2025, TSN's grievance system was assessed by SHIFT, an international non-profit organisation, and actions to improve the system will follow in 2026.

Understanding our stakeholders

To understand our stakeholders and respond to their concerns, we interact with them on a regular basis, monitoring and analysing their perceptions of our company. Our cross-functional Stakeholder Management Committee discusses the outcomes of these analyses

and defines corrective actions as and where needed. An overview of TSN's stakeholders, the existing engagement channels, and the outcomes of this engagement is presented in the table below.

Stakeholder group	Existing channels	Level of engagement	Engagement outcomes	Material topics covered
Investors and shareholders	Integrated annual and sustainability reporting; structured investor dialogue	Inform / Consult	Enhanced transparency on strategy, risks, performance and the Green Steel transition; investor perspectives considered in strategic discussions	Climate change mitigation; corporate culture
Government and regulators (European, national, local)	Policy dialogue with political representatives; direct engagement in permitting, process towards Tailor-Made Agreement (TMA) and Environmental Impact Assessment processes; site visits and working sessions; position papers	Inform / Consult	Improved mutual understanding of policy priorities and regulatory requirements; compliance supported through early engagement and alignment of perspectives. Working towards final TMA	Climate change mitigation; pollution of water, air and soil; resource outflows; affected communities
NGOs and civil society organisations	Dialogue and transparency initiatives; direct engagement; strategic partnerships; joint research and involving in plans	Inform / Involve / Collaborate	Establishing constructive relationships; stakeholder concerns and insights inform plans; shared learning supports innovation and societal outcomes	Climate change mitigation; pollution of water, air and soil; resource outflows
Industry initiatives and associations	Participation in industry platforms, committees and joint initiatives	Inform / Involve / Collaborate	Collective positioning of the industry in the Netherlands; coordinated advocacy on a level playing field; joint action on systemic challenges	Climate change mitigation; corporate culture
Research institutes and academia	Contractual research partnerships; collaborative R&D projects; direct knowledge exchange sessions	Collaborate	Acceleration of innovation; scaling of fundamental research into applied solutions; piloting and deployment of new technologies	Climate change mitigation; pollution of water, air and soil; resource use and circular economy
Own workforce (employees and onsite contractors)	Works councils and trade union dialogue; employee surveys and dialogue sessions; internal communications; integrity line and formal grievance mechanisms	Inform / Consult / Involve / Collaborate	Workplace issues identified and addressed; employee input informs policies and actions; further engagement of the employees	Working conditions; health and safety; social dialogue and collective bargaining; diversity and equal treatment
Local IJmond community	Community meetings, residents panels, site tours and information sessions; community newsletter; participation processes (e.g. Green Steel Plan); walk-in service desk and complaints channels	Inform / Consult / Involve	Community concerns identified, monitored and addressed; improved transparency and trust; community expectations integrated into environmental measures and mitigation actions	Pollution of air, water and soil; substances of concern; biodiversity, noise and ecosystem change
Direct suppliers	Supplier onboarding and vendor qualification; engagement with high-risk suppliers; ESG Strategic Procurement Questionnaire; CMRT and country-of-origin requests	Consult / Involve	Improved supply chain transparency and risk identification; ESG risks identified, mitigated and escalated where needed; input informs sourcing and due diligence decisions	Working conditions in the value chain; health and safety; labour-related human rights
Workers in the value chain	Health and safety surveys; ITSCI committee participation; integrity line and grievance channels	Inform / Consult	Improved understanding of OH&S and human rights risks in upstream operations; joint improvement actions and training implemented; safe channels available to raise concerns	Working conditions in the value chain; health and safety; labour-related human rights
Upstream communities	Participation in IRBC metal sector agreements; collective initiatives and dialogue with rightsholders	Inform / Involve	Social and environmental impacts in mining regions identified and prioritised; collective mitigation actions and leverage building	Communities' economic, social and cultural rights; biodiversity and ecosystem change
Customers and end users	Marketing and information channels; direct customer dialogue; satisfaction surveys and complaint management; joint workshops, partnerships and R&D trials	Inform / Consult / Involve / Collaborate / Codesign	Clear understanding of customer needs and expectations; input into product development and service improvements; strengthened customer relationships and market position	Climate change mitigation; resource outflows related to products and services
Industry initiatives (responsible sourcing)	Membership of the IRBC Metal Sector Agreement; ITSCI programme; joint tools, training and collective actions	Collaborate	Improved due diligence maturity and consistency; collective action on systemic supply chain risks; strengthened responsible business conduct	Working conditions in the value chain; health and safety; training and skills development

OUR STAKEHOLDERS



Shareholder

“Tata Steel Limited plays a key role in supporting the company’s long-term viability and strategic direction.”

Our sole shareholder is our parent company, Tata Steel Limited (TSL), India. As the owner of Tata Steel Nederland, TSL plays a key role in supporting the company’s long-term viability and strategic direction in its capacity as shareholder. TSN maintains a structured and ongoing dialogue with TSL, including regular meetings at management and shareholder level. These interactions focus on strategic priorities, capital allocation and financial performance, with the objective of supporting long-term value creation, profitability and business continuity. Within this context, TSL has expressed its support for TSN’s Green Steel Project and its associated strategic ambitions. As part of the wider Tata Group, TSN also benefits from the Group’s longstanding commitment to corporate responsibility, which informs our approach to responsible business conduct and engagement with society.

About Tata Steel

- Tata Steel group is among the top global steel companies with an annual crude steel capacity of 36 million tonnes per annum.
- It is one of the world’s most geographically diversified steel producers, with operations and commercial presence across the world.

- The group recorded a consolidated turnover of around US\$26 billion in the financial year ending March 31, 2026.
- A Great Place to Work®-certified organisation, Tata Steel Limited, together with its subsidiaries, associates, and joint ventures, is spread across five continents with an employee base of over 77,000.
- Tata Steel has announced its major sustainability objectives including Net Zero by 2045.
- The Company has been on a multi-year digital-enabled business transformation journey intending to be the leader in ‘Digital Steel making’. The Company has received the World Economic Forum’s Global Lighthouse recognition for its Jamshedpur, Kalinganagar, and IJmuiden Plants. 78% of our steel comes from these global lighthouses. Tata Steel has also been recognised with the ‘Digital Enterprise of India – Steel’ Award 2024 by Economic Times CIO.
- The Company has been recognised with the World Economic Forum’s Global Diversity Equity & Inclusion Lighthouse 2023.
- The Company has been a part of the DJSI Emerging Markets Index since 2012 and has been consistently ranked among the top 10 steel companies in the DJSI Corporate Sustainability Assessment since 2016.
- Tata Steel’s Jamshedpur Plant is India’s first site to receive ResponsibleSteel™ Certification. Subsequently, its Kalinganagar and Meramandali plants have also received the certification. In India, Tata Steel now has more than 90% of its steel production from ResponsibleSteel™ certified sites.
- Received Prime Minister’s Trophy for the best performing integrated steel plant for 2016-17, 2026 Steel Sustainability Champion recognition from worldsteel for nine years in a row, CDP 2024 ‘Supplier Engagement Assessment’ Leader, Top performer in Iron and Steel sector in Dun & Bradstreet’s India’s top 500 companies 2022, Ranked as the 2024 most valuable Mining and Metals brand in India by Brand Finance, ‘Most Ethical Company’ award 2021 from Ethisphere Institute, and CII Sports Business Award 2025 for ‘The Legacy of Excellence in Sports Patronage’.
- Received the Legal Team of the Year - Manufacturing at the 15th Annual Legal Era Indian Legal Awards 2025-26, 2023 Global ERM (Enterprise Risk Management) Award of Distinction at the RIMS ERM Conference 2023, ‘Masters of Risk – Risk Technology’ recognition at The India Risk Management Awards, and ICSI Business Responsibility and Sustainability Award 2023 for its first Business Responsibility and Sustainability Report (BRSR), Excellence in Financial Reporting FY20 from ICAI, among several others.



Employees

“People are at the heart of our business, and that means our first priority is always workforce safety.”

In total, we have 11,636 own employees. Proper employee participation at all levels of our organisation is important and in the interest of both our employees and our company. The interests of employees are represented by various works councils and the Central Works Council. Consultations with the trade unions on employment terms are held regularly.

People are at the heart of our business, and that means our first priority is always workforce safety. We have comprehensive Health, Safety & Environment (HSE) policies in place. Through these policies, training and mandatory personal protective equipment (PPE), we aim for zero harm. Safety initiatives also include specialised training (Safety Excellence Journey), digital tools for reporting hazards and rigorous site access controls.

We also believe that we will become stronger when different perspectives come together. Diversity in background, experience, age, culture and ways of thinking helps us make better choices, be more creative and remain agile. And we go to great lengths to make sure that everyone feels seen, heard and involved. This level of inclusion means that everyone can contribute to our new identity as a future-proof steel producer that will continue its legacy for many more decades to come.

Customers

“TSN focuses on long-term relationships with customers, aligning product quality with customer needs across key markets.”

Across our activities, we harness the potential of our portfolio to provide a commercial offering that responds to customer requirements, supported by consistently high-quality service. Together with our customers, we make sure our products and services reflect society’s increasing expectations for responsible production and sourcing of raw materials, working towards low-carbon steel production.

TSN plays a critical economic role by supplying high-quality steel to industries that are fundamental to industrial value chains and societal infrastructure. Through our commercial activities, we support customers operating in vital sectors where reliability, performance and consistency are essential.

Our core competence in high-quality steel enables customers to meet demanding technical, safety and regulatory requirements. This positions TSN not merely as a supplier, but as a trusted partner in applications where material performance directly impacts operational continuity and long-term asset value.

TSN’s commercial strategy is focused on long-term relationships and market-specific solutions, ensuring that customers benefit from stability and expertise in an increasingly complex industrial landscape. By aligning product quality with customer needs across key markets, TSN contributes to economic resilience and strategic autonomy.



Suppliers

“We view our suppliers as strategic partners, integrating them as much as possible into our value chain.”

We procure our raw materials like iron ore and coal from international suppliers. Given the nature of our industry, we conduct audits to ensure our contractors and suppliers comply with high safety, health and environmental standards. We have established a dedicated approach to strengthening the integration of responsible sourcing practices into supplier management. Our supplier due diligence process begins with vendor qualification for new suppliers, followed by risk-based assessments for critical material suppliers. We view our suppliers as strategic partners, integrating them as much as possible into our value chain. TSN has a responsible supply chain framework in place, including a Supplier Code of Conduct, through which we manage ethical, ESG and human rights related risks. Regular surveys are conducted to receive feedback from suppliers on their experience with TSN, and regular virtual and in-person vendor meetings are organised to share best practices.

Local communities

“To enhance transparency, TSN engages regularly with local communities through various channels.”

We are active in nine European countries, and we recognise that local communities expect transparency on our environmental performance. We are addressing growing regional health concerns and have stepped up our efforts in this regard. In particular, we have reduced CO₂ emissions and substantially reduced emissions of lead, heavy metals and particulate matter. The performance of our plants in the IJmond region is monitored by the North Sea Canal Environmental Service.

TSN engages with local communities through regular meetings, social media, a community newspaper and a digital newsletter. We also contribute to quality of life in the IJmond region by supporting local initiatives through donations and sponsorships (e.g. Telstar Football Club) and by participating in community partnerships. For example, in January 2026, we joined the citizen science project Hollandse Luchten, installing an air-quality sensor on our site. Residents use the data to engage with TSN, experts and government.



Government, regulators and NGOs

“By engaging with governments, authorities and NGOs, we stay informed and contribute to the dialogue on policies and regulations that matter to us.”

We frequently engage with regional, national and European governments and authorities at various levels. We also maintain strong relationships with other civil society stakeholders, such as NGOs, to ensure we stay informed about public policies and regulations relevant to our business. The objective is to help create the right conditions for a sustainable steel industry in the Netherlands, where policies are adopted that ensure a level playing field within Europe and with international competitors.

Other stakeholders

“We aim to create mutual understanding and open communication to bridge different perspectives and identify common ground.”

In recent years, our company has been the subject of regional and national debate, with media attention on emissions and environmental impacts. We recognise these concerns, including those related to steel slag, a by-product that is widely used globally in construction applications. Experience has shown that, where steel slag is not handled or applied appropriately, environmental impacts may occur. In the Netherlands, certain historical cases resulted in environmental harm, which we regret having occurred. In response, we have strengthened governance and oversight through a multidisciplinary taskforce, ensuring our duty of care across the value chain through strengthened controls, application standards and the responsible use of steel slag, supported by innovation and technology.

Through the Green Steel Project, TSN aims to materially improve its environmental performance and contribute to positive health outcomes in the IJmond region, recognising that the realisation of these ambitions is subject to regulatory processes, stakeholder collaboration and broader system dependencies beyond TSN’s sole control. We recognise the importance of engaging with all stakeholders without prejudice. By listening actively to concerns and providing clear responses to issues raised, we aim to create mutual understanding and open communication to bridge different perspectives and identify common ground.



Interview with Matt Kuehn, DS Containers

METAL PACKAGING OF THE FUTURE

DS Containers (DSC) is currently the largest US steel aerosol manufacturer, whose majority owner is the Daiwa Can Company of Japan. In 2005, DSC used a combination of Daiwa technology and Tata Steel's Protact® material to set up a revolutionary can production facility just outside of Chicago. Over the course of their 20-year history, they have grown from a start-up to the #1 market position in North America for steel aerosol cans. Tata Steel Nederland supplies the majority of DSC's material. The company was set up by Bill Smith Sr, whose son Bill Smith Jr retired as CEO at the end of 2020. Matt Kuehn, previously SVP Sales, Marketing and Technical Services, succeeded Bill as CEO.

How would you characterise the relationship between TSN and your organisation?

"TSN is a long-term partner. They've been with us since the very beginning, and had a big role in DSC's ability to develop and introduce our laminated Protact two-piece aerosol can, which was very innovative at the time in the packaging space. TSN also helped us educate the market about the unique properties of our packaging, assisting our ability to grow our business in the US. TSN's longstanding commitment to metal packaging sets TSN apart from other steel suppliers. Rather than exclusively relying on technologies of the present, they have made repeated significant investments in additional Protact capacity over the years, supporting the future of the metal packaging space. This has enabled DSC to move to wider specifications, increasing efficiencies and capacity in our current facilities."

What could TSN do to improve the relationship further?

"We're actually quite happy with the relationships and channels of dialogue currently in place. We're working in a dynamic and rapidly evolving industry, and we have regular conversations about geopolitical and environmental challenges that affect our business. TSN is well equipped with expertise in each of those areas, so it's great to have them as a sparring partner. We also work closely together on technical innovations and new ideas. We're looking forward to continuing our longstanding partnership in this way."

How important is the focus on sustainability for DSC as a customer?

"TSN's Green Steel Project aligns very well with our own key objectives of reducing our carbon footprint. We look at the investments we can do on our side, but there's only so much we're capable of doing when a significant portion of the overall carbon footprint that we deal with relates to the operation of the supplier of our primary input, which is steel. In its current state, TSN is already amongst the best in the world in terms of their carbon impact. The fact that they're not resting on their laurels and investing in green steel is admirable and also aligns well with what markets, including our own customers and consumers, are expecting of the industry going forward. We're eager to join them on that journey, recognising that it's a long-term commitment. It's still early days, but TSN's ability to realise its Green Steel Project will be a significant component of our own long-term plan to reduce our carbon footprint."

Have you already experienced a change as a result of this?

"We're pleased to see that there's progress in the near term, but we realise that TSN is setting the stage for the bigger impact yet to come. Probably the most groundbreaking result so far relating to our own product is TSN's new TCCT line, which was opened officially in 2026. The innovative tin-free Trivalent Chromium-Coating Technology is used to produce Protact and offers a Chromium VI-free substrate, making it compliant with forthcoming environmental legislation. The new line not only benefits our own product, but also offers opportunities for sustainable growth. It's important to realise that thanks to the recyclability of steel, the steel packaging industry can play a significant role in making packaging greener. Our strong partnership with TSN and our mutual focus on innovation will undoubtedly lead to even greener solutions in the future."

"The Green Steel Project aligns very well with our own long-term plan to reduce our carbon footprint."





RISK & COMPLIANCE

RISK FRAMEWORK

TSN operates in a rapidly evolving environment, shaped by significant geopolitical tensions, economic shifts, technological disruption, societal change, and increasingly stringent regulatory and sustainability expectations. The steel industry faces heightened uncertainty due to global fragmentation, volatile energy markets, accelerating competition — particularly from China — and the EU’s tightening environmental and health legislation, while the pace of Europe’s own decarbonisation transition has become less predictable.

The strategy of TSN is focused on the transition to Green Steel. To fulfil its strategy, TSN has launched the SCALE transformation programme to become a more agile organisation, more centrally managed, more steering on responsibilities, less bureaucratic and to enable faster decision-making to restore profitability and strengthen its competitive position.

As part of the transformation programme, TSN has initiated the development of an integrated Risk & Compliance framework, supported by a strengthened Risk & Compliance organisation. The integrated framework aims to create:

- One shared approach in all risk and compliance domains (strategic, financial, operational and regulatory & compliance) - ensuring alignment, comparability, and a common language for risk and compliance across TSN;
- A strengthened governance including role segregation, escalation lines and oversight mechanisms that support effective accountability and countervailing power;
- Improved visibility of risks and compliance requirements, considering both external and internal factors as well as short-, medium- and long-term impacts. This enhanced transparency supports reporting and enables decision-making.

The framework enables risk management in an increasingly complex environment, compliance with applicable laws and regulations, risk awareness and builds towards a compliance culture. It builds on the foundations already in place within TSN, while recognising that achieving full maturity in this area will require a multi-year effort.

When assessing risks and changing laws and regulations, TSN considered the potential impact and likelihood as well as the velocity (time for impact to business). This process is required for understanding the potential consequences of each risk or new/changed law or regulation and for prioritising mitigating actions and adequate resources accordingly. The Risk & Compliance function provides insight into identified key risks and compliance issues including their severity, trajectory and potential impact on the execution of TSN’s strategy to the Board of Management (BoM) and Audit Committee (AC) of the Supervisory Board.

To benchmark risks and decide on the required mitigating actions, TSN has developed risk appetite statements for the following risk areas:

Strategic: We are focused on creating profitable, sustainable growth and strong cash flows that create long-term stakeholder value, and we continuously adapt our business to changes in the external environment. In doing so, we accept related risks moderately.

Financial: We have a limited appetite for financial risks. We accept market-related financial risks where these are prudent, well understood, and appropriately managed. We have a low appetite for financial management risks and aim to minimise exposures related to liquidity, credit, capital structure, and financial reporting integrity.

Operations: We have no appetite for risks that can compromise human safety. Our objective with regard to other risks related to our operations is to minimise these - to the extent possible. Having said that, we do allow for informed risk-taking in the context of optimising operational performance.

Regulatory & compliance: We have no appetite for breaches in the areas of environmental compliance or business integrity.

In terms of employee behaviour and business culture that form the foundation of risk management, we foster a culture aligned with the Tata Code of Conduct, with a focus on ethical and compliant behaviour, continuous learning, constructive cooperation and diversity. The risk appetite statements further reinforce this culture by providing clarity on acceptable levels of risks across the different risk domains. They guide the selection and design of the mitigating measures for managing the risks within the set boundaries.

The following sections provide further detail on the risks and uncertainties that could materially and adversely affect TSN’s business, financial condition, operating results, reputation, or prospects, together with the mitigating actions and the control framework TSN has established to manage and monitor these risks. The sustainability-related impacts, risks and opportunities arising from these dynamics and identified through the double materiality assessment are described in detail in the Sustainability Statements and should be read in conjunction with this chapter.

KEY RISKS & APPETITE

Competitive Positioning Risk

TSN operates in a highly competitive European and global steel market. Maintaining a resilient market position requires strong customer value propositions, cost competitiveness, and alignment with evolving sustainability requirements.

TSN faces the risk of losing market share and pricing power if competitors achieve structurally lower cost positions, benefit more effectively from trade-policy environments, expand import volumes into the EU, or accelerate innovation and substitution strategies. This risk is exacerbated by TSN's own elevated cost base and structurally low productivity, which constrain competitiveness and weaken margin resilience. Increasing access of non-EU producers to EU markets, differentiated customer requirements, and evolving sector dynamics could further reduce TSN's ability to sustain premium pricing, retain key customers, and secure volumes in high-value segments.

The potential impact is assessed as High, as sustained erosion of TSN's competitive position may lead to:

- loss of sales volumes in core segments,
- margin pressure due to reduced pricing power,
- underutilisation of assets,
- reduced commercial relevance in high-value markets, and
- inability to justify premium pricing for green or differentiated products.

These effects would directly impact TSN's profitability, long-term strategic positioning, and ability to finance its Green Steel transformation.

[Link to TSN Strategy & Risk Appetite](#)

Strengthening competitiveness is a foundational pillar of TSN's strategy, particularly during the transition to Green Steel. Maintaining leading positions in key market segments, ensuring customer loyalty, and achieving cost competitiveness are critical for sustaining commercial viability and supporting the investment requirements of TSN's transformation.

TSN's risk appetite for market dynamics risk is **accept**, recognising that exposure to market cycles and competitive behaviour is inherent to the steel industry. However, the company actively manages this risk through focused commercial strategy, cost improvements, and portfolio optimisation.

Mitigating measures – current and next 12 months

Mitigating measures already in place or underway include:

Strengthening portfolio focus

TSN continues to optimise its product and customer portfolio by prioritising higher-value segments and aligning commercial choices with long-term market trends.

Enhancing cost competitiveness

Ongoing programmes aim to improve productivity, reduce structural costs, and secure more competitive energy and input prices, supporting a stronger long-term cost position.

Improving customer value and differentiation

TSN is investing in superior service delivery, enhanced technical support, and customised product solutions to reinforce customer loyalty and maintain relevance in high-value markets.

Accelerating innovation

Product innovation, development of advanced steel grades, and the commercial roll-out of new steel solutions help TSN stay competitive and meet evolving customer and sustainability expectations.

Supporting fair market conditions

TSN engages with relevant authorities and industry bodies to promote effective trade measures, ensure fair competition, and support policies that strengthen the resilience of the European steel value chain.

Diversifying markets and offerings

TSN is expanding its presence in selected international markets and developing new routes-to-market, partnerships, and digital solutions to broaden commercial opportunities and reduce dependency on individual regions or sectors.

These mitigation actions collectively strengthen TSN's resilience against pricing pressure, import competition, and product substitution.

Development in Prior Year & Outlook (12 Months)

During the past year, competitive pressure in the EU steel market remained high, driven by sustained import volumes and tightening cost structures across the industry segments. TSN is making progress through margin optimisation efforts, improvements in customer value propositions, and ongoing work on the new Commercial Strategy.

The risk is expected to remain elevated but increasingly managed over the next 12 months. While market dynamics remain challenging, the combination of portfolio shifts, cost measures, customer value improvements, and policy advocacy is expected to gradually reduce exposure.

Execution & Process Compliance Risk

Strong and consistent execution of commercial and operational processes is critical for TSN's ability to ensure reliable customer delivery and safeguard revenue quality and protect margins. As TSN operates in increasingly complex markets and under evolving regulatory and contractual requirements, consistent process discipline and robust internal controls are essential to support growth, maintain trust, and reduce execution errors. Effective process execution is also a key enabler for the Green Steel transformation, where commercial stability, price realisation, and contractual reliability must be maintained during transition.

TSN faces the risk that weak process discipline or inconsistent execution of key commercial procedures such as pricing governance, contract management, and order-to-cash processes, may lead to operational deviations and commercial losses. The potential impact is assessed as Medium to High, depending on the nature of the deviation.

[Link to TSN Strategy & Risk Appetite](#)

A high level of process consistency supports TSN's strategic objectives to strengthen its competitive position, deliver reliable customer value, and maintain strong commercial governance. TSN's risk appetite is **accept**, acknowledging that some process variation is inherent in a complex commercial environment. However, TSN seeks to actively reduce exposure through improved governance, standardisation, and enhanced compliance monitoring.

Mitigating measures – current and next 12 months

Strengthened governance and commercial standards

TSN is reinforcing the application of core commercial processes by promoting consistent adoption of standard operating procedures and improving process documentation. This includes strengthening internal guidance and ensuring that key process steps are executed in a uniform and controlled manner.

Enhancing monitoring and assurance

Regular monitoring, audits, and compliance checks help ensure that commercial processes are executed as intended. These activities provide increased transparency, enable early detection of deviations, and support timely corrective action.

Strengthening pricing governance and controls

TSN is improving pricing discipline through clearer authority structures, automated approval workflows, and reinforced pricing boundaries. This supports consistent margin protection and reduces the likelihood of pricing deviations.

Improving contract quality and control

Contracting practices are being enhanced through standardised templates, mandatory legal review, and improved tracking of contractual obligations. This reduces the risk of contractual inconsistencies and strengthens commercial execution quality.

Building capability and reinforcing commercial professionalism

Targeted training and strengthened commercial competencies support a more consistent, compliant way of working and reinforce a culture of discipline across teams involved in pricing, contracting, and order execution.

Development in Prior Year & Outlook (12 Months)

During the past year, TSN has been strengthening process controls, updated commercial standards, and increased monitoring activities.

The risk is expected to gradually decrease over the next 12 months as additional governance measures, process improvements, enhanced standardisation, and strengthened assurance activities continue to mature.

Organisational Capability & Workforce Readiness Risk

TSN's ability to operate safely, reliably, and competitively and to deliver the Green Steel Project depends on a workforce with the right behaviours, capabilities, and technical skills. As the industry evolves and TSN transitions to new technologies and ways of working, strengthening organisational culture and securing critical skills become increasingly important.

TSN faces the risk that organisational culture, behaviours, and workforce capabilities may not sufficiently support operational excellence or the demands of the transformation.

This includes:

- misalignment between desired behaviours and unintended actual day-to-day practices (affecting accountability, collaboration, and decision-making), and
- challenges in attracting, developing, and retaining critical skilled labour due to tight labour markets, demographic shifts, and competition for talent.

If these issues persist, TSN may experience capability gaps in operations, maintenance, engineering, and transformation programmes, which could increase operational risk, slow down execution, and limit progress toward strategic objectives. The potential impact is considered high, as cultural misalignment and skills shortages may lead to weaker accountability and inconsistent decision-making, operational disruptions due to lack of qualified personnel, delays in transformation projects and loss of institutional knowledge due to demographic shifts.

[Link to TSN Strategy and Risk Appetite](#)

A resilient, skilled and aligned workforce is essential to TSN's strategic pillars:

- Financial Performance
- Green Steel Project
- Licence to Operate

TSN's risk appetite for workforce and cultural risks is **minimise**, acknowledging that external labour market conditions cannot be fully controlled. However, TSN actively manages exposure by reinforcing culture, leadership behaviours and capability development.

Mitigating measures – current and next 12 months

Strengthening leadership and behavioural expectations

TSN is reinforcing the behaviours needed for reliable execution and transformation success through leadership development, structured feedback mechanisms, and clearer behavioural expectations.

Enhancing performance management and accountability

Performance frameworks are being strengthened to drive consistent behaviour, clearer accountability, and better decision-making. This includes refining performance metrics, standardising evaluation processes, and improving consequence management.

Supporting organisational change and readiness

TSN is building capability to manage organisational change effectively through enhanced communication, better assessment of change readiness, and structured support for teams adapting to new ways of working.

Attracting and retaining critical skills

TSN is investing in initiatives to strengthen its talent pipeline, including targeted recruitment efforts, competitive compensation measures, international talent support, and an inclusive working environment to attract and retain scarce technical skills.

Strengthening workforce planning and capability development

Proactive workforce planning and capability-building programmes help address demographic shifts, secure critical knowledge, and develop the skills needed for future operations and transformation activities.

Improving employer attractiveness and long-term talent positioning

TSN continues to enhance its employer brand through sustained market visibility, a strong Employee Value Proposition (EVP), and targeted outreach to critical talent groups to support long-term recruitment and retention.

Development in the Prior Year & Outlook (12 Months)

Progress has been made in strengthening leadership behaviours and enhancing onboarding training for the transformation. However, labour market shortages and increased technical skill requirements continue to place pressure on capability. The overall risk is expected to remain elevated but increasingly managed.

Business model transformation risk

TSN's Green Steel Project represents one of the most significant industrial transformations in the Netherlands, requiring major changes in technology, assets, energy systems, infrastructure, and operating models. As TSN prepares for implementation of this transformation, the company faces key risks in the areas of policy, execution, and price volatility.

Link to TSN Strategy and Risk Appetite

The Green Steel Project is a strategic pillar of TSN's long-term transformation, enabling the shift to sustainable, circular, low-carbon steel production while materially improving the environmental performance of the IJmond region. Successful delivery is essential to protecting TSN's competitive position, reinforcing customer and stakeholder confidence, and ensuring continued access to European markets that are subject to rapidly tightening regulatory requirements.

TSN's risk appetite for transformation-related risks is **accept**, meaning TSN recognises that certain risks are inherent to delivering such a large-scale transition. These risks are accepted within defined boundaries, supported by active management and mitigation to safeguard the timely and successful execution of the Green Steel Project.

Mitigating measures – current and next 12 months

Policy

TSN's Green Steel Project and business transformation rely on a predictable national and EU policy framework to recover higher operational and capital costs associated with producing low-CO₂ steel and to remain competitive against (imported) grey steel. TSN faces the risk that relevant policy frameworks become ineffective, delayed, or altered. Critical EU risks include CBAM implementation and EU ETS predictability. National risks include rising network costs, additional national CO₂ measures, and the potential non-approval of support for the Green Steel Project. Current measures include:

- Active advocacy and engagement with policymakers, industry and NGOs on both a national and EU level.
- Strengthened monitoring of regulatory developments to ensure timely adjustment of project plans.

Execution

The execution of TSN's Green Steel Project, a megaproject on a brownfield site, presents a risk of schedule and cost overruns. In particular access to sufficient qualified construction and engineering resources, combined with the contractual maturity at Financial Investment Decision (FID), represents key risks. TSN installed a new team that is highly experienced in large, complex projects. Current measures include:

- Securing key contracts prior to FID to limit exposure to cost and schedule fluctuations.
- Accelerating Front End Engineering Design (FEED) maturity.
- Building strategic partnerships with Original Equipment Manufacturers (OEM).
- Strengthening access to qualified contractors and engineering resources.

Price volatility

Blast Furnace steel manufacturers have limited exposure to volatile prices, as the steel price is traditionally linked to the price of iron ore and metallurgical coal. With the execution of the Green Steel Business Transformation, TSN will be increasingly exposed to electricity and natural gas price volatility, which are not linked to the steel price. This increases the risk of volatile energy prices undermining the competitiveness of lower CO₂ steelmaking.

Current measures include:

- Establishing strategic collaborations with selected suppliers, with the aim of securing long-term, stable supply contracts prior to the start of production.
- Preparing long-term supply agreements to reduce price exposure ahead of production start.

Each identified risk has a high potential impact on the execution of the Green Steel Project. TSN is actively progressing the above-mentioned mitigation measures within the detailed project risk register aiming to reduce these risks and strengthen the overall project resilience.

Development in the Prior Year & Outlook (12 Months)

Looking ahead to FY27, the overall risk level is expected to remain high. However, with mitigation measures increasingly in place to monitor and manage these risks, overall exposure is becoming more controlled. As FEED maturity progresses, the associated business-transformation workstreams are also advancing toward FID. Key contracts will be secured, and long-term sourcing strategies will be implemented, resulting in a steadily declining risk profile.

Financial risks

Funding risk / access to capital markets / Interest rate risk

As TSN has set ambitious goals to reduce its carbon footprint and transition to cleaner and greener steel production the Green Steel Project is the key initiative, aiming to develop and implement innovative technologies and processes that significantly reduce greenhouse-gas emissions and environmental impact. TSN has selected DRP-EAF (Direct Reduction Plant / Electric Arc Furnace) technology as part of the first-phase transition. In parallel, TSN is investing in other environmental measures (e.g., coverage of raw materials, energy efficiency, slag processing) and actions to reduce emissions from the Coke and Gas Plants. This transformation requires significant capital expenditures both for the transition and for decommissioning one blast furnace and related upstream facilities.

Liquidity risk

Steel-making operations are cash intensive and come with pressure on working capital, as the process requires inventories of raw materials and intermediate and finished goods. As a consequence, a considerable amount of cash is locked-in during the steel-making cycle and swings in procurement and sales may lead to material changes in required cash.

Market price risk and currency risk

As part of its normal operations, TSN is exposed to various market price risks. The development of raw material prices, grid tariffs, and gas, electricity and CO₂ emission prices (subject to the emissions trading scheme), all in relation to steel prices, impact the financial performance of TSN. Also, several commodities are commonly priced in other currencies than the euro, and some sales are also denominated in other currencies. This exposes TSN to the risk of changing exchange rates. To protect its financial performance, TSN has set up relevant treasury policies and processes in order to manage these risks and reduce volatility in financial performance due to these factors to within an acceptable bandwidth.

Credit risk

TSN sells its product to many clients and in many geographies. As a consequence, credit risk, defined as the risk of non-payment by TSN's clients, is present. As one of the mitigations, TSN makes use of credit insurance, so that the reliability of fund collection is increased.

[Link to TSN Strategy and Risk Appetite](#)

TSN's financial risk appetite reflects the company's commitment to maintaining stability and resilience while progressing its Green Steel Project. TSN **accepts** that it is exposed to financial market movements such as fluctuations in steel, energy and commodity prices, currency and interest rates, since this is an inherent aspect of operating in a globally competitive and capital-intensive industry. It plans to reduce the exposure to (long-term) fluctuations in CO₂ costs through its Green Steel Plan, reducing its CO₂ emissions and consequently, the sensitivity to price movements.

At the same time, TSN seeks to **minimise** risks that relate to its own financial management by maintaining robust liquidity, managing short-term risk of price movements and strong balance sheet discipline, effective treasury operations and an effective risk management framework. This balanced approach ensures that TSN can navigate market volatility while safeguarding financial soundness and supporting the substantial investments required for its transition.

[Mitigating measures – current and next 12 months](#)

To safeguard access to capital markets, TSN, with the support of Tata Steel Limited (TSL), will continue to explore differentiated funding sources. Key element for the Green Steel Plan is the path to the tailor-made agreement with the Dutch government and TSL, which shall also provide a financial foundation for the transition. In September 2025, the Company signed a Joint Letter of Intent with the Government of the Netherlands and TSL regarding the Green Steel Project. Ultimately, funding for the transition will come from a mix of operational cash generation, support from the shareholder and the Government of the Netherlands and third-party funding arrangements.

Liquidity is actively managed on a day-to-day basis, to ensure cash generation is optimised and working capital requirements are kept to the necessary minimum. To optimise its cash position and working capital, TSN makes use of various trade finance instruments and opportunities. In addition, available overdraft facilities were increased during the reporting period, enabling the company to manage its cash position more efficiently.

To reduce the impact of market price movements, TSN hedges price risks related to expected variable cash flows. This relates to prices of raw materials, metals and CO₂ emissions and foreign exchange rates. This takes place within a robust hedging framework. Through forward purchases, prices of expected volumes are fixed, reducing potential impact on the financial performance. For CO₂ emissions, volumes related to the reporting period are known, however, under the Emissions Trading System, TSN has to deliver the associated allowances only during the next financial year. By executing forward contracts for these allowances, TSN has been able to fix the price of CO₂ emissions for the reporting period.

At settlement of the CO₂ allowances, TSN will see the cash outflow associated with the allowance requirement related to calendar year 2025.

Development in the Prior Year & Outlook (12 Months)

TSN's financial risk appetite reflects the company's commitment to maintaining stability and resilience while progressing its Green Steel Project. TSN **accepts** that it is exposed to financial market movements such as fluctuations in steel, energy and commodity prices, currency and interest rates, since this is an inherent aspect of operating in a globally competitive and capital-intensive industry. It plans to reduce the exposure to (long-term) fluctuations in CO₂ costs through its Green Steel Project, reducing its CO₂ emissions and consequently, the sensitivity to price movements.

Product Quality risk

Tata Steel Nederland produces approximately 7 million tonnes of steel annually and issues over 200,000 Steel Test Certificates each year. These certificates serve as legally binding documents that confirm products meet the specified order requirements, including industry standards, customer specifications, and relevant EU regulations.

The risk concerns the issuance of inaccurate or unreliable Steel Test Certificates, meaning certificates may contain incorrect, incomplete, or invalid information. This risk can arise from manual data entry errors, wrong test data interpretation, neglecting procedures or failures in interconnected IT systems causing non-compliance of statements on Steel Test Certificates. The potential impact of issuing inaccurate or unreliable Steel Test Certificates is assessed as High as such inaccuracies can lead to high costs due to recalls, reputational damage and potential litigation.

Link to TSN strategy and Risk Appetite

In our customer satisfaction surveys, year on year our customers highlight that product quality is our number 1 differentiator. Hence, non-compliance will jeopardise our position as preferred quality supplier, lead to lower sales prices and, in the end, lower profitability of TSN. Given the legal, safety, and reputational implications, TSN's risk appetite for product quality risks is **minimise**. This means TSN seeks to prevent occurrences that could compromise product integrity, customer safety, regulatory compliance, or the company's ability to maintain its Licence to Sell.

Mitigating measures – current and next 12 months

Governance

- Governance is in place top-down from TSN Board of Management to Product Quality managers in central and local downstream entities.

Policy & standards

- A TSN Quality Policy is in place, detailed in 25 Quality Standards, with which local entities have to comply. E.g., strict segregation of duties between Quality and Production to ensure absolute independence.
- TSN is actively participating in the revision of international standards (EN, ISO) to ensure compliance.

Controls and assurance

- Compliance to Product Quality standards is risk based independently audited by TSN Audit & Assurance.
- Product Quality risks are incorporated in the Internal Control Framework, in which per process step, risks, controls, and control owners are captured.
- Biannual mandatory awareness training (e-Learnings) is held for all relevant stakeholders.

Assessments and monitoring

- Annually Quality Maturity Self-Assessments are deployed, in which all TSN sites must indicate whether they meet our TSNQ standards. In case of non-compliance, TSN sites are expected to respond with a mitigating action plan to be implemented ("comply or explain").
- Biannual Risk assessment for all TSN businesses. In the risk assessments, TSN businesses are expected to confirm that likelihood or impact has not changed, or apply changes as required. Additionally, the Risk assessment facilitates sharing and learning opportunities.
- In the independent and ISO-certificated TSN testing facility, the "Certificate Monitor" is installed. The "Certificate Monitor" flags any data inconsistencies which immediately need to be investigated, and coils will be put in "quarantine".

Teams & Incident Response

- A Product Quality response team and response manual are in place to ensure minimal consequential impact in case of a suspected Product Quality incident.

Development in the Prior Year & Outlook (12 Months)

TSN Audit has increased focus on Product Quality compliance and revealed a number of Product Quality cases, which have been addressed adequately. Over the next 12 months, the Product Quality risk monitoring will be enhanced for TSN to mitigate the risk within TSN's risk appetite.

IT & OT Security risks

IT and OT systems form the backbone of TSN's operational and production processes. Stable, secure, and modern digital infrastructure is essential for maintaining operational continuity and supporting safety-critical industrial control systems.

Building on this growing dependency, several structural vulnerabilities and external developments create three material IT and OT security risks that could directly affect TSN's ability to operate reliably and transform effectively.

1. Risk of Legacy IT systems reducing efficiency

TSN continues to (partly) rely on legacy IT systems with accumulated technical debt, limited integration capability, and increasing failure risk. These constraints slow down decision-making, reduce productivity, and limit the ability to digitalise key processes, creating operational inefficiencies that hinder transformation progress. The impact of legacy IT systems is assessed as Medium.

Modern, reliable IT capabilities are essential to support TSN's operational excellence ambitions and enable the Green Steel transformation. Digitalisation, advanced analytics, and streamlined data flows are critical enablers of the future operating model, making IT stability a strategic priority.

TSN's risk appetite for this area is **minimise**. While TSN recognises that legacy IT cannot be replaced immediately, the organisation seeks to reduce this exposure as quickly as practicable, prioritising stability, security, and modernisation to support operational continuity and transformation.

Mitigating measures – current and next 12 months

A multi-year modernisation roadmap is underway, which includes:

- lifecycle assessments of critical systems,
- phased replacement of outdated applications and infrastructure, and
- simplification of underlying IT architecture.

These steps are aimed at progressively reducing technical debt and improving system reliability.

Development in the Prior Year & Outlook (12 Months)

The risk profile has remained stable, with gradual improvement as planned modernisation activities advance. However, structural exposure persists due to the scale of legacy components. Over the next 12 months, continued modernisation and rationalisation efforts are expected to reduce likelihood and operational impact further.

2. Cyber threats to IT/OT systems

TSN faces heightened cyber risk due to increasingly sophisticated attacks, IT/OT convergence, legacy OT environments, and limited specialist capacity. A successful attack could disrupt production, compromise safety systems, cause data loss, and lead to regulatory breaches, including violations under NIS2.

The impact of cyber threats is assessed as High. A successful cyberattack could halt production, compromise safety systems, cause loss or corruption of critical operational data, or trigger regulatory breaches, including under NIS2. Such an event could lead to significant operational disruption, financial losses, and reputational damage.

Cybersecurity is fundamental to TSN's strategic objectives. The Green Steel transformation requires higher levels of digitalisation, system connectivity, and IT/OT integration, all of which increase exposure to cyber threats.

The Board of Management's risk appetite for cyber threats is to **minimise**. TSN acknowledges cyber risk cannot be eliminated but aims to reduce exposure as far as practicable, focusing on prevention, detection, rapid response, and compliance with evolving regulations such as NIS2

Mitigating measures – current and next 12 months

- Strengthened network segmentation and secure remote access.
- OT system hardening to reduce vulnerabilities.
- Expanded monitoring and capability building, supported by external security operations expertise.
- Strengthening business resilience and crisis management framework.

Development in the Prior Year & Outlook (12 Months)

Inherent cyber risk has increased due to global escalation in threat sophistication. However, TSN has improved control maturity through enhanced monitoring, strengthened access controls, and ongoing NIS2 readiness efforts. Over the next 12 months, TSN is working on further strengthening of security measures, but the overall risk will remain elevated due to persistent external threat pressure.

3. Obsolete industrial control systems threatening production

Like any large industry, we face challenges with ageing production assets, lack of industrial control systems (ICS) and dependencies on scarce specialist knowledge. This increases the likelihood of prolonged outages impacting volume, quality and safety.

The impact of the above is High and presents a substantial risk of prolonged production outages, quality deviations, and potential safety incidents, given their central role in managing critical production processes.

Reliable and modern industrial control systems are essential to maintaining operational continuity, product quality, and safe production- key pillars of TSN's competitiveness and the Green Steel transformation. TSN's risk appetite for this area is **minimise**, recognising that ageing control systems must be systematically upgraded.

Mitigating measures – current and next 12 months

- A risk-based modernisation programme is in progress, focused on upgrading critical systems.
- Improved documentation and structured knowledge transfer are being implemented to address reliance on scarce specialist expertise.
- Capital allocation is in place to support accelerated upgrades in the coming year.

Development in the Prior Year & Outlook (12 Months)

The risk remains elevated but with a downward trend, with early progress on modernisation activities and reducing dependency on individual specialists. Continued system upgrades and capability strengthening are expected to further lower exposure, although full risk reduction will take time.

Overall assessment

Across all three domains, TSN's IT and OT environments continue to face material structural risks. The "In Control Programme" strengthens governance, reinforces risk transparency, and supports ongoing improvement of digital resilience.

While mitigation measures are progressing, these risks remain significant during TSN's transformation and will require sustained investment, prioritisation and capability development to bring them within the company's risk appetite.

Asset risk

Tata Steel IJmuiden operates with an ageing asset base, much of which was constructed in the 1970s. Maintaining the integrity, reliability, and availability of these assets is essential for safe and continuous operations.

As TSN continues to operate high-utilisation production facilities while preparing for the Green Steel transformation, asset integrity and availability remain foundational to operational stability, cost efficiency and compliance.

The primary risk relates to asset breakdown in critical production areas, which could lead to unplanned outages, reduced production volume, compromised product quality, and direct financial losses. The potential impact is medium as the failure in critical assets could result in:

- production interruptions and reduced availability,
- increased repair and maintenance costs,
- reduced profitability due to lost volumes,
- potential safety or environmental risks depending on the asset involved.

Link to TSN Strategy & Appetite:

Asset integrity is vital for operational continuity and is directly linked to TSN's ability to generate the cash flows required to support the Green Steel transformation. TSN's risk appetite for asset-related risks is **minimise**. While ageing assets cannot be replaced immediately, TSN actively seeks to reduce exposure through structured asset management planning, targeted investments and timely interventions in high-risk areas.

Mitigating measures – current and next 12 months

- Asset health, lifecycle status and risks are continuously evaluated through the Asset Lifecycle Register (ALR).
- Funding is allocated based on criticality and lifecycle risk, with additional resources assigned when justified by asset condition.

Development in prior years and outlook

The asset risk profile has remained medium, supported by continuous monitoring and mitigation through the ALR. Structural exposure persists due to the age of major equipment. Risk levels will continue to be re-evaluated on an ongoing basis, with (additional) funding assigned where required to resolve issues in high-risk areas.

Environmental Compliance risk

TSN operates in a strongly regulated environmental landscape within the Netherlands and the European Union. The company is, amongst others, subject to an extensive framework of permit conditions, and monitoring and reporting requirements related to air emissions, handling and transport of hazardous materials, soil and groundwater protection, waste management and incident reporting.

Regulatory interventions to end, prevent or punish environmental compliance breaches by organisations may include fines, administrative sanctions such as corrective orders with penalties and, in severe cases, restrictions on permitted operations. Several of these measures have been applied in recent years across TSN processes and remain an important element of the environmental compliance landscape in the current year.

Considering the JLoI agreements which include commitments around strengthening compliance culture and emissions stewardship, TSN is rightfully exposed to increased regulatory and public scrutiny, which underscores the need for robust compliance monitoring and strong environmental governance, and aligns with TSN's commitment to reduce emissions.

Main environmental topics under scrutiny are the compliant continuation of the coke and gas plants (CGPs), which receive stringent supervision by the Environmental Agency (EA). Improvement plans are regularly discussed between TSN and the EA, while existing orders under penalty continue and camera supervision has been intensified throughout the year. In addition, the status of steel slag remains under scrutiny, with the Human Environment and Transport Inspectorate (ILT) as main conversation partner and regulator. TSN is also taking part in REACH-deliberations around registration of steel slag, with final conclusions potentially impacting TSN's decarbonisation plans. TSN's continuous reporting obligations and permitting requirements, such as the Environment Effect Report (MER) and permitting required for the Green Steel transition, continue to be of strategic importance and require environmental compliance attention on a regular basis.

Furthermore, the evolving regulatory framework on a range of environmental topics, including anticipated updates to regulation and evolving Best Available Techniques (BAT) conclusions, for example on tightened nitrogen and particulate matter standards, continue to elevate compliance complexity. Against this backdrop, TSN continuously faces environmental compliance risks, which carry regulatory, operational, financial, and reputational consequences.

The impact on TSN's strategy is rated High. Environmental non-compliance or related regulatory findings may result in several types of enforcement measures (including regulatory or criminal fines), material remediation obligations, the need for accelerated technical modifications or corrective actions affecting capital allocation, hampering operational continuity due to (temporary) restrictions on production units (including ceasing certain operations) and delays or constraints in permitting processes required for e.g. the Green Steel transition. Environmental non-compliance could also lead to the revocation of permits, which may affect the continuity of our operations. In addition, environmental non-compliance will lead to increased scrutiny affecting TSN's reputation, stakeholders trust and social licence to operate.

[Link to TSN Strategy and Risk Appetite](#)

Environmental performance is a foundational pillar of TSN's strategy to transition towards decarbonisation, reducing nitrogen and particulate emissions and improving the living environment in the IJmond region. TSN has **no appetite** for material breaches of environmental laws or regulations. Compliance is treated as a prerequisite for operational continuity, stakeholder trust and securing and maintaining permits and financing required for operational continuity and the upcoming transformation.

Proactive environmental compliance embedded in and between the operations, HSE, R&C and other relevant supporting functions, with enhanced monitoring and transparent reporting is therefore essential for TSN's strategy.

[Mitigating Measures – Current and Next 12 Months](#)

TSN is strengthening its environmental compliance and risk management through a coordinated set of measures designed to reinforce governance, improve monitoring and data integrity and support environmental compliance embedded in the organisation.

Strengthened environmental governance and clearer accountability

TSN is implementing a more structured operating model for Health, Safety & Environment while strengthening compliance culture through a wider Risk & Compliance programme, with specific focus on environmental compliance and enhanced transparency and clarity on accountability.

Improved risk assessment, monitoring, quality and reporting discipline

TSN is also developing a more coherent data foundation that enables better traceability and helps ensure that environmental risk information is validated, monitored and reported. This includes further integrating compliance requirements in environmental risk assessments and decision-making processes.

Enhanced capability and expertise in critical environmental and compliance domains

TSN is increasing environmental and compliance capability across the organisation, supported by external expertise and focused improvement programmes. These efforts are aimed at strengthening day-to-day compliance, embedding a widespread compliance culture and ensuring the organisation is equipped to meet evolving regulatory expectations.

Better coordination and prioritisation of environmental improvement programmes

TSN is improving the planning and execution of environmental projects by consolidating key initiatives, clarifying milestones, and reinforcing cross-functional coordination between Operations, HSE, Legal and R&C. This supports more predictable delivery of improvement measures and strengthens regulatory confidence.

[Development Compared to Prior Year and 12 Month Outlook](#)

In the past year, TSN made progress in implementing environmental improvement projects and strengthening environmental compliance governance. Monitoring processes were established or enhanced, while several enforcement and legal processes continued.

The environmental compliance risk remains high but with its pending improvements in environmental compliance governance, framework and culture strengthening, TSN is committed to its journey towards a sustainable future, using evidenced progress to rebuild trust and transitions to compliant Green Steel.

[Health & Safety Risk](#)

TSN operates a large and complex 24/7 industrial site with a significant internal and external workforce. In such an environment, maintaining safe and healthy working conditions is essential. Multiple hazard types like process safety, occupational safety, chemical exposure, radiation and dust are inherent to steelmaking and require continuous attention, strict procedures, and strong safety culture to keep risks controlled.

Given the scale and continuous nature of operations, safety and health risks can occur.

- Process safety hazards pose the highest-severity threats, as failures could lead to serious incidents.
- Health risks arise from exposure to chemical substances, radiation, and dust, which require both short-term and long-term risk management.
- Occupational safety risks include common incidents such as slips, trips and falls, as well as higher-potential hazards such as falls from height, equipment misuse, or being struck by objects.

Despite these efforts, incidents with serious consequences and several high-potential events occurred, indicating that the overall trend of safety control has not improved enough.

The potential impact of Health & Safety risks remains High, as these risks can result in serious injury or fatality, permanent impairment, psychological impact on TSN's workforce, disruption of operations, reputational damage and regulatory consequences.

Because the consequences are severe, TSN's overall objective is to reduce these risks as far as reasonably possible.

[Link to TSN Strategy & Risk Appetite](#)

TSN's strategic ambition to operate responsibly and sustainably is rooted in protecting the safety and health of the workforce and surroundings. Safety is a foundational value and an enabler of operational continuity, organisational trust, and transformation success. Therefore, TSN has **no appetite** for risks that can compromise human safety or health.

Where safety hazards cannot be fully avoided due to industrial operations, TSN works to reduce them As Low As Reasonably Possible (ALARP) through engineered and procedural barriers.

Mitigating measures – current and next 12 months

Process Safety

- A strict hazard-management system is in place, supported by periodic reviews and audits.
- For new installations, process safety risks are designed out as far as possible, and sufficient engineered barriers are incorporated.
- TSN aims to scale process safety risk down to ALARP, resulting in a low residual risk.

Health Protection

- Chemical, radiation and dust risks are controlled through tailor-made risk assessments covering both short- and long-term exposure.
- Mitigation follows a clear hierarchy:
 - Elimination through design.
 - Technical measures.
 - Organisational measures.
 - Personal protective equipment (PPE) as a last resort.

This structured approach reduces health risks to low levels.

Occupational Safety

- Daily assessment of potential safety risks across all workplaces.
- Systematic incident investigation and corrective actions applied for TSN employees and contractors.
- Focus on preventing high-potential accidents such as falls from height, equipment misuse, or being struck by objects.
- Current residual risk remains moderate due to the variety of hazards and recent serious incidents.

TrueSafe Programme

The TrueSafe safety programme is being continued and remains a multi-year focus area.

Priorities include:

- Strengthening overall safety performance.
- Improving safety culture.
- Enhancing monitoring of safety performance.
- Reviewing and considering additional controls, such as introducing Life-Saving Rules.
- Strengthening identification and prevention of high-potential incidents.

Development in the Prior Year & 12 Month Outlook

TSN continued to implement process safety and occupational safety controls.

Despite these efforts, incidents with serious consequences occurred, including permanent impairment and several high-potential events, indicating that the overall trend of safety control has not yet improved.

With the continued roll-out of the TrueSafe programme, initiatives to improve safety culture, and evaluation of additional control measures (such as Life-Saving Rules), TSN expects to strengthen its safety management system.

While risk levels remain moderate due to inherent operational hazards, TSN aims to further reduce serious and high-potential incidents through increased monitoring, clearer behavioural expectations, and enhanced contractor engagement.

CONTROL ENVIRONMENT

TSN aims to operate an internal risk-management and control system designed to safeguard its licence to operate, support effective decision-making and realise responsible execution of its strategy. This system comprises both the controls and governance structures already in place, as well as the strengthening measures introduced through the multi-year In Control Programme. Together, these elements form the foundation for an effective control environment.

Governance Model Supporting TSN's System of Control

TSN's governance model is designed to provide accountability, oversight and challenge, supporting the company to operate with integrity in a complex regulatory and social environment.

The Board of Management is responsible for directing the business, setting priorities and realising sustainable value creation. The Supervisory Board oversees these activities and monitors the internal-control environment, with specific attention delegated to the Audit Committee, which reviews financial reporting, risk-management processes, compliance and the effectiveness of internal and external assurance.

R&C Framework Enhancements Through the In Control Programme

While TSN has strengthened foundational controls and improved transparency in recent years, full maturity of the R&C environment will only be achieved progressively.

The In Control Programme is therefore a key driver of TSN's transformation toward a more structured, predictable and sustainable internal-control system.

The programme has introduced the essential building blocks of TSN's future R&C operating model, including:

- a unified R&C framework covering all risk domains;
- clearer governance and role segregation across the Three Lines of Defence;
- standardised methodologies for risk appetite, risk assessment and internal-control design;
- a strengthened regulatory-change process;
- consistent and cyclical reporting supported by defined KPIs;
- enhanced capabilities across environmental compliance, ethics & compliance, information security and enterprise risk management;
- culture, leadership and behavioural elements embedded through dedicated training and awareness workstreams; and
- preparation for GRC tooling to support workflow-based control execution, monitoring and reporting.

Taken together, these developments significantly strengthen TSN's control environment, reinforce compliance disciplines, and lay the foundations for an effective system of risk management and compliance culture that underpins TSN's strategy and its transition to Green Steel.

Operational Management

Operational management across Work Units and corporate functions (Operations, Finance, HSE, HR) own the risks within their processes and are accountable for designing, operating and evidencing effective controls.

First Line

Second Line

Third Line

Risk & Compliance (R&C) Organisation

Consolidated within the Risk & Compliance (R&C) organisation, covering Risk Management, Environmental Compliance, Ethics & Compliance, Information Security, and Regulatory Affairs. The second line sets standards and policies, supports implementation, monitors outcomes and challenges management on risk mitigating activities and compliance.

Internal Audit (TSN Audit & Assurance)

Internal Audit (TSN Audit & Assurance) provides independent assurance. It reports administratively to the TSN CEO and functionally to the TSN Audit Committee, preserving organisational independence. The internal audit charter is approved annually by the TSN Audit Committee. Internal Audit operates under the oversight of the Tata Steel Limited Chief Audit Executive (CAE), ensuring alignment with group-level audit standards and expectations.

BUSINESS CONDUCT, COMPLIANCE & INTEGRITY

Ethics and Compliance

Ethics and Compliance framework

Ethical and compliant behaviour and responsible business conduct require continuous attention and play an important role in long-term value creation and the transition to net zero steelmaking. Continuous focus will strengthen trust among stakeholders, reduce risks and safeguard TSN's licence to operate. Our Code of Conduct guides the behaviour of TSN and its workforce in all business matters and expresses our commitment to high ethical standards with regard to our conduct. TSN's underlying ethics and compliance framework is anchored in the Code of Conduct and serves to promote such conduct and detect and respond to any alleged breaches of the required conduct in our company. Against this backdrop, tone at the top is essential to bringing desired behaviours to life.

With the adoption of the TSN Risk and Compliance Strategy in October 2025, the Board of Management confirmed its commitment to significantly invest in TSN's ethics and compliance framework and to accelerate ongoing improvement initiatives. By establishing a dedicated Risk and Compliance function, risk management, ethics and compliance were brought closer together; supporting a more integrated approach and embedding ethics and compliance considerations more firmly in our operations. For example, operational risk assessments will include ethics and compliance considerations where appropriate.

A key objective of TSN's ethics and compliance framework is to foster a compliant culture. TSN considers such culture essential in achieving the transition to net zero steelmaking and to meet stakeholder expectations. To this end, TSN organises leadership development programmes and compliant culture awareness sessions combined with dilemma discussion sessions; currently prioritising its senior and middle management.

TSN is also in the process of adopting a soft control framework that will support TSN to gain structured insights into elements of its compliance culture that require attention. As part of implementation of this framework, dedicated staff in several functions will be trained to apply this in root-cause analyses of issues and incidents. In addition, periodic surveys among staff will be held to create insight into the actual maturity level of our compliance culture. The surveys enable us to increase the effectiveness of our ethics and compliance framework by providing targeted training and/or interventions. These regular surveys will also enable TSN to assess progress on improving our a compliant culture. Maturing our compliance culture will remain a focus area of the ethics & compliance programme in the coming years.

TSN recognises that a mature ethics and compliance framework requires continuous review and improvement, duly taking into account evolving regulatory requirements and societal expectations. To this end, TSN has processes in place to identify and address regulatory developments in key risk areas. These processes are currently being strengthened to expand their risk-based scope and improve their effectiveness, with implementation planned in a phased manner and targeted for completion by mid-2027 financial year.

In the financial year 2025/2026, TSN reviewed its trade sanctions and anti-trust policies and procedures, and updated its export-controls policies and procedures to reflect increasing risks associated with geopolitical developments. TSN also reviewed its anti-corruption, anti-fraud and anti-money laundering compliance programmes and expects to finalise the improvement initiatives in Q4 FY2027. This also includes updates to its conflict of interests and gifts and hospitalities policies and procedures and the implementation of a register for related registrations. TSN also initiated updates of other compliance programmes and is committed to having all material risk areas reviewed by the middle of FY2027.

In parallel, TSN initiated a review of its concerns reporting, follow-up and investigation processes. Implementation of the identified areas of improvement is expected in FY2027. This includes a central access point for the available reporting channels, enhanced cooperation between and oversight of the various reporting channels, enhanced consistency in the triage of concerns reported and any related investigations including documentation, updating of the TSN Confidential Reporting Policy and Investigations Policy, related communications and training together with improved governance and processes.

More information on the TSN Code of Conduct and supporting policies can be found in the [Sustainability Statements](#) chapter - Business Conduct (G1).

Ethics and compliance during the year

Over the course of the financial year, TSN addressed various compliance and business integrity-related matters that may arise in a large industrial organisation, including concerns and investigations relating to harassment, conflicts of interest, gifts and hospitality, fraud, and other forms of non-compliance with internal policies and/or laws and regulations. Where concerns were substantiated, with clear direction by the Board of Management, appropriate corrective actions were taken and learnings were implemented. These may include disciplinary measures, process improvements, additional guidance or targeted training. Lessons learned are used to strengthen controls, refine practices and further enhance awareness and training over time.

Two concerns with potential material impact were followed up through an extensive external forensic investigation. In addition, one finding derived from an external customs audit was investigated thoroughly with the support of external forensic technology expertise. These investigations and related findings have been guided by the CFO, thoroughly discussed by the Board of Management and have resulted in improvements to policies, procedures, mandatory training and awareness on Code of Conduct-related topics for specific target groups, as well as changes in BoM-1 (reports directly to the Board of Management) and BoM-2 (reports directly to BoM-1) senior leadership.

Given the ongoing review of TSN's concerns reporting, follow-up and investigation processes as described above including supporting training and awareness activities, the number of concerns reported is expected to increase over the course of next year.

The disclosures required under ESRS G1 relating to business conduct are included in the [Sustainability Statements](#) chapter - Business Conduct (G1).



CORPORATE GOVERNANCE

TSN has a two-tier board structure consisting of the Board of Management, which has the executive powers and sets the company's strategy, and the Supervisory Board, which supervises and advises the Board of Management. TSN has a mitigated structure regime as the members of the Board of Management are appointed by TSN's shareholder. All shares in TSN are ultimately held by parent company Tata Steel Ltd, based in India.



From left to right: Peter Bernscher (CCO), Akash Latchman (COO), Hans van den Berg (CEO) & Hans Turkestean (CFO).

Board of Management

The role of the Board of Management (BoM) is to manage the company, including setting and achieving its objectives and determining the strategy to achieve these objectives. In the performance of its duties, the BoM is guided by the interests of the company and its business and, in doing so, carefully considers the interests of all stakeholders of the company, including the interests of its employees and ultimate parent Tata Steel Ltd. (TSL). The BoM is supervised by the Supervisory Board (SB). Members are appointed by the General Meeting of Shareholders of TSN and indirectly by TSL.

At the beginning of the financial year 2025-2026, the BoM consisted of Hans van den Berg (Chief Executive Officer and Chair), Hans Turkesteen (Chief Financial Officer), Akash Latchman (Chief Projects and Engineering Officer), Tom Eussen (Managing Director of TSIJ) and Gunilla Saltin (Managing Director of TSDE).

In connection with the planned consolidation and functionalisation of the TSN organisation, the BoM was reduced from five to four members as of 1 July 2025. In the new structure, the BoM consists of the positions Chief Executive Officer, Chief Financial Officer and the two newly created positions Chief Operations Officer and Chief Commercial Officer. Hans van den Berg and Hans Turkesteen have continued in the roles of Chief Executive Officer and Chief Financial Officer respectively and Akash Latchman has taken on the role of Chief Operations Officer. For the Chief Commercial Officer (CCO) position, Peter Bernscher was recruited externally and subsequently appointed as CCO and member of the BoM as of 1 September 2025. As of 1 July 2025, the positions of Managing Director of TSIJ and Managing Director of TSDE expired, and Tom Eussen and Gunilla Saltin stepped down as members of the BoM.

Diversity

TSN, being a large private company, has established appropriate and ambitious target figures for the BoM, SB and sub-top of the company in order to improve gender diversity. For the BoM, the target is that at least 25% of members are female. In the reporting year, the BoM had no female representation, compared to 20% in the prior year, and therefore this target is not met. The company will strive to meet the BoM target in future appointments.

For the SB, 50% of its members in the reporting year were independent, meaning they were not in any way involved in the management or supervision of companies within the Tata Steel Group; this was unchanged compared to the prior year. The diversity target for the SB is that 50% of its independent members are female. This target has been met, with women representing 25% of total SB members, consistent with the prior year.

Culture

TSN's strategy is to transition to carbon-neutral production. To bridge the gap between carbon-based production and sustainable production, in 2025 the Board of Management adopted the SCALE transformation programme to deliver value for all TSN's stakeholders. Besides achieving targets, the SCALE transformation is about cultural change. Further details on TSN's Strategy and SCALE are provided elsewhere in this Annual Report. The values of the SCALE transformation add to TSN's existing values. TSN is part of the Indian-based Tata Group and adopted the Tata Group Code of Conduct, which sets out principles to guide the behaviour of TSN and its employees in all business matters, supplemented with TSN-specific interpretations. The Code of Conduct clearly articulates five fundamental values that underpin TSN's approach to business conduct: integrity, pioneering, excellence, unity and responsibility which serve as guiding principles for ethical decision-making. The Board of Management is responsible for TSN's conduct, including the development of policies, in which it is supported by the Ethics and Compliance Committee, which is part of the Risk and Compliance function. The implementation of the policies lies with senior management leading the operations and functions.

Conflict of interest

The By-laws of the BoM provide for how conflicts of interest between TSN and members of the BoM are to be dealt with.

A member of the BoM will not take part in any discussion or decision-making that involves a subject or transaction in relation to which they have a conflict of interest with the company, or in relation to which they have a direct or indirect personal interest that conflicts with the interests of the company. Such a transaction may only be concluded on terms at least customary in the sector and requires the approval of the SB. If, as a result of the above provisions, the BoM is unable to adopt a resolution, the resolution will be adopted by the SB.

Each member of the BoM will immediately report any (potential) conflict of interest to the chair of the SB and to the other members of the Board of Management. In 2025, no transactions were reported under which a member of the BoM had a conflict of interest that was of material significance.

Remuneration

The remuneration policy of the members of the BoM is adopted by the shareholder and prepared by the SB, upon recommendation of the Remuneration Committee. The remuneration policy and the elements of the remuneration of the members of the BoM are set out in the [Remuneration Report](#) and in the Financial Statements under [Further notes to and signing of the Annual Accounts](#).

Members of the Board of Management



Hans van den Berg

Chief Executive Officer (CEO), Chair of the Board of Management

Hans van den Berg is a Dutch national and started his career at Tata Steel (then Koninklijke Hoogovens) in 1990. He has since held various positions in R&D, the blast furnaces, Basic Oxygen Steel Plant 2, the cold strip mill and the direct sheet plant. He has been a member of the TSN Board of Management since April 2016.



Hans Turkesteen

Chief Financial Officer (CFO)

Hans Turkesteen was appointed CFO and member of the BoM of TSN in September 2024. He is a Dutch national. Hans previously held various CFO positions, including at Intertrust, Stork and Imtech. Prior to that, he was Managing Partner M&A and Capital Markets at Deloitte and Managing Partner at Andersen.



Akash Latchman

Chief Operations Officer (COO)

In November 2024, Akash Latchman was appointed as member of the TSN BoM. He is a South African national. As of 1 July 2025, he has taken on the role of COO. In this role, he is responsible for technology and innovation, the operations at the IJmuiden site and the realisation of TSN's Green Steel Project at the IJmuiden site. Akash previously held various senior executive positions at the South Africa-based chemicals and energy company Sasol and led several industrial mega projects in North America and Africa.

Peter Bernscher

Chief Commercial Officer (CCO)

Peter Bernscher is an Austrian national and brings over 30 years of extensive management experience in the steel, automotive and processing industries. At TSN, Peter is responsible for shaping the company's commercial strategy and strengthening its market position.



Supervisory Board

General

The SB supervises the policies pursued by the BoM and the general course of affairs of TSN, as well as assisting the BoM by providing advice. In discharging its role, the SB takes into account the interests of TSN and its stakeholders and advises the BoM thereon.

The members of the SB are appointed by the General Meeting of Shareholders of TSN, at the nomination of the SB itself. The SB and its members are not bound by any instructions and shall not receive a binding mandate. At least half of the members of the SB are not in any way involved in the management or supervision of companies belonging to the Tata Steel Group. A quarter of the members of the SB are female. The SB appoints its chair from among its members. The chair does not have a casting vote. Every third member of the SB is appointed considering the enhanced right of recommendation of the Central Works Council of TSN. The SB evaluates and assesses its own performance and that of the members of the BoM. The SB may be assisted in this by an external party.

Members of the Supervisory Board

During the financial year 2025-2026 the SB consisted of Mr T.V. Narendran (Chair), Mr Herman Dijkhuizen (Vice Chair), Mrs Claudia Zuiderwijk and Mr Koushik Chatterjee. Mr Narendran fulfils the role of CEO and Managing Director of TSL and Mr Chatterjee fulfils the role of Executive Director and CFO of TSL. Mrs Zuiderwijk and Mr Dijkhuizen are not in any way involved in the management or supervision of companies belonging to the Tata Steel Group.



T.V. Narendran
Chair



Herman Dijkhuizen
Independent Member



Claudia Zuiderwijk
Independent Member



Koushik Chatterjee
Member

In accordance with article 26.11 of the articles of association of TSN, the SB has drawn up the following rotation schedule for its members:

Name	Position	Date of first appointment	Termination or reappointment date	Terms of appointment
T.V. Narendran	Chair	1 Sep 2021	2029	2 x 4 years (8)
H.H.J. Dijkhuizen	Independent Member	1 Sep 2024	2028	1 x 4 years (4)
C.J.G. Zuiderwijk	Independent Member	1 Jan 2024	2028	1 x 4 years (4)
K. Chatterjee	Member	29 Jan 2025	2029	1 x 4 years (4)

Committees

Audit Committee

The Audit Committee undertakes preparatory work for the SB's decision-making regarding the supervision of the integrity and quality of the company's financial reporting and the effectiveness of the company's internal risk management and control systems.

The Committee consists of at least two members of the SB, who are appointed by the SB from among its members. At least half of the members of the Audit Committee are not in any way involved in the management or supervision of a company (or companies) forming part of Tata Steel Group. The chair of the Audit Committee, appointed by the SB, cannot also be the chair of the SB, and is not in any way involved in the management or supervision of a company (or companies) forming part of Tata Steel Group.

Remuneration Committee

The Remuneration Committee undertakes preparatory work for the Supervisory Board with regard to the remuneration policy of the members of the Board of Management and the Supervisory Board advises the shareholder in this respect. The remuneration of the members of the Board of Management is determined by the shareholder. In addition, the Remuneration Committee prepares the assessment of the functioning of the members of the Board of Management. A detailed description of the remuneration policy and the remuneration of the members of the Board of Management for the year 2025/2026 can be found in the [Remuneration Report](#) and under [Further notes to and signing of the annual accounts](#).

REPORT OF THE SUPERVISORY BOARD

Supervisory Board

Main developments financial year 2025/2026

TSN faced multiple challenges during the financial year 2025-2026. The company's performance was impacted by trade tariffs imposed on imports into the USA, market conditions, operational setbacks and its high-cost structure. Though 2025-2026 EBITDA improved and amounted to €268 million compared to €93 million in the previous year, 2025-2026 was closed with a loss of €206 million which is a disappointing outcome. TSN also had a challenging year from a licence-to-operate perspective, with notably the Cokes and Gas Plants being subject to multiple enforcement measures.

Despite these challenges, TSN continued its work with the government and other stakeholders on transitioning to sustainable steel making (the Green Steel Project). In September 2025, the non-binding Joint Letter of Intent (JLoI) was signed by the Dutch Government, our Indian-based parent company Tata Steel Ltd., the Province of Noord-Holland (Province), and TSN setting out the aims and objectives of the parties, and constituting an important step in the statutory and regulatory process to carry out negotiations towards the Tailor-Made Agreement for government subsidy to realise the Green Steel Project after satisfactory completion of relevant conditions on both sides.

In addition, the company made substantial progress with its three-pillar transformation programme SCALE, aimed at increasing productivity and cost reduction, preparing the Green Steel Project and strengthening TSN's licence to operate.

Our activities

Under these challenging circumstances, the Supervisory Board continued its intensified supervision. The Supervisory Board held six regular meetings during the year 2025-2026 and 18 extra meetings, with and without management. In addition to the monitoring of the company's operational and financial performance, several deep dives on specific topics were discussed and the Supervisory Board advised the Board of Management on important strategic decisions.

Licence to operate

Ample time was spent on the three-pillar transformation programme SCALE and specifically on the company's Licence to Operate. The Supervisory Board was informed on the actions taken to resolve outstanding legacy matters and to strengthen the organisation to improve the company's environmental performance. The Supervisory Board was informed on the interactions between the company and regulators and other relevant authorities. The Supervisory Board also

met with the Environmental Agency North Sea Channel Area (EA) and members of the Supervisory Board also interacted with local and central authorities.

The Supervisory Board took note of enforcement measures imposed on the company, including penalties imposed in relation to (i) emissions of MVP1 and MVP2 substances at the Cokes and Gas Plants (CGPs), amounting to €21,940,000 in total and (ii) dust emissions at the Continuous Caster Machines 22 and 21 at the Steel Plant, amounting to €1,000,000. The Supervisory Board discussed and monitored reports on mitigating actions taken by the Board of Management and interactions with the relevant authorities on this subject.

Regarding the CGPs, the Supervisory Board was informed that discussions between the company and the relevant authorities are ongoing with the objective of agreeing on a timeline for a safe and controlled closure of the CGPs, allowing the site to prepare and implement projects for the import of cokes and natural gas supply, as well as separation of assets including permitting requirements, in order to be able to continue steel production at the IJmuiden site. The Supervisory Board was also informed on the detailed assessment made by the company on the fastest possible closure timeline, which was discussed by the company with the EA. The Supervisory Board was also informed on the letter from the EA and the Province dated 23 April 2026 by which the company was informed on their intention to revoke the CGPs' permits, but without a specified timeline in the letter. Further to this letter and pending certainty on the closure timelines, the financial statements of TSN are prepared on a going concern basis, with a material uncertainty related to the potential closure of the CGPs and the uncertainties related to the impact of such closure on TSN's financial situation, which are fully disclosed.

The Supervisory Board was informed on developments related to steel slag, including (i) technical research conducted to improve the application of steel slag and EAF slag and (ii) the contracting with steel slag off-takers including duty of care obligations throughout the chain including end-users. The Supervisory Board was also informed on the importance of the Netherlands continuing to follow the European regulations regarding the classification of steel slag, as there is no steel production without steel slag. The Supervisory Board noted the challenges in this regard given the actions by the Inspectorate for the Environment and Transport in the Netherlands which imposed a penalty on TSN on 22 April 2026 requiring it to classify steel slag as hazardous ahead of changes in European regulation.

The Supervisory Board was informed on the setup and execution of the HSE Turnaround Programme, redesigning and strengthening the operating model of the Health Safety and Environment department and the hiring of an externally recruited seasoned HSE Director. In addition, the Supervisory Board was informed on and approved the three-year Risk and Compliance programme for the setup of the dedicated centrally led Risk and Compliance function and monitored the progress made with the implementation of the programme.

Safety

The Supervisory Board closely monitored TSN's safety performance and in particular the actions taken as part of the safety improvement programme TrueSafe.

Operational and financial performance

As part of the SCALE transformation programme, the operational and financial performance were regularly discussed with a focus on increasing productivity and structural cost reduction, to restore the company's competitiveness. The Supervisory Board closely monitored the consultation of a significant FTE reduction. Though controlling employment cost is essential and inevitable, the Supervisory Board recognises the impact of these job losses on the employees and their families.

The Supervisory Board also closely monitored the temporary shutdown of the Direct Sheet Plant (DSP) after discovery of Chromium 6 emissions in April 2026. The Supervisory Board was pleased that this was done in open dialogue with the Environmental Agency North Sea Channel Area (EA). The Supervisory Board took note of the mitigating actions taken by the Board of Management regarding alternative production of the DSP product portfolio, delivery to customers and resolving the Chromium 6 emissions. The Supervisory Board approved the acquisition of the three power plants from Vattenfall, completed on 1 January 2026 and the way of financing this acquisition out of the company's own financial means.

Green Steel Project

Regarding the Green Steel Project, the Supervisory Board was informed regularly on the progress of the negotiations of the JLOI and extensively discussed the arrangements concluded between the Dutch Government, TSL, the Province, and TSN, which was signed in September 2025. Members of the Supervisory Board also interacted regularly with the relevant ministries and politicians on the Green Steel Project.

The Supervisory Board was also informed on the setup of the Green Steel Project organisation, the progress of the Front-End Loading stage 3, the submission of the Environmental Impact Assessment and the preparation of the sustainable steel commercial strategy.

Material legal matters

The Supervisory Board was informed regularly on material legal matters, including the status of the criminal investigation focussing on the alleged introduction of hazardous substances into soil, air or surface water that could affect public health.

The Supervisory Board was also informed on the class action initiated by Stichting Frisse Wind on behalf of approximately 330,000 residents living in the vicinity of TSN and TSIJ and the preparation of the company's defence.

Attendance

Except for five meetings, all Supervisory Board members were present at each of these Supervisory Board meetings. The Supervisory Board also had regular dialogues with employees other than the Board of Management, including the Central Works Council. By rotation, individual Supervisory Board members attended the Central Consultative Meetings between the Board of Management and the Central Works Council, providing information on the meetings of the Supervisory Board.

Audit Committee

The Audit Committee held four regular meetings and three extra meetings during the financial year 2025-2026. The meetings were attended (at least in part) by the CEO and the CFO, the external auditor PwC, the internal auditor, the Deputy CFO, the Director Group Finance, the Director Risk and Compliance and the Director Legal. The Chair of the Audit Committee, Mr Dijkhuizen, had separate meetings with the internal and the external auditor on a regular basis.

The Audit Committee reviewed all financially relevant matters before presentation to the Supervisory Board, including the company's quarterly and annual financial reporting, as well as the impairment testing and going concern assessment. The Audit Committee also reviewed the Board of Management's analysis of the going concern assumption. Further to a letter sent by the EA and the Province, dated 23 April 2026, on the intention to revoke the CGPs' permits, TSN's financial statements are prepared on a going concern basis, with a material uncertainty related to the potential closure of the CGPs and the uncertainties related to the impact of such closure on TSN's financial situation which are fully disclosed.

The Audit Committee paid specific attention to the effectiveness of the internal control framework and the risk management systems. Further to the establishment of the dedicated risk and compliance function and the new setup of the HSE organisation, particular attention was paid to the three lines of defence, including the internal audit function. The Audit Committee discussed the three-year risk and compliance programme for the setup of the dedicated centrally led risk and compliance function, before submission to the Supervisory Board for approval.

Each quarter, the Audit Committee reviewed the risk and compliance reports, including the overall risk profile assessment, key risk themes, as well as general and thematic compliance reviews. The Audit Committee paid specific attention to compliance with regulations concerning steel slag and compliance with tariff regulations and tax legislation.

The Audit Committee reviewed the audit plans of the external auditor and internal auditor before submission to the Supervisory Board for approval. The Audit Committee met with the external auditor jointly with as well as separate from the Board of Management.

During each meeting, the Audit Committee paid particular attention to the progress made with the implementation of the CSRD sustainability reporting, which will be mandatory as of 2027/28. The Audit Committee discussed the double materiality assessment (DMA) conducted by TSN on two separate occasions. The Audit Committee also took note of the judgements, uncertainties and (inherent) limitations underlying TSN's sustainability reporting, as well as the pending efforts to improve TSN's management systems, controls (quality and reliability of data) and performance in this area, as set out in more detail in the Sustainability Statements.

Other subjects reviewed by the Audit Committee were material legal matters, taxation, and treasury.

Remuneration Committee

The Remuneration Committee undertakes preparatory work to facilitate the Supervisory Board's advisory role to the shareholder, on the remuneration of the members of the Board of Management.

The Remuneration Committee held five meetings during the financial year. The meetings were attended by (at least in part), the TSN Director Human Resources and the TSL Chief People Officer. The Remuneration Committee assessed the functioning of the individual members of the Board of Management and made a proposal regarding the remuneration for the year 2025-2026. Given the exceptional circumstances in which the company finds itself, the Remuneration Committee recommended to award an individual grant to members of the Board of Management in view of their exceptional effort and commitment, as further explained in the Remuneration Report. Further to this recommendation, the Supervisory Board advised the shareholder to grant this award. The Remuneration Committee also prepared a remuneration policy to be pursued for the year 2026-2027.

As reported in the Supervisory Board Report for the financial year 2024-2025, as of 1 July 2025 the Board of Management consists of the positions of Chief Executive Officer, Chief Financial Officer and the two newly created positions Chief Operations Officer and Chief Commercial Officer. The Remuneration Committee led the process to determine the appropriate candidates for the four positions and reported its findings to the Supervisory Board. Following this process, Mr Van den Berg was confirmed in the position of CEO, Mr Turkesteen was confirmed in the position of CFO and Mr Latchman was appointed to fulfil the position of Chief Operations Officer. For the position of Chief Commercial Officer, external candidate Mr Bernscher was selected as the preferred candidate and appointed by the shareholder as a member of the Board of Management, upon the Supervisory Board's advice and following consultation of the Central Works Council. As of 1 July 2025, the position of Managing Director of TSIJ and Managing Director of TSDE expired and subsequently, Tom Eussen and Gunilla Saltin stepped down

as members of the Board of Management. The Supervisory Board expresses its gratitude to Tom Eussen and Gunilla Saltin for their contributions to Tata Steel Nederland.

Financial statements

For the financial year 2025/2026, the consolidated income statement shows a net loss after taxation of €206 million compared to a net loss after taxation of €204 million for the financial year 2024/2025, due to adverse market conditions and persistent low steel spreads.

Pursuant to Article 29 of the Articles of Association, we hereby present the Annual Accounts for adoption by the General Meeting of Shareholders of TSN. The members of the Supervisory Board, after discussion with the external auditors, have approved these Annual Accounts. The auditors, PricewaterhouseCoopers N.V., audited the Annual Accounts for the financial year 2025/2026 and issued an unqualified auditor's opinion which includes a paragraph drawing attention to a material uncertainty related to going concern, as disclosed in the Basis of Preparation.

We recommend that the General Meeting of Shareholders adopts the Annual Accounts for the financial year 2025/2026 as presented, and discharges the members of the Board of Management and the Supervisory Board of responsibility in respect of their management and supervision respectively.

The Supervisory Board thanks the Board of Management and all TSN employees for all their efforts during the year 2025/2026.

Supervisory Board

REMUNERATION REPORT

Board of Management (BOM) of Tata Steel Nederland

Remuneration Policy for the Board of Management of Tata Steel Nederland

The remuneration policy of Tata Steel Nederland for the Board of Management is designed to support the Company's strategic objectives, promote long-term value creation, and ensure a competitive position in the labour market. The policy is fully aligned with Tata Steel's international reward philosophy and focuses on a consistent, transparent, and responsible remuneration structure.

1 Tata Steel Reward Philosophy

Tata Steel applies a reward philosophy aimed at supporting a diverse and dynamic global organisation. This philosophy fosters a culture of innovation, collaboration, performance orientation, and accountability. The remuneration framework provides market-aligned and competitive employment conditions, complemented by opportunities for professional and personal development.

The Company values and rewards leaders who act in line with its core values of responsible leadership, integrity, and unity. By breaking down organisational boundaries and encouraging collaboration, Tata Steel seeks to embed a culture of excellence that is essential for becoming a leading player in the steel industry. These principles form an integral part of the remuneration policy for the Board of Management of Tata Steel Nederland.

2 Key Principles of the Remuneration Policy

2.1 Market Alignment

Tata Steel Nederland aims to maintain remuneration levels that are aligned with the relevant labour market. Annual or periodic benchmark analyses against a carefully selected peer group within the industrial sector ensure that both fixed and variable components remain competitive.

2.2 Performance-Based Remuneration

The remuneration system is designed in accordance with the principle of pay for performance. Variable remuneration is directly linked to the achievement of predefined financial and non-financial objectives that contribute to sustainable and profitable long-term growth. Target remuneration is composed of approximately:

- 30–40% fixed remuneration, and
- 60–70% variable remuneration.

Non-financial performance criteria include, among others, objectives related to safety, sustainability, leadership behaviour, and collaboration, in line with the Company's broader reward philosophy.

2.3 Differentiation Based on Role and Performance

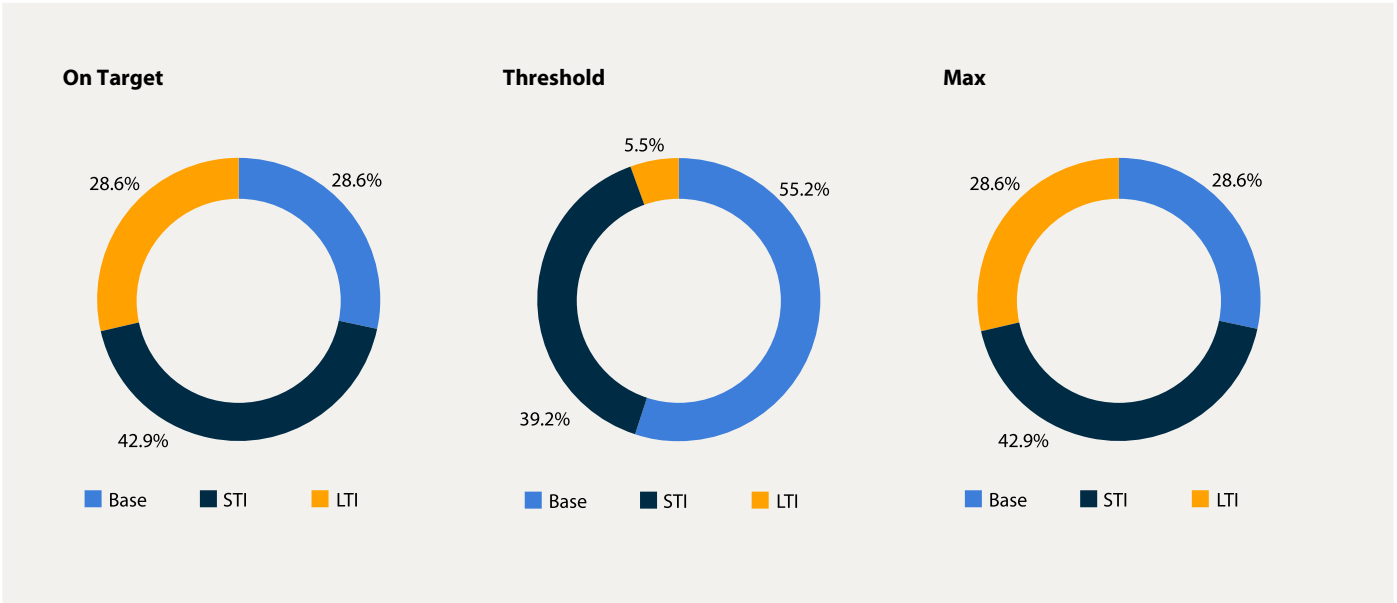
The remuneration of individual members of the Board of Management is determined based on their respective responsibilities, required competencies, and performance delivered. In addition, due consideration is given to the collective responsibility of the Board of Management for the execution of Tata Steel Nederland's strategic direction. The policy reflects the appreciation of leadership that promotes collaboration, safeguards integrity, and strengthens local accountability.

2.4 Stakeholder Balance and Governance

The remuneration policy takes into account the interests of all relevant stakeholders, including employees, customers, and society at large. Tata Steel Nederland follows best practices in corporate governance and applies transparent criteria in determining both financial and non-financial variable remuneration components.

2.5 Remuneration Mix

The remuneration mix for the members of the Board of Management consists of fixed remuneration, short-term variable remuneration, and long-term variable remuneration. The charts below illustrate the relative proportions of these components at threshold, target, and maximum performance levels.



3 Key Features of the Short- and Long-Term Incentive Plans

3.1 Short-Term Incentive Plan (STIP)

Annual performance is assessed based on a combination of the following components:

- Global Tata Steel financial objectives (10%)
- Local (TSN) financial, operational, and safety objectives (80%)
- Individual performance (up to 10%)

Component	Incentives
Form of remuneration	Cash
Financial and non-financial performance criteria	Financial (60% weighting) and non-financial (40% weighting)
On-target level 90-100% of AP	100% of base salary
Scenario at threshold or below-threshold performance	At threshold: 70% of the AP incentive is paid; below threshold: no payout
Scenario at maximum performance 100% + of AP	150% of the on-target incentive is paid
Individual performance	A: Excellent Rating 15% B: Effective Rating 8% C: Needs Improvement Rating 0%

3.2 Long-Term Incentive Plan (LTIP)

Component	Incentive
Form of remuneration	Cash as a percentage of Base Salary
On-target level AP achieved	45% of Base Salary
Financial and non-financial performance criteria	Financial (70% weighting) and non-financial (30% weighting)
Scenario at below AP level	Below AP Level: maximum vesting of 10%
Scenario at on-target performance	Vesting of 45% of Base Salary
Scenario at maximum performance	Vesting of 100% of Base Salary
Pay-out of LTIP	Amount due is paid out over a three-year period, 1/3 rd per year. 1 st payout in July after LTIP is awarded

4 Base Remuneration Package of the Members of the Board of Management in Office on 1 April 2025

(amounts in thousand euros)

Board Member	Position	Base Salary	On-target STI % base salary	On-target LTI % base salary
Hans van den Berg	Chief Executive Officer	630	100%	45%
Akash Latchman	Chief Operating Officer	500	100%	45%
Peter Bernscher	Chief Commercial Officer	500	100%	45%
Hans Turkesteen	Chief Financial Officer	500	100%	n.a.***
Tom Eussen *	MD IJmuiden BU	500	100%	45%
Gunilla Saltin**	MD Downstream BU	500	100%	45%

* Left active service end September 2025

** Left active service end July 2025

*** Separate agreement in place in lieu of LTIP

5 Base Salary

During FY 2026, the base salaries of the members of the Board of Management were not increased with the regular pay review.

The salary of Mr. Akash Latchman was increased with his appointment as Chief Operating Officer for TSN to an amount of €550,000 as per July 2025.

The salary over 2025 for Mr. Hans Turkesteen was increased due to additional responsibilities to €550,000, this was paid retro actively with the payroll of June 2026.

6 Incentive Plan Results

With respect to the FY26 incentive outcomes, while the gate opener for the Performance Bonus (positive consolidated EBITDA) was achieved at both TSN and Group level, the overall KPI achievement (global and local) did not meet the required threshold. As a result, no payment will be made under the FY26 Short- Term or Long- Term Incentive Plans

7 Discretionary Payment

During the last Financial Year, the Board demonstrated a level of engagement and decision-making that went significantly beyond normal duties, providing intensive oversight and strategic direction under heightened uncertainty and thereby materially supporting the Company's financial position, operational continuity, and long-term stakeholder interests.

In light of these contributions, a discretionary, long term exceptional award has been established to safeguard the company's continuity; it falls outside the standard remuneration framework and does not set a precedent for future compensation, but it will be considered annually by the Remuneration Committee .

For FY 26, the amounts awarded are mentioned below, payment will be made with the payroll of July 2026.

Hans van den Berg	€110,000
Akash Latchman	€110,000
Hans Turkesteen	€110,000
Peter Bernscher	€50,000

8 Other individual agreements

CFO Hans Turkesteen will receive an amount of €412,500 gross as fixed Long-Term Incentive Payment with the payroll of July 2026. Hans Turkesteen's contract will be extended to 1 April 2027. A retention bonus of 75% of Base Pay will be paid if he remains with the company until the end of FY27. This will replace his Long-Term Incentive Plan arrangements for FY27.

COO Akash Latchman has an additional annual engagement payment that pays out in October and is based on his performance. Over FY 26, this is an amount of €45,000 gross paid in October 2026. These payments will continue for FY27 and FY28 and will stop after that date.

CCO Peter Bernscher will continue to receive a monthly housing allowance as well as COO Akash Latchman. This is reported under other Costs.

9 Actual received remuneration of the BOM

(amounts received in thousands of euros)

Name current member	Position	Base	Pension benefits	STI	LTI	Social security	Other compensation	Total
FY26								
Hans van den Berg	CEO	630	122	-	-	13	139	904
Hans Turkesteen	CFO	550	125	-	413	17	141	1.245
Peter Bernscher *****	CCO	292	58	-	-	10	134	493
Akash Latchman	COO	537	134	-	-	17	178	867
Tom Eussen ****	MD IJM	250	48	-	-	6	33	337
Gunilla Saltin *****	MD DS	176	42	-	-	5	47	270
Total		2.435	530	-	413	68	671	4.116 *)

*) Former Board members received termination benefit of which the aggregate amount is disclosed in the remuneration note in the Annual Accounts

FY25

Hans van den Berg	CEO	630	122	-	86	12	33	883
Hans Turkesteen *	CFO	292	73	219	145	9	18	756
Martijn Plaum **	CFO	250	48	94	103	8	172	675
Akash Latchman ***	CP&O	187	47	-	-	6	297	536
Tom Eussen ****	MD IJM	500	96	-	73	12	44	725
Gunilla Saltin *****	MD DS	500	125	-	-	16	444	1.085
Total		2.358	511	313	409	63	1.007	4.660

* Hans Turkesteen started September 2024

** Martijn Plaum started September 2022 and left September 2024

*** Akash Latchman started November 2024

**** Tom Eussen left active service end September 2025

***** Gunilla Saltin left active service end July 2025

***** Peter Bernscher started September 2025

10 Other compensation elements

Other allowances include, among others:

- Retention package related to termination
- Discretionary payments
- Engagement incentive
- Life insurance premiums
- Lease allowances
- Accommodation allowances
- General Expense allowances
- Functional Expense allowances

LITIGATION

TSN and its subsidiaries are involved in multiple legal proceedings, ranging from civil law to administrative and criminal law. TSN actively manages these matters, using internal legal experts and external counsels.

Below, TSN provides an overview of the material ongoing and potential legal proceedings and investigations.

1. On 19 December 2025, Stichting Frisse Wind initiated proceedings against TSN and its subsidiary Tata Steel IJmuiden ("TSIJ"). The proceedings initiated by Stichting Frisse Wind concern a collective action under the Dutch Act on Collective Settlement of Class Actions (Wet Afwikkeling Massaschade in Collectieve Actie).

Stichting Frisse Wind states that it is acting on behalf of approximately 330,000 residents living in the vicinity of TSN and TSIJ. Stichting Frisse Wind argues that TSN and TSIJ have systematically and on a large scale emitted hazardous substances and has failed to take timely and adequate steps to mitigate the harmful consequences of its operations. TSN and TSIJ deny the allegations and will strongly defend their position in court.

Stichting Frisse Wind's claims for relief include confirmation that TSN is liable towards the local residents for current and future damages, compensation for alleged immaterial damages (vulnerability to symptoms / illness and loss of enjoyment of life) of approximately €685 million, material damages of approximately €718 million for loss of property value plus a yet to be quantified amount for loss of enjoyment of living / residency and payment of extrajudicial damages, including costs for (post-judgement) claim handling estimated at at least €8 million.

On 25 March 2026, the litigation started with the admissibility phase. On 29 July 2026, TSN and TSIJ will submit their statement of defence in the admissibility phase.

If the claim is found to be admissible, the first opt-out opportunity occurs. Residents who do not wish to be part of the class action can opt-out and are then no longer represented by Stichting Frisse Wind nor bound by the outcome of the case. Hereafter parties are invited to settlement negotiations. If a settlement is reached, residents who do not wish to be covered by the settlement can opt-out. If parties do not reach a settlement, the litigation will proceed with the merit's phase.

This collective action litigation is a complex and extensive litigation, which is expected to last for multiple years in first instance alone.

2. In May 2023, a court in Germany decided that TSIJ infringed on a valid German utility model as of July 2015 by selling a specific low-waviness steel grade. TSIJ no longer produces or sells this specific steel grade and has appealed the court's decision that TSIJ infringed the German utility model. The appeal court appointed an expert, who issued his report in November 2025 and concluded that the theory underlying the court's decision is not widely accepted or plausible. The appeal proceedings continue.

3. TSIJ has two Cokes and Gas Plants ("CGP1 and CGP2", together the "CGPs") which provide two Blast Furnaces ("BF6 and BF7") with coke and the site operations with coke oven gas. In 2024, the Environmental Agency for the North Sea Canal Area ("EA NZKG") measured alleged exceedances of emission thresholds for substances of very high concern ("ZZS") MVP1 (including PAH) and MVP2 at CGP1 oven stacks and MVP1 (including PAH) and g.02 at the CGP2 oven stacks.

MVP1 refers to solid substances of very high concern. MVP2 refers to gaseous or vaporous substances of very high concern. PAHs refer to Polycyclic Aromatic Hydrocarbons, a hazardous organic pollutant and g.02 is the gaseous phase of Polycyclic Aromatic Hydrocarbons.

Further to these measurements, on 19 December 2024, the EA NZKG imposed two penalty orders with a maximum total amount of €27 million on TSIJ for alleged non-compliance, requiring it to stop the exceedances and stay below emission thresholds. TSIJ has submitted a statement of objections against these penalty orders. In November 2025, the Province of North Holland sent its decision on the objections raised by TSIJ, largely upholding the penalty orders. TSIJ has made the decision not to appeal.

On 3 February 2026, TSIJ received the recovery decision of in total €8.532.500,- for exceedance of both MVP1 and MVP2 at CGP1. This amount was paid. On 16 April 2026, TSIJ received a second recovery decision of in total €8.532.500,- for exceedance of both MVP1 and MVP2 at CGP1. This amount was paid. The 19 December 2024 penalty order for CGP1 is now fully executed. TSIJ has made the decision to file objections against the recovery decision.

On May 11, 2026 TSIJ received a recovery decision of €3.250.000 for exceedance of MVP1 at CGP2. The 19 December 2024 penalty order for CGP2 is not yet fully executed. TSIJ has made the decision to file objections against the recovery decision.

4. On 19 December 2024, the EA NZKG sent TSIJ a notice regarding alleged non-compliance at CGP2 concerning the state of maintenance of the plant, and particularly the oven walls. The EA NZKG indicated that should the non-compliance not be remedied in time, it will consider revoking the permit for CGP2. In January 2025, TSIJ submitted its statement of objections, which objections were rejected in December 2025. TSIJ has initiated appeal proceedings, which proceedings are ongoing.

5. In September 2022, the EA NZKG issued a penalty order on the so-called green pushes – pushing cokes from the oven before the coking process is fully complete – at the CGPs in IJmuiden.

TSIJ submitted its objections, which were rejected, and requested a permit for the green pushes, which was denied. TSIJ appealed the decision on objections. In April 2025, the court decided to deny TSIJ's requests. TSIJ appealed against this judgement with the Administrative Jurisdiction Division of the Council of State (*Afdeling bestuursrechtspraak van de Raad van State, "ABRvS"*). These proceedings are ongoing. In August and October 2025, TSIJ received two penalty orders for green pushes of €100,000 each. In April 2026 TSIJ has received two intentions from the EA NZKG of recovery decisions of € 100,000 for alleged green pushes. TSIJ is opposing these (intentions for) recovery.

6. On 23 April 2026, the EA NZKG has notified TSIJ that the EA is preparing an intention to revoke (part of) the environmental permits of CGP 1 and CGP2, based on the EA's view that the remedial sanctions imposed under penalty for both CGPs have not had their intended effect. The EA NDZKG furthermore states that the violations of environmental standards continue and that it is plausible that remediation within a reasonable time is not feasible. The letter of the EA, and the uncertainty it creates regarding the timeline for revocation of the permits, and whether this timeline ensures a closure of the CGPs in a safe, responsible and controllable manner, may lead to further litigation.

TSN is currently exploring a faster-than-previously planned closure of the CGPs 1 and 2. The technical and logistical complexity of such a closure is significant, particularly in relation to ensuring proper safeguards for environmental aspects and safety. TSN's focus is on finding a solution that is appropriate for all stakeholders, taking into account all relevant interests, including the continuity of the business. Reference is made to the 'Going Concern' section in the [Basis of preparation](#).

7. In September 2023, the EA NZKG imposed a penalty order for alleged exceedance of dust emissions at Continuous Caster Machine 22 ("CGM22"), with a maximum of €500,000. Appeal proceedings are ongoing. In 2024, TSIJ received a second penalty order for the CGM22, again for exceedance of dust emissions, of €500,000 per violation and a maximum of €2,000,000. Appeal proceedings regarding this second penalty order are ongoing.

On 16 October 2025, TSIJ received the order under penalty for Continuous Caster Machine 21 ("CGM21") for exceedance of dust

and hydrogen fluoride (HF) with a total maximum of €2,400,000. To date no penalties or intentions for penalties have been received under this order under penalty. TSIJ has submitted objections against the penalty order for CGM21.

On 2 March 2026, the EA sent TSN a recovery under penalty order for exceedance of dust emissions at CGM22 for the payment of €500,000. The amount has been paid. This recovery under penalty order is part of the appeal proceedings against the second penalty order. On 30 March 2026, an intention for a recovery order for exceedance of dust emissions at CGM22 was received of €500,000. The amount has been paid. This recovery under penalty order is part of the appeal proceedings against the second penalty order.

8. In December 2025, TSIJ received a penalty order for the Sinter Plant due to alleged exceedances of hydrogen fluoride, chromium and nickel in the off-gases after the bag filter of the Sinter Plant, for a total potential penalty of €2,400,000. To date, no penalties have yet been claimed. TSIJ has made the decision not to file objections against this penalty order.

Potential litigation:

1. On 19 May 2021, a criminal complaint was filed on behalf of more than 800 people and ten foundations against Tata Steel and its de facto managers. In February 2022, the Public Prosecution Office initiated a criminal investigation focusing on the alleged introduction of hazardous substances that could affect public health into the soil, air or surface water. On 29 November and 6 December 2022, The Public Prosecution Office performed judicial site visits to gain more insight into the steel production process and the operations of the Cokes and Gas Plants. On 12 March 2026, the Public Prosecution Office visited TSIJ to claim administrative documents. The Public Prosecution Office has communicated that that a large part of the investigation is now finalised and that the investigation into a.o. the role of the de facto managers is however still ongoing. The timing and outcome of the complete investigation into TSIJ and into the role of the de facto managers are uncertain.

2. On 27 March 2023, an unusual incident leading to a blast furnace gas emission occurred at Blast Furnace 7. In April 2025, TSIJ received an official report containing several allegations regarding this event. The timing and outcome of this investigation are unknown.

3. On 8 April 2025, the EA NZKG informed TSIJ that a criminal investigation has been initiated into the exceedance of emission limit values for dust at Continuous Caster Machines ("CGMs") 21, 22 and/or 23 from 2020 to 2025. On 4 February 2026, the EA NZKG issued a written interrogation document with 44 questions, which were answered by TSIJ. The timing and outcome of this investigation are unknown.

4. On 5 December 2025, a criminal complaint was filed by Greenpeace and Stichting Frisse Wind for an alleged (repeated) violation of the reporting obligation stemming from the PRTR Regulation (Regulation (EC) No 166/2006) with regard to the emission of various harmful substances, including substances of very high concern over the years 2020-2024. Greenpeace and Stichting Frisse Wind allege that actual emissions in previous years were higher than reported based on the 2024 e-MJV assessment. An investigation has not been started as of yet.
5. On 22 April 2026, TSIJ received the order under penalty from ILT (Inspectie Leefomgeving and Transport), ordering TSIJ to bring LD steel slag to the market subject to the CLP classification "hazardous", and ensure compliance with the order within 31 days from the date of the order under penalty. TSIJ has taken the necessary steps to ensure timely compliance with the order under penalty.

Steel slag is a necessary by-product of TSIJ's steelmaking process. Steel slag is used by third parties for circular use in in particular infrastructure-related materials. TSIJ has strengthened its duty of care efforts to ensure that steel slag is used responsibly in these and other applications. This includes providing steel slag customers with clear risk documents on safe applications.

At the same time TSIJ is experiencing increased regulatory complexity due to the temporary ban in the Netherlands for these applications and in evidencing that the steel slag brought to the (European) market is treated as a by-product instead of waste. This complex regulatory landscape leads to a heightened risk of enforcement and litigation.



SUSTAINABILITY STATEMENTS

ABOUT THE SUSTAINABILITY STATEMENTS

Acknowledging current challenges

TSN operates in a context where significant environmental, social and compliance-related challenges exist. These include the environmental impact of steelmaking, concerns from local communities, regulatory scrutiny, the need to reduce emissions and nuisance, and the impact of organisational transformation on employees.

TSN recognises that, in several areas, its management systems, controls, (quality and reliability of) data and performance are not yet at the level it aims to achieve. We therefore prioritise strengthening HSE management, improving environmental performance, reinforcing risk management and compliance processes, and increasing the reliability and consistency of data. These priorities form part of a broader transition in which TSN is working to improve both its production processes and the way it manages, monitors and controls its impacts. Notwithstanding these (inherent) limitations TSN chose to disclose extensive sustainability statements on a voluntary and best efforts basis to provide transparency as to its sustainability related impacts, risks and opportunities. The Sustainability Statements have not been subject to assurance by the external auditor or other assurance provider.

Learning from stakeholders and improving the organisation

TSN seeks to learn from stakeholder input, regulatory findings, internal assessments and the outcome of its own reporting processes. Dialogue with employees, local communities, regulators, customers, suppliers and other stakeholders helps the company to better understand expectations, concerns and priorities. This input informs the assessment of material topics and supports the development of actions and improvement programmes.

At the same time, TSN is strengthening its organisation. This includes the HSE Turnaround Programme, the development of a more integrated Risk & Compliance framework, improvements in sustainability reporting and controls, and work to enhance data quality, governance and accountability. These developments form part of a multi-year effort and should not be viewed as complete.

How to read the Sustainability Statements

The chapters preceding the Sustainability Statements set out the strategic, operational, financial and governance context for Tata Steel Nederland's activities during the reporting period. They describe TSN's business model, strategy, transformation agenda, governance, risk management, stakeholder engagement and performance, including the Green Steel Project, the SCALE transformation programme and Licence to Operate priorities.

The Sustainability Statements complement these chapters by providing more structured and granular disclosures on TSN's material sustainability related impacts, risks and opportunities. The Sustainability Statements have been prepared on a voluntary basis and largely align with the European Sustainability Reporting Standards (ESRS). The Sustainability Statements include information on policies, actions, metrics and targets, as well as reporting boundaries, methodologies, assumptions and data limitations.

Given TSN's context described above, the Sustainability Statements are more than a compliance-oriented reporting. They also support internal discipline and transparency by requiring TSN to identify, document and disclose material impacts, risks and opportunities in a structured way. This helps to make progress, gaps, assumptions and limitations more visible, both internally and externally.

Cross-references are used to connect both parts of the Annual Report and to avoid unnecessary duplication. Taken together, they provide an overview of TSN's current position, the challenges it faces and the steps being taken to strengthen environmental and social performance, internal control and organisational capability.

GENERAL DISCLOSURES

Basis for preparation of the Sustainability Statements

Introduction

The Netherlands is preparing to transpose the EU Corporate Sustainability Reporting Directive (CSRD) into national legislation. These Sustainability Statements have been prepared on a voluntary basis and largely align with the European Sustainability Reporting Standards (ESRS). The Sustainability Statements are not in compliance with ESRS. TSN is issuing its Sustainability Statements for the year ending 31 March 2026, and based on the outcome of our Double Materiality Assessment (DMA).

The section titles used in the Sustainability Statements mirror the layout of the ESRS. The Sustainability Statements comprise the Sustainability Statements chapters and additional information incorporated by reference. Terms and definitions used in the text are defined by TSN unless explicitly stated otherwise.

Reporting entity

The Sustainability Statements are prepared on a consolidated basis and encompass Tata Steel Nederland B.V. and its subsidiaries ("the Group", "TSN Group"). Non-consolidated joint ventures, joint operations and associates are not included. The basis of consolidation specified by the ESRS varies per topic. For each environmental, social or governance related topic, the ESRS define the relevant reporting boundary. Depending on the topic, this may require reporting based on financial control (for water use, resource use, and circular economy), reporting based on relationships (covering own employees, workers in the value chain, and impacted communities), or reporting using a combined operational and financial control approach under the 'ESRS boundary' (for energy and GHG emissions). These boundaries differ from TSN's historical reporting. Reporting energy and GHG emissions takes place on the basis of consolidated accounting group. Although acquisition of LAG Velsen B.V. is recognised in the financial statements as of 1 January 2026, reporting includes related energy and GHG emissions for the full reporting period. Prior to the acquisition, LAG Velsen B.V. was understood to be under operational control of TSN. More details can be found in accounting policies disclosures related to specific metrics, which are presented alongside topical disclosures.

When assessing impact, risks and opportunities, as part of the Double Materiality Assessment, TSN considered the entire value chain. Selected policies, actions and targets extend to our value chain where relevant. Only a limited number of metrics extend to the value chain; these are related to the topics of 'Climate change' and 'Workers in the value chain'.

Time horizons

This Sustainability Statements have been prepared in line with the time horizons set out in ESRS 1: the short-term horizon is defined as 0–1 year, the medium-term horizon as 1–5 years, and the long-term horizon as beyond 5 years.

For our climate-related risks and scenario analysis, we apply different long-term horizons. For Physical Risk, long-term is 2050 (4°C scenario), and for Transition Risk, long-term is 2045 (1.5 and 2.5 °C scenario).

Comparative information

This reporting year, TSN made significant efforts to improve the definition and calculation of metrics. This was aimed at achieving greater alignment with ESRS and better sustainability reporting. This resulted in changes, replacement, and the introduction of new metrics as well as ceasing the disclosure of selected metrics. The accounting policies of the metrics involved provide information about the changes. Comparative information is revised unless it is impracticable to revise comparative amounts. In such cases, TSN discloses this fact. Any revision of comparative figures is explained in the notes to the relevant metric, including the difference from the previously disclosed amount. Comparative information is not presented for material impacts, risks and opportunities or related topics reported for the first time in the reporting period, in line with ESRS 1. TSN will continue to improve the definition and calculation of metrics, which may lead to adjustments of comparative information in sustainability reporting over future reporting periods.

This applies to the following topics:

- Own workforce, matter of working time, health and wellbeing, gender pay gap, incidents of discrimination and other human rights incidents;
- Business conduct, matter of political influence and lobbying;
- Pollution, substances of very high concern;
- Resource inflows, externally sold by-products.

Comparative information is also not presented when revision is impracticable. This applies to the following topic:

- Climate change, Scope 3 GHG emissions;
- Own workforce, coverage by collective bargaining agreements.

Material judgement and information subject to significant uncertainties and (inherent) limitations

In preparing qualitative and quantitative disclosures, judgement is exercised and estimates and assumptions are applied.

The preparation and presentation of the Sustainability Statements require the application of professional judgement to determine which information is relevant, reliable and useful for disclosure. This includes identifying material impacts, risks and opportunities, the likelihood of their occurrence, and relating them to the relevant topic. It also includes identifying material information and interpreting reporting requirements.

This report contains selected forward-looking statements relating to our sustainability ambitions, targets and anticipated performance in the short, medium and long term. We acknowledge inherent uncertainties of these statements and note that actual outcomes may differ materially from those expressed or implied due to a range of factors. Stated ambitions and targets are formulated on the basis of the assumption that the Tailor-Made Agreement will be concluded. Setting targets in absence of the Tailor-Made Agreement is subject to significant uncertainty; no separate targets for the scenario when the Tailor-Made Agreement is not concluded are reported in the 2025/26 Statements. No information about any anticipated financial effects of sustainability-related risks and opportunities is reported this year.

The list below summarises the significant uncertainties affecting the qualitative information, quantitative information, metrics and monetary amounts presented in these Sustainability Statements. These uncertainties arise when information relies on estimates, assumptions, proxy data, external factors or forward-looking information. Information on measurement uncertainties and assumptions can be found in the respective topic-specific sections.

- Our GHG emissions calculations are largely based on the use of databases for emission factors.
- Within our own operations, the emission levels of pollutants are measured at different frequencies and multiple measuring points, in accordance with local regulations and permit requirements. The sample locations and frequency are designed to deliver the most representative data set possible, taking into account the inevitable variations across an operating plant located over a large surface area. As with all sampled data, however, it cannot be guaranteed that all emissions are detected 100% of the time. This is an inherent limitation.
- For reporting water consumption, we apply defined estimation methods, such as assuming full discharge of seawater used for once-through cooling and a small evaporation loss for brackish water. Another limitation relates to permit-based estimates for certain unmetered discharge flows.
- There is uncertainty about future events related to the Green Steel Project. Due to the long-time horizon and significance of the investments related to the project, TSN's disclosures about this project are subject to uncertainties.
- For selected topics, calendar year data is used as a proxy for reporting financial year information. This is stated in relevant accounting policies alongside metrics disclosures.

The judgements and (inherent) uncertainties and limitations mentioned above, in conjunction with the recognition that TSN's management systems, controls, (quality and reliability of) data and performance relevant to preparing these Sustainability Statements are not yet at the level that TSN aims to achieve, make that that the information included in these Statements is subject to possible adjustments in future reporting periods.

Use of relief for metrics with partial scope

These Sustainability Statements contain information about selected material impacts, risks and opportunities identified in TSN's own operations with partial scope of the relevant reporting boundary. Such cases relate to metrics where TSN is unable to use reliable direct or estimated data for part of the scope. Due to the novelty of the reporting framework, TSN needs time to gradually improve the quality of data and increase coverage in future reporting periods. Partial scope in this reporting period includes information about Tata Steel IJmuiden (TSIJ) as a basis, and additionally information about relevant other subsidiaries of TSN, where data quality permits.

Significant events after the end of the reporting period

No significant events occurred after the end of the reporting period that would require adjustment or disclosure in these Sustainability Statements. Except for the matter temporary suspension of DSP operation in April 2026 due to chrome-6 emission levels exceeding permit thresholds, as reported in the [Pollution](#) chapter.

Changes in preparation or presentation

Selected comparative information is revised due to changes in definitions and calculation methodologies to reflect the maturing approach to measurements and reporting. Such revisions were made where practicable, meaning that sufficient reliable historical information was available to enable revision. This is stated in relevant accounting policies.

Relief for metrics in the value chain

We are using the transitional provision to not disclose metrics for the following topics: 'Workers in the value chain', 'Responsible value chain' and 'Affected communities in the IJmond region'.

Relief for acquisitions and disposals

During the reporting period, TSN completed the acquisition of LAG Velsen B.V., thereby becoming the owner of three power plants previously owned by Vattenfall. Use of relief for acquisitions is partially applied to this acquisition of LAG Velsen B.V. The acquisition is recognised in the financial statements as of 1 January 2026. Metrics related to energy consumption and production and direct and indirect GHG emissions (Scopes 1 and 2) include information about the LAG Velsen B.V. Reporting consolidated amounts for energy and GHG emissions historically included LAG Velsen B.V. which was under operational control prior to acquisition. There is therefore no significant difference in the total amounts reported for these metrics. No other metrics include information about LAG Velsen B.V. in this reporting period, and were not historically reported. The sustainability impacts, risks and opportunities associated with the acquired business will be assessed and, where relevant, reflected in the materiality assessment and sustainability reporting for the subsequent reporting period.

Governance

The role of the administrative, management and supervisory bodies

Overseeing material sustainability impacts, risks and opportunities at TSN involves numerous administrative, management and supervisory bodies. The chart below aims to provide an understanding of the composition of the administrative, management and supervisory bodies relevant for overseeing and managing sustainability impact risks and opportunities. The chart is not exhaustive. Names of functions may not be identical to names of departments.

Composition of the TSN's administrative, management and supervisory bodies

Supervisory Board

Audit Committee	Remuneration Committee
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Board of Management

Chief Executive Officer (CEO), Chair of the Board of Management	Chief Operations Officer (COO)	Chief Financial Officer (CFO)	Chief Commercial Officer (CCO)
Sustainability	Health, Safety & Environment	Finance	Sales Strategy & Marketing
Strategy	Operations IJmuiden	Risk & Compliance	Sales
Legal	Maintenance	Procurement	Downstream Business Units
HR	Product Quality & Innovation		Supply Chain
Communications & Public Affairs	Green Steel Business Transformation		
Internal Audit	Projects & Engineering		
	Digital Technology		

The Board of Management (BoM) is responsible for the daily management of TSN as well as overseeing sustainability impacts, risks and opportunities. It does so by approving sustainability policies, strategy and targets and reviewing progress. The Supervisory Board (SB) oversees and advises the BoM. The BoM has oversight and control over sustainability matters. Our transformation and CSRD implementation are driven from across the functions.

The Director of Sustainability reports to the CEO and is supported by senior managers and experts from various functions. He leads the Sustainability function and advises the BoM on sustainability strategy, reporting and accreditations. He is responsible for developing, enhancing and overseeing the implementation of sustainability policies across TSN Group. He plays a crucial role in driving CSRD implementation.

Detailed profiles, backgrounds and qualifications of the BoM and various Committee members, including skills and expertise, as well as diversity and independence ratio can be found in the section [Corporate governance](#) in the Management Report.

The BoM has collective expertise across sustainability, sustainability reporting, risk and compliance, health, safety and environment, and internal audit. It is supported by relevant internal functions with specialist knowledge in these areas. Where appropriate, external advisors are engaged on a project specific basis.

During 2025/26, the BoM was informed about the status of CSRD readiness and approved the hiring of external advisors for support. The CEO and CFO were regularly updated about the readiness status and implementation activities. These activities were related to conducting the Double Materiality Assessment, improving definitions and calculations, processes, roles and responsibilities, internal controls, risk and compliance, due diligence, and conducting impact assessments, among other areas.

Sustainability-related performance incentives

The remuneration of the members of the BoM for the financial year 2025/26 and remuneration policies for members of administrative, management and supervisory bodies can be found in the Remuneration Report section of [the Management Report](#).

Statement on due diligence

The due diligence process is an ongoing series of actions designed to identify, prevent, mitigate and account for how TSN addresses the actual and potential negative impacts on the environment and people. In this reporting period, TSN worked on improving its due diligence process. Key initiatives started in the reporting period and which TSN plans to continue after the period end are:

- Formalising and documenting the stakeholder engagement framework.
- Developing TSN's Human Rights Policy and Responsible Supply Chain Policy. Defining governance, including roles and responsibilities, for their effective implementation.

- Improving the approach to grievance and complaints mechanisms covering both local communities and the value chain. Improving the approach to assess the effectiveness and accessibility of such mechanisms. Developing processes for information tracking to ensure timely and fair resolution of issues.
- Maturing the integration of due diligence into supplier risk assessment. Developing a framework for supplier due diligence and risk assessments.

The table below outlines how the key elements and phases of the due diligence process are incorporated into the TSN sustainability statement, indicating where each component is addressed. At this stage, maturity of core elements of our due diligence varies.

Mapping of due diligence core elements to sustainability statement sections

Core element of due diligence	Sections in the sustainability statement
Embedding due diligence into policies and management systems	Policy-related disclosures in all topical chapters
Identifying and assessing potential and actual negative impacts on people and the environment	DMA disclosures in the General Disclosures chapter
Taking actions to address negative impacts on people and the environment	Action-related disclosures in all topical chapters
Tracking the effectiveness of these actions	Metrics- and targets-related disclosures in all topical chapters
Communicating how impacts are addressed	Disclosure about engagement with affected stakeholders in the Responsible value chain and Affected communities in the Umond region sections
Engaging with affected stakeholders in all key steps of due diligence	Disclosure about engagement with affected stakeholders in the Responsible value chain and Affected communities in the Umond region sections

Risk management and internal controls over sustainability reporting

During the 2025/26 financial year, TSN focused on the setup and initial implementation of sustainability reporting controls as part of its CSRD programme. We recognise the complexity of sustainability reporting, involving a diverse range of topics. We acknowledge that this process will take time and our control environment for sustainability reporting will undergo annual improvement cycles. This year, we focused on targeted risk assessments identifying key risks related to data completeness and integrity, consistency of definitions and methodologies, data availability across subsidiaries and the timeliness of information. Controls are designed and executed by the responsible operational functions and include management reviews and senior oversight. As noted above, these controls are not yet at the level that TSN aims to achieve.

We aim to progressively enhance sustainability reporting controls and further integrate these into TSN's broader internal control environment as part of the multi-year *In Control Programme*, with oversight exercised by executive management and progress reported through established governance channels.

TSN is in process of integrating sustainability related risks into TSN's enterprise-wide risk management and internal control framework, as described in the [Risk & Compliance](#) chapter of this Annual Report. Within this COSO-aligned framework, TSN has continued to develop dedicated internal controls over sustainability reporting to support the preparation of reliable, complete and consistent sustainability information in accordance with applicable laws, regulations and internal requirements.

Strategy

Strategy, business model and value chain

TSN Group operates an integrated steelmaking business model focused on the production of high-quality flat steel products, including hot-rolled steel, cold-rolled steel and a range of specialty grades essential to industrial and consumer applications.

Steel is indispensable for the energy transition, such as for solar farms, batteries for electric vehicles and the production of lighter, sustainable products. Steel is made from iron ore, which can be found in the earth's crust at many locations. In some places in Australia, South America, India and Scandinavia, ore is close to the surface, making it easy to extract. Details about our supply chain can be found in the section [Responsible value chain](#). A list of key materials in our resource inflows and related metrics can be found in the section [Circular economy and resource use](#).

Tata Steel Nederland (TSN) is one of the major steel producers in mainland Europe, with approximately 12,000 employees. We supply high-quality steel and steel products to customers, most of whom are located in Europe, with some in the US. The TSN Group headcount by geographical area is disclosed in the section [Own workforce](#).

A brief explanation of the process of making steel and steel products can be found on our website under the links [Process of steelmaking](#) | [Tata Steel and Plants](#) | [Tata Steel](#).

Business model

In IJmuiden, we produce iron from ore and coal. TSN has long held a leading position in energy-efficient iron- and steelmaking. However, our continued reliance on fossil resources means that residual greenhouse gas emissions remain challenging to abate. Achieving significant reductions will require a transition to new technologies, strong collaboration across our complex global supply chain, and supportive policies and actions from public authorities. As part of the Green Steel Project, we are planning to switch to a production method that is better for the environment: ore and hydrogen and/or natural gas or biomethane. This requires that we replace the plants on our site and infrastructure. Until we have done that, we will continue to use our blast furnaces. More information about the transition plan can be found in the section [Climate change](#).

The steel industry is an energy-intensive sector with inherent emissions and environmental impacts, which necessitate effective pollution control. Given the complexity of TSN's industrial operations, incidents causing environmental pollution are an inherent risk. TSN has implemented standard procedures to prevent such incidents and to manage any that may occur.

The process of steel manufacturing produces blast furnace slag as the melted leftovers from making iron, and steel slag as the residue that forms when impurities are removed during the steelmaking process. The Dutch government has imposed partial and temporary bans on the use of steel slag in specific applications. Restrictions are application specific with some permitted uses. These requirements limit how TSN can apply or market steel slag as a by-product domestically.

Improper use of steel slag, for example in road construction without adequate treatment or containment, can lead to a negative environmental impact. When properly treated the reuse and recycling of blast furnace slag (BFS) and steel slag contribute to decarbonisation and circularity in other sectors by replacing CO₂-intensive raw materials. TSN takes measures to promote compliance with environmental legislation among users of steel slag, in order to mitigate associated risks. TSN is deploying a slag roadmap and implementing duty of care for by-products. This is aimed at preventing health risks from inhalation and skin, mouth and eye contact. In addition, TSN has established policies and actions aimed at integrating circular economy principles across its operations. More about our policies and actions related to this matter can be found in the chapter [Circular economy and resource use](#).

Steelmaking in IJmuiden involves emissions and operational activities that may affect the local environment and contribute to nuisance experienced by nearby residents, such as noise, dust and odour. We recognise the importance of addressing community concerns in the IJmond region and of managing potential environmental and health-related risks in accordance with applicable regulations. As reported previously, we developed a comprehensive Roadmap plus programme to tackle noise, dust, odour and emissions and aim to continue doing so. More information about the Roadmap plus programme, its results, future planned actions as part of the Green Steel Project and how we engage with residents is reported in the sections [Pollution](#) and [Affected communities in the IJmond region](#).

While steel is produced in IJmuiden, it is further processed at our various sites in Europe for high-quality applications. We produce coated steel for the agricultural sector, manufacture precision tubes and structural hollow sections, and process steel for use in batteries and cars or for innovative products in roof and wall cladding. With services including decoiling, blanking and slitting, we serve various customer groups.

Business Units of TSN Group:

TSN operates a diversified portfolio of downstream steel businesses that serve construction, industrial and manufacturing markets. [The Building Systems](#) business unit manufactures coated steel products for the agricultural sector, housing and construction, supplying applications such as roofing, façades and drainage systems. [The Colors](#) business unit produces pre-painted steel coils with corrosion protection and UV resistance, which are used in construction products including roof and wall cladding, as well as in a range of industrial applications such as garage doors, cold storage, lighting, domestic appliances and door frames.

[The Distribution](#) business unit processes steel sourced from Tata Steel IJmuiden and third-party suppliers through activities including decoiling, blanking and slitting, enabling tailored supply to customers. [The Plating](#) business unit supplies specialised steel products to sectors including battery manufacturing and automotive applications, with processing activities in cold rolling mills and annealing plants in Germany and the United States for uses such as batteries, brake lines and fuel lines.

[The Tubes](#) business unit produces structural, precision and galvanised steel tubes in a range of steel grades, including high-strength qualities, serving applications across construction, engineering, automotive, heating systems, industrial packaging and household appliances.

TSN Group serves numerous industrial markets, including:

- Construction & infrastructure
- Automotive
- Agriculture
- Consumer goods manufacturing
- Energy & power

Key consumer groups of the Group include:

- Industrial manufacturers in automotive, construction and engineering requiring durable, customisable flat steel products.
- Manufacturers of domestic appliances, furniture and home heating products.
- Public and infrastructure contractors, historically using TSN's by-products in civil engineering applications.

Strategy

Sustainability is embedded in TSN's overall strategy through the company-wide SCALE transformation programme, which combines financial performance improvement, the Green Steel Project and Licence to Operate. Further details are provided in the [Strategy](#) section of the Annual Report.

As an operator in a hard-to-abate sector, we recognise that steelmaking is associated with significant environmental and social impacts, risks and opportunities. Our double materiality assessment provides us with a holistic overview of the material matters. This in turn informs our sustainability strategy and sustainability statements. Selected material topics are also of significant importance to our stakeholders, including local communities, NGOs, local authorities and regulators. Decarbonisation, pollution and impacts on nearby communities are outlined in the Joint Letter of Intent (JLoI) between TSN and the Dutch government. Our key efforts across these topics are summarised in sections [Green Steel Project](#) and [Licence to Operate](#).

The Sustainability Statements build on these two sections by providing a comprehensive overview of TSN's material sustainability impacts, risks and opportunities. The Statements also include topics such as water management, biodiversity, own workforce, responsible value chain and governance, and serve as the primary source of detailed sustainability information.

Value chain

TSN's value chain encompasses the process from raw material procurement to the distribution and recycling of finished steel products. Upstream, raw materials such as iron ore and coal are procured from international suppliers and transported to IJmuiden via the seaport. They are then processed by TSN to produce steel, which is transported to external customers and TSN's own downstream operations. We distribute finished products to customers directly from TSIJ, or via TSDE business units and our network of distribution hubs, via rail, road and water. TSN's products are used in various market segments and eventually undergo end-of-life treatment, often involving the collection and recycling of scrap steel.

An overview of our value chain is presented in the [Who we are](#) section of the Annual Report.

Interests and views of stakeholders

TSN continues to further develop its approach to stakeholder engagement across the value chain, including with employees, neighbouring communities and other affected parties. These engagements help us better understand stakeholder concerns and expectations, assess the impacts of our activities and identify areas requiring follow-up actions. Stakeholder insights are used as input for our risk assessments and to support continuous improvement.

Feedback from key stakeholders is actively sought and taken into account when reviewing our strategy and business model, including our sustainability priorities. In particular, stakeholders in the IJmond region continue to express concerns about our emissions and their potential health impacts. We take these concerns seriously and consider them an important driver for improving our operations and reducing impacts where possible.

Recent regulatory findings and fines for breaches of environmental and compliance requirements underline the urgency of these efforts and clearly show that we have not met stakeholder expectations. We regret this and acknowledge the seriousness of these outcomes, as further described in the [Stakeholder engagement](#) section of this Annual Report.

The Board of Management and the Supervisory Board are kept informed of stakeholder engagement outcomes and related perspectives through regular management reporting. As part of the ongoing development of our stakeholder engagement practices, we are strengthening how stakeholder views are assessed, escalated and acted upon. This is intended to ensure that relevant perspectives reach the appropriate decision-makers within TSN and that follow-up actions are clearly defined. Further information on our [stakeholder engagement](#) approach is provided in the relevant topical chapters.

Material impacts, risks and opportunities

TSN conducted a double materiality assessment (DMA) to identify the material impacts, risks and opportunities (IRO). This has resulted in the material IROs as outlined below. The overview illustrates where these IROs are located in the operations and value chain, connecting them to the overarching strategy and business model. Details of how we manage material IROs can be found in the topical chapters.

Material impacts, risks and opportunities for TSN in the reporting period

Matter	Impacts, risks and opportunities	Category	Value chain	Time horizon
Climate change				
Climate change mitigation				
GHG emissions	TSN's current integrated steelmaking production route relies on fossil fuels and requires raw materials such as iron ore, with upstream mining activities contributing to significant Scope 1 and Scope 3 CO ₂ emissions. TSN's operations at IJmuiden, including blast furnaces and coke ovens account for approximately 7.6–8% ¹ of the Netherlands' total emissions.	Actual negative impact	Upstream Own Operations Downstream	Short, medium and long term
Carbon pricing	TSN is exposed to carbon pricing mechanisms, including the EU Emissions Trading System (EU ETS) and the Dutch national CO ₂ levy. These mechanisms increase operating costs through the purchase of emission allowances and create sensitivity to carbon price volatility, affecting profitability and competitiveness. Carbon pricing exposure and reliance on effective CBAM implementation act as key drivers for TSN's decarbonisation investments.	Risk	Own Operations	Short, medium and long term
Investments in decarbonisation	TSN requires substantial investments in decarbonisation technologies, including DRP–EAF and CCS. The extent to which these investments can be supported by external funding mechanisms remains uncertain, potentially affecting the financial feasibility and timing of the transition.	Risk	Own Operations	Medium and long term
Low CO ₂ steel products	TSN has a strategic opportunity to lead in the energy transition by producing low CO ₂ steel through technologies such as DRP–EAF, CCS, and renewable gas integration, positioning itself to meet rising demand for low CO ₂ steel products across sectors like automotive, construction, and infrastructure.	Opportunity	Own Operations	Long term
Enablement of green hydrogen economy	TSN is supporting the transition to a sustainable hydrogen economy by preparing to replace coal with green hydrogen, provided hydrogen becomes sufficiently available and affordable.	Potential positive impact	Own Operations	Long term
Energy				
Energy mix and consumption	Steelmaking by the BF-BOS route is dependent on fossil fuels, resulting in substantial direct CO ₂ emissions. Our transition decreases dependency on coal, but some dependencies on fossil fuels remain until the supply chains for suitable alternatives are fully developed and established.	Actual negative impact	Own Operations	Short, medium and long term
Price fluctuations of natural gas	Financial risk due to the cost structure of gas-based Direct Reduced Iron (DRI) being decoupled from the dominant steel price driver, namely coal. If natural gas prices increase significantly while coal prices remain stable, steel prices, which are set largely by Blast Furnace-Basic Oxygen Furnace (BF-BOF) production, may not rise enough to offset TSN's higher input costs, reducing margins and competitiveness.	Risk	Own Operations	Long term

1 Compared with the 2025 total GHG emissions of the Netherlands in CO₂e. Website [StatLine - Emissies broeikasgassen \(IPCC\); klimaatsector, kwartaal](#) (accessed April 2026).

Matter	Impacts, risks and opportunities	Category	Value chain	Time horizon
Resource use and circular economy				
Resource inflows				
Primary materials	TSN's use of virgin raw materials such as coal, iron ore, and non-ferrous metals at high volumes and through sourcing practices contributes to environmental degradation, including resource depletion and increased emissions from extraction, handling, and transport. These pressures can negatively affect natural ecosystems and accelerate the depletion of abiotic resources.	Actual negative impact	Own Operations	Short, medium and long term
Reliance on external raw materials	TSN's steelmaking operations rely on the continued availability of externally sourced raw materials, including iron ore and coal. This dependence exposes the company to operational and financial risks arising from supply disruptions, geopolitical developments and volatility in global raw-material markets.	Risk	Own Operations	Medium and long term
Increasing recycled content of steel	TSN is advancing its circularity strategy by increasing the use of scrap in steelmaking, enabling customers to purchase steel with higher recycled content.	Potential positive impact	Own Operations	Medium and long term
Demand for steel with higher recycled content	TSN has an opportunity to access new markets and meet growing customer demand for steel with higher recycled content by advancing its circularity strategy through increased scrap use. This opportunity will materialise if ongoing R&D programmes succeed in producing high-quality steel grades that are currently manufactured using conventional virgin iron ore processes.	Opportunity	Own Operations	Medium and long term
Resource outflows				
Steel slag	The use of steel slag – a by-product of TSN's steelmaking process – by external companies, particularly in infrastructural applications supports circularity. However, improper use of steel slag (e.g., in road construction without adequate treatment or containment) can lead to environmental impact.	Actual negative impact	Own Operations Downstream	Short, medium and long term
Improper use of steel slag	Financial risk due to potential liabilities and reputational damage arising from the improper use of steel slag by external parties.	Risk	Own Operations	Short, medium and long term
Blast furnace slag	Using blast furnace slag in downstream cement production enhances circularity and decarbonisation in other sectors.	Actual positive impact	Own Operations Downstream	Short, medium and long term
Waste				
Waste management	Most of TSN's waste is diverted from disposal. Some waste disposal is, however, unavoidable. Yet, waste treatment is energy-intensive and has negative environmental impact.	Actual negative impact	Own Operations Downstream	Short, medium and long term
Own workforce				
Working conditions				
Secure employment	Insecure employment, characterised by job instability due to restructuring at TSN, is negatively impacting workers by increasing uncertainty, reducing morale, and weakening long-term workforce retention.	Actual negative impact	Own Operations	Short and medium term
Working time & health and wellbeing	Restructuring, understaffing and additional regulatory requirements increase workload and working hours, which may result in stress and reduced work-life balance, which can contribute to health issues over time.	Actual negative impact	Own Operations	Short and medium term
Collective bargaining				
Collective bargaining	A robust Collective Labour Agreement (CAO) at Tata Steel Nederland supports fair labour conditions, strengthens social dialogue, and contributes to workforce stability and a just transition.	Actual positive impact	Own Operations	Short, medium and long term
Health and safety				
Safety	Accidents and associated injuries may occur due to the physical nature of operational activities and unsafe behaviour, even with occupational health and safety measures in place.	Actual negative impact	Own Operations	Short, medium and long term
Training and skills development				
Training and skills development	TSN's suspension of most soft skills and leadership trainings due to financial constraints limits employee development, which may hinder career growth, lower morale and reduce long-term workforce capabilities.	Actual negative impact	Own Operations	Short and medium term
Reskilling for green transition	TSN is reskilling its workforce from obsolete processes such as coke making to new more sustainable processes like DRP-EAF, creating employment opportunities for workers who would otherwise face job loss.	Actual positive impact	Own Operations	Medium term
Diversity and equal treatment				
Diversity	Insufficient diversity may lead to an exclusive work environment, perpetuating biases and limiting opportunities for underrepresented groups, contributing to inequality and potentially causing employee dissatisfaction.	Actual negative impact	Own Operations	Short, medium and long term
Anti-harassment and anti-discrimination	Failure to foster a socially safe and inclusive workplace through effective prevention of undesirable behaviour and protection against discrimination may lead to a harmful work environment, increased stress, and adverse impacts on employees' physical and mental health.	Potential negative impact	Own Operations	Short, medium and long term

Matter	Impacts, risks and opportunities	Category	Value chain	Time horizon
Pollution				
Pollution of air				
Pollution of air	Air pollution arises both in TSN's own operations and in its upstream value chain. TSN's upstream steel supply chain contributes to air pollution through mining and transportation of raw materials. TSN's steelmaking processes emit air pollutants.	Actual negative impact	Upstream Own Operations	Short, medium and long term
Compliance with regulations on air pollution	Financial risk arising from potential non-compliance with air quality regulations, which could result in regulatory enforcement actions, financial penalties and adverse reputational impacts.	Risk	Own Operations	Short, medium and long term
Pollution of water				
Pollution of water	TSN's upstream steel supply chain contributes to water pollution through the extraction and handling of raw materials such as iron ore and coal, while its own operations emit water pollutants in its wastewater.	Actual negative impact	Upstream Own Operations	Short, medium and long term
Compliance with regulations on water pollution	Financial risk due to potential non-compliance with water quality regulations, which could result in regulatory enforcement actions, financial penalties and adverse reputational impacts. Timely investments in technical measures to ensure compliance may require significant capital expenditure.	Risk	Own Operations	Short, medium and long term
Pollution of soil				
Pollution of soil	At TSN-operated sites, incidental spills or leakages from steelmaking activities are contained by paved surfaces and concrete floors. If incidents occur, spills and leakages may directly contaminate the soil.	Actual negative impact	Upstream Own Operations	Short, medium and long term
Substances of concern, including substances of very high concern				
Use of SoC/SVHC	TSN's upstream steel supply chain contributes emissions of substances of concern and very high concern through mining and transportation of raw materials. TSN's steel manufacturing processes emit substances of concern and very high concern.	Actual negative impact	Upstream Own Operations	Short, medium and long term
Compliance with regulation on SoC/SVHC	Financial risk due to potential non-compliance with regulations on substances of concern and substances of very high concern, which could result in fines, restrictions on product use, and adverse reputational impacts. Timely investments in technical measures to ensure compliance may require significant capital expenditure.	Risk	Own Operations	Short, medium and long term
Water				
Water withdrawals	In TSN's steelmaking supply chain, upstream mining activities for raw materials such as iron ore and coal can reduce surface and groundwater availability. TSN's steel production requires substantial water withdrawals in the form of process water and cooling water, which can disrupt water systems, especially during periods of drought.	Actual negative impact	Upstream Own Operations	Short, medium and long term
Water discharges	In the upstream supply chain, mining, quarrying, and coal operations can discharge used water into water bodies or waterways, potentially leading to adverse environmental impacts. Wastewater discharges from TSN's operations can affect the quality of receiving water bodies if not effectively managed.	Actual negative impact	Upstream Own Operations	Short, medium and long term
Biodiversity and ecosystems				
Drivers of biodiversity and ecosystem change				
Pollution and climate change	TSN's steelmaking operations can contribute to biodiversity loss through its emittance of air and water pollutants, and greenhouse gas.	Actual negative impact	Own Operations	Short, medium and long term
Noise and light disturbances	TSN's steelmaking operations may contribute to biodiversity loss through disturbances like noise and light.	Potential negative impact	Own Operations	Short, medium and long term
Upstream mining	Upstream activities in TSN's value chain – such as mining of iron ore, coal, and non-ferrous metals – can contribute to biodiversity loss through multiple pressures, including freshwater and sea use changes, greenhouse gas emissions from extraction and transport, pollution of air, soil, and water, physical disturbances like noise and light, and large-scale abiotic resource extraction. These pressures are associated with degradation of possible natural habitats and disruption of land and water ecosystems, particularly in biodiversity-sensitive regions.	Actual negative impact	Upstream	Short, medium and long term
Warm-water discharge	TSN's steelmaking operations may contribute to local biodiversity impact through its warm-water discharge.	Potential negative impact	Own Operations	Short, medium and long term

Matter	Impacts, risks and opportunities	Category	Value chain	Time horizon
Workers in the value chain				
Working conditions	Foreseeable inadequate working conditions in TSN's value chain, such as low wages, insecure employment, working time, and limited social protection may negatively affect workers' wellbeing, may lead to reduced quality of life and health-related impacts.	Actual negative impact	Upstream	Short, medium and long term
Health and safety	Inadequately enforced health and safety standards in parts of TSN's value chain may increase the risk of workplace accidents and health impacts, potentially affecting workers' wellbeing.	Actual negative impact	Upstream	Short, medium and long term
Child labour and forced labour	The presence of child and forced labour risks in artisanal mining and small-scale mining may lead to serious physical and psychological harm for affected individuals, undermining human rights and social wellbeing.	Actual negative impact	Upstream	Short, medium and long term
Human rights in the value chain	Legal and reputational risk due to potential human, civil, and political rights violations among value chain workers, which may lead to public scrutiny, legal liabilities, and disruption of operations.	Risk	Upstream	Medium and long term
Affected communities				
Affected communities in the IJmond region	Industrial activities at TSN's IJmuiden site involve noise, dust and odour, which are factors considered in relation to the health and wellbeing of surrounding communities in the IJmond region.	Actual negative impact	Own Operations	Short, medium and long term
Green job creation	TSN is potentially directly and indirectly creating a significant number of jobs in the emerging green energy and green steel industries, while fostering innovation through research and development partnerships with universities, startups, and other stakeholders.	Potential positive impact	Own Operations	Long term
Human rights of value chain communities	Insufficient consideration of community wellbeing in parts of TSN's value chain, such as environmentally unsafe conditions, lack of land rights, and lack of social contribution may contribute to social disempowerment, increased distrust, and potential escalation of social tensions.	Actual negative impact	Upstream	Short, medium and long term
Business conduct				
Corporate culture				
Ethics and compliance	Potential gaps in legal compliance or ethical culture could, if they were to arise, affect the organisation's handling of sustainability-related matters and stakeholder confidence.	Potential negative impact	Own Operations	Short medium and long term
Ethics and compliance	Strong ethical corporate culture and legal compliance is a foundation for conduct, accountability, and adequate responses to environmental and social challenges. Breaches, misconduct, or non-compliance are material risk which can potentially lead to fines, legal liabilities, and erosion of stakeholder trust.	Risk	Own Operations	Medium and long term
Protection of whistleblowers	Inadequate protection for whistleblowers within TSN's operations may discourage reporting of misconduct or unsafe practices, potentially leading to unresolved health and safety risks and undermining employee wellbeing and trust.	Potential negative impact	Own Operations	Short, medium and long term
Anti-corruption and bribery	Corruption and bribery risks in TSN's value chain, particularly in high-risk sourcing regions of conflict minerals, may lead to unlawful environmental practices, such as illegal permitting and improper waste disposal, contributing to ecological degradation and undermining TSN's ethical and sustainability commitments.	Potential negative impact	Upstream Own operations Downstream	Short, medium and long term
Anti-corruption and bribery	Compliance with anti-corruption and anti-bribery laws is essential. Potential violations are a material risk which can lead to fines, legal proceedings, loss of customers or reputational damage.	Risk	Own operations	Medium and long term

As part of the 2025/26 reporting cycle, TSN updated its initial double materiality assessment to reflect developments in its activities, operating environment and stakeholder expectations. The main changes compared with the prior assessment are summarised below.

- New material negative impact related to working time, health and wellbeing of own workforce.
- New material positive impact related to reskilling of own workforce for green transition.
- New material opportunity related to low-CO₂ steel products.
- New positive impact related to enablement of green hydrogen economy.
- New material negative impact of warm-water discharge related to biodiversity.
- New positive impact related to the use of blast furnace slag.
- New material positive impact and opportunity related to resource inflows, particularly circularity.
- New material risk related to improper use of steel slag.
- New material positive impact related to transition of TSIJ steel manufacturing site and related political influence and lobbying.

Interaction of material impacts risks and opportunities with strategy and business model, and financial effects

TSN's strategy and business model interact closely with its material sustainability matters, particularly climate change mitigation, pollution prevention, resource efficiency, circularity, and community wellbeing in the IJmond region. TSN's long-term decarbonisation pathway is built around replacing traditional blast furnaces with Direct Reduced Iron (DRI) plants and Electric Arc Furnaces (EAF), targeting significant reduction of greenhouse gases emissions and carbon-neutral production by 2045. Planned strategy emphasise the execution of the Green Steel Project, increased use of scrap to enhance circularity, and significant investments to transition towards hydrogen-based steelmaking infrastructure. Funding of our planned decarbonisation measures is part of the negotiations and subject to reaching a Tailor-Made Agreement. In parallel, TSN's focus on high-quality, durable and recyclable steel products supports downstream customers in meeting their own sustainability objectives. Further information on the Green Steel Project is provided in the [Climate change](#) chapter.

Tata Steel Nederland's sustainability strategy is focused on the progressive transformation of its IJmuiden operations towards cleaner, greener and more circular steel production. The strategy prioritises the reduction of particulate matter, nitrogen oxides and heavy-metal emissions, supported by targeted environmental improvement programmes, including the Roadmap Plus programme and the planned installation of a large-scale DeNOx facility.

TSN's long-term decarbonisation pathway is built around replacing traditional blast furnaces with Direct Reduced Iron (DRI) plants and Electric Arc Furnaces (EAF), targeting significant reduction of greenhouse gases emissions and carbon-neutral production by 2045. Planned strategy emphasises the execution of the Green Steel Project, increased use of scrap to enhance circularity, continued collaboration with the Dutch government under the Tailor-Made Agreement, and significant investments to transition towards hydrogen-based steelmaking infrastructure. Funding of our planned decarbonisation measures is part of the negotiations and subject to reaching a Tailor-Made Agreement. Further information on the Green Steel Project is provided in the [Climate change](#) chapter.

The topical chapters of the Sustainability Statements provide details on actions resulting from the current and planned strategy.

TSN has assessed the current financial effects associated with its material sustainability-related risks and opportunities. This assessment evaluated whether any of the identified risks and opportunities had a material effect on TSN's financial position, financial performance or cash flows during the reporting period. Where material financial effects were identified, these are described and, where applicable, quantified in the relevant topical chapters.

The effects on TSN's financial position and financial performance for the financial year 2025/2026 are disclosed with reference to the consolidated financial statements, where relevant. No material effects on cash flows were identified in the reporting period and are therefore not presented. Information on anticipated financial effects has been omitted in accordance with the phased-in disclosure provisions of ESRS 1 (Appendix D).

In addition, the disclosures about climate change scenario analysis and resilience can be found in the chapter [Climate change](#).

Process to identify and assess material impacts, risks and opportunities

TSN conducts an annual Double Materiality Assessment (DMA) to identify and assess actual and potential sustainability related impacts, risks and opportunities across its value chain in accordance with ESRS 1 and ESRS 2. In line with the principle of double materiality, sustainability-related topics were considered material if they were material from the perspective of impact materiality or from the perspective of financial materiality, or both.

In 2025/26, TSN performed its second full DMA cycle, updating and refining the assessment conducted in the previous year. The updated process incorporates new sector insights, stakeholder feedback and amendments introduced in the *ESRS 1 – Exposure Draft (July 2025)* simplification options.

Step 1: Review stakeholder- and value chain mapping

TSN began the current assessment by revisiting and updating the stakeholder mapping and value chain analysis initiated in 2025.

Stakeholders

The prior mapping formed the starting point and covered internal functions, employees, suppliers, customers, communities, regulators, NGOs and other parties potentially affected by TSN's activities. TSN reviewed and expanded this mapping to ensure it reflects current realities and remains aligned with the range of individuals or groups that could experience material impacts through TSN's operations or business relationships.

Value chain

TSN reassessed its value chain overview, covering upstream sourcing of materials, services and downstream product delivery. Attention was given to the locations and activities where TSN may cause, contribute to, or be directly linked to impacts, and where financial risks and opportunities may arise. As part of the update, TSN distinguished more explicitly between its business units (TSIJ and TSDE) and key activities within each. Overview of our value chain is presented in the Management Report, chapter [Who we are](#).

Step 2: Identification of relevant sustainability matters

The identification phase was based on the prior year's list of sustainability matters and associated IROs. These were refined using:

- Documentation prepared as part of the negotiations process and signing the JLoI. It included most recent and relevant insights into stakeholder engagement, also technical documentation, including impact assessments, project and technology descriptions.
- Peer and sector benchmarking, including metals and mining sector guidance, and
- Engagement with internal and external stakeholders.

Where relevant, sustainability matters were added, merged or redefined to reflect interconnections, sector developments or emerging issues. Descriptions of IROs were sharpened to move beyond the broader terminology used in the first assessment cycle.

TSN focused especially on activities, business relationships and geographies presenting heightened exposure to impacts or financial effects. Sustainability matters with short-, medium- or long-term relevance across the value chain were retained for further assessment.

Step 3: Assessment of impacts, risks and opportunities

For the 2025/26 reporting period, TSN applied the DMA simplification mechanism permitted under the *Amended ESRS 1 – Exposure Draft (July 2025)*, specifically paragraph 3.4 and AR 17 to paragraph 48(a), which allows a top-down, topic focused approach.

Top-down materiality approach

- TSN determined "obviously" material or non-material (sub)topics at a topic level before assessing individual IROs.
- Full IRO-level assessment was performed only for topics classified as material or close calls.

Impact materiality assessment

- Negative impacts were assessed using criteria such as scale, scope, irremediability, and likelihood.
- Positive impacts were assessed using criteria such as scale, scope, and likelihood.
- The assessments considered both actual and potential impacts, as well as TSN's involvement type (cause, contribute, directly linked).

Financial materiality assessment

- Financial effects were evaluated based on impact and likelihood, in alignment with TSN's Enterprise Risk Management (ERM) manual and scoring framework.

Qualitative and quantitative methodology

TSN's assessment used a combination of structured scoring, threshold mechanisms and qualitative judgment. TSN concluded that meaningful involvement from relevant departments and internal experts was essential to ensure robustness and contextual accuracy, especially in cases requiring professional judgment rather than purely quantitative scoring.

Step 4: Validation of assessment outcomes

Upon completion of the assessment, results underwent multilayer validation:

Internal validation

Senior management and subject matter experts reviewed the outcomes to confirm technical accuracy, alignment with business context and compliance with ESRS requirements.

External stakeholder validation

To further strengthen legitimacy, TSN involved a selected group of external stakeholders — including customers, NGOs, public agencies and representation groups — through structured interviews. Stakeholders validated the identified material topics and shared their expectations of what relevant information is expected by them. This input led to a better understanding of relevancy of information about material matters. Material information presented in these Sustainability Statements is informed by this consultation.

Final approval

The Board of Management (BoM) reviewed and approved the final set of material sustainability matters and associated IRO definitions. Following this approval, the results were presented to and discussed with the Audit Committee and the Supervisory Board.

Material information

Following the completion of the double materiality assessment, TSN has mapped material IROs to the disclosure requirements and data points within the ESRS.

To assess the materiality of information to be disclosed, a qualitative assessment was performed, rather than applying quantitative thresholds. This assessment focused on evaluating whether the information is relevant based on its significance to the matter it represents or its ability to meet the decision-making needs of users and wider stakeholders.

If a specific requirement was not found to align with a material IRO, the related data point or disclosure requirement has not been disclosed.

Environment

Climate change

Why it matters

Climate change is a material topic for Tata Steel Nederland. The IJmuiden steelmaking site generates most of the company's greenhouse gas emissions, and the majority of these are Scope 1. The IJmuiden site accounts for a significant share of GHG emissions in the Netherlands

Key objectives

TSN is implementing a phased Green Steel Project to achieve Net Zero Scope 1 and 2 GHG emissions by 2045. We believe that low-CO₂ steel is a critical enabler of the energy transition for the sector and economy at large. TSN's decarbonisation plan known as the Green Steel Project is part of our larger transformation

programme SCALE which defines the culture we aspire to, the direction of our transformation, and how we operate as an organisation. Embedded behavioural principles linked to SCALE guide our daily decisions, helping ensure we act responsibly while minimising harm to people, the environment and the future.

In the reporting year, TSN progressed Phase 1 of the Green Steel Project by submitting the Environmental Impact Assessment and awarding basic engineering contracts for the DRI and EAF installations. TSN acquired three power plants of LAG Velsen B.V. and implemented increased scrap use and energy-efficiency measures.

This year, TSN also introduced a climate change policy to guide our company wide decarbonisation journey.

Several transition dependencies remain. They include permitting, government funding, and low-carbon energy availability. Phase 1 execution is subject to regulatory decisions and the outcome of the Tailor-Made Agreement. And preparation for Phase 2 is subject to technology readiness.

Total scope 1, 2 and 3 GHG emissions	
(excl. biogenic CO ₂ emissions from the combustion or biodegradation of biomass)	
	(tCO ₂ eq)
GHG Categories	2025/26
Total scope 1 GHG emissions	10,906,846
Total location-based Scope 2 GHG emissions	34,855
Total market-based Scope 2 GHG emissions	20,825
Total significant Scope 3 GHG emissions	3,839,964

Table. Summary of IROs, policies, key actions, metrics and targets related to climate change

Impacts, risks and opportunities	Category	Key Policies	Key Actions	Key Metrics	Key Targets
Enablement of green hydrogen economy: TSN is supporting the transition to a sustainable hydrogen economy by preparing to replace coal with green hydrogen, provided hydrogen becomes sufficiently available and affordable.	Potential, Positive impact	Climate Change Policy	Development of hydrogen-ready DRI-EAF steelmaking facilities, initially operating on natural gas and electricity, with a planned transition to green hydrogen as availability and affordability improve.	Climate change mitigation	Develop hydrogen-ready assets to enable the future substitution of coal with green hydrogen, positioning TSN as a potential industrial off-taker once hydrogen becomes available and economically viable.

Impacts, risks and opportunities	Category	Key Policies	Key Actions	Key Metrics	Key Targets
GHG emissions: TSN's current integrated steelmaking production route relies on fossil fuels and requires raw materials such as iron ore, with upstream mining activities contributing to significant Scope 1 and Scope 3 CO ₂ emissions. TSN's operations at IJmuiden, including blast furnaces and coke ovens, account for approximately 7.6–8%* of the Netherlands' total emissions.	Actual, Negative impact	Climate Change Policy	Multi-phase transition Green Steel Project. Enhancing the mapping and granularity of Scope 3 greenhouse gas emissions across the value chain, in line with TSN's reporting boundaries and ESRS requirements. Reducing dependency on virgin ore by increased use of scrap.	Climate change mitigation	Achieve net-zero Scopes 1 and 2 by 2045. Establish baselines and set targets for the management of material Scope 3 greenhouse gas emissions. Increase the proportion of scrap used in steel production from 17% (2019 baseline) to 30% under Phase 1 of the Green Steel Project.
Carbon pricing: TSN is exposed to carbon pricing mechanisms, including the EU Emissions Trading System (EU ETS) and the Dutch national CO ₂ levy. These mechanisms increase operating costs through the purchase of emission allowances and create sensitivity to carbon price volatility, affecting profitability and competitiveness. Carbon pricing exposure and reliance on effective CBAM implementation act also acts as a key driver for TSN's decarbonisation investments.	Risk	Climate Change Policy	Embedding carbon pricing considerations into TSN's strategic planning to preserve business resilience throughout the transition to lower-carbon steelmaking.	Climate change mitigation	Implement decarbonisation measures to significantly reduce Scope 1 greenhouse gas emissions, thereby lowering exposure to EU ETS compliance costs over the transition period. Engage with the Dutch government and relevant stakeholders on the design and implementation of the national CO ₂ levy and related transition frameworks.
Investments in decarbonisation: TSN requires substantial investments in decarbonisation technologies, including DRP-EAF and CCS. The extent to which these investments can be supported by external funding mechanisms remains uncertain, potentially affecting the financial feasibility and timing of the transition.	Risk	Climate Change Policy	Supply chain rerouting in adverse climatic conditions and the phased transition to lower-carbon steelmaking technologies	Climate change mitigation	Direct capital investments towards decarbonisation initiatives
Low CO₂ steel products: TSN has a strategic opportunity to lead in the energy transition by producing low CO ₂ steel through technologies such as DRP-EAF, CCS and renewable gas integration, positioning itself to meet rising demand for low CO ₂ steel products across sectors such as automotive, construction and infrastructure.	Opportunity	Climate Change Policy	Phased transition to low-carbon steelmaking through the gradual replacement of fossil fuels with low-CO ₂ solutions, including renewable gases, deployment of the DRI-EAF steelmaking route, and the integration of CCS technologies.	Climate change mitigation	Build new facilities capable of low-carbon steelmaking. Purchase slab from certified low-carbon steel suppliers for downstream processing until Phase 2 of the Green Steel Project can be executed.
Energy mix and consumption: Steelmaking by the BF-BOS route is dependent on fossil fuels, resulting in substantial direct CO ₂ emissions. Our transition decreases dependency on coal, but some dependencies on fossil fuels remain until the supply chains for suitable alternatives are fully developed and established.	Actual, Negative impact	Climate Change Policy	Executing the phased transition from BF-BOS to hydrogen-ready DRI-EAF technology, removing coal dependency for coke making, while managing the energy mix and consumption through residual process gas utilisation and the progressive integration of lower-carbon energy sources, including biomethane and green hydrogen.	Energy	Strengthen supply chain readiness for the provision of renewable energy at the scale and specifications required to support the transition to net zero steel.
Price fluctuations of natural gas: Financial risk due to the cost structure of gas-based Direct Reduced Iron (DRI) being decoupled from the dominant steel price driver, namely coal. If natural gas prices increase significantly while coal prices remain stable, steel prices, which are set largely by Blast Furnace-Basic Oxygen Furnace (BF-BOF) production, may not rise enough to offset TSN's higher input costs, reducing margins and competitiveness.	Risk	Climate Change Policy	Applying the Group Commodity Hedging Policy to energy procurement in order to mitigate exposure to price volatility in energy inputs relevant to gas-based DRI operations, and adapting the policy over time to reflect changes in TSN's energy mix associated with the Green Steel Project.	Energy	Maintain sufficient resilience to energy price volatility through an aligned and adaptive hedging framework.

Climate change is a material topic for TSN reflecting the inherently carbon-intensive nature of integrated steelmaking and the scale and complexity of its operations. TSN established a Climate Change Policy and a multi-phase transition plan (Green Steel Project), with the objective of achieving net-zero CO₂ emissions for Scope 1 and Scope 2 by 2045.

This transition is central to TSN's long-term strategy and capital allocation, and is designed to enhance resilience to regulatory, market and technological developments associated with the low-carbon transition.

The transition also represents a strategic opportunity for TSN to strengthen its competitive position as a supplier of low-CO₂ steel. The table below shows the IROs identified for 'Climate change' and a summary of the related key policies, actions, metrics and targets as further described in this section.

Strategy

Transition plan for climate change mitigation

Climate change is one of the world's biggest challenges threatening our society. As an established steel producer, TSN is aware of the impact that primary steelmaking has on global GHG emissions. As the only steel manufacturing company in the Netherlands, with maximum emissions of 12.6 Mt CO₂ annually (EU ETS scope) related to the maximum production capacity, we recognise and acknowledge that a transformation is needed in our production processes. Achieving the goals of the Paris Agreement, specifically to limit global warming to 1.5°C, requires additional efforts for reduction of GHG emissions, and this has been the driving force in developing our multi-phase transition plan to reach the long term goal of net zero by 2045 (Scope 1 and Scope 2), in line with the EU's objective of achieving climate neutrality by 2050. TSN has publicly stated that substantial public support is essential to enable the Green Steel Project, which is designed to deliver emission reductions in line with EU and national climate objectives derived from the Paris Climate Agreement.

TSN has its primary steelmaking site located close to the IJmuiden seaport. This site has two coke ovens producing metallurgical coke from coal. This coke is charged into two blast furnaces together with agglomerated iron ore to produce liquid hot metal, which is subsequently converted into steel using the basic oxygen steelmaking process (BF-BOS). The BF-BOS route depends on metallurgical coke as a feedstock that fulfils three essential functions: providing structural support, acting as a chemical reductant, and serving as an energy source. This combination of functions limits substitution options and makes the blast-furnace route inherently CO₂-intensive. Through efficient operation and the use of pulverised coal in the blast furnaces, TSIJ already achieves one of the lowest coke consumption rates per tonne of hot metal produced globally, as reflected by the World Steel Association carbon-intensity benchmarks¹.

However, given that approximately 70% of global steel production still relies on the BF-BOS route and that further decarbonisation potential within this route is limited, TSN has decided to transition towards steelmaking technologies that do not require metallurgical coke.

Our transition plan, the [Green Steel Project](#), is designed to reduce our Scope 1 CO₂ emissions and contribute towards climate change mitigation by reducing our reliance on coal-based steelmaking processes. This plan is aligned with our Scope 1 emission reduction targets. Based on our GHG emissions profile, Scope 2 emissions represent a non-material proportion of TSN's total emissions compared with Scope 1 emissions. Accordingly, the Green Steel Project focuses primarily on Scope 1 decarbonisation measures, while scope 2 decarbonisation is dependent on progressive decarbonisation of the electricity grid.

TSN's Green Steel Project is integrated into the company's long-term business strategy. It forms the core of our transition from coal-based blast furnace steelmaking to Direct Reduced Iron (DRI) and Electric Arc Furnace (EAF) technology. The Green Steel Project is structured in two phases. This report covers the actions, milestones and objectives related to Phase 1, which is currently in an advanced preparation and development phase. Phase 2 remains under development and may be subject to further refinement as strategic, technological and regulatory considerations evolve. The outcomes, commitments and finalised targets for Phase 2 will be detailed in subsequent reporting cycles once the plan is confirmed.

Phase 1 of the Green Steel Project is expected, once implemented, to deliver an annual reduction of approximately 5 Mt of Scope 1 CO₂ emissions. This technology shift supports our strategic ambition to remain one of Europe's most competitive and efficient steelmakers in an environment characterised by high energy costs and shifting market demand.

¹ <https://worldsteel.org/data/benchmarking-systems/>

The plan is embedded in our multipronged transformation programme, which focuses on maximising production efficiencies while enhancing product mix and margins. These operational changes provide the structural basis for implementing low CO₂ steelmaking as part of the business model. The Green Steel Project focuses primarily on the steelmaking operations at the IJmuiden site given that this location represents the most material source of TSN's Scope 1 GHG emissions. Accordingly, the decarbonisation levers, interim targets, and implementation measures outlined in this report are centred on the transformation of this primary steelmaking facility. In parallel, TSN is working to enable its downstream sites (TSDE) to progress towards net-zero Scope 1 emissions by 2045 through knowledge sharing and the gradual adoption of new technologies.

The goal is to have an approximate annual reduction of TSN's Scope 1 emissions by 5 Mt CO₂, which will directly reduce the scope 3 emissions in the downstream value chain, supporting our customers in meeting their climate change targets. We are also improving the mapping and granularity of the value chain Scope 3 emissions that TSN has responsibility for, in order to improve transparency and inform future target-setting.

This alternative route requires limited amounts of coal, which may be replaced with renewable carbon sources, and is known as Direct Reduction Plant and Electric Arc Furnace (DRP-EAF). These two independent processes will be linked at TSN to work in tandem and ensure that the same qualities of steel products continue to be made, utilising the strengths of both routes. The multi-phase approach spreads the significant capital investment over a longer time period, and is envisioned as follows:

Phase 1

1. Construction of one DRP-EAF followed by closure of one coke oven and blast furnace
2. Carbon Capture and Storage (CCS) facility commissioned
3. Replacement of Natural Gas with Bio-methane and/or Green Hydrogen

Phase 2

1. Construction of further reduction and melting facilities³ followed by closure of remaining coke oven and blast furnace
2. Replacement and/or modification of existing and remaining ancillary plant equipment⁴

Phase 1 of the transition plan is documented in the published Joint Letter of Intent, finalised in September 2025⁵, which sets out the agreement between TSN, the Dutch government and the Province of North Holland to work towards a Tailor-Made Agreement. This phase focuses on reducing Scope 1 direct emissions through the replacement of coal-based steelmaking processes with lower-carbon technologies using Natural Gas and electricity, while avoiding long-term fossil fuel lock-in; and making use of sequestration opportunities for captured CO₂. Following this, the facilities to prepare the captured CO₂ for sequestration will be commissioned, reducing the emissions by capturing and preparing the CO₂ and sending it to a third party for secure sequestration. As the infrastructure and availability continue to expand, further steps to reduce the use of fossil energy sources will be made by replacing natural gas with bio-methane and/or green hydrogen made using renewable electricity. In line with the gradual decarbonisation of the Dutch electricity grid, the carbon intensity of the electricity will decrease, eventually creating an entirely renewable electricity source. The phasing of the activities in the Green Steel Project may be influenced as TSN is exploring the possibility of closing the coke and gas plants sooner than previously anticipated.

Phase 2 of the transition plan builds on the foundation of Phase 1, focusing on the construction of further reduction and melting facilities and fully replacing the remaining blast furnace and coke oven operations. It also focuses on the replacement or modification of existing and remaining ancillary plant equipment to ensure compatibility with low-carbon steelmaking processes. This phase underpins TSN's commitment to achieve Scope 1 and 2 climate neutrality by 2045. The technology required to meet the requirements of this phase is subject to internal investigation to keep abreast with developing advancements in this area.

1 <https://worldsteel.org/data/benchmarking-systems/>

2 <https://www.iea.org/reports/breakthrough-agenda-report-2025/steel>

3 Specific Technology remains subject to Option Selection Study

4 Timeline independent of previous steps

5 Joint Letter of Intent Tata Steel | Rapport | Rijksoverheid.nl

The specific decarbonisation levers that are relevant to the transition plan are as follows.

- Chemical reductant changed from coke to natural gas, made possible by replacing existing technology, executed in two steps
- Energy for melting changed from coal and coke to renewable electricity, made possible by replacing existing technology, executed in two steps
- After technology replacement, CO₂ emissions to atmosphere collected and sequestered, made possible by additional capital investment
- After technology replacement, natural gas replaced by biomethane and/or green hydrogen, made possible by infrastructure investment leading to increased availability and affordability.
- Increased use of scrap in steelmaking process, this lever has limitations in the BOS steelmaking route, but some improvements are identified for the period before the technology transition. This lever will be boosted significantly by the transition to EAF steelmaking. This lever is also relevant for TSN's circularity targets.
- Purchasing slab from certified low CO₂ steel suppliers for downstream processing in between Phase 1 and Phase 2

Key dependencies

The delivery of the Green Steel Project is dependent on coordinated commitments between TSN, Tata Steel Limited (TSL) and the Dutch State. TSN and TSL commit to providing most of the project financing, while the Dutch Government supports the transition by addressing the remaining funding gap through a one-off subsidy, subject to TSN meeting the agreed conditions. The conditions that underpin the Green Steel Project are listed below:

- **Necessary regulatory approvals, including permits for construction and operating the new installations** will need to be secured.
- **Government financial support and policy stability.** The Dutch government has expressed its intent to contribute financial support to Phase 1 of the Green Steel Project subject to the conclusion of enforceable agreements and the fulfilment of agreed conditions.
- **Availability and scalability of low-carbon energy sources.** The DRI plant and EAF are designed to operate initially on natural gas and green electricity, with the assumption that hydrogen and/or bio-methane will become sufficiently available and affordable to enable a later transition.
- **Successful engineering, construction and commissioning** of the new DRI/EAF facilities. TSN has already awarded basic engineering contracts for these assets, but the realisation of targeted emission reductions depends on timely delivery, integration with existing operations, and the capability of the technology to perform at the required scale.
- **Internal cost reduction and organisational restructuring efforts.** TSN is pursuing internal efficiency and organisational measures to strengthen financial resilience and support investment capacity.
- **Community acceptance and environmental expectations,** including commitments to reduce particulate emissions, cover ore fields and support a Health Impact Assessment (HIA), all of which influence public trust and permitting processes.
- **Realisation of Assets to facilitate secure sequestration of CO₂.** TSN will have capability to isolate a relatively pure CO₂ gas flow from the DRP and with the addition of a gas purification and pressurisation facility, it will be ready for sequestration by a third party.
- **Decarbonisation of the Dutch Electricity Grid as planned.** TSN will move away from coal as the main energy source and toward electricity. The envisioned move to renewable electricity is dependent on the continued decarbonization of the Dutch electricity grid.

Role of Administrative, management and Supervisory Bodies

The governance of TSN's Green Steel Project operates across four interconnected levels:

- **Board-level oversight:** Management Boards are responsible for reviewing strategic alignment, reporting, and performance with advice from Supervisory Board (SB).
- **Corporate sustainability governance:** Chief Operations Officer (COO) leads the development and implementation of the Green Steel Project.
- **Local management structure:** Senior managers, experts in different functions, and operational leadership are accountable for executing the transition and supporting the Director of Sustainability, who reports to the CEO. The Risk & Compliance function will oversee adequate management of the related risks to this large project.
- **External governance:** Dutch government oversight through funding agreements and enforcement bodies, and community health & environmental scrutiny.

Capital Expenditure related to coal, oil and gas economic activities

Pending closure of two coke and gas plants, these facilities continue to be maintained and selectively upgraded to ensure safe and compliant operation in line with increasingly stringent environmental and emissions standards. No capital expenditure is directed towards increasing production capacity of the existing coke and gas plants. In 2025/26, capital expenditure related to the maintenance of the coke and gas plants amounted to €25 million, representing 11.5% of TSN's total capital expenditure for the year. Future investment needs and timelines may be subject to change depending on regulatory developments, permitting requirements, and the further elaboration of the Green Steel Project.

Within the reporting year, TSN acquired LAG Velsen B.V. thereby becoming the owner of three power plants located in the IJmond region and previously owned by Vattenfall — Velsen 24, Velsen 25 and IJmond 01. [See Note 7 to the consolidated financial statements \(Business combinations\)](#). Ownership of the assets and the transfer of 116 employees became effective on 1 January 2026. The acquired assets generate electricity and steam using residual gases from TSN's iron and steelmaking processes and support implementation of actions under the Green Steel Project. Internal ownership of these assets enhances TSN's ability to manage energy flows, energy transition-related risks, strengthens energy security during the transformation period, and supports the phased transition towards hydrogen-ready DRI-EAF steelmaking.

Transition Plan Progress to Date

TSN has made substantial progress in advancing its Green Steel Project and has progressed from plan development into the preparatory phase for implementation, with activities focused on regulatory readiness, engineering definition and financing arrangements in advance of a potential Final Investment Decision (FID).

In June 2025, TSN submitted a comprehensive Environmental Impact Assessment (EIA) to the Province of North Holland. The EIA represents a key regulatory milestone and forms a prerequisite for the required permitting procedures, which are currently a primary area of focus. In parallel, and as part of the preparation for the introduction of low-carbon production technologies, TSN has awarded engineering contracts for the Direct Reduced Iron (DRI) plant and Electric Arc Furnace (EAF), which are intended to replace existing blast furnace and coke-making assets.

In support of the transition, TSN entered into a Joint Letter of Intent (JLoI) with the Dutch State. The JLoI provides for interim operation of the DRI plant on natural gas, with a pathway for future conversion to lower-carbon alternatives such as biomethane or hydrogen. The JLoI establishes the framework for the negotiation of a Tailor-Made Agreement (TMA). Discussions on this agreement are ongoing, with agreement expected to be reached in the latter part of 2026. Further information on JLoI and the TMA is provided in the [Joint Letter of Intent](#) chapter.

To support readiness for the transition and the associated investment programme, TSN has initiated a broader transformation programme that includes restructuring measures and efficiency improvements aimed at strengthening financial resilience and execution capability. As part of the wider Tata Steel Nederland Group ambition to achieve net-zero Scope 1 and Scope 2 emissions by 2045, certain downstream service centres have already achieved Scope 1 and 2 CO₂ neutrality, including locations in Halmstad (Sweden), Naantali (Finland) and Gelsenkirchen (Germany). At the Colors Maubeuge site, Tata Steel Nederland has implemented a major Scope 1 decarbonisation measure through the replacement of two natural gas fired incinerators with a fully electric Regenerative Thermal Oxidiser (RTO). The RTO treats volatile organic compounds (VOCs) arising from paint curing processes and incorporates heat recovery, significantly improving energy efficiency while eliminating the combustion of fossil fuels previously required for VOC abatement. The electrification of the VOC abatement process results in a reduction of approximately 7,500 tonnes of CO₂ emissions per year, corresponding to a reduction of around 12–16% of total site emissions, and represents one of the largest single decarbonisation measures implemented within the Colours business unit. The project required an investment of approximately €10–10.4 million and was partially supported through external funding from the French State under the France 2030 programme, administered by ADEME. The RTO became fully operational in early 2026.

Overall, TSN's progress demonstrates a structured and increasingly mature transition plan, supported by regulatory submissions, initiation of capital projects, government-backed financing, and early environmental mitigation actions, all underpinning its pathway toward large-scale emissions reductions and long-term climate neutrality.

Climate-related risks and scenario analysis

TSN has identified a set of material climate-related physical and transition risks through TCFD-aligned climate-scenario analysis and ERM supported assessments covering its IJmuiden site, its key supply chain and its logistics network in 2023.

The analysis is designed to enhance understanding of how different climate pathways could affect TSN's operations, value chain, and strategic resilience over short-, medium-, and long-term time horizons.

The analysis followed a structured, multi-step approach combining scenario analysis, qualitative risk assessment, and quantitative financial analysis, with outcomes feeding into the Climate Financial Driver Analysis (CFDA).

The analysis shows that TSN's most strategically important production site in IJmuiden may face physical risks, including water stress and drought affecting cooling water availability from Lake IJsselmeer, particularly during dry periods, and storm-related disruptions to inbound and outbound logistics, such as interruption of rail transport, load zone operations, crane activity, dockside handling and vessel movements. In addition, climate hazard exposure across TSN's iron ore and coal suppliers presents material upstream risks linked to heat, drought, flooding and storm impacts at global supplier locations.

The physical climate risk assessment was conducted using a four-step methodology:

- **Data collection and hazard screening:** including analysing site coordinates, and logistics locations, deriving baseline and projected climate hazard data from IPCC Sixth Assessment Report datasets, supplemented with national and regional sources (e.g. Klimaateffectatlas, WRI), climate projections focused on 2030 and 2050 under the IPCC SSP5-8.5 (high-emissions) scenario, and screening of different hazards such as extreme heat, extreme cold, flooding, storms, water stress and drought, wildfires, rainfalls, etc.
- **Site assessment and operational review:** key site aspects were identified and assessed (e.g. utilities, cooling water, logistics, raw material storage, power supply, wastewater treatment).
- **Risk identification, scoring, and analysis:** including identifying potential physical risk items by combining site aspects with hazard data, scoring risks using TSN's internal risk matrix based on likelihood and impact for present day, 2030, and 2050.
- **Prioritisation for financial quantification (CFDA):** risks with the highest combined risk scores were selected as potentially material and recommended for further quantification.

TSN also faces transition risks arising from the policy, market and technological shifts associated with decarbonisation, including exposure to carbon pricing mechanisms, such as the Dutch CO₂ levy and EU ETS, and the need for significant capital investments in new low-carbon technologies, including DRI EAF, supporting hydrogen infrastructure and CCS.

Additional market-driven risks include uncertain timing of demand for low CO₂ steel, competitive pressure as peers bring low-carbon capacity online earlier, and shifts in EU trade policy and origin rules that may alter sourcing and price dynamics of low CO₂ steel, while policy and reputational risks stem from tightening emissions regulation, permitting requirements and stakeholder expectations for accelerated decarbonisation.

The transition climate risk assessment followed a scenario-based screening and prioritisation methodology, structured into four main steps:

- **Identification of climate-related risks and opportunities (CRROs):** including developing a long list of transition risks and opportunities, qualitative assessments of CRROs based on impact, likelihood, and timeframe, and developing a shortlist of CRROs (7 risks and 4 opportunities) for detailed scenario analysis.
- **Scenario selection and indicators:** two climate scenarios were applied (IEA World Energy Outlook 2022 – Stated Policies (STEPS) (~2.5°C) and IEA Net Zero Emissions by 2050 (NZE) (~1.5°C)) supplemented with NGFS climate scenarios when needed. Each CRRO was mapped to one or more quantitative scenario indicators (e.g. EU carbon price, hydrogen prices, capital cost of new technologies).
- **Exposure ratings and scoring:** including rating TSN exposure to each scenario indicator based on earlier impact assessments, calculating scenario deltas (differences between STEPS and NZE over time) for each indicator, and generating risk or opportunity scores for 2025, 2030 and 2045.
- **Prioritisation for financial quantification (CFDA):** risks with the highest scores and sufficient data availability were recommended for quantitative financial analysis.

TSN's scenario analysis applies multiple IPCC-aligned pathways to understand how these risks evolve across time horizons and to assess the resilience of TSN's strategy and business model. The results inform ongoing adaptation and mitigation actions, including water use reduction initiatives, alternative cooling water options, supply chain rerouting in adverse climatic conditions and the phased transition to lower carbon steelmaking technologies.

Table. Overview of climate scenario analysis results

	Physical Risk: 4°C scenario	Transition Risk: 1.5 and 2.5 °C scenario
Scope	Focused on IJmuiden site and its key supply chain	Focused on IJmuiden site
Scenario	A 4°C high-emission Shared Socioeconomic Pathways (SSP) 5 - 8.5 scenario considering business as usual.	Adopted a low-carbon 1.5°C scenario and a high-carbon 2.5°C scenario in line with TCFD guidance.
Description	Assessed risks and opportunities from changing physical climate, including acute changes such as extreme heat, water stress, and wildfires. Based on the TCFD framework and IPCC's SSP scenarios. SSP 5-8.5 selected for analysis due to: <ul style="list-style-type: none"> Closest scenario to current emissions trends. Latest science indicates this is the most likely scenario for warming rates. This scenario ensures effective site management and resilience strategies. 	The analysis focused on risks and opportunities associated with the low-carbon economy transition, e.g., the shift to low-carbon energy and increasing carbon prices. It analysed regulatory, policy, technological, market, and reputational developments to identify material exposures to climate-related transition risks and opportunities. Eleven risks and opportunities were selected for scenario analysis based on impact, likelihood and timeframe.
Time Horizons	<ul style="list-style-type: none"> Medium term - 2030 Long term - 2050 	<ul style="list-style-type: none"> Medium term - 2030 Long term - 2045
Risks	<p>IJmuiden site: Near, medium, and long term:</p> <ul style="list-style-type: none"> Water stress and drought in Lake IJsselmeer affect cooling and production at IJmuiden. <p>IJmuiden site: Long term:</p> <ul style="list-style-type: none"> Storms disrupt logistics, including blocked rail tracks, interrupted operations, and quality and safety issues with materials and vessels. <p>Supply chain:</p> <ul style="list-style-type: none"> Supply chain risks for coal and iron ore suppliers are generally low except for Anglo American South Africa (moderate risk by 2030 due to water stress, extreme heat, wildfires) and Coronado USA (high risk from river flooding and extreme rainfall). These are currently not significant risks due to their proportion of inputs. 	<p>Medium term</p> <ul style="list-style-type: none"> The capital cost of innovative steel technologies like H2-DRI and CCUS will be higher than conventional steel by 2045 in a net zero scenario. The risk decreases over time as new technologies become commercially viable. Investing in innovative steel production remains risky. Access to low-carbon energy sources like electricity and hydrogen is crucial for decarbonisation. However, their high prices will increase the production costs of low-carbon steel. Hydrogen prices might be higher in a net zero scenario than in the Stated Policies scenario. European steel's international competitiveness could suffer due to carbon pricing policies, such as ineffective carbon border adjustment mechanisms (CBAM), making our steel less competitive compared to regions without carbon pricing. <p>Long term</p> <ul style="list-style-type: none"> The increased cost of carbon emissions for the steel industry - TSN is subject to carbon pricing mechanisms, such as carbon taxes and emissions trading schemes, which increase operating costs and reduce profitability.
Opportunities	No opportunities identified	Opportunities are primarily associated with reputational benefits that could materialise for TSN if the decarbonisation strategy is achieved on time. Additionally, there is a potentially significant long-term opportunity for TSN to reduce operating costs by investing in renewable energy and taking advantage of policy incentives.

Resilience in relation to climate change

In 2024, global average temperatures exceeded 1.5°C above pre-industrial levels for the first time on an annual basis. The Intergovernmental Panel on Climate Change (IPCC) has warned that such warming is likely to increase the frequency and severity of heatwaves, storms, droughts and sea-level rise, with potential adverse effects on ecosystems, human health and economic activity worldwide. TSN operates sites in Europe and the United States, some of which may be exposed to the physical impacts of extreme weather events. We therefore recognise the importance of identifying and assessing climate-related physical and transition risks and opportunities in order to support the long-term resilience of our business. In 2023, TSN engaged external experts to conduct a climate risk assessment for its IJmuiden site. As part of our roadmap towards compliance with the Corporate Sustainability Reporting Directive (CSRD), this assessment will be further refined and progressively integrated into our enterprise risk management (ERM) framework.

Current financial effects

TSN has assessed the effects of its material climate-related risks and opportunities on its financial position and financial performance for the reporting period. The identified risks and opportunities are described in the DMA table, with the related current financial effects discussed below.

Carbon pricing

TSN is exposed to carbon pricing mechanisms that have a material financial impact on its results and financial position. The Group incurs recurring expenditure in relation to compliance with the EU Emissions Trading System (EU ETS), primarily through the purchase of carbon emission allowances. A provision for CO₂ emission rights is recognised in the balance sheet when the Group expects a shortfall between emission allowances allocated and the actual level of emissions. Expenses related to CO₂ emission rights are recognised within other operating costs in the income statement.

No material effect from the Dutch CO₂ levy has been identified in the reporting year, and no future impact is anticipated as the effective rate for TSN became 0% from 1 January 2026.

Based on current legislation and announced policy developments, the Group does not expect a material future impact from the Dutch CO₂ levy.

During the reporting period, the Carbon Border Adjustment Mechanism (CBAM) was in its transitional phase, during which obligations were limited to reporting requirements only. Accordingly, at the reporting date, CBAM did not give rise to a direct financial obligation for TSN.

The 2025/26 liabilities recognised in the balance sheet in respect of environmental provisions amounted to €308 million, while the expenses recognised in the income statement amounted to €179 million. The provision for CO₂ emission rights is sensitive to fluctuations in market price for emission allowances. To manage this exposure, the Group utilises commodity contracts to hedge volatility in carbon prices. Further information on emission rights, related costs and hedging activities is provided in [Note 20](#). Provisions for CO₂ emission rights are included within environmental provisions and disclosed in [Note 21](#). The costs of emission rights are presented in [Note 2](#) to the consolidated financial statements.

Investments in decarbonisation

As part of the Green Steel Project, TSN has initiated investments in decarbonisation projects, including the Direct Reduced Iron–Electric Arc Furnace (DRP-EAF) route and carbon capture and storage (CCS). During the financial year, expenditure primarily relating to pre-engineering phase, permitting, and attributable employee costs amounted to €46.5 million, and were capitalised as part of property, plant and equipment, presented in [Note 8](#) to the consolidated financial statements.

Price fluctuations of natural gas

Natural gas is an important energy source within TSN's operations, supplementing blast furnace gas for electricity generation and providing heat in key production processes. The Group has been exposed to current financial effects arising from natural gas price fluctuations and maintains a hedging strategy to mitigate short-term volatility. Given that the effects are not separately identifiable, we have not quantified them for this reporting period.

The Group anticipates that material financial impacts associated with this risk will arise primarily in future reporting periods, as the implementation of the DRP-EAF production route will increase TSN's reliance on natural gas during the transition phase. Refer to [Note 20](#) for further information on financial risk management.

Low CO₂ steel products

TSN offers Zeremis Carbon Lite, an independently verified reduced-CO₂ solution that allocates verified CO₂ savings to customer purchases and generates revenue from its sale. Since TSN does not yet offer low-CO₂ embodied steel on a large scale; we are exploring opportunities to use selected externally sourced lower-CO₂ coil or slab for further processing at TSN sites. The current financial effects arising from these products are not material and as such, have not been quantified for the reporting period.

Notwithstanding the current effect, low-CO₂ steel products represent an important strategic opportunity for TSN. Material financial effects are expected over time as the Group progresses its decarbonisation pathway, including the implementation of DRP-EAF and CCS technologies and renewable gas integration in the steelmaking process.

The revenue from sale of low-CO₂ steel products is part of Group's revenue disclosed in [Note 1](#). The finished goods are part of Inventories presented in [Note 12](#) to the consolidated financial statements.

Impact, risk and opportunity management

Climate change policies

The TSN Climate Change Policy document sets out the approach to reducing TSN’s impact on climate change and communicates our commitment to reducing greenhouse gas emissions across our own operations and value chain. The table below describes the key contents of the Climate Change Policy, including its general objectives and the material IROs it relates to, a description of the scope of the policy, and the key stakeholders.

Table. Policies related to climate change

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> TSN has adopted a dedicated Climate Change Policy to address its contribution to climate change and to formalise its commitment to reducing greenhouse gas emissions across its operations and value chain. The policy is designed to embed climate-related considerations into TSN’s overall business strategy and decision-making processes. The policy is regularly reviewed and updated to reflect best practices and regulatory developments, ensuring a robust governance structure that drives accountability and progress toward our climate goals. 	<ul style="list-style-type: none"> Defines the principles guiding TSN’s transition from coal-based steelmaking to low-carbon production technologies and sets expectations for the development and implementation of the Green Steel Project, including technology transition pathways, interim targets, which are detailed under the metrics and targets section, and governance arrangements to ensure accountability and delivery. Details the requirement for major investment decisions, including decarbonisation projects to be aligned with TSN’s transition objectives. Oversight of the policy is exercised through TSN’s governance structures, including the Board of Management and Supervisory Board, supported by dedicated sustainability and transition governance bodies. This governance framework ensures clear accountability, monitoring of progress, and transparent reporting on climate-related initiatives. 	<ul style="list-style-type: none"> The policy applies to all TSN operations and employees. Local or site-specific policies may add stricter requirements but can never lessen the requirements. In the unlikely event of a conflict with national laws or local regulations, national laws and local regulations prevail. Relevant stakeholders include internal decision-makers involved in strategy, investment and operations, as well as external stakeholders such as government bodies and industry partners engaged on climate objectives. It also provides for stakeholder engagement as a key element of climate governance. TSN actively engages with stakeholders, including government bodies and industry partners, to ensure our approach remains aligned with evolving national and international climate objectives.

Climate change actions

TSN’s decarbonisation actions and resources are primarily focused on the integrated steelmaking site in IJmuiden, which generates the vast majority of TSN’s Scope 1 emissions. The Downstream entities have also developed decarbonisation plans for Scope 1 and 2 GHG emissions, with five sites (service centres Halmstad in Sweden, Naantali in Finland, Gelsenkirchen in Germany, Maastricht in Netherlands and Geldermalsen facility in the Netherlands) gaining certified climate neutrality status, and others awaiting capital expenditure allocation to complete the transition. TSN strategy is to maintain focus, and concentrate resources, on strategies at scale. This section outlines actions related to climate change and also breaks down actions related to GHG emissions linked to Scope 1, 2 and 3 emissions.

Actions addressing Scope 1 emissions

Scope 1 emissions represent the largest share of TSN’s greenhouse gas footprint and are primarily concentrated at the steelmaking site in IJmuiden. The Green Steel Project is detailed in the JLoI document, and encompasses the following decarbonisation levers:

- Closure of coal dependent coke ovens and coke dependent blast furnaces while maintaining steelmaking capacity with new facilities compatible with renewable sources of gas and electricity¹
- Operation of new facilities with natural gas, with future conversion to biomethane and/or green hydrogen, as they become available. This facilitates an immediate CO₂ reduction, while building in the capability to continue the CO₂ reduction pathway in line with the growth of renewables infrastructure.
- Making use of the in-built carbon capture functionality of the DRP by installing gas treatment and a compression station to facilitate sequestration by a third party to avoid 0,6 Mt per year CO₂ emission to the atmosphere, diverting it to secure storage in depleted North Sea oil and gas fields.
- Increased use of scrap, with electrically powered melt capacity and expansion of the scrap handling facilities, reducing the demand for virgin ore and associated upstream emissions. The extent of scrap use will be limited by availability of suitable scrap rather than the equipment.

¹ Carbon intensity of both gas and electricity dependant on availability of renewables

The steps in the first phase of the Green Steel Project expressed as CO₂ emissions associated with maximum steelmaking capacity (7.2 Mta) are presented in the graph further in this section. As stated in the JLoI, these values can be considered to be reduction objectives for the time being and create the basis for further discussion for the Tailor-Made Agreement. There is a margin of (technical) uncertainty about the magnitude of the CO₂ reduction quantified at 0,6 Mt over the total.

Actions addressing Scope 2 emissions

Actions related to Scope 2 emissions focus on reducing indirect emissions from purchased electricity and energy use across TSN's operations. These include site-wide energy efficiency and optimisation measures, increased electrification of processes where technically feasible, and enhanced control over energy generation assets. Energy efficiency and optimisation is a constant improvement factor on any steelmaking site, and IJmuiden is no exception to that. The acquisition on January 1st of the three Velsen power plants, recently under ownership of Vattenfall but originating from the same time as the original blast furnaces on the IJmuiden site, gives more opportunity for TSN to meet the needs of the Green Steel Project. As an integrated site, the generation of energy in the form of gas goes hand in hand with coke, iron and steel production. By assuming full operational and financial control of the power plants allow investments to be targeted within the most energy efficient operating window for the gases, and for the electricity required throughout the Green Steel Transition.

While the existing equipment remains in place, the capability to reduce CO₂ emissions is limited. However, the following levers are present and will continue to be exploited to the maximum extent possible. TSN has progressively tested the previously held beliefs around what constitutes 'maximum scrap usage' and has increased scrap usage from 10% industry standard to 17% at the steelmaking facility in IJmuiden. Along with site-wide energy efficiency measures and minimising coke use in the blast furnace, this has been one of the key components in delivering a carbon intensity, measured in tonne CO₂ per tonne Crude Steel, of >0.5 tonnes lower than the industry average for the BF-BOS route¹.

Actions addressing Scope 3 emissions

Actions in relation to Scope 3 emissions focus on reducing indirect emissions across TSN's value chain, including upstream transportation, logistics and raw-material supply. Inbound, outbound and site transportation of our raw materials, intermediary products and products to our customers have been areas of attention over the past couple of years. Tracking of the inbound bulk raw materials and associated vessel information is being recorded with an aim to actualising the Scope 3 category 4 data collection, providing a reliable baseline upon which to set meaningful targets. Transportation on and between the TSN sites has already seen steps forward with specific, mainly barge, solutions running on biofuel for transport between Netherlands, Belgium, France and Germany. Over 85% of our rail transport is CO₂e free using renewable electricity² and road transport on the IJmuiden site is decarbonised through the use of biofuel and certified to that effect. This contributes to reductions in our Scope 1 emissions, benefitting our Zeremis customers who can select the Carbon Lite and Delivered product offerings. Our customers can also receive the LCA documentation on demand to inform their decarbonisation plans. During the transition period, Scope 3 emissions may temporarily increase due to construction activities associated with new facilities and the phased closure of existing assets.

Resources allocated to actions

In terms of resources made available for the realisation of the Transition plan, a project team of around 50 FTEs has been assigned to the Green Steel Business Transformation, a department dedicated to managing the company-wide transition to the new way of working. The efforts from the Project and Engineering department who is tasked with delivering the project is equivalent to 106 FTEs, not including the engineering firms who have worked on separate work packages. The technical de-risking to ensure that the product portfolio can still be delivered with the new steelmaking technologies has been developed into a Technology Roadmap. These actions are to be delivered primarily by Technical and R&D employees with a total effort estimated at over 70 personnel in FY26. Akash Latchman, board member with specific expertise in mega-projects was recruited in November 2024, and he has strengthened the TSN Projects and Engineering team with experienced personnel from his network. External Engineering firms specialising in projects with comparable levels of complexity and size have been hired to support TSN, and the technical expertise of the OEMs has been, and continues to be utilised. In total, TSN has allocated human capital resources equivalent to approximately 225 FTEs.

1 <1,8 tCO₂/tCS for TSN, as reported in previous annual reports, compared with World Steel Association Benchmark of 2,3 t CO₂/t CS for the BF-BOS route

2 Certification in progress

During the reporting period, TSN allocated significant financial resources to its decarbonisation actions under the Green Steel Project. These resources comprised approximately €70 million of operating expenditure, primarily relating to non-capitalised employee and technical consultancy costs, as well as €47 million of capital expenditure for pre-engineering and project development activities incurred during the year. The scale, financial magnitude and strategic relevance of these expenditures underpin TSN's assessment that the current resources allocated are significant for reporting purposes. The operating expenditure is recorded as part of operating costs as disclosed in Note 2, while the capital expenditure is included in additions to property, plant and equipment, as presented in Note 8 to the consolidated financial statements.

The implementation of Phase 1 is expected to require future financial resources in the range of €4–6.5 billion which are planned to be sourced from different sources. TSN and TSL intend to secure external debt financing in the range of €2.3–4.0 billion. In addition, the Dutch government has expressed its intention to provide financial support in the form of a one-off subsidy of up to €2.0 billion. The remaining amount is expected to be funded through a combination of cash generated and contributed by TSN, and funding covered by TSL. The final and confirmed capital expenditure will be determined at the time of signing the Tailor-Made Agreement, which is expected by the end of September 2026. Further information on JLoI and the Tailor-Made Agreement is provided in the chapter [Joint Letter of Intent](#). The estimated cost for Phase 2 cannot be made until the alternatives route configurations have been fully evaluated

Metrics and targets

Climate change targets

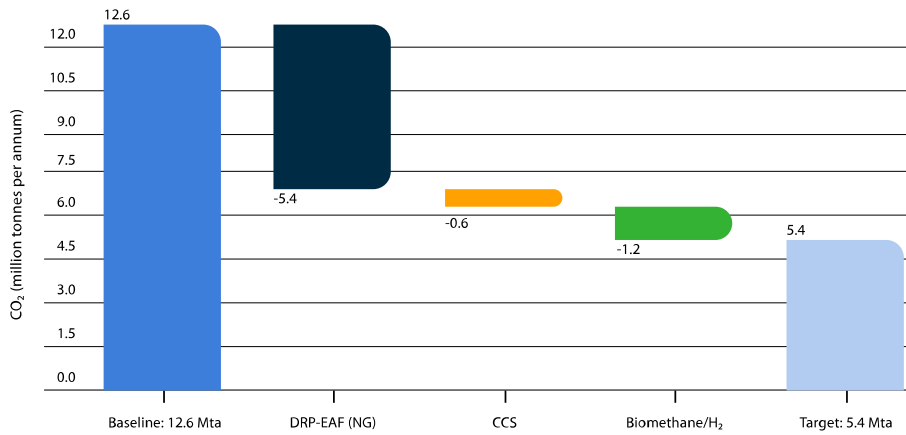
The GHG emission reduction targets for TSN originate from the required contribution from the steel sector to the National decarbonisation targets of the Netherlands, which in turn are aligned with the Paris agreement and EU Climate Law. To meet the required decarbonisation targets within this framework, 60% of the steelmaking capacity at TSN will be decommissioned and replaced with new technologies designed to be compatible with operating on 80% renewable hydrogen, or 100% biomethane, and renewable electricity.

TSN has established climate-related targets that are consistent with its decarbonisation strategy, including interim and long-term objectives of reducing Scope 1 greenhouse gas emissions from carbon-intense energy to renewable energy. As set out in the JLoI, TSN has committed to reducing its maximum annual Scope 1 CO₂ emissions (EU-ETS Scope) of 12.6 Mt/a through a phased transformation of its iron and steelmaking assets, including a reduction of 5.4 Mt CO₂/a via the implementation of Phase 1 steps of the transition plan. The targets refer to the steelmaking assets at the IJmuiden site, known as TSJ. There is a 0.6 Mt uncertainty margin that applies to these targets, as stipulated in the JLoI.

The targets are calculated according to the EU-ETS scope, related to the maximum production capacity of 7.2 Mt per annum. This production capacity scales to approximately 12.6 Mt Scope 1 CO₂ on an annual basis, with each transition step target following the same EU ETS scope for the resulting maximum CO₂ emissions. The ESRS reporting guidelines stipulate the use of the GHG protocol for the reporting boundary of Scope 1. This has a slightly broader scope, including items such as emissions from downstream entities in TSN, vehicles owned and operated by the reporting company. For comparison purposes both values are reported in E1-8 Gross Scope 1,2,3 GHG emissions, where the deviation between them in the reporting year was around 0.5%.

The CO₂e emissions for TSN are 99.8% CO₂, with the balance being CH₄, N₂O, HFCs and SF₆. For the transition plans the CO₂ is calculated and the other GHG are expected to reduce pro rata with the CO₂. As the CO₂e quantities are within the rounded values for CO₂, both can be considered to be synonymous with one another for the purposes of the reduction targets.

Chart. TSN Scope 1 CO₂ Reduction Path



These interim milestones contribute to the long-term ambition of achieving net zero Scope 1 and Scope 2 emissions by 2045, as set out in our climate strategy.

With respect to Scope 3 emissions, TSN has not yet set a quantitative reduction target. This reflects the significant and temporary non-linear effects that the transformation of primary steelmaking processes will have on Scope 3 emissions, particularly upstream categories. TSN is prioritising the establishment of a robust Scope 3 baseline by improving data quality and enhancing transparency across the value chain. TSN has committed to engaging suppliers, logistics partners and customers to improve reporting and identify long-term reduction opportunities, particularly in Scope 3 categories less affected by the transition.

TSN recognises that the majority of its total GHG emissions are Scope 1, which therefore remain the immediate focus of its decarbonisation efforts.

Scope 2 is not specifically addressed as a target for reduction because TSN scope 2 emissions in its current configuration are practically immaterial. As an integrated steelworks the arising gases are used to generate the electricity needs of the main steelmaking site in IJmuiden. The transition to low CO₂ steelmaking will see the generation of gas decrease as the coke ovens and blast furnaces close, and so the generation of fossil-based electricity will also decrease, and TSN will start sourcing electricity from the grid. As the Dutch electricity grid decarbonises the TSN electricity source will similarly become more renewable, with the Dutch Climate Law setting a target for electricity from the grid to be carbon neutral by 2035.

TSN has set a long-term ambition to reach net zero Scope 1 and 2 emissions by 2045, and its decarbonisation pathway is informed by recognised 1.5°C compatible scenarios such as the IEA Net Zero by 2050 (NZE) pathway for heavy industry. In line with these sectoral pathways, meaningful emissions reductions in steelmaking typically occur through major technology shifts rather than incremental improvements. For TSN, this shift is driven by the planned commissioning of its first Direct Reduction Plant (DRP) and Electric Arc Furnace (EAF) as part of Phase 1 of the Green Steel Project. This new facility is expected to replace a substantial portion of coal-based production and enable an initial reduction of 43% in Scope 1 emissions, with potential for reductions of up to 50% depending on developments in hydrogen and CCS technologies. As a result, emissions are expected to remain relatively stable until the new facility becomes operational, after which a significant step change reduction is anticipated, reflecting the practical realities of asset replacement in integrated steelmaking. Further reductions are expected through Phase 2 of the Green Steel Project, which is aimed for completion by 2045 and is expected to enable TSN to achieve net zero Scope 1 and 2 emissions.

Climate change metrics

Energy consumption and mix metrics

During the 2025/26 reporting year, total energy consumption increased by 0.4%. It should be noted that the scope of reporting changed year-on-year: the 2024/25 figures covered only TSIJ, whereas the 2025/26 figures cover TSN operations, including both TSIJ and TSDEs. Within the expanded scope, total fossil energy consumption decreased slightly by 0.4%, driven by changes in the energy mix.

Energy consumption from renewable sources increased by more than 300% year-on-year, primarily due to the inclusion of TSDEs in the reporting scope alongside TSIJ in the 2025/26 reporting year.

Table. Total energy consumption related to own operations

Energy categories	2025/26	2024/25
	MWh	MWh
Fuel consumption from coal and coal products	14,549,227	15,148,878
Fuel consumption from crude oil and petroleum products	26,522	26,828
Fuel consumption from natural gas	3,479,658	3,002,431
Fuel consumption from other fossil sources	561	0
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	55,100	0
Total energy consumption from fossil sources	18,111,068	18,178,137
Total energy consumption from nuclear sources	126,723	0
Total energy consumption from renewable sources	9,875	2,265
Total energy consumption	18,247,666	18,180,402

Note1: energy consumption from coal and coal-derived fuels of FY 2024/25 (15,148,878 MWh) in the current report is revised from last year's annual report value (30,247 GWh). This difference is because in the previous year, injection coal and metallurgical coal used in the blast furnace were calculated as fuel in the fuel consumption from coal and coal products. In the current year, metallurgical coal used in the blast furnace was reclassified to feedstock and excluded from the calculation of fuel consumption from coal and coal products and only injection coal was considered in the calculations.

Note2: reporting scope is different between current year and previous year. Values reported in the previous year include only TSIJ. Values reported in the current year include TSIJ and significant TSDEs.

Accounting policies for energy metrics

For the current year, TSN identified the downstream entities in scope for energy consumption and energy metrics reporting through a scoping analysis. This analysis applied a threshold focusing on entities with the highest energy consumption, defined as exceeding 50,000 MWh annually per entity. Based on this assessment, the reporting scope for the current year includes TSJ and four TSDEs: Tata Steel Maubeuge SAS, Société Européenne de Galvanisation (SEGAL) SA, Hille & Müller GmbH, and Thomas Steel Strip Corp. For the previous year the scope only included TSJ.

In the reporting period energy is reported on the basis of the consolidated accounting group. Although acquisition of LAG Velsen B.V. is recognised in the financial statements as of 1 January 2026, reporting includes related energy for the full reporting period. Prior to the acquisition, LAG Velsen was understood to be under operational control of TSN. In the comparative period, energy is reported for the consolidated accounting group and one non-consolidated entity under operational control – LAG Velsen. Such reporting supports comparability.

Energy consumption is calculated as the sum of energy from fossil, nuclear and renewable sources. Energy consumption is measured in megawatt-hours (MWh).

Distinction between fuels used for energy purposes and those used as feedstock is made. The feedstock is excluded from energy consumption in line with ESRS E1 requirements.

Actual data from direct measurements of material volumes, calorific values, composition, gas, electricity and energy flows are primarily sourced from internal systems, complemented by invoices, on-site metering, laboratory analyses and supplier data.

Where direct measurements are not available, estimates are applied, with such estimations assessed as having a limited impact on overall reported figures (generally below 1%).

For energy consumption from purchased or acquired electricity, TSN is a net producer of electricity, generating a surplus on a yearly basis. At specific high frequency intervals, TSN receives additional electricity from the grid, when the own generated electricity does not meet the demand for running high-power machinery.

As a result of the agreement with the supplier, it is not feasible to differentiate between gross and net electricity purchases at the TSJ level. Consequently, the consumption of purchased electricity from fossil sources is calculated on an annual basis, resulting in zero reported purchases for TSJ.

Purchased electricity is reported for TSDEs only, amounting to 55,100 MWh, as presented in the table. As TSDEs were not included in the reporting scope in 2024/25, no comparative figures are presented for the prior year.

Energy consumption from other fossil sources, and nuclear sources reported in 2025/26 relates exclusively to TSDEs during the reporting year 2025/26. As TSDEs were not included in the reporting scope in 2024/25, no comparative figures are presented for the prior year.

During the 2025/26 reporting year, total energy production represented a decrease of approximately 4% compared to the prior year. This decrease was driven by a reduction in non-renewable energy produced linked to the reclassification of coal consumption as fuel. Renewable energy production remained broadly stable compared to the prior year (<1% increase), indicating consistent renewable generation levels. Overall, the change in total energy production primarily reflects variations in non-renewable energy production rather than a material change in renewable production.

The methodology is subject to limitations arising from the complexity of integrated steelmaking energy flows, reliance on multiple data sources and systems, and timing differences between measured and invoiced data; however, these are not expected to materially affect the reported energy consumption figures.

Table. Total energy production

Energy categories	2025/26	2024/25
	MWh	MWh
Total non-renewable energy produced	14,577,118	15,168,170
Total renewable energy produced	2,272	2,265
Total energy production	14,579,390	15,170,435

Gross Scopes 1 & 2 GHG emissions metrics

This section provides an overview of TSN's Scope 1 & 2 GHG emissions for the reporting period disaggregated by scope emissions source. The overall emissions performance is driven by the nature of TSN's steelmaking operations, and energy consumption. As indicated in the metrics and targets section above, Scope 1 emissions continue to represent the largest share of TSN's emissions, mainly driven by direct process and combustion emissions from steel production, while Scope 2 emissions are minimal.

During the 2025/26 reporting year, gross Scope 1 GHG emissions representing a decrease of approximately 4% compared to last year. It should be noted that the reporting scope changed year-on-year: the 2024/25 figures covered only TSIJ, whereas the 2025/26 figures cover all TSN operations, including both TSIJ and TSDEs. The reduction in Scope 1 emissions is consistent with the changes in the fuel mix observed during the reporting year. Scope 2 GHG emissions relate exclusively to TSDE operations, as TSIJ does not have Scope 2 emissions. As the prior-year reporting scope did not include TSDE, no comparative Scope 2 figures are presented for 2024/25.

Table. Scope 1 and 2 GHG emissions (excl. biogenic CO₂ emissions from the combustion or biodegradation of biomass)

GHG Categories	2025/26	2024/25
	tCO ₂ eq	tCO ₂ eq
Gross Scope 1 GHG emissions	10,906,846	11,360,700
	%	%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (million tCO ₂ eq)	99.6	99.7
Scope 2 - Indirect GHG emissions	tCO ₂ eq	tCO ₂ eq
Gross market-based Scope 2 GHG emissions	20,825	0
Gross location-based Scope 2 GHG emissions	34,855	0

Note 1: Scope 1 of 2024/25 (11,360,700 tCO₂eq) in the current report is revised from last year's annual report value (11.33 million tCO₂eq). This difference is mainly due to a change in methodology. In the previous year, TSN applied a methodology based on World Steel Association (WSA) guidelines. In the current year, TSN is using a methodology based on ESRS.

Note 2: Scope 2 (market and location based) of 2024/25 (0 tCO₂eq) in the current report is revised from last year's annual report value (-0.11 million tCO₂eq). This difference is mainly due to a change in methodology. In the previous year, TSN applied a methodology based on World Steel Association (WSA) guidelines. In the current year, TSN is using a methodology based on ESRS.

Accounting policies for Scope 1 and 2 GHG emissions metrics

In the reporting period Scope 1 and 2 GHG emissions are reported on the basis of the consolidated accounting group. Although the acquisition of LAG Velsen B.V. is recognised in the financial statements as of 1 January 2026, reporting includes related Scope 1 and 2 GHG emissions for the full reporting period. Prior to the acquisition, LAG Velsen was understood to be under operational control of TSN. In the comparative period, Scope 1 and 2 GHG emissions are reported for the consolidated accounting group and one non-consolidated entity under operational control – LAG Velsen. Such reporting supports comparability.

For the current year, TSN identified the entities in scope for Scope 1 and 2 GHG emissions metrics reporting through a scoping analysis. As energy consumption and mix are associated with Scope 1 and Scope 2 GHG emissions, TSN applies the same scoping threshold used for energy consumption and mix to determine the entities included within scope for this metric. Based on this assessment, the reporting scope includes TSJ and four TSDEs: Tata Steel Maubeuge SAS, Société Européenne de Galvanisation (SEGAL) SA, Hille & Müller GmbH, and Thomas Steel Strip Corp. For the previous year, only TSJ is in scope.

- Scope 1 includes all direct emissions from TSN owned or TSN controlled sources, including stationary and mobile combustion, process emissions and fugitive emissions. TSN quantifies CO₂, CH₄, N₂O, HFCs and SF₆ using metered activity data and EU-ETS approved emission factors.
- Scope 2 includes indirect emissions from purchased electricity, steam, heating and cooling consumed by TSN. TSN applies GHG Protocol-aligned calculation methods and uses supplier specific or grid average emission factors as available. Scope 2 Market-based method quantifies GHG emissions based on GHG emissions emitted by the generators from which the TSN contractually purchases electricity bundled with instruments, or unbundled instruments on their own. The Scope 2 location-based method quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined locations, including local, subnational, or national boundaries.

Share of contractual instruments for Scope 2 metrics

TSN accounts for market-based Scope 2 emissions through bundled contractual instruments. These instruments are used to reflect the emissions attributes associated with purchased electricity in TSN's market-based Scope 2 reporting. For bundled contractual instruments, TSN purchases energy products where the claims attributes, such as renewable energy certificates or guarantees of origin, are integrated directly in the supply contract. This enables TSN to report the corresponding emissions based on the specific attributes associated with the purchased energy. During 2025/26, the share of energy consumed under these arrangements was 4%.

Table. Biogenic CO₂ emissions from the combustion or biodegradation of biomass

Biogenic emissions Scope 1	2025/26	2024/25
	tCO ₂ eq	tCO ₂ eq
Total direct biogenic emissions	1,421	1,371

Accounting policies for biogenic emissions

Biogenic emissions are accounted for in accordance with internal accounting policies. Emissions resulting from the combustion and biodegradation of biomass are measured and reported separately from fossil fuel-based emissions to ensure transparency. TSN uses standardised quantification methods to calculate biogenic CO₂ emissions, based on recognised emissions factors and activity data, and ensures these are disclosed distinctly within the annual greenhouse gas inventory.

At TSJ site, biomass-based product (Stesam) is used for dust suppression of raw materials and is not intended for energy production. The material is ultimately combusted with other fuels. CO₂ emissions are based on the cellulose content of the product and follows a mass-balance approach. The total quantity of biomass is converted to mass (assuming water-equivalent density), from which the cellulose fraction is derived to determine the carbon content.

GHG intensity metric

The crude steel production for the reporting year is very much in line with that of the preceding year.

Table. Steel production

Steel production	2025/26	2024/25
	t	t
Crude steel total	6,509,469	6,569,078
Liquid steel at the end of secondary steelmaking (incl DSP return steel)	6,687,924	6,748,329

Accounting policies for production metrics

Crude steel is defined in accordance with the World Steel Association (WSA) as the tonnage of steel produced in its first solid form. In the case of TSN, crude steel represents the total volume of liquid steel cast through the continuous casting machines at the steel plant, added to that cast at the Direct Sheet Plant. This metric is determined using a material balance approach, based on measured production data taken as close as possible to the point of solidification.

For the 2025/26 reporting year, the largest contribution to Scope 3 GHG emissions arose from purchased goods and services, representing approximately 60% of total Scope 3 emissions. This is primarily attributable to raw material purchases inherent to the steelmaking process. Processing of sold products accounted for approximately 17% of emissions, reflecting the energy-intensive nature of downstream steel value-chain activities such as rolling, finishing, and fabrication.

Upstream transportation and distribution represented approximately 13% of total Scope 3 emissions and mainly relates to the transport of purchased feedstocks; intercompany transport between TSN entities is not included. Fuel- and energy-related activities and end-of-life treatment of sold products each contributed approximately 3% of total Scope 3 emissions. Other categories, including business travel, employee commuting, and waste generated in operations, individually represented less than 1% of total Scope 3 emissions and were therefore assessed as not significant.

Several Scope 3 categories were qualitatively assessed as not material for the reporting year. Comparative information is not presented due to the current scope and availability of Scope 3 data. Scope 3 categories are expected to be refined in future reporting periods as data completeness and methodological maturity improve.

In 2025/26, an improvement in GHG intensity of 1.662 tCO₂/tonne steel with a 3% change was achieved, primarily by the increased use of scrap in the steel plant compared to virgin ore, and a combination of multiple other energy efficiency improvements.

Table. GHG intensity

GHG Intensity	2025/26	2024/25
	tCO ₂ eq/tonne steel	tCO ₂ eq/tonne steel
GHG intensity per crude steel total	1.662	1.729

Note 1: GHG intensity of 2024/25 (1.73 tCO₂e/tonne steel) in the current report was revised from last year's annual report value (1.69 tCO₂/tonne steel). This difference is mainly due to a change in methodology. In the previous year, TSN applied a methodology based on World Steel Association (WSA) guidelines and considered CO₂. In the current year, TSN is using a methodology based on ESRS and considering all greenhouse gases calculating GHG intensity based on greenhouse gas emissions expressed in CO₂ equivalents (CO₂e), thereby incorporating all relevant greenhouse gases.

Accounting policies for GHG intensity metrics

GHG intensity for crude steel is calculated by dividing TSIJ Scope 1 and 2 greenhouse gas emissions (in tonnes of CO₂ equivalent) by the total crude steel produced (in tonnes) during the reporting period as crude steel is only produced in TSIJ.

Scope 3 GHG emissions metrics

The GHG Intensity is a useful metric to assess the CO₂eq reduction progress without having to take the volume of steel made into consideration. As the steelmaking process is the source of the emissions, an increase or decrease in tonnes produced will directly influence the CO₂eq produced. The GHG intensity nullifies this effect. Up until this year the calculation has followed the World Steel Association calculation version 9,5 for the determination of the GHG emissions. This calculation has been updated by WSA and aligns more closely to the GHG protocol calculation, but with some differences. As the ESRS requires reporting according to the GHG protocol, and the difference is immaterial, TSN has decided to report the GHG intensity using the Scope 1 GHG emissions calculated according to the GHG protocol. It should be noted that GHG Protocol Scope 1 emissions are not fully aligned with the EU-ETS scope; as a result, JLoI figures, which are based on EU-ETS emissions, are not directly comparable with the Scope 1 GHG emissions reported elsewhere in this document. This change allows full transparency and aligns fully with the ESRS reporting requirements.

Table. Scope 3 GHG emissions (excl. biogenic CO₂ emissions from the combustion or biodegradation of biomass)

GHG Categories	2025/26
Scope 3: Other indirect emissions (excl. biogenic emissions)	tCO ₂ eq
Purchased goods and services	2,296,029
Capital goods	91,140
Fuel-and energy-related activities	123,569
Upstream transportation and distribution	508,070
Waste generated in operations	44,409
Business travel	902
Employee commuting	5,394
Upstream leased assets	Not Material
Downstream transportation and distribution	Not Material
Processing of sold products	646,522
Use of sold products	Not Material
End-of-life treatment of sold products	123,929
Downstream leased assets	Not Material
Franchises (without operational control)	Not Material
Investments (without operational control)	Not Material
Gross Scope 3 GHG emissions (tCO₂eq)	3,839,964

Accounting policies for Scope 3 GHG emissions

Scope 3 includes all other indirect emissions across upstream and downstream activities, including purchased goods, transport, waste, business travel, employee commuting and end-of-life treatment of sold products.

For the current year, the reporting scope only considers TSJJ. Scope 3 GHG emissions include indirect GHG emissions occurring upstream and downstream of TSN's operations that are not included in Scope 1 or Scope 2. TSN applies the GHG Protocol accounting principles of relevance, completeness, consistency, transparency and accuracy when determining reporting boundaries, methodologies and disclosures. During the current year 2025/26, TSN decided to only include TSJJ in scope for reporting Scope 3 GHG emissions and TSDEs to be included in future reporting periods when data quality and collection are enhanced.

Scope 3 GHG emissions are disclosed for those categories identified as material through a structured screening process, applying quantitative and qualitative criteria in line with the GHG Protocol and ESRS E1 requirements. Categories 8,9,11,13,14 and 15 are excluded as they are assessed as non-material.

Unless stated otherwise, TSN applies activity-based calculation methods using secondary emission factors, with a defined improvement pathway towards increased use of supplier-specific primary data, particularly for high-impact categories.

Scope 3 Category 1 – Purchased Goods and Services

Scope 3 Category 1 includes cradle-to-gate GHG emissions arising from the extraction, processing and manufacture of goods and services purchased by TSN in the reporting year and used in steelmaking and downstream finishing operations.

TSN applies a materiality-based reporting boundary, focusing on purchased goods that directly support steel production and finishing and that are expected to represent a substantial share of procurement-related Scope 3 emissions, based on documented screening.

These include raw materials, alloying elements, coatings, key consumables, chemicals and externally purchased substrate. Goods and services with individually and collectively insignificant emission contributions are excluded based on documented screening; data availability considerations do not drive exclusions at the category level.

Emissions are calculated using the average-data method, multiplying purchased quantities by cradle-to-gate emission factors. Supplier-specific emission factors are applied where available and reliable; otherwise, secondary emission factors from recognised life-cycle inventory databases are used, in line with TSN's internal hierarchy for emission-factor selection.

External post-consumer scrap is treated using the cut-off approach, consistent with GHG Protocol guidance. Differences between purchased quantities, Scope 1 activity data resource inflows arise from timing and boundary differences and have been assessed as not materially affecting the reported Scope 3 results.

Accounting policies for Scope 3 GHG emissions (continued)

Scope 3 Category 2 – Capital Goods

Scope 3 Category 2 includes emissions associated with the manufacture of capital goods acquired by TSN during the reporting year.

The reporting boundary is based on capital expenditure reported in the financial statements and includes all capital investments made during the period.

Emissions are calculated using a spend-based method, applying an average emission factor to total capital expenditure. This approach is applied primarily where asset-specific life-cycle data are unavailable or not sufficiently consistent for reporting purposes and is consistent with GHG Protocol and ESRS guidance for Scope 3 Category 2.

A single average emission factor is applied across capital goods categories. This reflects data availability constraints and proportionality considerations.

Scope 3 Category 3 – Fuel- and Energy-Related Activities

Scope 3 Category 3 includes upstream emissions from the extraction, production and transportation of fuels and energy purchased by TSN and not already included in Scope 1 or Scope 2.

Reported emissions relate to fuels consumed within TSN. Upstream emissions related to coal extraction are reported under Category 1 as the majority of coal is purchased with feedstock as a purpose which makes it more relevant to Category 1 than 3, with associated transport reported under Category 4, reflecting coal's role as both fuel and feedstock. TSN does not split coal emissions between fuel and feedstock within Scope 3, as this would not change total Scope 3 emissions and would increase methodological complexity without improving the decision usefulness of the information.

Emissions are calculated using activity data consistent with Scope 1 reporting and upstream emission factors from recognised national and international sources.

Scope 3 Category 4 – Upstream Transportation and Distribution

Scope 3 Category 4 includes emissions from third-party transportation and distribution of purchased goods and from transportation services procured by TSN.

The reporting boundary includes inbound logistics for materials reported under Category 1 and transportation services purchased for intercompany and outbound movements.

These transportation services are included to ensure accurate and consistent classification in line with GHG Protocol definitions. The updated categorisation represents a methodological refinement and does not affect total Scope 3 emissions, as it relates solely to the allocation of emissions within Scope 3 categories.

For iron ore and coal deliveries to IJmuiden, emissions are calculated using actual vessel-specific CO₂ data provided per shipment. For other materials, a distance-based tonne-kilometre method is applied using mode-specific emission factors. Actual shipment data covering more than 95% of total tonnage are used; remaining flows are estimated by extrapolation to approximate full coverage.

Significant judgement is applied in extrapolating transport emissions where complete shipment-level data are unavailable and in classifying transport services, consistent with ESRS requirements to disclose estimation uncertainty.

Scope 3 Category 5 – Waste Generated in Own Operations

Scope 3 Category 5 includes emissions from third-party treatment and disposal of waste generated within TSN's operations.

The reporting boundary aligns with waste reported and covers TSIJ for the current reporting year 2025/26.

Emissions are calculated by applying treatment-specific emission factors to reported waste quantities, differentiated by treatment method such as recycling, incineration and landfill.

Scope 3 Categories 6 (business travel) and 7 (employee commuting)

These categories are assessed as not significant, given they are quantitatively small relative to TSN's total Scope 3 emissions. Emissions are estimated using recognised average-data and distance-based methodologies and disclosed for governance and regulatory completeness.

Scope 3 Category 10 – Processing of Sold Products

Scope 3 Category 10 includes emissions from third-party processing of intermediate steel products sold by TSN.

Emissions are calculated using a secondary data method, applying industry-average processing emission factors to sales volumes by sector. Sales volumes from Building Systems are excluded as those products do not undergo further industrial processing.

Conservative proxy processes are applied where customer-specific processing data are unavailable, selected to avoid underestimation of downstream processing emissions, in line with the GHG Protocol data-quality hierarchy. TSN is in continuous contact with customers to further improve the availability and quality of processing data, which may support refinements to this methodology in future reporting periods.



Accounting policies for Scope 3 emissions (continued)

Scope 3 Category 12 – End-of-Life Treatment of Sold Products

Scope 3 Category 12 includes emissions from the disposal and recycling of steel products sold by TSN.

Emissions are calculated using a material-flow based method, combining sales volumes, assumed sector-level recycling shares and treatment-specific emission factors. End-of-life timing and geographical variation in disposal practices are not modelled.

Avoided-burden credits are not applied, in line with a conservative accounting approach and consistent application across reporting periods.

Disclosures pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation)

Introduction

The EU Taxonomy is a classification system that sets requirements for companies to disclose the sustainability of their economic activities, expressed in three Key Performance Indicators (“KPIs”): Revenue, Capital Expenditure (CapEx) and Operating Expenditure (OpEx). It forms part of the EU’s plan to scale up sustainable investment, avoid greenwashing and implement the European Green Deal.

The EU Taxonomy Regulation (Regulation 2020/852 of 18 June 2020) was first implemented in 2020, requiring mandatory disclosures under Article 8 of the EU Taxonomy Regulation. Since then, the Taxonomy framework has been expanded with the inclusion of Delegated Acts. The Climate Delegated Act (“CDA”), the Complementary Climate Delegated Act (“CCDA”), and the Environmental Delegated Act (“EDA”) set out a list of eligible activities along with Technical Screening Criteria (“TSC”) for when activities can be considered sustainable.

The EU Taxonomy includes six environmental objectives (EO):

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Transition to a circular economy (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (BIO)

A Taxonomy-eligible economic activity is potentially sustainable, and is an economic activity that is described in any of the Delegated Acts, irrespective of whether that economic activity meets any or all of the TSC outlined in the annexes to the Delegated Acts. To be Taxonomy-aligned and thus sustainable, an eligible economic activity must substantially contribute (“SC”) to at least one environmental objective and do no significant harm (“DNSH”) to the other five environmental objectives. In addition, the Company must also comply with the minimum safeguards at the organisation level. A Taxonomy non-eligible economic activity refers to an economic activity that has not (yet) been identified in the EU Taxonomy as a substantial contributor to one of the six environmental objectives and, therefore, no criteria have been developed.

The EU Taxonomy will apply to Tata Steel Nederland B.V. from the financial year beginning on 1 April 2027. As a result, TSN will be required to prepare Sustainability Statements in accordance with the Corporate Sustainability Reporting Directive (CSRD), based on the European Sustainability Reporting Standards (ESRS), for group reporting purposes. TSN is not yet in scope of the CSRD regulation but, in line with the option provided by the legislation and for transparency reasons, TSN has chosen to apply the requirements set out in the Delegated regulation (EU) 2026/73 amending the Taxonomy Disclosures as well as the Climate and Environmental Delegated Acts as from the financial year 2025/26. The consolidation scope for the EU Taxonomy disclosure is the same as for the Consolidated Sustainability Statements.

All disclosures are based on our current understanding and interpretation of the regulation, which may change over time as market practice develops, and new regulatory guidance becomes available. This chapter contains a detailed overview of our assessment and outlines our perspective on the next steps.

Eligibility Assessment

TSN's eligibility assessment for EU Taxonomy has been performed based on guidance from the EU Taxonomy Regulation and the EU Taxonomy Delegated Act for Disclosures¹. According to this guidance, a Taxonomy-eligible economic activity is an economic activity that is described in the delegated acts, irrespective of whether that economic activity meets any or all the technical screening criteria laid down in those delegated acts. TSN screened its internal reporting, the activity descriptions in the (annexes) to the CDA, CCDA, EDA, and EU Taxonomy disclosures by peers to identify eligible activities.

TSN's core business activity is captured in EU Taxonomy under "CCM 3.9 Manufacture of iron and steel". This economic activity covers (i) the production of crude steel and semi-finished products in IJmuiden, and (ii) finished products delivered to customers by the downstream business units.

TSN has assessed the activities performed by its downstream business units and concluded that these fall within the scope of "CCM 3.9 Manufacture of iron and steel", as they constitute integral steps in the production of finished steel products. These downstream activities include Tubes, Plating and Building Systems, which further process steel; Colors, which applies surface treatments to steel products; and Distribution Europe, which further processes coils (including cutting steel and pressing plates) and is responsible for the commercial distribution of steel products.

In January 2026, TSN acquired the Vattenfall power plants in the IJmond region (refer to Note 7 in the Consolidated Financial Statements). These power plants produce electricity and steam that are used exclusively in TSN's steel manufacturing processes. As a result, the CapEx incurred in connection with the acquisition of the power plants is considered directly attributable to, and therefore included within, the economic activity "CCM 3.9 Manufacture of iron and steel".

Consistent with this assessment, TSN considers all its purchases of assets (CapEx) and relevant services (OpEx) to be essential to the performance of its steel manufacturing activities and therefore allocates these expenditures to "CCM 3.9 Manufacture of iron and steel".

Technical Screening Criteria Assessment

Substantial Contribution

TSN has evaluated compliance with the Substantial Contribution criteria for Climate Change Mitigation, focused on the applicable greenhouse gas emissions thresholds for relevant specific materials (hot metal, sintered ore, coke and carbon steel) related to the steel production process, and the steel scrap input relative to product output. We anticipate that once we have installed the electric arc furnaces (for further details on the Green Steel transition project refer to the [Climate Change](#) section), the SC criteria for GHG emissions thresholds for the materials mentioned above can be achieved. We continue to work on increasing scrap input across the product range, and we will reassess the possibility of meeting the Substantial Contribution criteria as the Green Steel transition project progresses. On this basis, TSN has concluded that, for the financial year 2025-2026 the Substantial Contribution criteria have not been met.

DNSH criteria

TSN has evaluated compliance with the Do No Significant Harm (DNSH) criteria for Climate Change Mitigation. TSN has a Climate Risk and Vulnerability Assessment in line with TCFD recommendations (CCA), a Water Use and Protection Management Plan implemented for its IJmuiden operations (WTR). TSN has established substance identification processes (PPC), and has an Environmental Impact Assessment for its IJmuiden operations (BIO). TSN is actively managing all these areas and continues to identify gaps and enhance its processes and supporting documentation to enable future alignment with DNSH criteria. On this basis, TSN has concluded that, for the financial year 2025/26 the DNSH criteria have not been met.

¹ Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 with the amendments introduced by Delegated Regulation (EU) 2026/73 of 4 July 2025).

Minimum Safeguards

Compliance with minimum safeguards is a requirement for an economic activity to be reported as aligned and is generally assessed at the organisation level. Companies are required to implement the safeguards to prevent that economic activities which are beneficial to the environment have any adverse impacts on social matters.

The minimum safeguards criteria require procedures in place to ensure the alignment with internationally accepted guidance such as the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO Core Labour Standards and the International Bill of Human Rights, covering human rights (including labour rights), bribery and corruption, taxation and fair competition, and that certain Principle Adverse Indicators (“PAIs”).

TSN is committed to respecting internationally recognised human rights across its own operations and value chain, including matters relating to taxation, fair competition, and corruption. In this context, TSN has identified several areas of improvement in relation to its HRDD process and is continuously working towards alignment with minimum safeguards criteria, including the adoption of a TSN human rights policy and the strengthening of Due Diligence procedures within the supply chain (for further details refer to the [Own workforce](#) section). On this basis, TSN has concluded that, for financial year 2025-2026 the minimum safeguards criteria have not been met.

For more information on Corruption and Bribery, Fair Competition refer to the [Risk and Compliance](#) chapter, Board Diversity refer to the [Corporate Governance](#) section, and for Equal Pay refer to the [Own workforce](#) and [Responsible value chain](#) chapters.

Key Performance Indicators (KPIs)

TSN has calculated its EU Taxonomy KPIs for the first time for the financial year 2025/26. The financial information for calculating EU Taxonomy KPIs according to the commission delegated regulation (EU) 2021/2178 is gathered from TSN's accounting system. Revenue, CapEx and OpEx KPIs are disclosed in the accompanying tables (refer to EUT disclosure tables).

Definition of KPIs

KPI	Numerator	Denominator
Revenue	Revenue is calculated as the part of the net revenue derived from products or services, including intangibles that are related to eligible and aligned activities.	Total net revenue (denominator) as defined in Article 2 point (5) of Directive 2013/34/EU, as indicated in Note 1 in the Consolidated Financial Statements.
CapEx	Sum of additions related to assets or processes associated with Taxonomy-eligible and -aligned economic activities.	Additions to tangible and intangible assets (including business combinations), before depreciation, amortisation, and any remeasurements including those resulting from revaluations and impairments and excluding fair value changes, and excluding additions to goodwill (denominator), as indicated in Note 7 (intangible assets) and Note 8 (property, plant and equipment) in the Consolidated Financial Statements.
OpEx	Sum of expenses related to assets or processes associated with Taxonomy-eligible and -aligned economic activities.	All non-capitalised costs related to research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenses related to the day-to-day servicing of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets, as indicated in Note 2 (Operating costs) and Note 4 (employees) of the consolidated financial statements.

Contextual information

Steel manufacturing is TSN's largest and primary revenue generating activity, with steel inputs predominantly sourced through internal transactions with group companies and a limited portion (~12%) procured from external third parties. TSN has included in eligible revenue all revenue from basic steel products that TSN processes. For Colors and Distribution Europe revenue, TSN only includes revenue as eligible to the extent it relates to the steel TSN has manufactured inhouse, so excluding revenue related to third-party purchased steel.

The total net revenue (€6,028.1 million) is related to the manufacture and sale of a range of steel products, from the single performance obligation to transfer steel products under arrangements in which the transfer of control of the products and the fulfilment of the TSN performance obligation occur at the same time. Eligible Revenue (€5,914.2 million) excludes the portion of Colors and Distribution Europe revenue related to third-party purchased steel.

TSN consider all purchases of assets, processes, or services essential to carry out a particular eligible activity for reporting CapEx and OpEx. For TSN, this means that since the core economic activity of steel manufacturing is deemed Taxonomy-eligible, both the CapEx for investments in essential assets or components and the OpEx for essential services corresponding to this activity are considered Taxonomy-eligible.

Total CapEx (€217.0 million) is related to assets that support the steel manufacturing process, including additions to intangible assets (€ 16.7 million). Eligible CapEx (€214.8 million) excludes the portion of Colors and Distribution Europe CapEx attributable to third-party purchased steel.

Total OpEx (€645.7 million) is related to all the expenses that support the steel manufacturing process, including research and development (€39.5 million), building renovations (€2.6 million), operating leases (€26.6 million), maintenance and repair (€430.7 million – including related to €361.9 million for machinery repair and €63.2 million for spare parts), and other direct expenses relating to day-to-day servicing of property, plant and equipment (€146.3 million – including costs of personnel allocated to maintenance and repair activities). Eligible OpEx (€641.2 million) excludes the portion of Colors and Distribution Europe OpEx attributable to third party purchased steel.

TSN has not issued any environmentally sustainable bonds or debt securities for the purpose of financing specific identified Taxonomy-aligned activities in the financial year 2025-2026.

Alignment looking forward

TSN does not meet the alignment criteria under the EU Taxonomy, and therefore reports all Taxonomy Revenue, CapEx or OpEx for the financial year 2025-2026 as eligible, not-aligned.

TSN has not yet set any strategic targets for EU Taxonomy alignment for future years. Nevertheless, the company is developing a multi-phase Green Steel Project (IJmuiden), aimed at supporting a long-term investment programme of approximately €4-6.5 billion in its own production facilities and infrastructure. This programme is intended to enable the transition to hydrogen-based manufacturing processes and, in the longer term, the production of low-CO₂ steel.

The Green Steel Project represents a strategic, multi-year commitment to industrial transformation and decarbonisation and anticipates that implementing the Green Steel Project will support reducing the gaps with the EU Taxonomy Technical Screening Criteria for “CCM 3.9 – Manufacture of iron and steel” over time. The implementation of the project is dependent on coordinated commitments between TSN, Tata Steel Limited (TSL) and the Dutch State (for further details on the Green Steel transition project refer to the [Climate Change](#) section).

Disclosure tables

Template 1: Proportion of Revenue, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the financial year 2025/26 (summary KPIs)

KPI (Financial year 2025 in millions of euro)	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities (FY24) ¹	Proportion of Taxonomy-aligned activities (FY24) ¹
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
Revenue	6,028.1	98%	0	0%	0%	-	-	-	-	-	-	0%	0%	-	-
CapEx	217.0	99%	0	0%	0%	-	-	-	-	-	-	0%	0%	-	-
OpEx	645.6	99%	0	0%	0%	-	-	-	-	-	-	0%	0%	-	-

1 TSN has calculated its EU Taxonomy KPIs for the first time over the financial year 2025/26 as part of its voluntary report under the EU Taxonomy regulation (EU) 2020/852

Template 2: Proportion of Revenue from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the financial year 2025/26 (activity breakdown)

Economic activities (in millions of euro)	Activity Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible Revenue)	Taxonomy-aligned KPI (monetary value of Revenue)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned Revenue)	Environmental objective of Taxonomy-aligned activities						Enabling activities	Transitional activities	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
Manufacture of iron and steel	CCM 3.9	98%	0	0%	0%	-	-	-	-	-	-	0%	0%
Sum of alignment per objective					0%	-	-	-	-	-	-	-	-
Total KPI (Revenue)		98%	0	0%	0%	-	-	-	-	-	-	0%	0%

Template 2: Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the financial year 2025/26 (activity breakdown)

Economic activities (in millions of euro)	Activity Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible CapEx)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned CapEx)	Environmental objective of Taxonomy-aligned activities						Enabling activities	Transitional activities	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
Manufacture of iron and steel	CCM 3.9	99%	0	0%	0%	-	-	-	-	-	-	0%	0%
Sum of alignment per objective					0%	-	-	-	-	-	-	-	-
Total KPI (CapEx)		99%	0	0%	0%	-	-	-	-	-	-	0%	0%

Template 2: Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering the financial year 2025/26 (activity breakdown)

Economic activities (in millions of euro)	Activity Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible OpEx)	Taxonomy-aligned KPI (monetary value of OpEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned OpEx)	Environmental objective of Taxonomy-aligned activities						Enabling activities	Transitional activities	Proportion of Taxonomy-aligned in Taxonomy-eligible of
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
Manufacture of iron and steel	CCM 3.9	99%	0	0%	0%	-	-	-	-	-	-	0%	0%
Sum of alignment per objective					0%	-	-	-	-	-	-	-	-
Total KPI (OpEx)		99%	0	0%	0%	-	-	-	-	-	-	0%	0%

1 Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 with the amendments introduced by Delegated Regulation (EU) 2026/73 of 4 July 2025.

Pollution

Why it matters

Steelmaking involves high temperature processes, combustion activities and large-scale material handling, all of which generate emissions. Emission of air and water pollutants is an area of significant operational and compliance focus.

Key objectives

The double materiality assessment identified multiple material impacts and risks related to the pollution of air, water and soil.

To support our company-wide commitment, this year we have introduced the pollution control policy. It is meant to guide our measures to prevent or mitigate pollution of air, water and soil.

Reduction of NO_x emissions remains one of our key priority areas. This year, we have progressed with preparations for the construction of the DeNO_x installation at the pelletising plant.

Once complete, this will allow us to reduce site-wide emissions by 30%.

Additional process optimisation, combustion air optimisation, and the expansion of the waste-heat network were executed during the year and are expected to achieve additional reduction in NO_x emissions by 2026.

Furthermore, TSN is taking actions to improve the measurement and monitoring of emissions. TSN also submitted the updated ZZS inventory and the Avoidance and Reduction Plan (Vermijdings- en Reductieplan), which is now under assessment by the competent authority.

Looking ahead, we plan to implement the pollution related measures included in the Green Steel Project Phase 1 – subject to the Tailor-Made Agreement, including actions on dust, slag processing, odour and management of substances of very high concern.



The steel industry inherently produces emissions to air, water and soil and therefore requires robust pollution prevention and control measures. TSN is committed to reducing these adverse impacts on the environment.

Table. Summary of IROs, policies, key actions, metrics and targets related to pollution

Impacts, risks and opportunities	Category	Key Policies	Key Actions	Key Metrics	Key Targets
Pollution of Air: Air pollution arises both in TSN's own operations and in its upstream value chain. TSN's upstream steel supply chain contributes to air pollution through mining and transportation of raw materials. TSN's steelmaking processes emit air pollutants.	Actual negative impact	Pollution Control Policy	<ul style="list-style-type: none"> DeNOx and dedusting installation Process optimisation; combustion air optimisation; expansion waste-heat network Installation of lining pipes and changing fuel gas mixture on some of the batteries of CGP1 to prevent gas leakages 	Pollution of air	No targets have been set for the current reporting period
Compliance with Regulation on Air Pollution: Financial risk arising from potential non-compliance with air quality regulations, which could result in regulatory enforcement actions, financial penalties and adverse reputational impacts.	Risk		See the Risk and Compliance section of the Management Report for a description of mitigation measures under Environmental Compliance risk section.		
Pollution of Water: TSN's upstream steel supply chain contributes to water pollution through the extraction and handling of raw materials such as iron ore and coal, while its own operations emit water pollutants in its wastewater.	Actual negative impact		<ul style="list-style-type: none"> Upgrade of the BIO2000 facility into the CombiBio installation to treat nitrate-rich wastewater from the DeNOx process 	Pollution of water	
Compliance with Regulation on Water Pollution: Financial risk due to potential non-compliance with water quality regulations, which could result in regulatory enforcement actions, financial penalties and adverse reputational impacts. Timely investments in technical measures to ensure compliance may require significant capital expenditure.	Risk		See the Risk and Compliance section of the Management Report for a description of mitigation measures under Environmental Compliance risk section.		
Pollution of Soil: At TSN-operated sites, incidental spills or leakages from steelmaking activities are contained by paved surfaces and concrete floors. If incidents occur, spills and leakages may directly contaminate the soil.	Actual negative impact		<ul style="list-style-type: none"> Clean up by contracted parties and follow-up soil measurements conducted by TSN and third parties 	Entity-specific metric in development	
Use of SoC/SVHC: TSN's upstream steel supply chain contributes emission of substances of concern and very high concern through mining and transportation of raw materials. TSN's steel manufacturing processes emit substances of concern and very high concern.	Actual negative impact		<ul style="list-style-type: none"> Submission of inventory for ZZS and avoidance and reduction plan (VRP) 	Substances of very high concern	
Compliance with regulation on SoC/SVHC: Financial risk due to potential non-compliance with regulations on substances of concern and substances of very high concern, which could result in fines, restrictions on product use, and adverse reputational impacts. Timely investments in technical measures to ensure compliance may require significant capital expenditure.	Risk		See the Risk and Compliance section of the Management Report for a description of mitigation measures under Environmental Compliance risk section.		

Impact, risk and opportunity management

Current financial effects

TSN has assessed the effects of its material pollution-related risks and opportunities on its financial position and financial performance for the reporting period. The identified risks and opportunities are described in the double materiality outcome, with the related current financial effects discussed below.

Compliance with regulation on air pollution

To comply with air quality regulations and the Environmental Agency's (EA) notices regarding alleged non-compliance at the IJmuiden plants, the Group has incurred capital expenditures relating to technical compliance measures. The capital expenditures relating to such initiatives are included in the additions to property, plant and equipment as disclosed in [Note 8](#) to the consolidated financial statements.

In December 2024, the EA imposed two penalty orders on TSIJ with a maximum exposure of €27 million following measured exceedances of MVP1, MVP2 and g.O₂ emission thresholds at CGP1 and CGP2. An amount of €8.5 million relating to exceedances of MVP1 and MVP2 was paid on 2 January 2026. For further details, refer to the [Litigations](#) chapter of this Annual report.

As of 31 March 2026, the Group recognised provisions of €14 million related to penalty orders received for MVP1, MVP2 and CGM21. These liabilities are recognised as part of environmental provisions in [Note 18](#) to the consolidated financial statements.

Compliance with regulation on water pollution

TSIJ has made capital investments in upgrades of the water treatment plant and related installation systems, however, these investments were undertaken to maintain and improve the Group's water management systems and capabilities and not directly to address risks related to non-compliance. No liabilities related to non-compliance with water quality regulations have been recognised in the balance sheet.

Compliance with regulation on substances of (very) high concern

TSN continues to undertake operational and capital improvements to address the risks related to substances of concern and substances of very high concern. Significant efforts are in progress across all areas of the Group and as such, we do not isolate and consider these costs separately from the overall costs allocated to its transition plans and projects. No liabilities have been recognised in the balance sheet, except for the provisions relating to the above-mentioned penalty orders for non-compliance with MVP1 and MVP2.

Pollution policies

To support its ambition to lower its pollution-related impacts, TSN developed a new Pollution Control Policy in the beginning of 2026 which applies to all TSN operations and employees.

Table. Policies related to pollution

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> TSN developed a Pollution Control Policy to support its commitment to lower its pollution-related impacts 	<ul style="list-style-type: none"> Compliance with applicable laws, regulations, and permits Commitment to achieve reductions across a broad range of pollutants through the Green Steel Project and site-specific measures across all of TSN's operations 	<ul style="list-style-type: none"> The Policy is applicable to all TSN sites and employees Stakeholder collaboration informs planned actions under the Green Steel Project

Our current efforts focus primarily on TSN's own activities, where we have the greatest ability to influence outcomes and implement improvements directly. TSN is committed to comply with all relevant laws and regulations. We also acknowledge that compliance with evolving environmental regulation requires significant investments and proactive and constructive alignment with the Environmental Agency. Our approach is guided by the Tata Steel Group's Environmental Policy which sets out its commitment to environmental protection through pollution prevention, efficient use of resources, continuous improvement of environmental performance, and compliance with applicable environmental laws and standards across its operations, the TSN Code of Conduct, and specifically the Pollution Control Policy which together establish the framework for responsible environmental management. Given the scale and complexity of TSN's industrial operations, pollution-related incidents remain an inherent risk. TSN has therefore implemented standard procedures aimed at preventing incidents and to manage any that may occur. In the event of an incident, TSN will aim to limit pollution, remediate polluted areas, engage transparently with stakeholders and authorities, and disclose information in accordance with regulatory requirements.

To strengthen pollution control, TSN applies technical solutions and, where permits are applied for or updated, TSN designs new or modified installations in line with Best Available Techniques (BATs) in both investment programmes and asset end-of-life decisions.

A key pillar of our improvement plan at Tata Steel IJmuiden (TSIJ) is the Roadmap programme (2019–2025) and its continuation of improvement under the Green Steel Project (2025–2045), which includes a comprehensive set of pollution-reduction measures. Structured dialogue with external stakeholders is an integral element of this approach as stakeholder input directly informs our actions, as demonstrated by the inclusion of additional pollution control in the Green Steel Project.

To support effective pollution control and continuous improvements across all major operations, TSN applies a set of instruments. These include environmental management systems accredited according to ISO 14001, a suite of internal standards, codes of practice and guidance documents, enterprise risk management processes, internal audits, and the use of independent external providers for certification and data assurance.

Recognising the importance of upstream pollution-related impacts, TSN seeks to strengthen pollution control within its value chain. This includes engagement and dialogue with suppliers, the use of questionnaires, due diligence checks, and the operation of a grievance mechanism to identify, address, and remediate potential pollution-related incidents.

Pollution actions

To limit impacts on the local environment and on local residents arising from emissions, TSIJ launched the “Roadmap” improvement programme in 2019. In 2021, this programme was expanded and accelerated through “Roadmap Plus”, which introduced 30 targeted measures for the period 2021–2025. Roadmap Plus represents more than 300 million euros in investments, fully financed by TSIJ without government support, aimed at reducing emissions of dust, heavy metals, lead, nitrogen oxides (NO_x), and particulate matter (PM). For fine particulate matter (PM₁₀), a site-wide reduction of approximately 41% from 711,000 kg to 417,000 kg (based on the e-MJV of 2024) has been achieved compared to 2019 based on e-MJV data. The expected outcome of a 30% reduction in NO_x has not yet been reached because the key DeNO_x installation at the pellet plant is pending permit approval. For heavy metals and lead, the target scope was based on the emission sources in 2019. The measures included in Roadmap Plus explicitly targeted the sources which were already known in 2019. Thanks to these measures a clear reduction in emissions has been achieved for this group of sources. Reduction of heavy metals emissions resulted in 63% between 2019 and 2024, and 88% reduction for lead. The number of monitored emission sources has increased from 21 in 2019 to 61 in 2024, fundamentally altering the site-wide reported emission profile. Current emissions reporting, also available in the form of the eMJV report is based on 61 sources of emissions. For coarse dust, the projected 65% reduction cannot be quantitatively demonstrated, as the 2019 baseline is not comparable due to differing measurement methodologies and a consistent monitoring dataset only being available from the end of 2021. In addition, strong weather-driven variability and the relatively small share of steelmaking-related dust in the total deposition make it difficult to isolate and measure the impact of specific reduction measures.

Further pollution-reduction measures beyond the Roadmap plus programme are part of our plan and subject to the Tailor-Made Agreement. This agreement is intended to consist of two main components:

- **Green Steel Phase 1**, which focuses on reducing CO₂ emissions alongside reductions in fine dust, SO₂, substances of very high concern (SVHC), odour, noise, and NO_x.
- **Additional environmental and health-related measures**, which further target reductions in fine dust and noise.

While this section focuses on mitigation measures addressing negative pollution-related impacts, further information on risks related to non-compliance with environmental regulations and corresponding mitigation measures is disclosed in the Environmental Compliance Risk section within the [Risk and Compliance](#) section of the Annual Report.

Details on material legal proceedings related to pollution-specific issues are disclosed in the [Litigation](#) section of the Annual Report.

Pollution current actions

An overview of a non-exhaustive list of key current actions, which were started, ongoing or were completed in 2025/2026, is provided in the table below. Please also refer to the [Licence to Operate](#) section of the Management Report for a concise overview of TSN’s actions in relation to nitrogen oxide, substances of very high concern and dust.

Table. Key current actions related to pollution

Key actions	Scope and timeframe	Expected outcome
DeNOx and dedusting installation	Pelletising plant, IJmuiden Start: 2025 Completion: 2026	~80% reduction of NO _x emissions at pellet factory contributing to ~30% reduction of NO _x emissions site-wide
Process optimisation; combustion air optimisation; expansion waste-heat network	Site-wide, IJmuiden Execution: 2026	Incremental NO _x emission reduction, contributing to ~30% reduction of NO _x emissions site-wide
Installation of new water treatment plant using CombiBio technology	IJmuiden Start: 2024 Completion: 2026	Improvement of wastewater quality and reduction of thermal load on surface water

TSN has assessed whether significant financial resources have been allocated to the implementation of its key current actions. The capital expenditure of approximately €44 million was incurred for de-NOx and dedusting installations, as well as a new water treatment plant (CombiBio) during the reporting period. The related expenditure is recognised as additions to property, plant and equipment and disclosed in Note 8 to the consolidated financial statements.

Other pollution-related actions, including process optimisation, clean-up and site-level control measures, do not involve significant financial resources, as the related costs are embedded within TSN's existing operations and do not represent material capital or operational expenditure in the reporting year.

Air Pollution current actions

Air pollution is inherently associated with steelmaking, as the high-temperature processes, combustion activities and material handling steps generate emissions. TSIJ's Roadmap Plus programme translates this link into action by prioritising and implementing targeted measures to reduce air emissions across the site. Most measures under Roadmap and Roadmap Plus are close to completion, with only two ongoing actions pending permits approvals and technical engineering finalisation. One of the most significant ongoing measures is the DeNOx installation at the pelletising plant which is expected to reduce NO_x emissions from the pelletising plant by approximately 80%. It reduces NOx by injecting ozone into the flue gas to make nitrogen oxides water-soluble, after which they are washed out in a scrubber and the nitrate-rich stream is sent to water treatment. This measure alone will nearly achieve TSIJ's planned 30% site-wide reduction in NO_x emissions. The DeNOx installation start-up depends on the permitting process for the installation and Dutch nitrogen regulations require an updated nature permit for operational changes that may affect Natura 2000 areas, even when these changes lead to environmental improvements. Commissioning will proceed as soon as approval of the revised nature permit and the DeNOx installation permit are granted. The second project at the pelletising plant concerns suppression of dust from raw materials. It is currently in the engineering and constructing phase and will be technically ready for commissioning/completion in 2026.

Other measures are process optimisation, combustion air optimisation and the expansion of the waste-heat network. These are in execution and expected to achieve additional reduction in NO_x emissions by 2025/2026. In addition, TSIJ monitors air emissions at stacks in line with permit requirements and, if an exceedance or abnormal emission is identified, TSN takes immediate corrective action and reports this to the competent authority as an environmental notification, alongside external oversight by regulators through inspections and compliance verification.

In relation to exceedances of emission thresholds for MVP1, MVP2 and g.O₂ substances at the CGP1 and CGP2 oven stacks, TSIJ initiated a root-cause analysis to understand the underlying drivers of the deviations. For MVP1, the root-cause assessment led to further technical evaluations of potential engineering solutions. Initial results at CGP2 are very promising. TSIJ will continue assessing the most effective and feasible implementation options. For MVP2, the analysis identified gas escaping through expansion joints at the CGP, which allowed gas to escape to the atmosphere before combustion. Based on these findings, TSIJ initiated a remediation measure involving use of the blast furnace gas on three out of four batteries and the installation of lining pipes to prevent future leakages and to ensure meeting the MVP2 emission limit. As of the reporting date, approximately 2000 pipes have been installed, and the project is ongoing.

In relation to exceedance of Nickel, Chromium and HF at Sinter Plant, TSIJ has mobilised the project team to work on the root cause analysis. As a result of this, material input was changed and continuous measurements were implemented. In addition to the measures taken at the Sinter Plant. In relation to the temporary suspension of DSP operations in April 2026 due to chromium-6 emission levels exceeding permit thresholds, TSIJ continues to assess and address emission-related performance at the DSP installation, as reported in the [“Presentation of consolidated accounts and accounting policies”](#) section of the Management report.

In relation to exceedance of dust at the Continuous Caster Machine (CGM22), TSIJ implemented measures, including installation of water separators and extra slats, to mitigate emissions at source.

Stichting Frisse Wind has filed a collective action against Tata Steel with the North Holland court, seeking to hold the company liable for damage allegedly caused by emissions of hazardous and/or harmful substances.

Health and a clean living environment are priorities for us. At the same time, stakeholder concerns and regulatory scrutiny remain, and feedback is part of ongoing efforts to reduce emissions, including dust, noise and odour.

Since the inception of steelmaking in the IJmond region, environmental measures have been progressively implemented as part of ongoing operations. The current Roadmap programme builds on this approach, although improvements remain ongoing and subject to further development and regulatory requirements. It reflects input from a broad range of stakeholders, including community representatives, local authorities and regulators. Measures include, for example, targeted reductions in emissions of lead, other heavy metals and PAHs.

Looking ahead, the Green Steel Project will introduce further measures, in line with the commitments set out in the Joint Letter of Intent between the Dutch State and Tata Steel. Through these combined efforts, we aim to contribute to a continuous improvement of the living environment in the IJmond region.

Odour current actions

TSIJ is currently working on odour-reduction measures mandated under the Geurbesluit 2027 (odour regulation, which will only become active from 2027, under the Dutch Omgevingswet), including substantial emission cuts at CGP1, CGP2 and the Basic Oxygen Steel Plant via prescribed reduction factors, alongside the shutdown of older high odour equipment such as Dry Stand 1 and the introduction of new, lower emission drying capacity with afterburners. Additional ongoing actions supporting the reduction include the potential application of vapour condensation technology at the HO6 granulation stack, major odour decreases at Indaver's ovens, and upgrades to wastewater treatment (CombiBio) and flue gas treatment (DeNOx at PeFa and CGP2).

Water Pollution current actions

TSIJ uses water in its IJmuiden operations for both process use and cooling. These activities generate wastewater that may contain metals, suspended solids, or organic material. All wastewater is treated before discharge to surface waters of the Hoogoven haven and the Staal haven via Rijkswaterstaat approved discharged points. The discharge of wastewater into receiving water bodies is regulated through environmental permits that define allowable discharge volumes, the maximum concentration levels of individual pollutants, and the required monitoring frequency.

Treatment methods (including oil skimming, sand filtration, biological treatment and chemical treatment) are applied depending on wastewater composition. The treatment method depends on the composition of the wastewater. TSIJ monitors wastewater at multiple discharge points, with high-frequency testing at selected critical points to verify compliance with discharge requirements. Where deviations occur, corrective actions are taken (e.g. treatment optimisation or source measures) and reported to Rijkswaterstaat. Compliance is also independently verified by Rijkswaterstaat.

TSIJ is in the process of implementing advanced water treatment systems for new installations using CombiBio technology to improve wastewater quality. CombiBio is currently under construction and is expected to be completed in 2026. CombiBio upgrades TSIJ's existing Bio2000 wastewater treatment by using biological denitrification, where bacteria are fed with an external carbon source, to break down the nitrate-rich water stream generated by the DeNOx process, supported by treatment steps such as settling/filtration to remove suspended solids. This technology provides enhanced treatment capacity and is expected to significantly reduce nitrate concentrations in wastewater streams. In addition to nitrogen reduction, it is expected that the treatment plant will also reduce concentrations of other components, including metals.

Soil Pollution current actions

TSIJ has implemented operational controls to prevent soil contamination at its IJmuiden site. Incidents involving more than 50 litres of liquid (classified severe), are promptly reported to the relevant environmental authorities. TSIJ initiates clean-up actions, which are carried out by contracted parties. Following remediation, TSIJ conducts follow-up soil measurements to verify that the affected area has been restored. Only once the contamination has been removed and verification is complete will the incident formally be closed.

The Human Environment and Transport Inspectorate (*Inspectie Leefomgeving en Transport (ILT)*) and the National Institute for Public Health and the Environment (*Rijksinstituut voor Volksgezondheid en Milieu (RIVM)*) have highlighted potential environmental and health risks associated with certain steel slag streams, particularly related to leaching of alkaline substances and trace metals, and the generation of dust. These insights are relevant not only for downstream applications of steel slag but also for the handling and temporary storage of steel slag on our IJmuiden site. In this context, the Omgevingsdienst Noordzeekanaalgebied (OD NZKG) has raised concerns about the permissibility of temporary storage of slag. TSN has removed the temporarily stored steel slag to a permissible and suitable location.

Substances of (very high) concern (SVHC) current actions

In December 2025, TSIJ submitted a mandatory inventory for ZZS and the mandatory Avoidance and Reduction Plan (*Vermijdings en Reductieplan (VRP)*) to avoid or reduce the use of SVHC wherever possible. For this inventory, TSIJ consulted all available information sources, including consultation with external stakeholders, to identify hazardous substances and determine where avoidance or reduction of SVHC is possible.

Upstream pollution current actions

In our upstream value chain, TSN monitors and supports initiatives aimed at minimising harmful emissions and wastewater discharge. TSN expects partners to implement practices that optimise the use of natural resources and mitigate negative environmental impacts throughout the life cycle of their operations and products. For example, effective tailings management in mining is essential to prevent environmental contamination, protect water and soil quality and reduce the risk of tailings dam failures. During the reporting period, TSN engaged with two mining companies on this topic: one operating in the Amazon region, where discussions focused on the management of tailing dams and another involved in tin mining in Brazil, where engagement addressed the management of tailings facilities and associated water emissions. More broadly, TSN asks relevant suppliers to describe their tailings management practices and follows up through challenging suppliers on these during mine visits by TSN staff.

Pollution future actions

As part of the Tailor-Made Agreement, TSIJ plans to implement a set of measures under the sub-projects Green Steel Phase 1 and "Additional Environmental and Health Measures" including slag processing and storage to reduce air emissions and air immissions. Further emission reductions are connected to the Green Steel Phase 2 that will prepare TSN to reach Net Zero by 2045, and foresees the replacement of Blast Furnace 6 and Coke and Gas Plant 1. The future financial resources expected to be allocated for the implementation of key actions under Green Steel Project Phase 1 are disclosed in the [Climate change](#) chapter.

To ensure that the protection of health, people and nature becomes an integral part of daily operations and long-term management control, TSN is developing the HSE Turnaround Programme, a single emissions data platform, to strengthen data governance and reliability. Read more about HSE Turnaround in the [Strategy](#) chapter.

Air Pollution future actions

An overview of a non-exhaustive list of key future actions is provided in the table below.

Table. Key future actions related to pollution of air

	Key actions	Scope and timeframe	Expected outcome
DRP-EAF	Replacement of Blast Furnace 7 and Coke and Gas Plant 2 through DRP-EAF	IJmuiden-site, Closure Coke and Gas Plant and Closure Blast Furnace planned for Phase 1	~10% PM ₁₀ immission reduction ~10% NOx reduction
Raw material processing	Construction of windbreaker	Ore blending field 1 (MV1), IJmuiden, Phase 1	~ 3% PM ₁₀ , coarse dust reduction
	Construction of coverage and shed design	Ore blending field 2 (MV2), IJmuiden, Phase 1	~ 2% PM ₁₀ , coarse dust reduction
	Construction of enclosure design	Scrapyard 3 (SOP 3), IJmuiden, Phase 1	~ 2.5% PM ₁₀ , coarse dust reduction, noise reduction
	Construction of coverage	Ore storage field 2 (EO2), IJmuiden, Phase 1	~ 2% PM ₁₀ , coarse dust reduction

As part of the Green Steel Project Phase 1, TSIJ plans to construct a Direct Reduction Plant and Electric Arc Furnace (DRP-EAF) replacing Blast Furnace 7 and Coke and Gas Plant 2. This transition will not only reduce TSIJ’s scope 1 CO₂ emissions but is also expected to lower fine dust (PM₁₀) immissions and NOx emissions by approximately 10%, alongside reductions in coarse dust, SO₂, SVHC, odour, and noise. This 10% as stated expected outcomes in the Joint Letter of Intent should not be understood as targets set by the Management at the time of preparing these Sustainability Statements. These reductions will be achieved through a range of measures, including the installation of encasing and dust extraction systems on conveyor belts, the construction of covered scrapyards SOP4 and SOP5, and a reduction of NOx emissions using a DeNOx installation on the Electric Arc Furnace (via Selective Catalytic Reduction / Selective Non-Catalytic Reduction), as well as by low-NOx burners and an SCR system on the DRP process gas heater. Further details on the DRP-EAF and the associated investments are provided in the [Climate change](#) chapter, Future actions and resources.

TSIJ also plans to address fine dust emissions and noise through three initiatives (i) reducing dust from raw materials, (ii) reducing dust from slag storage and processing, and (iii) noise reduction. More information on noise measures can be found in the [Affected communities in the IJmond Region](#) chapter, Future Actions and Resources.

A large share of dust emissions originates from TSIJ’s raw material storage and handling areas near the deep-sea harbour, where coal and ores are offloaded, blended and transported. To minimise both coarse and fine dust from these activities, TSIJ plans to enclose these activities by constructing coverages and windbreakers between 2026 and 2030.

- At Ore Blending Field 1, TSIJ plans to build a windbreaker to reduce wind speeds and associated dust dispersion.
- Ore Blending Field 2 will be relocated and enclosed in a fully covered hall.
- Scrapyard 3 is planned to be enclosed in a building equipped with mechanical ventilation and a dry fog system, while acoustic panels will help to reduce peak noise coming from the scrapyard.
- Ore Stockyard 2 will also be relocated to the current site of Ore Blending Field 2 and fully enclosed.

The processing and storage of steel slag also generates fine dust, particularly during transportation, metal recovery, crushing, and screening, and refinement into a final product suitable for use in construction and other industries. TSIJ is investigating different measures to reduce dust emissions by around 4%.

When the planned EAF is commissioned, EAF slag will be produced and will require cooling. The conventional slow cooling method – using water sprays and heavy machinery – generates steam and dust. To avoid dust formation, TSIJ explores two different options. Implementation is subject to the Tailor-Made Agreement.

Odour future actions

TSIJ will further reduce odour levels in the coming years through the transition to the Green Steel production route, which eliminates CGP2, which is currently one of the strongest contributors to odour nuisance in Wijk aan Zee, and replaces it with the new DRI and EAF facilities whose odour output is significantly lower. Additional planned measures include introducing an active carbon filter technology in 2027 at the pickling line (beitsbaan). This measure will contribute to lowering odour in the Beverwijk area. Additional future improvements include the commissioning of modern odour-managed units such as the DRP water treatment plant, the DRP desulphurisation system and the EAF fume treatment installation, all designed to release far lower odour loads than the processes they replace. If implemented, the CCS variant will further reduce odour by removing the remaining H₂S-bearing stream from the DRP desulphurisation vent.

Water Pollution future actions

Further improvements in wastewater quality are anticipated due to the reduced process-water load once Coke and Gas Plant 2 (CGP2) and Blast Furnace 7 (BF7) are taken out of operation at the end of Phase 1.

The future actions described above depend on several external and operational preconditions that may affect TSIJ's ability to implement them timely and as planned. These are disclosed under "Key dependencies" in the [Climate change](#) chapter.

Metrics and targets

Pollution targets

In line with TSN's ambition to limit its impacts on the local environment and on local residents, the planned actions described above are expected to contribute to reductions in air emissions and immissions, as well as reductions in Substances of Very High Concern (SVHC). TSN is currently working with the Dutch government on the Tailor-Made Agreement, which includes defining the intended direction for future pollutant reduction efforts. As this agreement is still under development and has not yet been formally finalised, TSN is not reporting specific pollutant-reduction targets for this reporting year. Expected outcomes of the future actions reported as part of the Green Steel Project, which is subject to the Tailor-Made Agreement. The stated expected outcomes should not be understood as targets set by the Management at the time of preparing these Sustainability Statements. Due to the planned actions, TSN anticipates that emissions of most pollutants will decrease over time. Some emissions levels may increase with the Green Steel Project, for example, increasing scrap use will have a beneficial impact by increasing circularity and reducing GHG emissions, however it may increase dioxin emissions above today's level which is well below the Maximaal Toelaatbaar Risico MTR levels (see the [Circular economy and resource use](#) chapter). Changes in emissions and immissions will continue to be tracked through TSN's annual monitoring and reporting process.

Pollution metrics

Pollution of air metrics

During the 2025/26 reporting year, TSN's particulate matter (PM10 and PM2.5) and SO₂/SO_x remained broadly stable, with year-on-year variations within approximately 10%. However, nitrogen oxides (NO_x/NO₂) increased by 12%. The increase in NO_x emissions reflects operational adjustments that are part of normal process variation across key installation units, including sintermaking, the energy plant and the hot-strip mill. The year-on-year comparison is also affected by improvements in monitoring, which have contributed to a more comprehensive capture of emissions, and by production dynamics, notably the restart of Blast Furnace 6 in early 2024, which lowered the comparative amounts.

Table. Pollution of air

Amount of pollutant emitted	2025/26	2024/25
	kg	kg
Nitrogen oxides (NOx/NO2)	5,675,258	5,061,832
Particulate matter (PM10)	386,968	417,179
Sulphur oxides (SOx/SO2)	3,086,814	2,964,740
Fine dust (PM2.5)	168,257	172,610

Note1: particulate matter (PM10) of 1417,179 kg and fine dust (PM2.5) of 172,610 kg of FY 2024/25 in the current report is not comparable with the previous report dust figure of (1,498 kg). This difference arises because in previous year, dust reported number has different scope and methodology. This year, TSN has decided to follow a methodology that monitor PM10 and PM2.5 as separate pollutants which makes this incomparable to last year's dust reported figure.

Note2: air pollutants values are based on the calender year and not on the reporting year.

Accounting policies for air pollution metrics

Methodology, assumptions and limitations

For the current year, TSN identified the entities in scope for air pollution metrics reporting through a scoping analysis. This analysis applied a threshold focusing on entities with pollutants surpassing the IEPR thresholds listed in the IEPR database. Based on this assessment, the reporting scope includes TSIJ and four TSDEs: Tata Steel Maubeuge SAS, Société Européenne de Galvanisation (SEGAL) SA, Tata Steel Nederland Tubes BV (Oosterhout), and Thomas Steel Strip Corp. For the previous year, only TSIJ is in scope.

For all relevant pollutants, the current year data are based on the interim eMJV report submitted to OD, final amounts are currently under validation by authorities and are subject to change before final publication. The final eMJV report is publicly available on an annual bases after the annual report publication date. The eMJV reporting scope is greater than the scope of pollutants in line with ESRS E2 thresholds.

An analysis was performed to identify material pollutants to air in line with ESRS E2 Pollution standard requirements. As a result of the analysis, a number of pollutants were identified relevant for reporting. TSN is working on reporting emissions of all relevant pollutants, starting this year with four: NOx, SOx, PM10, and PM2.5 which were reported in previous year. As mentioned in the [Strategy](#) chapter, TSN is running the HSE Turnaround programme to improve the accuracy of pollution measurements and reporting. We aim to expand the number of reported pollutants to reflect all material pollutants in line with ESRS E2 thresholds in future reporting periods.

Air-emission monitoring and calculation are designed around permit requirements and measurement plans. Material pollutants include those that exceed the IEPR Annex II release thresholds (TSIJ and TSDE) as well as additional pollutants identified as relevant in the context of TSIJ's ongoing discussions with the Dutch authorities on future environmental performance, with the list reviewed annually based on e-MJV data and data from downstream entities.

TSIJ reports the annual mass of each material air pollutant emitted from its operations, expressed as kg/year. Emissions are calculated annually in connection with the e-MJV process using a combination of direct measurements and calculations: pollutant emissions = measured pollutant concentration (or emission factor) × relevant process/activity data, with conversions applied to derive annual totals.

Input data come from (i) measurement results (sampling and/or monitoring performed by accredited internal or external laboratories following NEN standards in accordance with the site measurement plan under environmental permits) and (ii) process data provided by the respective working units (e.g., production volumes, gas flows, operating hours, energy use, batch counts). Based on the measurement data and process data collected, different approaches are used to determine the total amount of pollutants released during the year.

Accounting policies for air pollution metrics - continued

Where emissions are continuously measured, the reported figures are based directly on these monitoring systems operated by the responsible production units. In some cases, emissions are not measured continuously but are instead estimated using stable and well-understood emission factors, which are typically applied for smaller emission sources and updated periodically.

For pollutants measured per hour, measured emission rates are combined with the number of operating hours to calculate annual emissions. Where measurement data is available as volumes or concentrations, this information is combined with process data — such as material quantities or flow rates — and converted into total emissions using appropriate calculation factors. In situations where both concentration data and process volumes are required, these inputs are combined to reflect actual operating conditions.

Where measurements are periodic rather than continuous, TSIJ applies the assumption that measured concentrations remain representative until the next measurement; where operating hours cannot be tracked directly, shift schedules or production planning may be used as an estimate. Limitations therefore relate mainly to measurement frequency (some pollutants are measured only periodically) and the use of estimates for operating time in specific cases.

The reporting boundary for reporting pollution does not include the Velsen Power Plants (acquisition recognised in the Financial Statements as of 1 January 2026). TSN is using the relief for mergers and acquisitions for the 2025/26 reporting period. We will analyse materiality of impacts, risks and opportunities in relation to the acquired power plants and identify material information to be reported in the 2026/27 Sustainability Statements. Preliminary analysis points at likely materiality of the impacts related to the topic of pollution, particularly air pollution.

Pollution of water metrics

For the 2025/26, water pollution emissions were primarily driven by nutrient and organic discharges. Total nitrogen represented the largest share of emissions, amounting to 494,389 kg, followed by total organic carbon (TOC) at 156,055 kg, reflecting the significance of process water and wastewater streams. Fluorides also constituted a material contribution, with emissions of 129,450 kg, indicating their widespread presence across operations. Moderate emission levels were reported for specific hazardous substances, including halogenated organic compounds (AOX) at 11,756 kg, total phosphorus at 7,926, and cyanides at 5,322 kg. Emissions of heavy metals such as zinc, nickel, lead, arsenic and mercury were comparatively low by mass with a total of 1,451 kg. Overall, the emission profile indicates that water pollution for the reporting year was dominated by nutrients and organic substances, while emissions of metals and other toxic substances were limited in comparison.

Table. Pollution of water

Amount of pollutant emitted	2025/26
	kg
Arsenic and compounds (as As)	39.1
Cyanides (as total CN)	5,322
Fluorides (as total F)	129,450
Halogenated organic compounds (as AOX)	11,756
Lead and compounds (as Pb)	156.9
Mercury and compounds (as Hg)	1.7
Nickel and compounds (as Ni)	270.6
Total nitrogen	494,389
Total organic carbon (TOC) (as total C or COD/3)	156,055
Total phosphorus	7,926
Zinc and compounds (as Zn)	983.4

Note 1: water pollutants values are based on the calendar year and not on the reporting year.

Accounting policies for water pollution metrics

Methodology, assumptions and limitations

TSN identified the entities in scope for water pollution metrics reporting through a scoping analysis. This analysis applied a threshold focusing on entities with pollutants surpassing the IEPR thresholds listed in the IEPR database. Based on this assessment, the reporting scope includes TSJ and one TSDE: Thomas Steel Strip Corp.

Water-pollution measurement and reporting are site- and permit-driven, reflecting the characteristics of the receiving waters and discharge points at TSJ and TSDE. Monitoring frequency and thresholds are defined through applicable permits and are designed to capture variability in flows (including seasonal cooling demand and rainfall effects) and pollutant concentrations. Material pollutants include those that exceed the IEPR Annex II release thresholds (TSJ and TSDE), with the list reviewed annually based on e-MJV data and data from downstream entities. TSJ reports the annual mass (load) of material water pollutants discharged from steelmaking activities to receiving waters, expressed in kg/year per pollutant.

Pollutant load is calculated as $Load = Concentration \times Volume$, where concentrations are derived from a combination of manual and automatic sampling analysed by an accredited laboratory and volumes are based on metered flows or, where necessary, calculated volumes (including certain rainwater-influenced streams); quarterly loads are summed to derive annual totals to reflect seasonal variability. Key assumptions/limitations include that some discharge volumes can be influenced by rainfall capture at certain points and that a limited number of streams (e.g., specific scrapyard and selected process streams) are calculated rather than directly metered.

The current year data are based on the interim eMJV report submitted to OD, final amounts are currently under validation by authorities and are subject to change before publication. The final eMJV report is publicly available on an annual bases after the annual report publication date.

Substances of very high concern metrics

For substances of very high concern (SVHC) emitted to air and water, TSN is monitoring and reporting relevant SVHC using a site- and permit-based approach. Emission points, monitoring frequency, and thresholds are defined in the applicable permits. SVHC emitted to air and water are periodically reported to ZZS.

As mentioned in the [Strategy](#) chapter, TSN is running the HSE Turnaround programme to improve accuracy of pollution measurements and reporting. We aim to include metrics for (SVHC) emitted to air and water in line with ESRS E2 in future reporting periods. Detailed information on our HSE Turnaround programme is included in the [Strategy](#) chapter.

For substances of very high concern (SVHC) used in production metrics, TSN is currently working on establishing robust and reliable reporting and data collection processes. We aim to include metrics for SVHCs used in production in line with ESRS E2 in future reporting periods.

Soil pollution metrics

Soil pollution metrics are not reported for the current reporting year. TSN is currently working to strengthen and improve data quality and establish robust and reliable reporting processes. Reporting on soil pollution-related metrics is expected to be included in future reporting periods once data quality improvements have been completed.

Water

Why it matters

Water is essential for steelmaking because large volumes are required as cooling water and process water at the IJmuiden site. The majority of water withdrawn is seawater, which is mainly used for indirect cooling of the Blast Furnaces.

Key objectives

In the double materiality assessment, two negative impacts were identified as material, water withdrawals and water discharges.

TSN is currently developing a new Water Policy and meanwhile continues to monitor withdrawals and discharges in line with permit requirements.

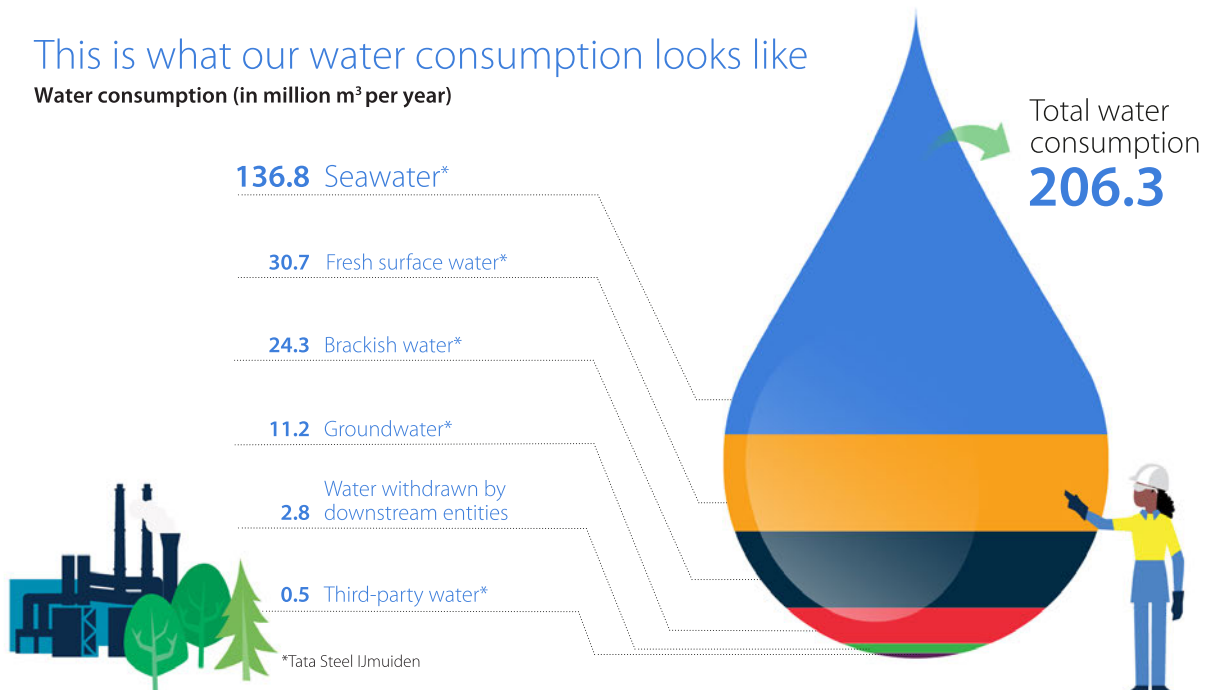
TSN also assessed water use across upstream suppliers through its ESG Strategic Procurement Questionnaire and began exploring water-saving opportunities, including optimisation of drinking-water use.

Total water withdrawals continued to be driven by operational conditions, especially cooling demands linked to steel production.

Looking ahead, the Green Steel Project is expected to lower total withdrawals, reduce thermal load and pollutant concentrations in discharges, and substitute freshwater with brackish water and seawater where feasible.

This is what our water consumption looks like

Water consumption (in million m³ per year)



Water is a critical natural resource for ecosystems, communities, and industrial operations. Unsustainable water withdrawal and insufficient control of discharges can contribute to water scarcity and degrade water quality, creating risks for nature, people and business continuity.

Table. Summary of IROs, policies, key actions, metrics and targets related to water

Impacts, risks and opportunities	Category	Policies	Key Actions	Metrics	Targets
Water withdrawals: In TSN's steelmaking supply chain, upstream mining activities for raw materials such as iron ore and coal can reduce surface and groundwater availability. TSN's steel production requires substantial water withdrawals in the form of process water and cooling water, which can disrupt water systems, especially during periods of drought.	Actual negative impact	Water Policy	<ul style="list-style-type: none"> Reduction of freshwater usage through optimisation of water usage to avoid freshwater use where possible Investigation on possibilities for water-saving initiatives 	Total water withdrawal	<ul style="list-style-type: none"> ~10% reduction in WRK surface-water withdrawal at Tata Steel IJmuiden by completion of Phase 1 compared with 2019 baseline 20% reduction in third-party water use by completion of Phase 1 compared with average 2016–2019 baseline
Water discharges: In the upstream supply chain, mining, quarrying, and coal operations can discharge used water into water bodies or waterways, potentially leading to adverse environmental impacts. Wastewater discharges from TSN's operations can affect the quality of receiving water bodies if not effectively managed.	Actual negative impact		<ul style="list-style-type: none"> Improve wastewater quality and thermal load to surface water through changes to water-treatment, cooling and asset closure 		No targets have been set for the current reporting period

Impact, risk and opportunity management

Water policies

To support responsible water use, TSN started developing a new Water Policy in early 2026, aimed at establishing our commitment to sustainable water withdrawal and discharge and applies across all TSN sites and employees. The policy is guided by the Tata Group's Environmental Policy and the TSN Code of Conduct, which emphasise water stewardship and corporate citizenship. Baseline requirements apply to all sites, while we also monitor water usage and possible improvements for locations assessed to be under water stress. TSN controls water withdrawal and water discharge by applying standards and management frameworks to comply with applicable laws, regulations and permits.

Table. Policies related to water

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> TSN is currently developing a new Water Policy to support its commitment to sustainable water withdrawal and discharge 	<ul style="list-style-type: none"> Compliance with applicable laws, regulations, and permits Commitment to achieve reductions in consumption of high-quality freshwater sources through substitution of freshwater with alternative sources 	<ul style="list-style-type: none"> The Policy is applicable to all TSN sites and employees, incl. sites located in areas of water stress Stakeholder collaboration to increase awareness of water impacts across own operations and the value chain

TSN is committed to achieve sustained reductions in the consumption of high-quality freshwater sources, specifically surface water and drinking water, and therefore deploys targets and implements improvement programmes. To reduce pressure on freshwater resources, TSN applies the mitigation hierarchy, prioritising the substitution of freshwater with alternative sources – such as seawater, brackish water or groundwater – where this is technically and economically feasible.

We also work to strengthen operational resilience to water-related disruptions and maintain procedures to prevent, respond, and remediate water-related incidents. We drive continuous improvement through periodic review, corrective actions and learning from incidents.

To ensure implementation of the above-mentioned commitments, TSN applies a set of instruments. These include environmental management systems accredited according to ISO 14001, and processes to support compliance with applicable water related laws, regulations and permits. Measurement, monitoring and verification is implemented with defined measurement points and monitoring appropriate to each site's activities and permit requirements. Where required, TSN applies independent validation, certification or external review.

Recognising the importance of upstream water-related impacts, in line with its commitment under its Supplier Code of Conduct, TSN encourages suppliers to use water responsibly where possible. We engage transparently with stakeholders and collaborate towards support for responsible water stewardship. This collaboration with stakeholders ensures TSN is aware of the impacts not only to our own sites, but to upstream practices where water quantity related environmental impacts may occur.

Water actions

TSIJ utilises water predominantly for its steel production, where it is required as cooling water and process water. In addition to water use for steel production, limited volumes are used for human consumption (drinking water). The water source selected for each use is driven by the water quality and the type of use. Water withdrawals also vary with production levels and prevailing climactic conditions, which influence process water demand and cooling requirements. TSIJ's principal water sources include seawater (including brackish water), groundwater, surface water and third-party water (drinking water).

- **Seawater:** Seawater is predominantly used for cooling purposes, particularly in support of cooling demands within ironmaking operations.
- **Fresh surface water:** Surface water is employed across a broad range of process-related activities, including steam generation, cooling systems, gas cleaning, chemical mixing and environmental control measures such as dust suppression. Water recycling often takes place in these processes, for example, in cooling towers. A number of water streams on site are also used at one location before being redirected to a secondary process-step, for example some of the water used for cooling purposes at certain steam boilers (CEN1) is redirected to the demineralisation plant for reuse.
- **Brackish water:** Brackish water, which is water that has a higher salt content than freshwater but less than seawater, is used for granulation of slag.
- **Groundwater:** Groundwater can be broken into fresh groundwater which is closer to the surface (within 100 metres) and saline groundwater (about 180 metres below the ground surface). At TSN, we only use deep saline groundwater for cooling purposes in non-contact processes.
- **Drinking water:** Drinking water is intended for sanitary and facility-related uses, including showers, toilets, office fire prevention systems, and emergency showers.

Since most of the water withdrawals are closely linked to production processes, total withdrawal volumes vary with operational conditions such as operating hours and the specific installations in operation. As a result, operational controls, continuous monitoring and compliance with permit requirements remain central to the responsible management of both water withdrawals and water discharges.

Water current actions

Water withdrawals and discharges in own operations current actions

To strengthen integrated water stewardship, TSN is currently developing a new Water Policy, designed to align practices company-wide, provide consistent guidance, ensure compliance with environmental and regulatory requirements, and support effective risk management across all operations.

In addition, to enhance site-level water governance at TSIJ, each work unit has appointed a dedicated Single Point of Contact (SPOC) for water management. The SPOC is responsible for overseeing responsible water use within the unit, coordinating the collection and consolidation of water-related information, and serving as the primary contact for identifying and implementing water-saving initiatives.

Additionally, we are investigating the possibilities for water-saving initiatives, including initial exploration of drinking-water optimisation. Current efforts are focused on identifying potential areas for improvement, whereas project implementation is expected in future reporting years.

TSN has concluded that no significant financial resources were allocated to the implementation of its key water-related actions in the reporting period.

Water withdrawals and discharges in our upstream value chain current actions

By issuing our annual ESG Strategic Procurement Questionnaire to suppliers, we are strengthening our insight into the freshwater withdrawals and water discharges associated with our upstream value chain. This process supports more informed decision-making and enhances transparency regarding supplier-related water impacts.

Water future actions

Water withdrawals and discharges in own operations future actions

The Green Steel Project is expected to contribute to improved water performance by lowering total withdrawal volumes, reducing the volume and temperature of water discharges, and decreasing the discharge of harmful substances to surface waters. This expectation is grounded in the findings of the 2025 Environmental Effect Report (MER) for Green Steel, which assesses the environmental effects of the planned process changes. This includes the closure of older installations such as the Blast Furnace 7 and the integration of more efficient designs in new facilities – for example, the use of brackish water for cooling the DRI plant and, where possible, the use of seawater. In addition, TSIJ plans to improve wastewater quality through implementing advanced treatment systems.

The future actions described depend on several external and operational preconditions that may affect TSIJ’s ability to implement them timely and as planned. These are further elaborated on in the [Pollution](#) chapter.

The future financial resources expected to be allocated for the implementation of key actions under the Green Steel Project Phase 1 are presented in the [Climate change](#) chapter.

Table. Key future actions related to water

Key actions	Scope and timeframe	Expected outcome
Optimised cooling processes using brackish water for cooling the DRP-EAF plant	At DRP-EAF by implementation of Green Steel Project	Reduction in freshwater usage by 8%
Changes to water treatment, cooling and asset closure	IJmuiden site by implementation of Green Steel Project	Reduction of thermal load to surface water by ~ 30%

Water stress

Water stress is the ability, or lack thereof, to meet the human and ecological demand for water, assessed through both the quantity withdrawn relative to renewable supply and the seasonal availability of water relative to consumption. To assess which locations are located in water stress areas, TSN applies global indicators such as tools provided by World Resources Institute (WRI) and the Water Exploitation Index. TSN’s Water Policy applies to all sites located in an area assessed to be of water stress.

While TSIJ is not located in a water stressed area, some downstream entities are. Downstream (TSDE) water use is highly site-specific and dependent on production levels and local conditions. Water withdrawal at TSDE sites accounts for less than 2% of TSN’s total water use. Downstream entities are responsible for efficient water withdrawal and discharge under local management and within applicable requirements. Water withdrawal and discharge are managed locally, with relative priority determined alongside other requirements, while monitoring and reduction efforts are pursued where possible. Tata Steel Maubeuge (France) is one of the downstream entities located in a water stress area. Over the period of 2009 – 2025, a 65% improvement in water consumption performance was realised at Maubeuge due to changes to the treatment of wastewater, changes in total water management and the implementation of adiabatic cooling towers.

Metrics and targets

Water targets

In line with TSN's ambition to limit its water-related impacts, TSN's planned actions are closely linked to the Green Steel Project. Through the design of the new installations and associated upgrades, the Green Steel Project is expected to reduce overall water withdrawal, lower both volumes and temperatures of water discharges, and decrease the discharge of harmful substances to surface water. As water metrics are closely related to production processes, these expected changes are of significance to limit the water impact of TSIJ. Further information on Green Steel Project is provided in the [Climate change](#) chapter.

Within this broader improvement programme, TSN's targets focus on reducing the consumption of high-quality freshwater sources, specifically surface water and drinking water. To limit pressure on freshwater resources, TSN applies the mitigation hierarchy, prioritising the substitution of freshwater with alternative sources, such as seawater, brackish water or groundwater, where this is technically and economically feasible. As a result, the planned actions are expected to contribute to an approximately 10% reduction in WRK-water withdrawal at Tata Steel IJmuiden by implementation of the Green Steel Project (Phase 1), alongside a 20% reduction in drinking water use by 2035 compared to the average 2016 – 2019 baseline of total TSIJ drinking water use. These targets are set voluntarily and informed by the priorities set out in TSN's Water Policy. The metrics in the following section are used to track progress towards target achievement.

Table. Targets related to water

Target	Baseline value	Target value	Target year	Scope
Reduce withdrawal of surface water by ~10%	34 million m ³ per year (2019)	31 million m ³ per year	2030 ¹	Tata Steel IJmuiden (TSIJ)
Reduce third-party water by 20% for total water use TSIJ	415,000 m ³ per year (average of 2016-2019) (excluding DE)	332,000 m ³ per year (excluding DE)	2035	Tata Steel IJmuiden (TSIJ)

¹ Note 1: Subject to completion of Phase 1 of the Green Steel Project

Water metrics

In 2025/26, TSN withdrew 206 million m³ of water from various sources, including downstream entities. Withdrawals were primarily driven by seawater used for indirect cooling of the blast furnaces. Additional sources included brackish water, groundwater, and freshwater. Total water withdrawal decreased by 9.8% compared to 2024/25, mainly driven by a reduction in seawater intake from 159 million m³ to 136.8 million m³. This decrease reflects a combination of factors, including more efficient operation of the blast furnaces following the previous year's revamp, lower cooling demand due to milder weather conditions, and day-to-day operational settings that required less water for cooling. Brackish water withdrawal increased from 23.2 million m³ to 24.3 million m³, which is in line with normal year-to-year variability consistent with fluctuations observed in previous years, rather than a structural change in water use. At the same time, groundwater withdrawal decreased from 12.4 million m³ in 2024/25 to 11.2 million m³ in 2025/26, primarily driven by reduced use in the Hot Strip Mill for process purposes, resulting in a decrease of approximately 1 million m³.

TSN has achieved its target to limit surface water withdrawal to 31 million m³ per year, with withdrawals reaching 30.7 million m³ in 2025/26; however, this reflects current operations, and planned dedusting measures for pollution control are expected to increase surface water demand, which may result in higher withdrawal levels in future years. To achieve its third-party water target of 0.332 million m³, TSN has made steady progress and reduced third-party water intake by 0.03 million m³ in 2025/26 compared to 2024/25.

Table. Water metrics

Water metrics	2025/26	2024/25
	million m ³	million m ³
Total water withdrawal	206.3	226.7
Water withdrawn by TSIJ	203.5	226.7
Thereof seawater	136.8	159
Thereof brackish water	24.3	23.2
Thereof surface water	30.7	31.6
Thereof groundwater	11.2	12.4
Thereof third-party water	0.47	0.50
Water withdrawn by downstream entities	2.8	-
Total water discharges	193.1	211.8
Total water consumption	13.2	14.8
Total water consumption in areas of high-water stress	0.2	-

Note: Values reported in previous years include only the IJmuiden site, therefore 'water withdrawn by downstream entities' is not reported in 2024/25. Water use at TSDE locations represents less than 2% of TSN's total water use in 2025/26. Moreover, water consumption in areas of high water-stress was not monitored in prior reporting years and thus is not reported for 2024/25.

TSN's total water consumption accounts for 6.4% of TSN's water withdrawal. Consumption mainly results from evaporative losses, such as water vapour released from cooling towers and coke quenching towers.

Beginning this year, TSN is reporting total water consumption for the first time in areas identified as having high water stress. Water consumption in areas of high water stress, while affecting local water resources, is minimal and in FY2025–2026 amounts to 0.2 million m³, which is 1.5% of total water consumed by TSN as a group. This is attributable to the absence of entities with significant water withdrawal activities in such areas.

Accounting policies for water metrics

Methodology, calculation, and data sources

TSN calculates its water metrics using a water balance approach, in which water consumption is derived from total withdrawals minus total discharges. In previous Annual Reports (section "Key figures"), water consumption included the full volume of surface water used in production, as this water is discharged to a different, lower-quality receiving body (the sea) and therefore not returned to its original source. In 2025/26, water consumption is calculated using a water balance approach (withdrawal minus discharge), meaning that surface water discharged to another water body, namely the sea, is now classified as discharge rather than consumption, resulting in lower reported consumption figures.

The water metrics calculations rely on measured data from each water source including seawater, brackish water, groundwater, surface water and third-party water, supplemented by invoices, meter readings and operational monitoring data. Where direct measurement is not available, TSN applies defined estimation methods, such as assuming full discharge of seawater used for once-through cooling and a small evaporation loss for brackish water. The key limitation relates to permit-based estimates for certain unmetered discharge flows. In addition, for downstream entities, calendar year data is used as a proxy for financial year reporting. From 2025/2026 onwards, the reported metrics include downstream entities, whereas 2024/2025 figures do not include downstream data.

Accounting policies for water metrics (continued)

Contextual information

For reporting purposes, TSN water metrics are based on withdrawals from TSIJ and selected downstream entities that were assessed to withdraw significant volumes of water. Entities are included where annual water withdrawal exceeds 50,000 m³; in 2025/2026, this threshold captures approximately 98.77% of total downstream withdrawals. TSIJ alone accounts for approximately 98% of total water withdrawal. The downstream entities included in the reporting scope are

- Apollo Metals Ltd.
- Hille & Müller GmbH (Profit Centre Düsseldorf)
- Société Européenne de Galvanisation (SEGAL) SA
- Tata Steel Maubeuge SAS
- Tata Steel Nederland Tubes BV (Zwijndrecht, Oosterhout and Maastricht)
- Thomas Steel Strip Corp

Water withdrawal in areas of water stress

The following TSDEs are in scope for water consumption in areas of water stress due to their location:

- Tata Steel Maubeuge SAS, France
- Societe Europeenne de Galvanisation (SEGAL) SA, Belgium
- Tata Steel Nederland Tubes BV Oosterhout, Netherlands
- Tata Steel Nederland Tubes BV Maastricht, Netherlands

To determine sites that source water from areas where water-stress is high, TSN applies the following criteria, whereby a water source is classified as high water stress if any one of the four criteria is met.

- **Assessment of Baseline Water Stress:** If the ratio of total annual water withdrawal to total available annual renewable water supply (i.e., 'water stress') provided by the WRI Aqueduct is considered High: 40–80% or Extremely High: >80%, TSN classifies the water source to be located in an area at high water stress.
- **Assessment of Water Depletion:** If the ratio of water consumption to availability, with thresholds based on frequency and severity (i.e., 'water depletion') provided by the WRI Aqueduct is considered greater than High: Seasonal depletion (25-75% for one month/year). TSN classifies the water source to be located in an area at high water stress.

- **Assessment of Baseline Water Depletion:** If the ratio of total water consumption to available renewable water supplies (i.e., 'water depletion') provided by the WRI Aqueduct is considered greater than high: 50-75%, TSN classifies the water source to be located in an area at high water stress.
- **Assessment of Water Exploitation:** Is based on the ratio of total water consumption as a percentage of the renewable freshwater sources available for a given territory and period. It quantifies how much water is abstracted and how much water is returned to the environment by economic sectors before or after use. Provided by the WEI+, Severe Scarcity: equal or greater than 40%, TSN then classifies the water source to be located in an area at high water stress.

Why water recycling is not reported:

Water recycled or reused is defined as water and wastewater (treated or untreated) that has been used more than once before being discharged from TSN's boundary, so that water demand is reduced. This may be in the same process (recycled) or in a different process within the same facility (own or shared with other undertakings) or in another of the undertaking's facilities (reused). At TSIJ, numerous processes 'reuse' water by recirculating cooled water by treating the water before reusing it in other processes. The volume of such reused water is not measured. For TSDE, none of the downstream entities have a recycling system in place, therefore this metric is not relevant for TSDE.

Why water stored is not reported:

TSN does not store water for prolonged periods for future use in times of scarcity. At TSIJ, temporary holding bays or 'basins' collect the incoming brackish and drinking water to pump it onwards to different factories. This is not a storage facility but merely a process to ensure adequate flow rate for various processes. For TSDE, water storage is not relevant because the downstream entities do not retain water.

Biodiversity

Why it matters

Steelmaking interacts with ecosystems through raw-material extraction in the value chain and through TSN's own operations, particularly via emissions, nitrogen deposition and land-use pressures.

Key objectives

The double materiality assessment identified four negative biodiversity-related impacts as material, including pollution and climate-related pressures, disturbances from noise and light, and impacts associated with upstream mining activities.

In the reporting year, TSN focused on reducing key impact drivers such as emission of NO_x, other air pollutants, water emissions and greenhouse gases, which also contribute to lowering pressure on identified nearby biodiversity-sensitive areas.

TSN is currently developing a Biodiversity Policy, which is planned to be formalised and launched in Q2 2026, while continuing to work under its nature permit at IJmuiden.

Looking ahead, TSN plans to complete a biodiversity risk and impact assessment and translate the results into site level biodiversity management plans. More broadly, TSN plans to further integrate biodiversity considerations into its Green Steel Project and supply chain due diligence processes.



Steel production impacts biodiversity through raw material extraction in TSN's value chain as well as through TSN's own operations through nitrogen deposition in Natura 2000 areas, emission of pollutants and other ecological pressures associated with steel production.

Table. Summary of IROs, policies, key actions, metrics and targets related to biodiversity

Impacts, risks and opportunities	Category	Policies	Key Actions	Metrics	Targets
Pollution and climate change: TSN's steelmaking operations may contribute to biodiversity loss through its emittance of air and water pollutants, and greenhouse gas.	Actual negative impact	Pollution Control Policy Biodiversity Policy	<ul style="list-style-type: none"> DeNOx and dedusting installation Process optimisation; combustion air optimisation; expansion waste-heat network Replacement of Blast Furnace 7 and Coke and Gas Plant 2 through DRP-EAF 	Pollution, Sites near biodiversity sensitive areas	No targets have been set for the current reporting period.
Noise and light disturbances: TSN's steelmaking operations may contribute to biodiversity loss through disturbances like noise and light.	Potential negative impact		<ul style="list-style-type: none"> Installation of double sound-insulated enclosure around EAF Installation of additional damping around fans and chimneys at the EAF Installation of enclosures around various noise sources at the EAF Apply design principles to minimise lighting 	Sites near biodiversity sensitive areas	
Upstream mining: Upstream activities in TSN's value chain – such as mining of iron ore, coal, and non-ferrous metals – may contribute to biodiversity loss through multiple pressures, including freshwater and sea use changes, greenhouse gas emissions from extraction and transport, pollution of air, soil, and water, physical disturbances like noise and light, and large-scale abiotic resource extraction. These pressures may degrade natural habitats and disrupt land and water ecosystems, particularly in biodiversity-sensitive regions.	Actual negative impact		<ul style="list-style-type: none"> Implementation of supplier requirements into Responsible Supply Chain Policy, Supplier Code of Conduct, and other OECD guidance aligned due-diligence procedures 	TSN will assess the option of developing entity-specific metrics.	
Warm-water discharge: TSN's steelmaking operations may contribute to local biodiversity impact through its warm-water discharge within the legally allowed amounts and temperatures.	Potential negative impact		<ul style="list-style-type: none"> New DRI and EAF installations to decrease warm-water discharge and reduce the volume of cooling water. 		

Impacts, risks and opportunities management

Biodiversity and ecosystems policies

Steelmaking is closely connected to the natural environment through its reliance on raw materials, energy, land, and water. From iron ore mining and coal extraction to logistics, processing, and site operations, the steel value chain interacts with ecosystems across multiple geographies. These interactions can result in both direct impacts, such as land disturbance, habitat fragmentation, and water use, and indirect impacts through air emissions, water discharges, and climate change. At the same time, the steel sector also has significant potential to lower its impact on biodiversity through responsible sourcing, site restoration, nature-based solutions, and the transition to lower-emission production routes.

Table. Policies related to biodiversity and ecosystems

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> TSN has developed a Biodiversity Policy to support its commitment to progressively reduce its impact on biodiversity. The policy will be launched in the beginning of 2026. 	<ul style="list-style-type: none"> Compliance with applicable laws, regulations, and permits. Commitment to achieving reductions in reactive nitrogen emissions, non-GHG emissions, GHG emissions, and other relevant impact drivers affecting nearby biodiversity-sensitive areas 	<ul style="list-style-type: none"> The Policy is applicable to all TSN sites, managed lands and relevant value-chain activities Stakeholder engagement with authorities, communities, and knowledge partners

While a transition plan has not yet been formally adopted, TSN started developing a new Biodiversity Policy in early 2026. This policy applies to all TSN operations, managed lands in the Netherlands and abroad and relevant value-chain activities, including suppliers and contractors where biodiversity impacts may occur. While TSN ensures full compliance with applicable nature and environmental legislation, including Natura 2000 obligations and the Dutch *Omgevingswet*, this regulatory framework forms the baseline for biodiversity management at site level. In addition, once adopted, TSN's Biodiversity Policy sets out a proportionate and risk-based approach to identifying and managing biodiversity-related impacts across its operations and, where relevant, its value chain. This policy is intended to guide continuous improvement over time, taking into account operational, technical and regulatory constraints.

Beyond compliance, TSN works to progressively reduce key drivers of biodiversity impact, in particular pollution, greenhouse gas emissions, and reactive nitrogen emissions (especially NOx and ammonia) as these represent material pressures on biodiversity-sensitive areas locally and regionally. Lowering reactive nitrogen emissions is essential to reducing nitrogen deposition in Natura 2000 areas. These efforts are integrated with TSN's broader decarbonisation and environmental strategy, in particular the Green Steel Project at TSIJ. Further information on the Green Steel Project is provided in the [Climate change](#) chapter.

When determining appropriate measures under TSN's biodiversity management approach, once developed, the Avoid–Minimise–Restore–Offset (AMRO) mitigation hierarchy will be considered.

Implementation of the Biodiversity Policy is supported by internal standards, supplier requirements and stakeholder engagement with authorities, communities and knowledge partners. Progress is monitored through defined indicators with the aim of continuous improvement over time.

TSN's approach focuses primarily on its own operations, where it has the greatest level of control and ability to influence outcomes. Engagement with suppliers is being further developed through existing and developing due diligence processes.

Biodiversity and ecosystems actions

Biodiversity and ecosystems current actions

TSN's approach to biodiversity and ecosystems consists of two complementary layers. First, compliance with applicable nature permits and environmental legislation defines the operational baseline for site activities, including legally required mitigation measures related to nitrogen deposition and other environmental pressures. Second, TSN is developing a broader strategic approach in line with ESRS E4 and emerging TNFD guidance, aimed at identifying, assessing and managing biodiversity-related impacts, risks and opportunities over time. This strategic layer builds on, and does not replace or exceed, existing permit obligations.

Nothing in this section is intended to go beyond or conflict with existing permit obligations. Instead, it aims to provide transparency on how TSN understands and manages biodiversity-related impacts within and beyond its current regulatory framework.

Own operations

TSN recognises that its most significant biodiversity-related impact driver at the IJmuiden site is nitrogen deposition affecting nearby Natura 2000 areas, as regulated under the applicable nature permit. The permit defines required mitigation measures and conditions under which operations are allowed. The ESRS E4 disclosures and related TNFD-aligned work are intended to provide additional transparency and insight into biodiversity-related impacts and dependencies, and to support longer-term environmental performance improvements. These activities are complementary to and aligned with existing permit obligations.

Throughout the reporting period, TSN has implemented and continues to implement measures primarily aimed at reducing air emissions, including NOx emissions, greenhouse gas emissions and water emissions. These measures are driven by regulatory requirements, operational improvement programmes and the broader Green Steel Project, and are expected to contribute to reducing pressures on biodiversity over time. These actions are described in further detail in the [Pollution](#) and [Climate change](#) chapters.

TSN is currently developing a biodiversity transition approach in line with ESRS E4 and TNFD guidance. At the time of reporting, this work is ongoing and has not yet resulted in a formally adopted transition plan. The outcome of this process is expected to provide a structured framework for identifying key biodiversity-related impacts, prioritising actions and monitoring progress over time, taking into account regulatory requirements, technical feasibility and business context.

In addition, TSN is in the process of further developing its understanding of biodiversity-related impacts through TNFD-aligned assessments. Insights from these assessments are expected to inform the future development of site-level biodiversity management plans, where relevant and appropriate.

In parallel, TSN continues to work on updating its nature permit. TSN operates an integrated management system aligned with ISO 14001 and maintains internal codes of practice and technical standards that include land-use planning, habitat protection, and pollution prevention to minimise its impacts in its operational business.

TSN has concluded that no significant financial resources were allocated to the implementation of its key biodiversity-related actions in the reporting period.

Upstream value chain

TSN has embedded biodiversity-related expectations regarding land-use practices, ecosystem protection, and avoidance of high-risk activities into its Responsible Supply Chain Policy, Supplier Code of Conduct, and other OECD guidance aligned due-diligence procedures. TSN does not finance upstream projects; instead, it focuses on identifying biodiversity-related risks in its supply chain and influencing them through targeted supplier engagement, contractual expectations and follow-up actions where needed.

Biodiversity and ecosystem future actions

An overview of a non-exhaustive list of key future actions is provided in the table below.

Table. Key future actions related to biodiversity and ecosystems

Key Actions	Scope and timeframe	Expected outcome
Replacement of Blast Furnace 7 and Coke and Gas Plant 2 through DRP-EAF	IJmuiden site Green Steel Project phase 1	~10% NOx reduction
Installation of double sound-insulated enclosure around EAF	IJmuiden site, during construction of EAF (approximately 4 years)	Reduction of noise levels well below maximum permitted noise levels
Installation of additional damping around fans and chimneys at the EAF		
Installation of enclosures around various noise sources at the EAF		
Reduced cooling water use by DRP-EAF	IJmuiden site, after commissioning of DRP-EAF	~40% reduction of warm-water discharge and ~24% in winter

The future actions described above depend on several external and operational preconditions that may affect TSN's ability to implement them timely and as planned. These are further elaborated on in the [Pollution](#) chapter.

The future financial resources expected to be allocated for the implementation of key actions under the Green Steel Project Phase 1 are presented in the [Climate change](#) chapter.

Natura 2000 areas

As assessed in the Environmental Impact Assessment (MER) for the Green Steel Project, the transition at TSJ from the existing coal-based steelmaking route to the new DRI-EAF route has been evaluated for its effects on NOx emissions and nitrogen deposition in nearby Natura 2000 areas. During the operational phase, this transition will result in a clear reduction in NOx emissions compared to the reference situation and, as a result, nitrogen deposition in nearby Natura 2000 areas is expected to generally decline. More specifically, when the DRI-EAF installation operates on natural gas, nitrogen deposition is expected to decrease overall compared to the reference situation. However, in the Noordhollands Duinreservaat, a limited area of 3.31 ha is expected to experience an increase in nitrogen deposition, while the vast majority (260.48 ha) is expected to experience a decrease. A further decrease in nitrogen deposition is anticipated when the installation transitions from natural gas to hydrogen, further strengthening the long-term environmental benefits.

During the construction period, the closures of Cokes and Gas Plant 2 and Blast Furnace 7 and the build-out of the new DRI-EAF installation will temporarily lead to higher NO_x emissions. Consequently, temporary increases in nitrogen deposition are anticipated in several Natura 2000 areas located within 25 km of the IJmuiden site. For further details, refer to the MER report (link to web-site Milieu Effect Rapport (MER) | Tata Steel)

For each project phase, it will be assessed whether changes in nitrogen deposition in relevant Natura 2000 areas remain at 0.00 mol N/ha/year or lower. If an increase of 0.01 mol N/ha/year occurs on any hexagon within a Natura 2000 area, an ecological assessment will be carried out where required. This assessment may lead to mitigation measures to limit or fully eliminate the increase. TSN expects that any such increases can be addressed through internal rebalancing measures, including reductions in NO_x emissions associated with the new DeNO_x installation at the Pellet Plant.

Beyond NO_x emissions, please refer to the [Pollution](#) chapter for information on additional future actions addressing other pollutants.

Noise

At TSIJ, during the construction and transition phase of the DRI-EAF, noise levels are expected to remain within the noise limits set in the current permits, although a temporary very limited increase, still within permitted noise limits, may occur at some locations during the transition phase. Additional measures ensure compliance with the permitted noise levels including, for example, limiting construction activities to daytime hours, use of modern equipment that complies with applicable noise standards during construction phase and enclosed or insulated transport systems, ducts and large silencers on stacks and exhaust systems during the transition phase. More about possible measures which are yet to be agreed as part of the Tailor-Made Agreement can be found in our Joint Letter of Intent.

In the operational phase, noise levels are expected to be lower than in the reference situation because the new installations are designed according to the Best Available Techniques (BAT) and are planned to be complemented by additional measures that go beyond legal requirements (BAT+ measures). For example, the EAF will be located in a double sound-insulated enclosure, fans and chimneys are fitted with additional damping, and various noise sources such as compressors and pumps will be located in specifically designed enclosures.

Light

At TSIJ, for the Green Steel Project, lighting will be required for roads, yards, work areas and buildings, including prominent warning lighting on the DRP structures (up to 147 m), but this is introduced in a context where the site already has high light emissions. Therefore, we have applied design principles to minimise incremental impacts, such as “no lighting unless necessary”, directing and dimming luminaires downward, using warm colour temperatures, and where possible lowering mast heights and shielding upward light.

Warm water discharge

At TSIJ, warm water discharged via Riool 100 and Riool 200 creates persistent surface-bound thermal plumes in the Hoogovenkanaal and Buitenspuikanaal, and although these waters are not ecologically sensitive, the plumes can still disrupt fish migration by creating alternative surface flow and temperature cues that divert fish from their normal routes and cause local thermal stress. These warm layers may also subtly alter habitat conditions by favouring heat-tolerant species, resulting in light ecological pressure despite the system’s overall resilience conditions.

The environmental impact study shows that the warm-water plume remains confined to the upper layer of the Hoogovenkanaal and Buitenspuikanaal and affects less than 25% of the water surface, meaning that most of the waterbody remains at normal temperatures while only a relatively small surface zone experiences elevated thermal conditions. The Green Steel Project project will substantially reduce thermal pollution by lowering both the volume of cooling water and the temperature of discharged water, with the new DRI and EAF installations requiring significantly less cooling water in the operational phase, leading to an approximately 40% decrease in warm-water discharge in summer and an approximately 24% decrease in winter, which in turn is expected to reduce the ecological influence of the warm-water plumes in the Hoogovenkanaal and Buitenspuikanaal.

Metrics and targets

Biodiversity and ecosystems targets

To minimise its impacts on biodiversity, TSN has set voluntary process-oriented objectives aimed at building the foundations for future quantitative biodiversity targets. In 2026, TSN plans to complete its voluntary, TNFD-aligned biodiversity risk and impact assessment for all its operational sites in the Netherlands, covering dependencies, pressures, impact drivers and affected ecosystems at site level.

In 2026, TSIJ intends to have translated these insights into site-level biodiversity management plans, which will operationalise TSN's commitments, define priority actions, assign responsibilities, and establish monitoring indicators and review processes. For downstream sites, completion is expected in 2027.

In parallel, TSN will start to address upstream biodiversity impacts by identifying key suppliers operating in high-risk areas in order to better understand material biodiversity risks and impacts in the value chain and to identify where engagement, risk mitigation or collaborative action may be required.

Following completion of this preparatory work, TSN will assess the feasibility of setting quantitative biodiversity targets at site and value-chain level. At present, TSN does not rely on biodiversity offsets to meet its objectives, nor are offsets included in its current target-setting approach.

Table. Targets related to biodiversity and ecosystems

Target	Target year	Scope
Completion of biodiversity risk assessment in line with TNFD	2026	Ijmuiden and potentially other operational sites in NL
Development of biodiversity management plans	2027	All TSN sites with medium or high biodiversity risks
Supplier screening with regard to biodiversity impacts	2026	Key suppliers in high-risk regions

Biodiversity and ecosystems metrics

TSN has mapped all material sites located in proximity to biodiversity-sensitive areas, as presented in the table below. This mapping enables TSN to understand which biodiversity-sensitive areas could potentially be affected by its operations and therefore where further assessment and monitoring should be prioritised.

To gain a deeper understanding, TSN intends to conduct a LEAP assessment for the Ijmuiden site in 2026. This assessment will help TSN identify the drivers of biodiversity change associated with its activities at a more granular level. In addition, further assessments are planned to better understand impact drivers from subsidiaries located in the Netherlands.

The Ijmuiden site represents the location where most significant biodiversity-related impacts may arise. Under the applicable Nature Permit, TSN is required to implement mitigation measures to reduce nitrogen deposition and other pressures on nearby Natura 2000 areas. Reflecting recognised frameworks such as ENCORE and the TNFD Sector Guidance for Metals & Mining, TSN acknowledges that key impact drivers of biodiversity change for the steel sector include pollution and greenhouse gas emissions. As part of its Green Steel Project, TSN is implementing major measures to reduce GHG emissions and air emissions, including NO_x emissions. These measures are expected to substantially lower TSN's contribution to pollution-related pressures on biodiversity. Further details are provided in the [Climate change](#) (GHG emissions) and [Pollution](#) (pollutants) chapters.

Direct biodiversity outcome metrics (e.g. species abundance, habitat condition indices) are not yet measured. TSN is evaluating methodologies and data requirements to expand biodiversity-specific metrics in future reporting cycles, in alignment with ESRS E4 and emerging TNFD guidance.

Table. Sites near biodiversity-sensitive areas

Name and Type of biodiversity-sensitive areas affected	Business activities negatively affecting biodiversity-sensitive areas
Netherlands - TSIJ: Ijmuiden (Material IRO: Pollution / Nitrogen deposition)	
<p>Natura 2000 sites:</p> <ul style="list-style-type: none"> ■ Noordzeekustzone (NL9802001) ■ Noordhollands Duinreservaat (NL9801080) ■ Kennemerland- Zuid (NL1000012) ■ Eilandspolder (NL4000056) ■ Ilperveld, Oostzanerveld, Varkensland & Twiske (NL2003023) ■ Polder Westzaan (NL2003040) ■ Wormer- en Jisperveld & Kalverpolder (NL9802058) (NL2003054) ■ Schoorlse Duinen (NL1000010) ■ Polder Zeevang (NL3011002) <p>Key Biodiversity Areas:</p> <ul style="list-style-type: none"> ■ Noordzeekustzone (Site ID 1196) ■ Hollandse Kust (Site ID 29101) ■ Alkmaardermeer (Site ID 45705) ■ Eilandspolder (Site ID 1246) ■ Polder Zeevang (Site ID 1247) ■ Wormer- en Jisperveld & Kalverpolder (Site ID 1248) ■ Ilperveld, Varkensland, Oostzanerveld & Twiske (Site ID 1249) <p>Buffer zone applied:</p> <ul style="list-style-type: none"> ■ 25km 	<p>Physical Sources: These are the physical sources and technical controls for nitrogen oxide (NOx) emissions and other pollutants</p> <ul style="list-style-type: none"> ■ Stationary industrial sources: Large, fixed installations (e.g., coke plants, hot strip mill, pellet plant) where steel is processed. ■ CV-boilers: Heating systems for buildings/processes, often older and less efficient. ■ Mobile sources: Vehicles and equipment operating on-site (locomotives, trucks, ships, etc.). <p>Industrial Activities: These are the core production steps in steelmaking and finishing: Steps in turning raw steel into finished products.</p> <ul style="list-style-type: none"> ■ Casting, hot rolling, pickling, cold rolling, annealing <p>Surface treatments for corrosion resistance and product quality.</p> <ul style="list-style-type: none"> ■ Hot dip galvanising ■ Electrolytic tinning ■ Electrolytic chromium coating ■ Organic coating (painting)
Netherlands - Building Systems: Ijsselstein (Material IRO: Pollution, Climate Change and Noise & Light Disturbances)	
<p>Natura 2000 sites:</p> <ul style="list-style-type: none"> ■ Uiterwaarden Lek (NL2003030) ■ Zouweboezem (NL3004006) <p>Key Biodiversity Areas:</p> <ul style="list-style-type: none"> ■ Zouweboezem (Site ID 1256) <p>Buffer zone applied:</p> <ul style="list-style-type: none"> ■ 10km 	<p>Industrial Activities:</p> <ul style="list-style-type: none"> ■ Forming ■ Spray foam injection
Netherlands - Building Systems: Geldermalsen (Material IRO: Pollution, Climate Change and Noise & Light Disturbances)	
<p>Natura 2000 sites:</p> <ul style="list-style-type: none"> ■ Rijntakken (NL2014038) <p>Key Biodiversity Areas:</p> <ul style="list-style-type: none"> ■ Rijntakken (Site ID 45672) ■ Getijde – Beïnvloede Maas (Site ID 45691) ■ Gestuwde Maas (Site ID 45690) <p>Buffer zone applied:</p> <ul style="list-style-type: none"> ■ 10km 	<p>Industrial Activities:</p> <ul style="list-style-type: none"> ■ Forming ■ Spray foam injection
Netherlands - Tubes: Zwijndrecht (Material IRO: Pollution, Climate Change and Noise & Light Disturbances)	
<p>Natura 2000 sites:</p> <ul style="list-style-type: none"> ■ Oude Maas (NL2003037) ■ Boezems Kinderdijk (NL9802099) ■ Oudeland van Strijen (NL9802103) ■ Biesbosch (NL3000040) ■ Hollands Diep (NL2003021) <p>Key Biodiversity Areas:</p> <ul style="list-style-type: none"> ■ Zoetwatergetijderivieren (Site ID 45701) ■ Biesbosch (Site ID 1229) ■ Boezems Kinderdijk (Site ID 45703) ■ Oudeland van Strijen (Site ID 1281) ■ Hollands Diep (Site ID 1203) <p>Buffer zone applied:</p> <ul style="list-style-type: none"> ■ 10km 	<p>Industrial Activities:</p> <ul style="list-style-type: none"> ■ Hot and cold forming, ■ Galvanising, ■ Painting

Name and Type of biodiversity-sensitive areas affected	Business activities negatively affecting biodiversity-sensitive areas
Netherlands - Tubes: Oosterhout (Material IRO: Pollution, Climate Change and Noise & Light Disturbances)	
<p>Natura 2000 sites:</p> <ul style="list-style-type: none"> ▪ Langstraat (NL2003026) ▪ Ulvenhoutse Bos (NL2003047) <p>Key Biodiversity Areas:</p> <ul style="list-style-type: none"> ▪ Na <p>Buffer zone applied:</p> <ul style="list-style-type: none"> ▪ 25km 	<p>Industrial Activities:</p> <ul style="list-style-type: none"> ▪ Hot and cold forming, ▪ Galvanising, ▪ Painting
Netherlands - Tubes: Maastricht (Material IRO: Pollution, Climate Change and Noise & Light Disturbances)	
<p>Natura 2000 sites:</p> <ul style="list-style-type: none"> ▪ Geuldal (NL9801041) ▪ Bemelerberg & Schiepersberg (NL9801076) ▪ Savelsbos (NL9801040) ▪ Grensmaas (NL9801075) ▪ Bunder- en Elsloërbos (NL2003012) ▪ Maas bij Eijsden (NL2018167) ▪ Sint Pietersberg & Jekerdal (NL9801025) ▪ Basse vallée du Geer (BE33002B0) ▪ Montagne Saint-Pierre (BE33003C0) ▪ Plateau van Caestert met hellingbossen en mergelgrotten (BE2200036) <p>Key Biodiversity Areas:</p> <ul style="list-style-type: none"> ▪ Mechelse Heide en de Vallei van de Ziepbeek (Site ID 719) ▪ Margraten e.o. (Site ID 45680) <p>Buffer zone applied:</p> <ul style="list-style-type: none"> ▪ 10km 	<p>Industrial Activities:</p> <ul style="list-style-type: none"> ▪ Hot and cold forming, ▪ Galvanising, ▪ Painting
Netherlands - Distribution: Feijen / Multisteeel (Material IRO: Pollution, Climate Change and Noise & Light Disturbances)	
<p>Natura 2000 sites:</p> <ul style="list-style-type: none"> ▪ Geuldal (NL9801041) ▪ Bemelerberg & Schiepersberg (NL9801076) ▪ Grensmaas (NL9801075) ▪ Bunder- en Elsloërbos (NL2003012) <p>Key Biodiversity Areas:</p> <ul style="list-style-type: none"> ▪ Margraten e.o. (Site ID 45680) <p>Buffer zone applied:</p> <ul style="list-style-type: none"> ▪ 5km 	<p>Industrial Activities:</p> <ul style="list-style-type: none"> ▪ Decoiling ▪ Slitting
Europe (excluding Netherlands)	
<p>Natura 2000 sites: 32 Key Biodiversity Areas: 5</p>	<p>Industrial Activities:</p> <ul style="list-style-type: none"> ▪ Forming ▪ Spray foam injection ▪ Galvanising ▪ Hot dip galvanising ▪ Painting ▪ Film coating ▪ Decoiling ▪ Slitting ▪ Electroplating
United States	
<p>Natura 2000 sites: 0 Key Biodiversity Areas: 0</p>	<p>Industrial Activities:</p> <ul style="list-style-type: none"> ▪ Electroplating

Accounting policies for biodiversity metrics

Site selection methodology and data sources

To identify locations relevant for biodiversity-related disclosures, TSN applies a two-step materiality filter. First, the assessment focuses on legal entities with production activities, as these operations are considered environmentally relevant. Second, among these entities, TSN prioritises those located in the Netherlands, reflecting TSN's commitment to reducing nitrogen deposition in Natura 2000 areas as part of the Green Steel Project at TSIJ.

For all environmentally relevant entities, TSN determines the proximity of operations to biodiversity-sensitive areas using buffer zones, following either IBAT recommendations or regulatory requirements. For the IJmuiden site, TSN applies the 25 km buffer zone established in its Nature Permit. For subsidiaries, TSN applies IBAT's recommended 10 km buffer zone for production facilities which is considered likely to cover the impacts from most pressures. For warehouse and logistics sites with more limited operational footprints, a 5 km buffer zone is applied.

Within the proximity defined by each buffer zone, TSN identifies relevant biodiversity-sensitive areas, including Natura 2000 sites, Key Biodiversity Areas (KBAs) and UNESCO natural or mixed World Heritage sites. For non-NL EU locations and for US sites, the biodiversity-sensitive areas identified within these buffers are numerically aggregated for reporting clarity.

Estimation methodology, assumptions and limitations

TSN is currently developing a more granular understanding of its biodiversity impacts. As a first step, TSN relies on external frameworks such as ENCORE, which provide sector-specific guidance on material environmental pressures per ISIC group. For TSN, the relevant ISIC classification is the manufacture of basic iron and steel. Based on this, TSN has identified pollution, climate change, noise and light disturbance as pressures potentially associated with its activities. These pressures represent drivers of biodiversity change, meaning they are conditions that enable and influence biodiversity change.

The Nature Permit for the IJmuiden site identifies nitrogen deposition as a key pressure on Natura 2000 areas; related pollution metrics and reduction targets are disclosed in Pollution. Climate-related impacts are addressed through GHG emissions and targets disclosed in Climate Change.

For other identified pressures, TSN is still in the process of gathering site-specific data and developing appropriate metrics.

Resource use and circular economy

Why it matters

Steel making requires large volumes of virgin raw materials, making resource use and circularity a material topic for Tata Steel Nederland. TSN promotes reuse and recycling to reduce primary raw material use and limit waste generation.

In the reporting year, TSN increased its focus on process level circularity by increasing scrap use, reusing and recycling internal residual materials, and continuing biocarbon and scrap charging trials. TSN also continued collaborating with customers on tolerance trials for higher recycled content steel.

Key objectives

The double materiality assessment identified multiple material impacts, risks and opportunities related to the use of primary materials, reliance on external raw materials, scrap use, steel slag and waste management.

TSN also developed and adopted a Circularity Policy in Q1 2026, setting out principles for resource efficiency, waste prevention and responsible by-product use.

Looking ahead, the Green Steel Project is expected to increase recycled content, reduce reliance on primary raw materials, with additional co-benefits for local environmental performance like reductions in noise and dust.



Primary steel production requires substantial inputs of primary raw materials, making circularity an important consideration for addressing material impacts related to resource use. Improved material efficiency, extended product lifetimes, and reduced reliance on virgin raw materials inherently contribute to lower greenhouse gas emissions, reduced pollution, and decreased pressure on ecosystems and biodiversity across value chains. These interlinkages position circularity as a cross-cutting concept that supports broader environmental protection objectives, while also contributing to resource security and long-term economic resilience.

In the double materiality assessment, three negative impacts, two positive impacts, two financial risks, and one financial opportunity were identified as material. These are presented in the table below and form the foundation of our disclosures about resource use and circular economy.

Table. Summary of IROs, policies, key actions, metrics and targets related to resource use and circular economy

Impacts, risks and opportunities	Category	Policies	Key Actions	Metrics	Targets
Primary Materials: TSN's use of virgin raw materials such as coal, iron ore, and non-ferrous metals at high volumes and through sourcing practices contributes to environmental degradation, including resource depletion and increased emissions from extraction, handling, and transport. These pressures can negatively affect natural ecosystems and accelerate the depletion of abiotic resources.	Actual negative impact	Circularity Policy	<ul style="list-style-type: none"> Increasing use of secondary materials (reuse and recycling of internal residual materials; increased scrap share) Biocarbon trials 	Resource inflows	No targets have been set for the current reporting period
Reliance on External Raw Materials: TSN's steelmaking operations rely on the continued availability of externally sourced raw materials, including iron ore and coal. This dependence exposes TSN to operational and financial risks arising from supply disruptions, geopolitical developments and volatility in global raw-material markets.	Risk		<ul style="list-style-type: none"> Reuse and recycling of internal residual materials 	Resource inflows	No targets have been set for the current reporting period
Increasing recycled content of steel: TSN is advancing its circularity strategy by increasing the use of scrap in steelmaking, enabling customers to purchase steel with higher recycled content.	Potential positive impact		<ul style="list-style-type: none"> Increase the use of post-consumer scrap qualities, capitalising on scrap grades currently being exported out of Europe. 	Resource inflows, Rate of recycled materials	<ul style="list-style-type: none"> Increase recycled content to 30% from baseline year 2019
Demand for steel with higher recycled content: TSN has an opportunity to access new markets and meet growing customer demand for steel with higher recycled content by advancing its circularity strategy through increased scrap use. This opportunity will materialise if ongoing R&D programmes succeed in producing high-quality steel grades that are currently manufactured using conventional virgin iron ore processes.	Opportunity		<ul style="list-style-type: none"> Customer collaboration and tolerance trials with higher recycled content 	Resource inflows, Rate of recycled materials	<ul style="list-style-type: none"> Increase recycled content to 30% from baseline year 2019
Steel Slag: Using steel slag – a by-product of TSN's steelmaking process – by external companies, particularly in infrastructural applications is supporting circularity. While this supports circularity, improper use of steel slag (e.g., in road construction without adequate treatment or containment) can lead to environmental impact.	Actual negative impact		<ul style="list-style-type: none"> Deploying of slag roadmap and implementing duty of care for by-products Research and supply chain collaboration into developing new slag products Conducting REACH tests and preparing for applicable regulatory regime for waste export as part of EU consortium Research into useful application of secondary raw materials and waste from new installations Implement new processing methods for slag 	External by-products	No targets have been set for the current reporting period
Improper Use of Steel Slag: Financial risk due to potential liabilities and reputational damage arising from the improper use of steel slag by external parties.	Risk				
Blast Furnace Slag: Using blast furnace slag in downstream cement production enhances circularity and decarbonisation in other sectors.	Actual positive impact				
Waste management: Most of TSN's waste is diverted from disposal. Some waste disposal is, however, unavoidable. Yet, waste treatment is energy-intensive and has a negative environmental impact.	Actual negative impact		<ul style="list-style-type: none"> Implementation of Waste and By-product classification process Implementation of Waste policy on application of Waste hierarchy 	Waste	No targets have been set for the current reporting period

Impact, risk and opportunity management

Current financial effects

TSN has assessed the effects of its material risks and opportunities on its financial position and financial performance for the reporting period. The identified risks and opportunities are described in the double materiality outcome, with the related current financial effects presented below.

Reliance on external raw materials

TSN depends heavily on externally sourced raw materials, including iron ore, coal, alloys and scrap, much of which is sourced outside Europe. Disruptions in global supply chains, adverse weather conditions, geopolitical developments and market volatility may affect the availability and pricing of these inputs, with potential implications for cost levels and working capital requirements. The Group uses commodity hedging instruments for certain raw materials to mitigate the impact of price volatility.

TSN experiences current cost effects from raw material price fluctuations, particularly in relation to iron ore, coal and scrap used in steelmaking. These effects are evaluated internally and, accordingly, quantitative information is not disclosed. No material asset impairments or liabilities have arisen directly from this risk during the reporting year. Refer to Note 2 for further information on the raw materials and consumable costs.

Demand for steel with higher recycled content

TSN currently offers a limited range of steel products with a certified, mass-balanced higher recycled content, including Zeremis® Recycled, and the associated financial effect for the reporting year is not material.

The Group recognises an opportunity to access new market segments and respond to increasing customer demand for steel with higher recycled content by further advancing its circularity strategy through increased scrap utilisation. Realisation of this opportunity will depend on the successful progression of ongoing R&D programmes aimed at producing high quality steel grades using higher scrap inputs.

The revenue from sale of steel with higher recycled content is part of Group's revenue disclosed in Note 1.

The finished goods are part of Inventories presented in Note 12 to the consolidated financial statements.

Use of Steel slag

TSN generates steel slag as a byproduct of its steelmaking processes. Under normal circumstances, slag is transferred to a third-party distributor. Recent restrictions introduced by Dutch authorities on the use of steel slag in construction applications have temporarily halted its application in the Netherlands, leading to temporary onsite storage. TSN currently maintains limited permitted storage capacity and may incur additional costs where transport to external storage sites becomes necessary. In this context, TSN applies a Duty of Care principle, requiring responsible handling and application of slag throughout the value chain to minimise risks to human health and the environment.

TSN Group recognises an environmental provision in the balance sheet to cover the anticipated cost of processing and disposing of steel slag across both TSN and third-party storage locations. No fines or penalties related to improper slag use were identified during the reporting period. The amount of provisions for steel slag are part of environmental provisions, disclosed in Note 21 to the consolidated financial statements.

In addition, regulatory developments have increased uncertainty around slag classification. The Inspectie Leefomgeving en Transport (ILT) issued an intention for a penalty order on 23 September 2023 to classify LD slag as hazardous under CLP. On 22 April 2026, the ILT confirmed this position through a formal penalty decision. This development may further impact the classification, handling requirements, and associated costs of steel slag going forward.

Resource use and circular economy policies

TSN developed a new Circularity Policy in the beginning of 2026, which sets out a structured approach to improving resource efficiency, preventing waste, and applying circular economy principles across its operations and, where relevant, the value chain. The policy distinguishes between circularity at process level and product level, reflecting the different levers available within the steel production process and leveraging steel’s unique circular properties.

Table. Policies related to resource use and circular economy

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> TSN has developed a Circularity Policy to support its commitment to improve resource efficiency, prevent waste, and apply circular economy principles across its operations and, where relevant, value chain 	<ul style="list-style-type: none"> Commitment to conserve finite raw materials, increase used of secondary and biobased materials, optimise residual material streams, apply the waste hierarchy and ensure responsible and compliant application of by-products 	<ul style="list-style-type: none"> The Policy is applicable to all TSN operations and employees, and where specified extends to actors in the value chain The policy development was informed by internal and external stakeholder perspectives

At process level, the policy focuses on conserving finite raw materials through improved material efficiency and yield, increased use of secondary and biobased materials, and optimising the use of residual material streams. The waste hierarchy is applied, prioritising prevention, reuse, and recycling. Where byproducts arise, their use is governed by safety, quality, environmental, and legal requirements to ensure responsible and compliant application.

At product level, the policy recognises steel’s durability and recyclability as key enablers of circularity. Circularity considerations are progressively integrated into the development of new or materially changed products and major process transitions through life-cycle-based assessments. TSN also explores circular business models, including closed material loops and extended product and service cycles, where technically and economically feasible.

This policy applies to all TSN operations and employees and extends to material categories in the upstream and downstream value chain, including suppliers, logistics partners, and customers. The policy was developed taking into account relevant stakeholder perspectives, informed by structured engagement with internal functions and external stakeholders, including customers and suppliers.

Implementation is supported by established governance and management instruments, including an ISO 14001-certified Environmental Management System, internal standards and guidance, enterprise risk management processes, internal audits, and independent external certification and data assurance where applicable.

Resource use and circular economy current actions

Resource use and circular economy actions

The tables below describes current (Table 1) and planned (Table 2) actions on the topic of circular economy, including expected outcomes, the planned timeframe and the operational scope. Where actions are listed as “Ongoing”, they will continue also as a “Planned” action but are not listed twice to avoid duplication.

Table. Key current actions related to resource use and circular economy

Key actions	Expected outcomes	Scope and timeframe
Resource inflows		
Increase the use of post-consumer scrap qualities, capitalising on scrap grades currently being exported out of Europe.	Increased use of steel scrap, decreased use of primary raw materials; decreased fossil fuel use and GHG emissions; risk mitigation related to availability of high-quality scrap.	TSIJ + upstream value chain Ongoing
Customer collaboration and tolerance trials with higher recycled content		TSN + downstream value chain Ongoing
Reuse and recycling of internal residual materials	Decreased use of primary raw materials; decreased waste generation	TSIJ Ongoing
Biocarbon trials	Increased use of biocarbon as fossil PCI replacement; decreased fossil resource extraction and decreased fossil fuel use and GHG emissions	TSIJ and upstream value chain Ongoing
Trialling scrap charge to blast furnace	Increased use of steel scrap, specifically post-consumer; Decreased use of primary raw materials; decreased fossil fuel use and GHG emissions.	TSIJ Ongoing
Resource outflows		
Deploying of slag roadmap and implementing duty of care for by-products	Preventing negative environmental impact due to improper use; decreased waste generation	TSN + downstream value chain Ongoing
Research and supply chain collaboration into developing new slag products	Improved utilisation of slag as a circular by-product through the development of higher-quality and compliant slag products	TSIJ + downstream value chain Ongoing
Conducting REACH tests and preparing for applicable regulatory regime for waste export	Ensure responsible and legally compliant use or export of steel slag and other by-products by contributing, as a REACH consortium member, to updating the REACH classification for steel slag based on current knowledge and research	REACH consortium + regulatory authorities Ongoing
Research into useful application of secondary raw materials and waste from new installations	Identification of safe and compliant circular applications for secondary raw materials and installation-related waste	TSIJ + supply chain partners Ongoing
Waste		
Implementation of Waste and By-product classification process	Preventing waste generation and conforming to applicable environmental and legal requirements	TSIJ, TSDE Ongoing
General		
Groeien met Groen Staal (GGS)	Strengthened circularity through research collaboration (GGS) on scrap recycling, component reuse and Digital Product Passports	TSIJ + value chain Ongoing

TSN has concluded that no significant financial resources were allocated to the implementation of its resource use and circular economy actions in the reporting period. The future financial resources expected to be allocated for the implementation of key actions under Green Steel Project Phase 1 are presented in the [Climate change](#) chapter.

Resource inflows current actions

Current actions focus primarily on process level circularity, i.e., improving resource efficiency, increasing the use of secondary inputs, and optimising residual streams in line with the waste hierarchy. To conserve finite raw materials and reduce dependence on primary inputs, TSN is increasing the use of post-consumer scrap and exploring opportunities to utilise scrap qualities that are currently exported out of Europe. TSN also works with customers on collaboration and tolerance trials for higher recycled content steel, helping to improve scrap availability and enabling the use of higher quality recycled content at product level where technically feasible. TSN also promotes reuse and recycling of internal residual materials to reduce primary raw material use and limit waste generation.

In addition, TSN is conducting biocarbon trials to increase the use of biobased inputs and reduce fossil resource use, with expected benefits for both resource efficiency and emissions. Another ongoing initiative is the trial of scrap charging to the blast furnace, intended to support higher post-consumer scrap use while reducing reliance on primary raw materials (with outcomes dependent on trial results).

Resource outflows current actions

Resource outflows encompass actions on product quality (e.g. recycled content, as also described under 'Resource inflows'); by-products and waste. Actions related to by-products and waste are detailed below.

The actions on responsible by-product use are outlined in a slag roadmap and are centered on implementing actions to improve the use of slag as a by-product, reducing waste generation and preventing negative environmental impacts from improper use. To expand safe circular applications, TSN collaborates with supply chain-partners on the development of slag products and, as a member of a REACH consortium, contributes to updating the REACH classification for steel slag based on current knowledge and research, alongside preparatory work for applicable regulatory requirements (including where relevant for export).

In addition, TSN has completed research (FY26) into useful applications of secondary raw materials and wastes from new installations, supporting future circular applications subject to safety, quality, environmental and legal requirements, in line with TSN's Duty of Care commitment.

To strengthen responsible use in practice, TSN is reinforcing its Duty of Care for slag use. While current temporary restrictions in the Netherlands limit the application of steel slag in construction and may constrain its use in certain applications, TSN continues to implement measures to ensure safe handling and future use. For applications in the Netherlands where slag is used in contact with soil, TSN will provide Dutch customers with a risk document in line with the *milieuverklaring bodemkwaliteit* requirements, defining safe applications and specifying where slag can be used without adverse effects on human health or the environment. The document places particular emphasis on preventing health risks from inhalation and skin, mouth and eye contact, and TSN will require customers to confirm in writing that they have understood the guidance before applying slag. Please also refer to the [Licence to Operate](#) section of the Management Report for a concise overview of TSN's actions in relation to steel slag.

One of the most important actions under Resource outflows is the ongoing waste and by-product classification process supporting compliant management of residual streams, waste prevention and improving data quality.

Tata Steel IJmuiden (TSIJ) has received three investigative reports from the competent Environmental Protection Authority (Omgevingsdienst Noordzeekanaalgebied, 'OD') regarding its waste and substance management practices. TSIJ immediately started an improvement programme, responded to the relevant questions, provided comments on the preliminary results, and submitted them to the OD. TSIJ is in full cooperation with the authority, providing requested information and engaging constructively to clarify open points. In parallel, we are taking measures and actions to strengthen the waste classification and management processes as well as to improve data quality.

Resource use and circular economy future actions

TSN's most important circularity future action is the Green Steel Project, which includes the transition to DRI- EAF steelmaking. This transition is expected to materially strengthen circularity at process level by increasing TSN's recycled content and thereby reducing reliance on finite primary raw materials, where technically and economically feasible. Further information on Green Steel Project is provided in the [Climate change](#) chapter.

Table. Key future actions related to resource use and circular economy

Key actions	Expected outcomes	Scope and timeframe
Resource inflows		
Building new scrapyards	Increased use of steel scrap with reduction in noise, PM10, coarse dust	TSIJ Phase 1 GSP
Resource outflows		
Implement new processing methods for slag	Shift LD and EAF slag to applications with greater control over potential impacts (avoid waste); contribute to PM10 emission reduction	TSIJ Phase 1 GSP
Waste		
Implementation of Waste policy on application of Waste hierarchy	Preventing waste generation and conforming to applicable environmental and legal requirements	TSIJ, TSDE Future reporting periods
General		
Further implementation of Circular Economy policy initiatives (e.g. R-ladder operationalisation and awareness)	Decreased use of primary raw materials; decreased fossil fuel use and GHG emissions decreased waste generation	TSIJ, TSDE Start: FY27
Exploring extension of service life at final product level (e.g.: de-mounting, re-use and re-manufacturing)	Prioritising circular solutions higher in the R-ladder, leading to decreased use of primary raw materials, waste generation and GHG emissions	TSDE Start: FY27

In addition to the Green Steel Project, TSN plans targeted measures to support increased secondary input use and improved residual stream-management. On resource inflows, TSN plans to build new scrapyards in Phase 1 of the Green Steel Project to facilitate higher scrap utilisation and improve handling conditions, with additional co-benefits for local environmental performance (e.g., reductions in noise and dust as referenced under [Pollution](#)).

On resource outflows, TSN plans to implement new slag processing methods and handling methods to enable more controlled and responsible applications of LD and EAF slag, reduce waste generation, and steer use toward applications where potential environmental or health impacts can be better managed and slag properties (such as high pH) can be used as a functional advantage, in line with safety, environmental and legal requirements. More broadly from FY27 onward, TSN intends to continue rolling out circular economy initiatives and awareness activities across relevant operations to support continuous improvement consistent with the R-ladder and the waste hierarchy.

Metrics and targets

Resource use and circular economy targets

TSN aims to promote circularity by increasing the amount of secondary steel (scrap) into its production process. We aim to increase site-wide recycled steel intake from a 17% baseline (2019) toward 30% (site-wide average) when the DRI-EAF installations are operational. Since steel scrap displaces raw materials such as iron ore and cokes, the use of secondary steel is an important contributor to the reduction of primary raw material use and therefore circularity.

The recycled content target has been established voluntarily based on a comprehensive assessment of technological feasibility, logistical and supply chain-conditions, and prevailing market dynamics. The target also reflects input received through stakeholder engagement and consultation regarding both the required and the technically achievable levels of recycled content within our production system. Target achievement is subject to several external and operational preconditions linked to the Green Steel Project, which may influence TSN's ability to deliver these targets in a timely manner.

For the integrated steelmaking route, progress toward this target will be monitored, evaluated, and disclosed annually.

Table. Targets related to resource use and circular economy

Domain	Target	Baseline value	Target value	Target year	Scope
Secondary materials (scrap)	Increase recycled content to 30%	17% (2019)	30%	2030 ¹	IJmuiden site

1 Note 1: Subject to completion of Phase 1 of the Green Steel Project

Steel scrap availability remains structurally constrained due to the increasing focus on scrap-based steelmaking and the long service life of most steel applications, which delays the return of material to the recycling loop. As a result, the volume of high-quality scrap accessible on the European market is insufficient to meet growing demand for secondary steelmaking. By increasing sourcing from end-of-life scrap streams, including shredder scrap, TSN contributes to a more circular materials system by recovering steel that might otherwise be downcycled or lost. This practice supports the efficient use of resources, reduces dependency on primary raw materials, and enhances Europe's long-term resource security.

For other **resource inflows**, performance is subject to continuous improvement and monthly financial reporting and analysis of any trends or non-conformities within these data. TSN will continue to monitor and report resource use annually and monitor key materials consumed in its production process. In addition, the implementation of the Circularity policy and actions as described under Current and Future actions and resources are monitored on a periodic basis and their progress reported on.

For **by-products**, performance is monitored through the implementation status of the slag roadmap. A monitoring system will be introduced to monitor the objectives as set out in the JLoI and will be closely supported by TSN's Risk & Compliance organisation. The implementation of the duty of care principle requires written confirmation from customers on the application guidance.

For its **by-products**, TSN aims to maximise circular and sustainable applications and will continue to monitor its production and destination through the current TSN hierarchy for by-product and waste classification. For its slag by-product, TSN prioritising bound applications such as concrete, cement, and aggregates. These applications significantly reduce the risks of improper use and leaching, while supporting the building materials sector in achieving its circularity and sustainability objectives. A significant share of BF slag is already supplied directly to the cement industry.

In parallel, TSN is actively implementing a strategic roadmap to shift both current and future steel slags toward similar high-value, bound applications. This effort is being pursued in close collaboration with industry partners, knowledge institutes, and OEMs. Performance on responsible use of steel slag is monitored through the implementation status of the slag roadmap. A monitoring system will be introduced to monitor the objectives as set out in the JLoI and will be closely supported by TSN’s Risk & Compliance organisation. The implementation of the Duty of Care principle requires written confirmation from customers on the application guidance.

For **waste**, TSN aims at completing the waste and by-product classification process. The current application of the waste hierarchy and related waste management processes is subject to regular audits within the frameworks of BES6001 and ISO 14001.

Resource use and circular economy metrics

Resource inflows metrics

Iron ore is the main precursor of ironmaking and the largest material input by mass in TSN’s production processes. Coal and coke function as essential reductants in iron and steelmaking, playing a central role in enabling the conversion of iron ore into hot metal. Auxiliary materials support steelmaking by removing impurities and enabling the formation of slag, which also contributes to valuable byproduct streams. Critical and strategic raw materials are used in several processes, amongst which secondary metallurgy, where they are used to modify and enhance the steel’s properties according to specific performance requirements such as strength and hardness or corrosion resistance.

Steel scrap is a crucial raw material input by mass and an important enabler of circularity because of its contribution to reducing demand for primary raw materials. Reused and recycled materials - such as slags, dusts, sludges and oxides - further support circularity by recirculating materials back into production and reducing the need for disposal.

Resource inflows are dominated by iron ore, which accounts for the majority of total key materials, followed by coal and coke. Secondary resourced materials represent 14% of total key materials, while critical and strategic raw materials account for 16%.

The Green Steel Project is not only expected to increase the amount of steel scrap used in the process, but also reduce the amount of coal and coke used.

Table. Resource inflows

Resource inflows	2025/26
	t
Total key materials¹	15,681,266
Iron ore	8,502,753
Coal and coke	3,825,225
Auxiliary materials	1,097,394
Critical and strategic raw materials	2,489,216
Total secondary resourced materials	2,202,763
Steel scrap	1,380,177
Reused and recycled materials	822,586
Percentage of total key materials	%
Secondary resourced materials	14
Critical and strategic raw materials	16

¹ Note: Certain materials are reported across multiple categories (e.g. recycled slag under both auxiliary materials and reused and recycled materials, coking coal under both coal and coke and critical and strategic raw materials, and bauxite under both auxiliary materials and critical and strategic raw materials); however, each material is counted only once in the total sum of key materials to avoid double counting.

Accounting policies for resource inflows metrics

Material selection methodology

The included materials refer to resource use in IJmuiden only and were selected because of the volume, economic and operational importance, and relevance to circularity. Since the resource inflow of TSN's downstream locations is mostly steel from IJmuiden, the most important raw materials are covered by reporting TSJ's resource inflow.

The exception is the category Critical and Strategic Raw Materials, which was solely selected based on the combination of economic importance and supply risk. For that reason, all relevant TSN entities are included in this metric that use critical and strategic raw materials in their operations, namely

- Apollo Metals Ltd
- Hille&Muller GMBH (Profit Centre Dusseldorf)
- Thomas Steel Strip Corp.

Product packaging was considered immaterial due to the limited volumes consumed and is therefore not included in Resource inflows.

Methodology, assumptions and limitations

Data are based on records of procured data with the exception of one category within Critical Raw Materials, which was calculated based on material composition information from the material data sheet. Some materials are reported under multiple categories. For example, coking coal is reported under both "Coal and coke" and "Critical and strategic raw materials". To avoid double counting, these materials are excluded from the sum of "Total key materials".

The distinction between technical and biological materials is not considered a driver of material impacts, risks, or opportunities, because as of now no biological materials are being used.

Resource outflows metrics

Durability and reparability

Durability and reparability depend on the application, use and maintenance of a material in final operating conditions and should therefore be assessed on the final product level rather than at the intermediate product level. The table below therefore provides indicative service life-ranges for typical end-use applications, reflecting the functional lifespan of the finished product. Note that the figures relate to the useful service life of the product rather than to the steel properties itself, and the lifespan may be extended by repair, refurbishment, or reuse of the full product. Steel as a material is typically considered highly durable and repairable due to its mechanical strength and resistance to environmental factors such as moisture and heat.

Table. Typical steel product lifespan by sector

Sector	Products	Typical applications	Reference service life
Packaging	Tinplate, laminated steel	Steel cans	0 – 5 years
Plating	Electroplated steel	Batteries, electrical equipment	0 – 20 years
Engineering	Hot rolled through organic coated steel	Domestic appliances, agriculture, housing	5 – 50 years
Automotive	Hot rolled through hot-dip galvanised steel; electroplated steel; precision tubes	Chassis and suspension, panels, seating	15 – 25 years
Construction	Roof and wall sandwich panels, profiled sheets; structural tubes	Industrial and commercial buildings.	50 – 70 years

Rate of recyclable materials metrics

The rate of recyclable materials assesses to what extent the key products manufactured by TSN are recyclable. For crude steel - the primary product manufactured at TSJ - the recyclability rate is 100%. Recyclability considerations therefore may become more relevant once additional materials are introduced during downstream processing or as part of the final product design.

Downstream steel products may incorporate metallic additions (e.g., tin, zinc, nickel) as well as non-metallic components such as coatings, plastics, foams, adhesives, or paints. Among these, only non-metallic surface coatings are considered non-recyclable.

For TSN’s key products the recycling potential is assessed as close to 100%. These products can typically be reprocessed without any loss of quality.

Accounting policies for rate of recyclable materials

Material selection methodology

The recyclable material metric comprises an assessment at the final product level.

Key Products for TSJ include Crude steel (slab); Hot rolled coil; Pickled hot rolled coil; Cold rolled coil; Finished cold rolled coil; Hot dip galvanised coil; Electrolytic tinplate; Tin-free steel (TCCT®) and Laminated Steel Coils (Protact®); Organic coated coil; Hot dip galvanised coils.

Key products for TSDE include Coils and Sheets; Hot dip galvanised coils; Organic coated coil; Laminated Steel Coils (Protact®); Electro-plated coils and sheets; Structural and Precision tubes; Panels and Profiles.

Product packaging was considered immaterial and is therefore not included in Resource outflows.

Methodology, assumptions and limitations

For these products, we evaluate recyclability based on the definition of “recyclable” in ISO 14021:2016 (7.7.1) supplemented with an assessment of the handling and outcome of each material during the recycling process: if a material is able to be recovered separately or ends up in a new product, it is considered recyclable; if it is incinerated, degraded, or lost, it is not considered recyclable.

Rate of recycled materials metrics

The rate of recycled materials measures the share of recycled input materials - steel scrap - used in TSN’s production. It is one of the main measures TSN is implementing to increase its circularity performance within the Green Steel Project.

The recycled content has increased from 20.0% to 21.2% in the last year, reflecting TSN’s effort to maximise the amount of scrap used in iron- and steelmaking. Structural improvement projects were implemented in order to remove bottlenecks to increased use of scrap in the production process.

The upward trend indicates continued progress toward the target of achieving 30% recycled content under Phase 1 of the Green Steel Project.

Table. Rate of recycled content of TSJ’s key product

Rate of recycled materials	2025/26	2024/25
	%	%
Total recycled content	21.2	20.0
Pre-consumer scrap	14.7	14.1
Internal pre-consumer scrap	6.8	6.9
External pre-consumer scrap	8.0	7.2
Post-consumer scrap	6.5	5.9

Accounting policies for rate of recycled materials

Methodology, assumptions and limitations

The recycled content metric is calculated as the share of steel scrap used in relation to total steel produced and aligned with the definitions as outlined in ISO 14021:2016. Steel scrap refers to ferrous material that cannot be directly recovered in the process it was produced (e.g., ferrous production residue starting from slab). Total steel produced refers to crude steel production. Data is based on measured consumption of scrap, combined with a measured/calculated figure for crude steel as described in Climate change. The classification of pre- and post-consumer is based on categorisation of scrap into EFR or BDSV categories.

This metric is calculated for TSIJ only. Due to the low volumes of (external) material added by TSN's downstream entities, the added recycled content at DE level was considered immaterial.

Note that part of the recycled content is reserved for Zeremis® Recycled customers. Companies who have not purchased Zeremis® Recycled should use the 2019 benchmark in their reporting, which is 17.6%.

External by-products metrics

TSN's steelmaking processes generate a range of by-products that contribute meaningfully to circular economy and decarbonisation objectives when responsibly processed and applied. A portion of these materials is reused or recycled internally, supporting the reduction of waste and primary resource inflows, while other by-products are supplied externally as certified secondary raw materials. For example, blast furnace slag is used as a low-carbon substitute for clinker in the cement industry or as a replacement for natural aggregates in civil engineering applications.

Steelmaking slags, produced during primary and secondary metallurgy, are processed into stone-like materials and certified for use as secondary building materials, thereby reducing the extraction of natural resources and supporting circularity and decarbonisation in other sectors. However, the application of steel slag is currently subject to temporary regulatory restrictions, limiting its use in practice.

Looking ahead, the transition to lower CO₂ steelmaking will significantly change production routes and therefore alter the profile of by-products generated. Some existing materials may be phased out, while new secondary materials are likely to emerge. TSN aims to maintain its commitment to high-value, responsible utilisation of all by-products by collaborating with research institutes, customers and partners to identify long-term solutions.

Because choosing steel as a material inherently means choosing the generation and use of slag, TSN emphasises the importance of clear and consistent regulatory frameworks in Europe that enable the safe and high-quality application of these secondary materials. In the current context of temporary restrictions on the use of steel slag in the Netherlands, regulatory clarity remains important to enable safe use. TSN therefore supports the development of regulations and engages with regulators and partners to ensure compliant application.

In the Netherlands and across Europe, scrutiny of slag use has increased due to historical cases of improper application. TSN therefore emphasises responsible end use throughout the value chain, including clear application guidance (duty of care), transparent and in-depth communication with off-takers and alignment with evolving regulations. By prioritising quality-controlled processing, traceability and detailed duty of care agreements with off-takers, TSN aims to prevent unintended environmental impacts and to ensure that steel slags function as safe, reliable substitutes for natural materials.

Externally sold by-products amounted to 1.6 million tonnes in 2025/26, with blast furnace slag representing the largest share, followed by steelmaking slag.

Table. Metrics related to externally sold by-products

External by-products	2025/26
	t
Total weight of key externally sold by-products	1,596,607
Blast furnace slag	1,106,430
Steelmaking slag	393,462
Other by-products	96,715

Accounting policies for external by-products

Methodology, assumptions and limitations

Data are based on measured production data from TSIJ and Tata Steel Maubeuge SAS. Relevant definitions are applied based on TSN's understanding of, and alignment with, applicable legal and regulatory requirements at the moment of reporting, including, but not limited to, Dutch application guidance of waste classification.

The figures reported reflect the classification status at the time of reporting. As regulatory interpretations and requirements evolve, updates to the classification framework may lead to the reclassification of by-products as waste in the future, resulting in potential adjustments to reported figures.

Waste metrics

Most of TSN's waste is generated at TSIJ. TSN follows the waste hierarchy (prevention; preparing for re-use; recycling; recovery; disposal). TSIJ aims to prevent waste generation by maximising the reuse and recycling of internal residual material (see 'Resource inflow') and the production of high-quality by-products (see 'Resource outflow').

Total waste generated increased from 215,171 tonnes in 2024/25 to 335,476 tonnes in 2025/26. However, the figures are not directly comparable, as the 2024/25 data excludes waste from downstream entities. On a comparable basis, TSIJ waste volumes increased slightly from 215,171 tonnes in 2024/25 to 218,154 tonnes in 2025/26. Overall, the total volume of waste remains broadly stable. However, there is a shift in treatment and composition, with an increase in waste directed to disposal, a decrease in recovered waste, and a relative increase in hazardous waste compared to non-hazardous waste.

Waste directed to landfill increased for both hazardous (+35%) and non-hazardous (+29%) waste streams. The increase in hazardous waste to landfill is primarily driven by SIFA filter dust and HO filter cake, which are disposed only once or twice a year and therefore timing of disposal can strongly influence the yearly volume. The increase in non-hazardous waste to landfill is mainly attributable to Combi bio (wastewater treatment) sludge and PEFA filter dust from new or improved environmental installations. Hazardous waste recycled increased by 11%, driven by higher volumes of oxy sludge due to reduced internal reuse, despite reductions in other streams. In contrast, non-hazardous waste recycled decreased by 11%, mainly due to lower volumes of rubble, soil, and slag. Waste treated through other recovery operations (including incineration with energy recovery) increased by 31% for hazardous waste, reflecting fluctuations across multiple smaller streams rather than a single structural driver.

Only a very small proportion of total waste (0.1%) is reported with an unknown destination, primarily reflecting waste streams that are temporarily unclassified at the time of reporting and pending assignment to the appropriate treatment category.

Table. Waste metrics

Waste metrics	TSN		TSIJ		TSIJ	
	2025-26		2025-26		2024-25	
	t		t		t	
Total waste generated	335,476		218,154		215,171	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
	t	t	t	t	t	t
Waste diverted from disposal	49,934	226,073	37,952	121,942	34,106	137,502
Preparation for reuse	1,197	2,555	0	0	0	0
Recycling	46,806	216,204	37,228	120,990	33,552	136,419
Other recovery operations	1,931	7,314	724	952	553	1,083
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
	t	t	t	t	t	t
Waste directed to disposal	48,146	10,898	47,459	10,791	35,170	8,393
Incineration	241	76	0	0	0	0
Landfill	47,738	10,822	47,459	10,791	35,170	8,393
Other disposal operations	167	0	0	0	0	0
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
	t	t	t	t	t	t
Total amount of waste for which the final destination is unknown	173	253	8	2	0	0
	%		%		%	
Proportion of waste for which the final destination is unknown	0.1		0		0	
	t		t		t	
Total amount of radioactive waste	0		0		0	

1 **Note 1:** Certain waste streams contain naturally occurring radioactive substances (NORM). These streams are managed under the Dutch regime for specific conditional release, based on regulatory approval, and demonstrated low radiological risk. Under this regime, the materials are permitted to be reused, recycled or disposed of via conventional waste routes and are not classified as radioactive waste requiring disposal under nuclear regulatory control.

Accounting policies for waste metrics

Material selection methodology and data sources

Waste figures are based on Tata Steel IJmuiden and selected downstream entities (TSDE). Downstream entities are included where total waste generation exceeds 1% of combined waste across TSN, as well as entities below this threshold that generate a significant share of hazardous waste due to their relative environmental impact. This approach results in coverage of approximately 96% of total waste generated.

Downstream entities included in scope are:

- Halmstad Steel Service Centre AB
- Hille & Müller GmbH (Profit Centre Düsseldorf)
- Layde Steel S.L.
- S.A.B.-Profiel BV
- Service Centre Gelsenkirchen GmbH
- Service Centre Maastricht BV
- Société Européenne de Galvanisation (SEGAL) SA
- Tata Steel Maubeuge SAS
- Tata Steel Nederland Tubes BV
- Thomas Steel Strip Corp.

Waste figures for 2024/25 exclude downstream entities and are therefore not directly comparable to 2025/26.

Methodology, assumptions and limitations

TSIJ generates various types of waste, both non-hazardous and hazardous. Most non-hazardous waste consists of recyclable waste in the form of ferrous scrap, skulls or other metallic residues. Other non-hazardous waste consists of construction and demolition waste in the form of rubble, gravel and soil. Hazardous waste consists of a variety of process- and non-process-related waste, such as gas condensates and sludges.

Tata Steel's Downstream entities' main waste streams consist of steel scrap, zinc dross and other metallic residues, solvents, paints and packaging material.

Hazardous waste may be recycled or disposed of; NORM waste may be hazardous or non-hazardous and is disposed of through landfilling in accordance with applicable safety and environmental regulations.

Data for IJmuiden are measured data from third parties (waste processors) or TSIJ's weigh bridges. For downstream entities, where financial year data is not available at the time of reporting, calendar year data may be used as a proxy for financial year reporting, including an estimate for the final two months where data is not yet available at the time of reporting.

Relevant definitions are applied based on TSN's understanding of and alignment with applicable legal and regulatory requirements at the time of reporting, including, but not limited to, Dutch application guidance of waste classification. The figures reported reflect the classification status at the time of reporting. As regulatory interpretations and requirements evolve, future updates to the classification framework may introduce changes.

The definition of waste excludes material that is classified as a by-product or that is reused or recycled internally.

NORM-waste is defined as material with activity concentrations of ≥ 1 Bq/g.

The reporting boundary for reporting resource use and circular economy does not include the Velsen Power Plants (acquisition recognised in the Financial Statements as of 1 January 2026). TSN is using the relief for mergers and acquisitions for the 2025/26 reporting period. We will analyse materiality of impacts, risks and opportunities in relation to the acquired power plants and identify material information to be reported in the 2026/27 Sustainability Statements. Preliminary analysis points at likely materiality of the impacts related to the topic of circular economy and resource use, particularly waste.

Social

Own workforce

Why it matters

TSN's workforce is central to its operations and is significantly affected by the ongoing organisational transformation.

Key objectives

The double materiality assessment identified eight workforce-related impacts as material, including secure employment, health and safety, working conditions, training, diversity, and social safety.

During the reporting year, TSN implemented its largest transformation in thirty years, leading to workforce reductions and increased focus on social dialogue, wellbeing and employment support.

TSN also continued to apply collective labour agreements, maintain high collective bargaining coverage, and operate a health and safety management system covering the entire own workforce. Reskilling and training activities focused on supporting the transition to new production technologies.

Looking ahead, TSN plans to formalise workforce policies, strengthen grievance and remediation mechanisms, expand reskilling programmes, and introduce measurable targets once the new organisational model is fully embedded.

Own workforce	2025/26
	headcount
Total number of employees	11.878
Total number of non-employees	915
Employee turnover	%
Rate of employee turnover	11%



Table. Summary of IROs, policies, key actions, metrics and targets related to own workforce

Impacts, risks and opportunities	Category	Policies	Key Actions	Metrics	Targets
Secure employment: Insecure employment, characterised by job instability at this moment due to restructuring at TSN, is negatively impacting workers by increasing uncertainty, reducing morale, and weakening long-term workforce retention.	Actual, Negative impact	HR foundation policy, CLA, Code of conduct	<ul style="list-style-type: none"> Jointly managing workforce transition Provide clear and open communication on restructuring 	<ul style="list-style-type: none"> Characteristics of the undertaking's employees (Employee turnover) Characteristics of non-employees in the undertaking's own workforce 	No formal quantitative target yet – TSN monitors workforce trends, turnover and planning indicators during the organisational transition. Targets will be set once the new workforce model is fully implemented.
Working time & health and wellbeing: Restructuring, understaffing and additional regulatory requirements increase workloads and working hours, may result in stress and reduced work-life balance, which can contribute to health issues over time.	Potential, Negative impact	CLA	<ul style="list-style-type: none"> Provide wellbeing and stress prevention interventions Promote open dialogue on stress, resilience and wellbeing 	TSN will assess the option developing an entity-specific metric.	No formal quantitative targets for wellbeing indicators yet – monitored through trends and utilisation of support channels. TSN continuously monitors sickness absence rates over time and benchmarks them on a national level.
Collective bargaining: A robust Collective Labour Agreement (CLA) at Tata Steel Nederland supports fair labour conditions, strengthens social dialogue, and contributes to workforce stability and a just transition.	Actual, Positive impact	HR foundation policy, CLA	<ul style="list-style-type: none"> Maintain structured social dialogue with unions and works council Maintain high CLA participation 	Collective bargaining coverage and social dialogue	No formal quantitative target set for collective bargaining. TSN strives to maintain very high collective bargaining coverage across TSN sites.
Safety: Accidents and associated injuries may occur due to the physical nature of operational activities and unsafe behaviour, even with occupational health and safety measures in place.	Actual, Negative impact	Safety policy	<ul style="list-style-type: none"> Maintain ISO 45001-aligned H&S management system (Plan–Do–Check–Act) Expand ISO 45001 certification coverage across sites Use incident learning, monthly steering committees and quarterly deep dives and trend analysis Mandatory safety test Improve third-party safety Implement TrueSafe programme 	Health and safety metrics	Zero fatalities – ongoing target (all sites incl. contractors). Baseline: 0 → Maintain 0 (ongoing).
Training and skills development: TSN's suspension of most soft skills and leadership training due to financial constraints limits employee development, which may hinder career growth, lower morale and reduce long-term workforce capabilities.	Actual, Negative impact	HR foundation policy	<ul style="list-style-type: none"> New leadership and onboarding workshops to support the implementation of the new organisation 	Training and skills development metrics Disclosures are phased-in.	No formal quantitative targets yet – training hours per employee and participation in development reviews are monitored during the transition period until targetsetting is possible.

Impact, risk and opportunity management

TSN is navigating a challenging period driven by geopolitical change, trade and supply chain disruptions and rising energy costs. To remain competitive and enable investment in new steel production methods, TSN is implementing its largest reorganisation in thirty years, including a leaner organisational structure to support a sustainable, green future. Each decision to discontinue a role is approached with care, in close cooperation with works councils and trade unions, supported by a Social Plan for affected employees. The organisational change is delivered through cross-functional workstreams to enhance agility, decisiveness and flexibility and to reduce fixed costs. In parallel, TSN is developing reskilling pathways linked to the green transition to support workers impacted by the phase-out of legacy processes and prepare them for new roles associated with technologies such as DRP-EAF.

Own workforce policies

TSN's key policies establish the overarching framework governing its practices and interactions with its own workforce, underscoring its commitment to a safe, inclusive and respectful workplace, as well as to appropriate working conditions and employee development.

While the majority of TSN's workforce comprises its own employees, our commitment to health, safety and a socially inclusive workplace also applies to non-employees.

Table. Policies related to own workforce

Health & Safety Policy

Background	Key content	Scope & key stakeholders
<ul style="list-style-type: none"> Developed to embed safety, health & wellbeing as a core value across TSN Introduced July 2022 Established to ensure consistent H&S standards across operations and support continuous improvement 	<ul style="list-style-type: none"> Policy addresses negative impacts related to safety Integration of H&S into all business processes Governance through H&S Steering Committees 	<ul style="list-style-type: none"> Applies to all employees, contractors, service providers, and site visitors Operational scope: all TSN sites

HR Policy

Background	Key content	Scope & key stakeholders
<ul style="list-style-type: none"> Developed to ensure consistent HR governance and align with TSN's belief that people are its core asset Introduced Oct 2022 Supports fair employment, development, and consistent HR processes 	<ul style="list-style-type: none"> Policy addresses own workforce related material impacts Equal opportunity principles Clear definition of employee expectations, job content and competency needs Commitment to training/development for skill and behaviour gaps HR governance for appointments, senior reward policy, CLA negotiation, dismissals 	<ul style="list-style-type: none"> Applies to all employees (with special governance for senior managers) Operational scope: all TSN sites

TSN Diversity, Equity & Inclusion Policy

Background	Key content	Scope & key stakeholders
<ul style="list-style-type: none"> Developed to ensure DE&I, equal treatment, inclusion and social safety across TSN Supports legal compliance and organisational culture goals Update in 2026 	<ul style="list-style-type: none"> Policy addresses negative impacts related to anti-harassment and anti-discrimination and diversity Key principles: compliance & equal treatment, inclusive leadership, fair people practices, continuous improvement Monitoring: inclusion/social safety surveys, workforce diversity data (where legally permissible) References national law, UNGPs, OECD, ILO conventions 	<ul style="list-style-type: none"> Applies to all TSN operations, employees, and non-employees working for/on behalf of TSN. Stakeholders: TSN workforce (employees and non-employees), underrepresented groups Scope: TSN sites can tailor implementation to ensure compliance with local national laws and regulations

TSN Human Rights Policy

Background	Key content	Scope & key stakeholders
<ul style="list-style-type: none"> The policy currently under development sets out TSN's commitment to respecting human rights and applying due diligence across operations and value chain Introduction in 2026 	<ul style="list-style-type: none"> Policy addresses negative impacts related to human rights Commitments: respect human rights across our sites, local communities, supply chain and broader value chain; apply risk-based due diligence; prevent/mitigate/address impacts; support remedy when TSN causes or contributes. Expectations for suppliers and business partners References international laws, standards and frameworks (e.g., ILO conventions, UNGPs, OECD, EU CSRD/CSDDD) 	<ul style="list-style-type: none"> Applies to all individuals working for/on behalf of TSN (employees, contractors, directors) and TSN's value chain Stakeholders: TSN workforce (employees and non-employees), value chain workers, affected communities. Scope: all TSN operational locations and provided to suppliers to meet local national laws and regulations

TSN Code of Conduct

Background	Key content	Scope & key stakeholders
<ul style="list-style-type: none"> Updated to reflect Tata Code of Conduct 2015 in a TSN-specific context Updated in Jan 2024 Developed to ensure ethical behaviour, integrity and compliance across TSN 	<ul style="list-style-type: none"> Policy addresses own workforce related material impacts Core Values: Integrity, Excellence, Pioneering, Unity, Responsibility Topics: equal opportunity, anti-harassment, dignity & respect, anti-bribery/corruption, conflict of interest, data privacy, use of assets, community responsibilities, environmental obligations Provides speak-up channels and non-retaliation commitments 	<ul style="list-style-type: none"> Applies to all TSN employees, executives, directors and individuals working with/for TSN, plus suppliers and value chain partners when acting on TSN's behalf Stakeholders: TSN workforce (employees and non-employees), contractors, customers, affected communities, governments and suppliers

CAO Tata Steel 2023–2025

Background	Key content	Scope & key stakeholders
<ul style="list-style-type: none"> Collective labour agreement governing employment conditions at TSN IJmuiden Social Unit Introduced October 2023 Developed through negotiation with trade unions 	<ul style="list-style-type: none"> Policy addresses negative impacts related to secure employment, collective bargaining Defines employment terms: contracts, working hours, rosters, overtime, leave (vacation, parental, care leave), remuneration (salary scales, bonuses, allowances), pensions, training, wellbeing, safety obligations Adaptation for 2026 is prolonged 	<ul style="list-style-type: none"> Applies to workers in function groups 4–20 and category E within TSN IJmuiden Stakeholders: Employees Scope: TSIJ

Health and safety policies

Safety is the highest priority of our operations. Our IJmuiden steel plant and all our downstream entities' sites operate in a demanding industrial environment that entails daily health and safety risks for our own workforce, contractors, third-party workers and potentially also visitors. To mitigate this impact, TSN has a policy in place for safeguarding the health and safety of its own workforce. Our Health & Safety Policy applies to all TSN employees and non-employees across every location, as well as anyone working on our premises.

The policy outlines the key principles that guide our approach to health and safety. We believe that all work-related accidents are preventable and expect safe working practices from all employees, contractors, and visitors.

The Health & Safety policy objective is to protect well-being, reduce exposure to work-related risks, and ensure we meet health and safety requirements. The application of these commitments to workers outside TSN's own workforce is addressed further in the [Responsible value chain](#) chapter.

We operate a comprehensive management system to prevent occupational risks and ensure a safe working environment. Our TSN Code of Conduct reinforces these expectations by requiring compliance with relevant laws and internal rules, and by encouraging the reporting of concerns without fear of retaliation. Together, these measures form the foundation of TSN's structured and continuously improving approach to occupational health and safety.

Working conditions policies

Our workforce is at the core of TSN's operations. This is why our policies establish clear expectations for fair, safe, and transparent workplace conditions throughout TSN's operations. These include the Code of Conduct, the HR foundation policy, and a firm commitment to the Collective Labor Agreement.

The TSN HR Policy is our foundation, setting out the core principles for fair, transparent, and supportive working conditions. It outlines how we define roles, manage performance objectively, provide development opportunities, and offer locally competitive compensation. We commit to equal opportunities in hiring and career growth, and we ensure safe channels, including anonymous ones, for raising concerns. This policy provides our overarching guiding principles, while supporting policies translate these principles into concrete procedures and day-to-day guidance.

TSN Code of Conduct builds the basis for how our entire workforce interacts with each other. Built on respecting human rights, it mandates integrity, transparency, and respect from all representatives. The Code of Conduct is available and must be respected by everyone in the workforce to foster a professional and safe workplace, with clear expectations for lawful behaviour, privacy, asset protection, and ethical business conduct toward stakeholders.

Collective bargaining policies

At TSN, many employees are covered by a collective labour agreement, resulting in high collective bargaining coverage. Specifics can be found in the table Collective bargaining coverage. CLA agreements complement our foundation policies by setting out the legally binding terms and conditions of employment, covering working hours, shifts, overtime, leave, salary scales, pay components, training, job classification, and the rights of worker representatives. The CLA ensures transparency and consistency across these areas and helps us maintain fair working conditions for everyone at TSN.

Diversity and equal treatment policies

This year, we worked on updating our Diversity & Inclusion Policy, which is yet to be formally adopted, to reaffirm our commitment to diversity, equal treatment, equal opportunities, and social safety across TSN. The policy applies to all workers, regardless of role, contract type, or location, and covers key topics such as diversity, antiharassment, and non-discrimination.

The policy sets clear expectations for a safe, fair, and respectful work environment. We do not tolerate discrimination or harassment and uphold every individual's right to work free from exclusion or bias. We recognise that D&I strengthens creativity, collaboration, and overall performance, and supports our ability to attract and retain talent.

Human Rights Policy

TSN is currently developing a Human Rights Policy, which sets our commitment to respect human rights across our sites, local communities and business relationships, in line with the UN's Guiding Principles, relevant ILO conventions and applicable laws. Upholding human rights is integral to our values and to responsible business conduct and long-term sustainability. Our approach to human rights is risk based. Further information on the Human Rights policy is provided in the [Responsible value chain](#) chapter.

Our Human Rights Policy is aligned with international standards and addresses child labour, forced or compulsory labour, and human trafficking.

Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy

Engagement with own workforce and workers' representatives

Throughout the year, TSN intensified its engagement with employees and works councils and trade unions as the organisation entered a period of transformation linked to the transition toward low-CO₂ steelmaking. The ongoing transition requires, among other initiatives, restructuring and job reductions, making open, timely and inclusive engagement essential. To inform all employees about this process and gather perspectives from those who may be impacted by the restructuring, TSN engaged in multiple forms of information sharing, consultation, and participation.

At TSN IJmuiden (TSIJ), several work councils represent employees across individual operational units, while TSDE has its own representative structures. Across all entities, consultations take place between the Managing Director and employee representatives, with members appointed to both the IJmuiden Group Works Council and the Central Works Council. Additional engagement with trade unions on employment terms occurs regularly at both local and central levels.

Throughout the year, the Central Works Council was especially involved in discussions related to restructuring. From April onwards, employees received regular updates about the transition to the Green Steel Project, challenging market conditions and TSN's long-term ambition to become a leading European steel producer and what it will mean for the workforce. Monthly intranet updates, structured consultation rounds and negotiations connected the workforce to the decision-making process and updates. Works council members, as elected workers' representatives, actively shaped agreements and ensured that concerns from across the workforce, including from employees in vulnerable positions, were addressed.

Alongside these formal structures, we also engaged employees directly through local surveys on social safety and through employee communities, helping us gather broader insights and strengthen ongoing dialogue across TSN.

Channels for workforce to raise concerns or needs

TSN has implemented a formal grievance mechanism that enables employees to raise concerns anonymously via a dedicated online platform or hotline. The mechanism is designed to ensure confidentiality, support open communication, and provide for the timely, and fair handling of employee grievances.

TSN offers its workforce a range of formal channels to raise concerns, ensuring that everyone has safe and accessible ways to speak up. A central element is the TSN Integrity Line, an externally operated platform available across all sites, where employees can submit concerns. All reports are handled in line with the TSN Confidential reporting Policy, which works as the Whistleblower policy for TSN. Further information is provided in the [Governance](#) chapter.

At TSIJ, additional options such as the *Klachtencommissie* (Complaints Committee) and *Vertrouwenspersonen* (Confidential Advisors) provide tailored support for specific concerns, while downstream entities maintain their own local arrangements to ensure accessibility.

During the restructuring process, we expanded our communication channels with the ambition to better support employees during a period that raises many questions. A dedicated intranet page, in person sessions, online Q&A meetings, written materials and direct communication ensured that employees had multiple avenues to ask questions, raise concerns and receive timely, transparent information throughout the transition.

Approach to remedy where negative impacts occur

Open and clear communication on negative impacts on the workforce is the first step for TSN to take action on negative impacts. TSN has implemented a Social Plan to mitigate the adverse impacts of its large-scale reorganisation, which involves the reduction of approximately 1,200 employees across the organisation. The plan was developed together with trade unions and is intended to remedy negative effects on employees by providing employment security, financial compensation, and support in transitioning to new roles.

TSN plans to enhance its grievance and remediation system through multilingual support, improved awareness campaigns and focused support for employees most affected by restructuring. To this end, TSN is engaging directly with affected employees and supports corrective actions as outlined in the Social Plan.

For other material impacts, TSN has established dedicated processes to address each issue individually.

Additionally, TSN monitors the outcomes of remediation activities to ensure issues are resolved and recurrence risks are minimised.

Own workforce actions

TSN is actively implementing a range of initiatives to support its workforce through the ongoing restructuring and transition towards climate-neutral steelmaking. TSN maintains ongoing activities focused on improving working conditions, diversity and inclusion, wellbeing, and health and safety to help mitigate potential impacts throughout the transition. For a detailed overview of TSN's targeted actions, please refer to the key actions table below.

The Group has determined that no significant financial resources have been or are expected to be allocated to the implementation of its workforce-related actions. The associated costs are primarily embedded within routine HR operations and did not result in material capital or operational expenditure during 2025/26.

Table. Key actions and resources allocated related to own workforce

Key actions	Expected outcome	Scope and timeframe
Training and reskilling for green transition <ul style="list-style-type: none"> Implementation of the Practical Hydrogen Module within vocational programmes of the Tata Steel Academy 	<ul style="list-style-type: none"> 275 employees successfully complete the module by end of 2026 Employees gain practical skills related to hydrogen applications in future steelmaking processes Development of training infrastructure and learning environments to support future skills development for net zero steel production Long-term capability building within the workforce 	2026 Ongoing as part of transition to low carbon steel production
Career transition and internal placement programmes	<ul style="list-style-type: none"> Mitigation of job loss impacts Smoother internal mobility Reduced involuntary exits through internal redeployment and career guidance 	2026/27
Health roadmap implementation	<ul style="list-style-type: none"> Improved long-term employee health and risk prevention 	Ongoing
Safety actions <ul style="list-style-type: none"> Safety training and awareness Occupational safety True Safe 	<ul style="list-style-type: none"> Maintain and improve safety management as a priority 	Ongoing
Diversity & Inclusion initiatives	<ul style="list-style-type: none"> More inclusive culture Improved representation Stronger feedback loops 	Ongoing
Future D&I initiatives <ul style="list-style-type: none"> Women leadership sponsorship Bias awareness training Expanded anonymised CV screening 	<ul style="list-style-type: none"> Accelerated inclusion progress Increased leadership accountability 	Rollout planned; annual refreshers
Anti-harassment and anti-discrimination framework	<ul style="list-style-type: none"> Safe reporting environment Prevention of misconduct Strengthened social safety 	Ongoing
Confidential advisor network & complaints procedure	<ul style="list-style-type: none"> Stronger support for employees Impartial case handling Improved trust 	Ongoing
Future anti-harassment & anti-discrimination actions <ul style="list-style-type: none"> Improved deescalation Increased DIAB visibility Leadership capability improvements ISO 45003-aligned psychosocial risk system 	<ul style="list-style-type: none"> Stronger social and psychological safety More robust misconduct management 	Scope and timeframe is to be determined
Wellbeing and stress prevention initiatives	<ul style="list-style-type: none"> Support resilience and healthy work-life balance Reduce stress 	Ongoing, restarted in response to organisational pressure

Health and safety actions

Health and safety management system

TSN has established a comprehensive health and safety management system to protect employees from injuries, unsafe conditions, and exposure to hazardous substances. Our health and safety management system includes our own workforce and on-site third-party workers.

The TSN H&S management system has been audited according to ISO 45001. 18 sites have achieved certification. Four sites are not yet certified; two (Apollo Metals and Tata Steel Maubeuge) are planned for certification in 2026, while certification of the remaining two sites (Tata Steel Packaging Duffel and Segal-Tata Steel) remains an ambition and is not yet formally scheduled.

Improvement actions are defined based on lessons learned from incident investigations and health and safety data. Their implementation is overseen monthly at business unit and Board of Management level, supported by quarterly in-depth analyses and trend reviews of incidents and severity indicators.

Key actions to improve and maintain our health and safety performance:

- **Safety training and awareness:** TSN ensures that personnel is informed about task-specific hazards and required risk-control measures. New employees must pass a safety test before starting work, and existing employees must renew this at least every two years. Training combines e-learning and practical instruction and covers process safety, fire risk awareness and hot work. Task-specific safe working procedures define risks and controls, and training is required before authorisation; for infrequent tasks, a dedicated risk assessment is conducted prior to approval.
- **Occupational safety:** Centrally developed Hazard Identification and Risk Assessments (HIRAs) are provided to operating units to identify occupational safety risks and corresponding control measures. Safety for both contractors and TSN employees is supported through dedicated training programmes for supervisors and Tata coordinators involved in contractor activities, developed and delivered in collaboration with contractors. To further improve safe working conditions for third parties, the roll-out of the Work Permit Registration App (WRapp 2.0) has been expanded.
- **Heat exposure/Health roadmap:** We are rolling out a heat app that employees can use to manage their heat stress. Preventing exposure to heat is part of the top priorities for the avoidance of occupational health impacts. In our production process, people are exposed to high temperatures and a risk of experiencing extreme temperatures (heat stress) remains. The app is supporting to identify, register and manage these risks for a safer workspace.
- **True Safe:** We are continuing with the True Safe programme to strengthen a proactive safety management culture at TSN and provide professional HSE expertise to both leadership and the shopfloor (operational) level. We can see enhanced safety communication by encouraging bottom-up reporting of safety observations and concerns from the shopfloor. In 2025, a focus on visible safety leadership was added to the programme. In this way, leaders will be trained to cultivate active safety awareness as part of normal working procedures.

Additionally, we improve our health and safety monitoring by setting leading indicators, simplifying how we collect data, and creating dashboards that provide insights at the operational level and drive safety actions.

Process safety

The organisation has significantly strengthened its control over process safety risks. Major progress was made in how critical barriers are identified, monitored and evaluated. In this way, we improved the reliability and transparency of our risk control systems and increased our ability to prevent process safety related incidents in critical installations. We also enhanced the technical depth of process safety incident investigations using the PPS (Process Based Problem Solving) methodology.

An important part of process safety management is the cooperation with the competent authorities. We provided structured guidance during Seveso inspections and centrally steered findings, observations and non-compliances. The stronger governance and consistent follow-up reduced recurrence and improved preparedness and regulatory confidence. Preventing new violations remains a core priority going forward. Operational safety will be strengthened through the implementation of secure load procedures for internal road transport and the continued execution of comprehensive process safety assessments.

Through these actions, TSN ensures that the prevention and management of health and safety risks are systematically embedded in its operations.

Working conditions actions

Secure employment

TSN has taken several actions to protect employment during its restructuring process. The company introduced a job guarantee for certain employee's job categories to ensure employment continuity. We also implemented measures to reassign employees, retaining as many roles as possible within the new organisation. To mitigate risks of job loss, Tata Steel provides work-to-work support, including internal placement efforts and external career guidance.

Working time and health and wellbeing

Wellbeing, workload and working hours remained key priorities for TSN during this period. Although restructuring, staffing shortages and growing regulatory requirements continue to create pressure across parts of the organisation, we also see strong commitment from teams to adapt and support one another. To help employees maintain a healthy balance and manage periods of increased demand, we have made a range of wellbeing and stress prevention interventions available for our employees. These initiatives have been well received and are contributing positively to a more open dialogue about stress, resilience and wellbeing. By proactively supporting wellbeing, we aim to strengthen our workforce, promote a healthy work-life balance and create an environment where employees can continue to perform at their best.

Training and skills development actions

Training and skills development

TSN has developed new leadership and onboarding workshops to support the implementation of the new organisation. As employees transition into their newly assigned roles, they are receiving targeted training to prepare them for new responsibilities and processes. Regular leadership and management development programmes will be reintroduced once the organisational changes have been fully embedded and the new structure is operating steadily.

Reskilling for green transition

The move toward climate neutral steelmaking brings several challenges for TSN. New production methods require different technical skills and reduce the need for some existing jobs. Because of this, TSN expects a net reduction of about 1,200 FTEs in the coming years. This reduction is mainly driven by financial considerations and is also necessary to make the Green Steel Project possible. At the same time, the company already faces an aging workforce and shortages in important technical roles, which adds to the complexity. The transition is being jointly managed by the Board of Management, HR, external partners and the Works Council, supported by regular assessments of workforce needs and risks.

A key part of our approach is helping people build the skills needed for the technologies of net zero steelmaking. Hydrogen will play a major role in our future production, so we are investing heavily in training around this topic. The Practical Hydrogen Module, developed within the Tata Steel Academy, will be included in all vocational training programmes by mid-2026. It provides both theoretical knowledge such as hydrogen safety, production, storage and use, and hands on experience through practical installations. The training will also be available as a standalone module for VMBO students and for site employees in IJmuiden.

TSN wants to strengthen its workforce readiness for the green transition, support employability and increase safety awareness for new energy systems by updating training programmes with hydrogen-related skills. This initiative is part of a transition towards steel production with reduced CO₂ emissions. This also includes supporting the development of a plan for a IJmond Transition Campus by Techport, a regional public-private partnership. This plan includes the development of a regional workforce and skills ecosystem focused on lifelong learning, sustainable employability and labour mobility in the IJmond. The Transition Campus will support up- and reskilling through modular lifelong learning programmes and work-to-work pathways, helping employers address skills shortages, while enabling people to move into transition-critical roles.

Diversity and equal treatment actions

Diversity

TSN promotes diversity, inclusion and social safety through a structured set of actions implemented during the reporting year and through planned initiatives that reinforce long-term policy objectives.

TSN applies structured hiring processes, maintains open recruitment practices, and monitors progress through a dedicated D&I dashboard and quarterly leadership reviews. Tata Steel IJmuiden runs annual initiatives like the *Being Yourself Works* survey, inclusion workshops, and targeted communication campaigns.

TSN will strengthen these efforts through new and expanded initiatives. These include a sponsorship programme for women in leadership, mandatory bias-awareness training for managers and HR staff with annual refresher sessions, the potential extension of anonymised CV screening.

In February 2026, Tata Steel Nederland introduced a female sponsorship programme as part of its Diversity & Inclusion strategy. The initiative connects high-potential female talent with senior leaders to support their development and career progression. By strengthening visibility, networks and opportunities, the programme contributes to increasing female representation in leadership roles and to achieving the company's diversity ambitions

TSN will enhance social and psychological safety by expanding topical workshops, embedding these themes deeper in leadership development, and improving follow-up on employee survey insights. These planned actions are expected to increase accountability, reduce bias in decision-making processes, improve representation and reinforce alignment with TSN's D&I policy goals.

Anti-harassment and anti-discrimination

TSN is committed to protecting all employees from discrimination, harassment, intimidation, aggression, violence and bullying. The DIAB (Discrimination, Intimidation, Aggression and Bullying) guidelines and Social Safety Manual provide a clear behavioural framework. A network of trained confidential advisers guides employees through dialogue, mediation or formal reporting options. These measures improved reporting accessibility and strengthened organisational safeguards. TSN aims to improve further by developing a psychosocial risk management system to reinforce TSN's commitment to a safe and respectful work environment.

Metrics and targets

Own workforce targets

During the reporting year, TSN continued to manage its material workforce topics in a period of organisational transition. As the company proceeds through a major restructuring of its organisational structure, governance and workforce composition, formal targets have not yet been established for all material topics. Currently, TSN monitors performance through trend monitoring, qualitative indicators and by using national and sectoral benchmark data until target setting can be formalised. Once the new organisation has been fully implemented, TSN will reassess the introduction of measurable, time- bound targets.

Health and safety targets

TSN has implemented a health and safety management framework established to prevent work-related accidents, ill-health and fatalities, covering 100% of the own workforce¹. We are currently transitioning towards a certified health and safety management system according to ISO 45001. To date, 18 sites out of 22 have achieved certification, and we aim to increase this to all sites. In 2025/16, TSIJ, Gelsenkirchen, SAB and Fischer were certified. The certification process for Maubeuge and Apollo is ongoing, with the goal of completion in the next financial year.

Safety remains our top priority. We are focused on ensuring a safe working environment and strive to maintain zero fatalities from work-related injuries or work-related ill health, for everyone working on our sites, including contractors.

Table. Health and safety targets

Target	Baseline value	Target value	Target year	Scope
Zero fatalities (work-related injuries or ill-health)	0	Maintain zero	Ongoing	All sites incl. contractors

¹ Sales offices are excluded from the calculation of coverage of TSN's own workforce by its health and safety management system, due to the absence of substantiated health and safety training. This group represents approximately 0.5% of the employee headcount.

Our commitment to safety is also supported by the systematic monitoring of work-related injury rates. TSN has embedded two key performance targets within its management systems: a recordable injury frequency rate of ≤ 5.0 per month and a lost time injury (LTI) frequency rate of ≤ 1.0 per month.

Due to long latency periods and limited availability of reliable data, TSN has not set targets for recordable work-related ill health or total days lost due to work-related injuries or illness.

Working conditions targets

Secure employment

TSN oversees employment security by analysing workforce characteristics data, workforce planning cycles, and turnover trends. Although no formal quantitative targets have been established during the organisational transition, management indicators are consistently monitored and will be assessed for potential target setting once the new workforce model is fully implemented.

Working hours and health & wellbeing

Sickness absence is a quantified focus area for TSN, with the objective of achieving a structural reduction in the overall absence rate over time. This target supports employee wellbeing, operational continuity and cost efficiency. TSN monitors absence continuously and compares its performance with national benchmarks. Other wellbeing aspects, such as the use of confidential advisors, integrity and reporting channels, psychosocial support services, and behavioural or work pressure signals, are monitored in a similar way. This includes the use of qualitative indicators, trends in the utilisation of support channels, and benchmarking against national data.

Training and skills development targets

Training and skills development

Training hours per employee and participation in performance and development reviews are monitored on a regular basis. As TSN is currently in a transition phase, no formal quantitative targets for training and skills development have yet been established related processes to prepare for future target setting.

Reskilling for the green transition

Given the strategic relevance of TSN's transition to low-carbon steel production, reskilling and upskilling needs are assessed as part of ongoing workforce planning. Quantitative targets for green-transition reskilling have not yet been set. To inform future target-setting, TSN continues to identify the competencies necessary for upcoming production activities, ensuring the workforce is prepared for evolving operational requirements.

Diversity and equal treatment targets

Diversity

TSN considers diversity and inclusion to be a strategic priority and recognises the role of clearly defined targets in driving long-term, meaningful progress. Therefore, we are currently reassessing our ambitions to ensure that future targets and approaches are appropriately aligned with TSN's organisational context and improvement needs.

TSN will set its outcome-oriented targets by implementing the TSN-wide updated diversity and inclusion policy. For quantitative target setting, we will develop a clear 3-year working plan with reliable baseline data and identify priority areas to set concrete targets and action plans.

Until the updated targets are formalised, TSN tracks progress through workforce composition data, leadership representation, employee surveys and ongoing dialogue with employee representatives or Employee Resource Groups (ERGs). These insights are used to inform future target setting.

Anti-harassment and anti-discrimination

TSN has not set specific quantitative targets for preventing harassment or discrimination. However, the organisation maintains structured monitoring processes to ensure a safe and respectful workplace. Incidents related to harassment and discrimination are systematically recorded and assessed through the Integrity Line, the Complaints Committee and confidential advisors.

In addition, TSN regularly conducts inclusion and social safety assessments and employee surveys that measure experiences of discrimination, intimidation, aggression and bullying. These insights support continuous monitoring and improvement of social safety across the organisation.

Own workforce metrics

Characteristics of the undertaking's employees metrics

The total number of employees decreased by 3.8% in the reporting year compared with the previous year, declining from 12,353 to 11,878. This reduction is consistent with the ongoing organisational restructuring at TSN, which has been identified as a material impact affecting secure employment.

In the last reporting cycle, TSN expanded classification within its gender registration system. One employee was reported under the "X (Other)" category.

Table. Number of employees by gender

Employees by gender	2025/26	2024/25
	headcount	headcount
Male	10,554	10,972
Female	1,323	1,381
X (Other) ¹	1	-
Not reported	0	-
Total employees	11,878	12,353

¹ Note 1: The reporting of gender category X (Other) is currently subject to data availability limitations. Not all entities within TSN's scope currently have the capability to report this information, as such reporting is not yet feasible in all jurisdictions due to local regulations. TSN is in the process of enhancing its systems and processes to extend the entities coverage, in line with applicable local legal requirements.

Accounting policies for characteristics of the undertaking's employees

The number of employees by gender is reported using headcount as the measurement basis. Employees are defined as individuals who have an employment relationship with Tata Steel Nederland in accordance with national legislation. Gender is reported using the categories male, female and X (other). The gender option X is only recorded where this is legally registered in the employee's official passport. For countries where X is not applicable or possible, TSN provides the option to employees not to report on their gender.

When looking at the breakdown of employees per country, the largest group of employees is in the Netherlands. Overall, the decrease of employees in the other countries that TSN is operating in, is consistent with the ongoing organisational restructuring at TSN.

Table. Total number of employees by country

Employees by country	2025/26	2024/25
	headcount	headcount
Netherlands	9,957	10,348
Germany	615	631
France	502	524
USA	226	254
Belgium	183	185
Spain	141	148
Switzerland	120	124
Sweden	68	66
Other countries (<50 employees)	66	73

Accounting policies for total number of employees by country

The total number of employees by country is reported using headcount. Employees are allocated to a country, based on the country of their employment contract for countries in which the undertaking has 50 employees and that are the ten largest countries in terms of employee numbers. The reported figures include all permanent and temporary employees employed by Tata Steel Netherlands at the end of the reporting period. TSN does not employ non-guaranteed hours employees and therefore reports zero for this category.

The number of employees declined by 3.8%, the number of permanent employees declined by 3.5%, and the number of temporary employees declined by 11.2%.

This overall reduction is partly related to the reorganisation announced in 2025, which involves an adjustment of the organisational structure and workforce composition. In addition, the reduction in temporary contracts reflects the completion of project-based work and a lower need for flexible staffing during the year.

Table. Total number of permanent employees, temporary employees, by gender and non-guaranteed hours employees

Employee characteristics: by contract type and gender	2025/26	2024/25
Number of permanent employees	headcount	headcount
Male	10.128	10.497
Female	1.287	1.336
X (Other) ¹	1	0
Total	11.416	11.833
Number of temporary employees	headcount	headcount
Male	426	475
Female	36	45
X (Other) ¹	0	0
Total	462	520
Number of non-guaranteed hours employees	headcount	headcount
Number of non-guaranteed hours employees	0	0
Total number of employees	11.878	12.353

¹ Note 1: The reporting of gender category X (Other) is currently subject to data availability limitations. Not all entities within TSN's scope currently have the capability to report this information, as such reporting is not yet feasible in all jurisdictions due to local regulations. TSN is in the process of enhancing its systems and processes to extend the entities coverage, in line with applicable local legal requirements.

Accounting policies for total number of permanent employees, temporary employees, by gender and non-guaranteed hours employees

Employee contract types are reported using headcount and classified as permanent or temporary in accordance with TSN's HR definitions. Non-guaranteed hours employees are included as a separate category. Data is measured as at the end of the reporting period.

During the reporting period, TSN recorded an employee turnover rate of 11%, compared with 8.4% in the previous year. Ongoing restructuring has created job instability, which negatively influenced employee morale and retention. At the same time, TSN's continued efforts to reskill employees for the green transition, help support longterm employability and provide clearer development pathways for impacted employees.

Table. Employee turnover

Employee turnover	2025/26	2024/25
	%	%
Rate of employee turnover	11.04%	8.44%

Accounting policies for employee turnover

Employee turnover represents the number of employees leaving TSN during the reporting period divided by the average employee headcount. The average headcount is calculated as the mean of the employee headcount at the first and last month end of the reporting year. Employee numbers are reported using headcount. Turnover data are derived from internal HR systems and relate to permanent and temporary employees only.

Characteristics of non-employees in the undertaking's own workforce metrics

In 2025/26, the total number of non-employees within TSN's workforce was 861.

The definition of 'non-employees' was updated to include students and interns and formally documented. The total number of non-employees for the prior year has been revised for comparability due to updated calculation methodology.

Table. Non-employees in the own workforce

Non-employees in the own workforce	2025/26	2024/25 ¹
	headcount	headcount
Total number of non-employees	882	861

1 Note 1: The definition of 'non-employees' was updated to include students and interns and formally documented. The total number of non-employees for the prior year has been revised for comparability due to updated calculation methodology.

Accounting policies for non-employees in the undertaking's own workforce

Non-employees are defined in accordance with ESRS S1 as individuals supplying labour to TSN without an employment contract, including self-employed contractors and workers provided by employment agencies (NACE code N78). Only non-employees performing TSN's primary activities and operating under TSN's operational control are included. Data are reported using headcount where available and are based on internal administrative sources and invoicing data. Interns and contractors performing non-core activities are excluded from own workforce and reported under ESRS S2 where applicable.

Collective bargaining coverage metrics

In the reporting period, 92.9% of the TSN Group's workforce was covered by collective bargaining agreements, reflecting a 3% decrease in employee participation in collective bargaining processes compared to the previous year. Comparative data on collective bargaining coverage for the previous reporting period has not been included. Following a change in the underlying methodology, 2024/25 data revision is not practicable. As a result, the data is not comparable and has therefore been omitted.

Table. Collective bargaining coverage

Collective bargaining coverage	2025/26 ¹	
Coverage rate ²	Employees – EEA ³	Employees – Non EEA
0-19%		
20-39%	DE ⁴	
40-59%		CH
60-79%	BE	USA
80-100%	NL, FR, ESP, SE	
		%
Overall Collective Bargaining coverage		92.90%

1 Note 1: Comparative data on collective bargaining coverage for the previous reporting period has not been included. Following a change in the underlying methodology, 2024/25 data revision is not practicable. As a result, the data is not comparable and has therefore been omitted.

2 Note 2: Hille & Muller GmbH has been excluded from the reporting scope due to the absence of underlying data.

3 Note 3: EEA states for European Economic Area.

4 Note 4: DE-Germany, BE-Belgium, NL-Netherlands, FR-France, ESP-Spain, SE-Sweden, USA-United States of America, CH-Switzerland

Accounting policies for collective bargaining coverage and social dialogue

Collective bargaining coverage is determined based on the applicability of collective labour agreements to TSN employees during the reporting period. Coverage is calculated as the proportion of employees covered by collective bargaining agreements relative to the total employee population. Workplace representation reflects formal employee representation bodies established in accordance with national legislation and internal governance arrangements. Data reflect the situation at the end of the reporting period.

Diversity metrics

In 2025/26, the gender distribution at top management level shifted compared to previous years. The number of female leaders decreased from 9 (28%) in 2024/25 to 7 (16%) in 2025/26, while the number of male leaders increased from 23 (72%) to 37 (84%). The increase in the size of top management in the previous year is mainly due to organisational restructuring, which resulted in a higher number of direct reports to the Board of Management.

TSN recognises and takes seriously the significant decrease in female representation at top management level in 2025/26, which does not reflect our long-term ambition for a balanced and inclusive leadership team. The decline is primarily the result of the major reorganisation announced in 2025, combined with the revised definition of top management roles within the calculation methodology. This has had a disproportionate impact on gender diversity.

Our corrective actions include implementing the Diversity & Inclusion Policy to ensure that future organisational changes, including leadership restructuring, systematically consider and support gender diversity outcomes.

Top management and the Board of Management acknowledge this outcome and their responsibility to address it. Gender diversity in leadership remains a strategic priority for TSN and a key enabler of effective decision-making, long-term performance and organisational resilience.

Table. Gender distribution in number and percentage at top management level

Diversity metrics	2025/26		2024/25	
Gender	headcount	%	headcount	%
Male	37	84%	23	72%
Female	7	16%	9	28%
Total number of employees in top management	44		32	

Accounting policies for diversity metrics

Top management is defined in accordance with TSN's internal governance structure. TSN's top management consists of the executives who are responsible for making strategic decisions and setting the direction of the organisation. It includes the Board of Directors (N) and the management layer N-1 that have a leadership role. Gender distribution at top management level is reported using headcount and presented in absolute numbers and percentages. Gender categories applied are male and female for the current reporting year. Percentages are calculated by dividing the number of individuals in each gender category by the total number of top management employees at the end of the reporting period.

Training and skills development metrics

The disclosure of training and skills development metrics will be implemented in accordance with the phased-in options provided.

Health and safety metrics

In 2025/26, 100% of TSN's own workforce were covered by the company's health and safety management system¹.

In 2025/26, there were 0 fatalities from work-related injuries among TSN's own workforce and other workers present on TSN sites. During the same period, 0 fatalities from work-related ill health were reported among TSN employees. The number of recordable work-related accidents involving TSN employees was 119 cases, with a corresponding accident rate of 6.69. In 2025/26, the total number of days lost as a result of recordable work-related accidents among TSN employees was 850 days.

¹ Sales offices are excluded from the calculation of coverage of TSN's own workforce by its health and safety management system, due to the absence of substantiated health and safety training. This group represents approximately 0.5% of the employee headcount.

Health and safety performance in the reporting year was influenced by a significant increase in operational activity compared to the prior year, following the recommissioning of major production assets. The increase in operational activity resulted in higher total hours worked across operations, which should be taken into account when interpreting year-on-year movements in health and safety metrics.

In 2025/26, both the number and rate of recordable work-related accidents decreased slightly, while lost days declined significantly by 48% compared to the previous reporting period due to reduction in severity of the LTIs, resulting in fewer and shorter absence periods compared to the prior period.

Performance is assessed against TSN's health and safety targets, including the ambition of zero fatalities and a continued reduction in recordable work-related accidents. During the reporting year, TSN continued to strengthen preventive measures and safety culture initiatives, supporting progress toward these targets despite increased operational intensity.

Table. Health and safety metrics

Health and safety metrics	2025/26	2024/25
Coverage of health and safety management system	%	%
Percentage of people in its own workforce covered by the TSN's health and safety management system ¹	100%	100%
Number of fatalities	number	number
From recordable work-related accidents (Own workforce and Value chain workers working on site incl. contractors)	0	0
From recordable work-related ill health among its current employees	0	0
Recordable work-related accidents	number	number
Number of recordable work-related accidents	119	128
	accidents per Mh worked	accidents per Mh worked
Rate of recordable work-related accidents	6.69	6.79
Lost days	days	days
Number of days by own workforce due to work-related injuries and recordable work-related accidents	850	1647

¹ Note 1: Sales offices are excluded from the calculation of coverage of TSN's own workforce by its health and safety management system, due to the absence of substantiated health and safety training. This group represents approximately 0.5% of the employee headcount.

Accounting policies for health and safety metrics

Health and safety metrics are reported for TSN's own workforce. In addition, work-related fatalities of other workers present on TSN sites are included where these occur under TSN's operational control. Data are collected through TSN's internal health and safety reporting systems, aligned with the ISO 45001 based Health & Safety Management System, and reported on a gross basis for the reporting period.

Recordable work-related accidents include all work-related injuries and recordable incident criteria; accident rates are calculated using total hours worked.

Lost days represent the total number of calendar days lost due to recordable work-related accidents.

Fatalities due to work-related ill health are included only for current TSN employees. TSN has implemented formal procedures to identify, investigate and record such cases, including an evaluation to substantiate that the fatality is linked to illness caused by exposure to work-related health risks.

Remuneration metrics

This year, TSN introduced two new metrics calculated based on ESRS guidance: the gender pay gap and the annual total remuneration ratio. In 2025/26, the gender pay gap among TSN employees was -5.12%. The gender pay gap is slightly more favourable for women. This is explained by the relatively higher representation of women in managerial roles, which carry higher average remuneration within a predominantly male operational workforce.

Table. Gender pay gap

Remuneration metrics	2025/26
Gender pay gap ¹	-5.12%

¹ Note 1: Metric scope covers approximately 88% of the total employee headcount. TSN is implementing measures to improve data availability and expand coverage in the next reporting period.

Accounting policies for gender pay gap

The gender pay gap reflects the relative difference in average remuneration between male and female employees. The calculation is based on gross remuneration data derived from TSN payroll systems and relates to employees in scope during the reporting period. The disclosed metric currently covers approximately 88% of the total employee headcount. TSN is implementing measures to improve data availability and expand coverage in the next reporting period.

In 2025/26, the annual total remuneration ratio between the highest-paid individual and the median employee at TSN was 8.16. At TSN, the highest paid individual is the CEO, who earned 8.16 times the annual remuneration of the median employee, reflecting differences in role, responsibility and market-based compensation levels within the organisation.

Table. Annual total remuneration ratio

Remuneration metrics	2025/26
Annual total remuneration ratio ¹	8.16

¹ Note 1: Metric scope covers approximately 88% of the total employee headcount. TSN is implementing measures to improve data availability and expand coverage in the next reporting period.

Accounting policies for annual total remuneration ratio

Remuneration data are reported for TSN employees. Reported figures are derived from payroll systems and include salaries and wages, shift premiums, allowances and year-end bonuses. Certain remuneration components, such as company cars, shares and other non-cash benefits, are currently not included due to the phased implementation of remuneration reporting within TSN. Data relate to the reporting period and are presented on a gross basis. The disclosed metric currently covers approximately 88% of the total employee headcount. TSN is implementing measures to improve data availability and expand coverage in the next reporting period.

Incidents of discrimination and other human rights incidents metrics

This year, TSN expanded its disclosures to include three additional metrics calculated based on ESRS guidance: the number of incidents of discrimination, human-rights related incidents connected to its own workforce and related fines, penalties and compensations. In 2025/26, TSN recorded 25 incidents of discrimination (including harassment) and no human rights incidents within its own workforce. No fines, penalties or compensation were incurred.

The reported number represents the total number of formally registered incidents of discrimination and other human-rights related incidents involving TSN's own workforce during the reporting year, as recorded through TSN's internal reporting and grievance mechanisms. TSN includes complaints that are raised as an undesirable forms of conduct including, discrimination, intimidation, aggression and violence or bullying.

Table. Number of incidents of discrimination (incl. harassment) at work and the number of human rights incidents connected to its own workforce

Incidents of discrimination and other human rights incidents	2025/26
	number
Number of incidents of discrimination (incl. harassment) at work	25
Number of human rights incidents connected to its own workforce	0
	€m
Total amount of fines, penalties and compensation for damages for the incidents above	0

Accounting policies for incidents of discrimination and other human rights incidents

Incidents of discrimination, including harassment, and other human rights incidents are recorded through TSN's formal grievance and reporting mechanisms. Aligned with TSN's reporting policies, reporting figures include cases of discrimination, intimidation, aggression or bullying and undesirable forms of conduct.

Reported incidents of discrimination at work include cases of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination, including harassment, reported in the reporting period.

Reported figures include substantiated and partially substantiated cases involving TSN's own workforce that were identified during the reporting period. The figure includes all cases that were formally raised and logged during the reporting period and does not in itself indicate the outcome or substantiation of individual cases. Reoccurring cases are counted as separate incidents if registered as distinct cases. Workers in the value chain (such as contractors) are out of scope except for when a contractor is indistinguishable from an employee (as they were using uniforms and acting on behalf of TSN).

Responsible value chain

Why it matters

TSN's steel production relies on a global value chain, with mining and raw material sourcing as the upstream starting point.

Key objectives

The double materiality assessment identified four impacts and one risk relating to working conditions and health and safety of workers and human rights of affected communities in the upstream value chain.

During the reporting year, TSN focused its due diligence efforts on upstream segments with elevated inherent risk profiles, using a priority materials list to prioritise engagement.

TSN is currently developing a standalone Human Rights Policy and meanwhile continued to apply its Responsible Supply Chain Policy as the basis for supplier expectations and risk-based due diligence.

Engagement with suppliers, sector initiatives and multi-stakeholder platforms supported the identification of systemic risks and informed policy development.

Looking ahead, TSN's priority is to further strengthen due diligence implementation, supplier engagement and grievance mechanisms before introducing outcome-oriented targets.



TSN applies a combined stakeholder approach in the upstream value chain and therefore integrates the Responsible Value Chain chapter with the workers in the value chain and affected communities disclosures.

[Affected communities](#) located near the TSN operations are covered in a separate chapter, given the materiality of local impacts.

Table. Summary of IROs, policies, key actions, metrics and targets related to value chain workers and affected communities in the value chain

Impacts, risks and opportunities	Category	Policies	Actions	Metrics	Targets
Working conditions: Foreseeable inadequate working conditions in TSN's value chain, such as low wages, insecure employment, working time, and limited social protection may negatively affect workers' wellbeing, may lead to reduced life quality and health-related impacts.	Actual, Negative impact	Human Rights policy	<ul style="list-style-type: none"> Engage further in sector-wide initiative (Metal Agreement 2.0) Strengthening due diligence implementation across the supply chain 	TSN will assess the option developing entity-specific metrics.	No targets have been set for the current reporting period
Child labour and forced labour: The presence of child and forced labour risks in artisanal mining and small-scale mining may lead to serious physical and psychological harm for affected individuals, undermining human rights and social wellbeing.	Actual, Negative impact				
Human rights in the value chain: Legal and reputational risk due to potential human, civil, and political rights violations among value chain workers, which may lead to public scrutiny, legal liabilities, and disruption of operations.	Risk				
Human rights of value chain communities: Insufficient consideration of community wellbeing in parts of TSN's value chain, such as environmentally unsafe conditions, lack of land rights, and lack of social contribution may contribute to social disempowerment, increased distrust, and potential escalation of social tensions.	Actual, Negative impact				
Health and safety: Inadequately enforced health and safety standards in parts of TSN's value chain may increase the risk of workplace accidents and health impacts, potentially affecting workers' wellbeing.	Actual, Negative impact		<ul style="list-style-type: none"> See actions on on-site safety initiatives 		

Mining forms the initial stage of our steel production value chain, as the manufacturing high-quality steel requires a wide range of raw materials. To focus our due diligence efforts, TSN has developed a list of priority materials based on an assessment of upstream segments where environmental and human rights risks may be more pronounced. This assessment also considers where TSN has an established business relationship and potential leverage to engage with and influence value chain participants.

Based on this approach, TSN has identified sixteen materials to be prioritised: iron ore, pellets and sinter feed; coking coal, PCI coal and anthracite; manganese, chromium, nickel, molybdenum and vanadium; and zinc, tin, aluminium and copper. These materials are characterised by inherently elevated risk profiles linked to their extraction and processing, rather than by identified incidents in TSN's value chain.

The extraction of these materials can potentially impact on working and living conditions for workers and communities. At TSN, we prioritize safeguarding the well-being of workers and residents in surrounding areas within the upstream value chain by identifying priority materials and regions and collaborating with partners.

A world map displays the regions of origin for selected priority materials, highlighted in blue. The input data is sourced from our list of minerals.

Priority materials and sourcing overview

TSN IJmuiden FY26



The table below provides an overview of **priority materials** used at the IJmuiden site, together with typical sourcing countries. This information is intended to support CSRD reporting.

#	Material
1	Iron ore
2	Coking coal
3	PCI coal
4	Limestone/Lime
5	Manganese
6	Nickel
7	Chromium (ferrochrome)
8	Molybdenum
9	Vanadium
10	Niobium
11	Zinc
12	Tin
13	Aluminium
14	Copper
15	Cobalt
16	Scrap (ferrous)

This overview provides country-data of where TSN **key materials** are sourced in FY26. The listed countries reflect common sourcing regions but may change over time due to market conditions, supplier choices, and contracts. In some cases, materials are purchased through traders, which can limit full visibility of the original source (Tier 1-approach).

The **information supports a risk-based approach to supply chain due diligence in line with CSRD, ESRS, and OECD guidance**, and should not be seen as a complete or exact mapping of all supply chains.

For reporting purposes, the data will be presented in an **aggregated format** (e.g., a world map) to show overall sourcing exposure rather than precise traceability.

Impact, risk and opportunity management

Current financial effects

TSN has assessed the current financial effects of its material risk related to human rights violations in the value chain. No instances of non-compliance or violations of human, civil, or political rights among value chain workers that would impact TSN's financial position were identified during the reporting year. For incidents identified in the value chain, refer to the conflict mineral section (ITSCI Program).

Responsible value chain policies

TSN has a set of policies forming the foundation of its due diligence approach for improving working and living conditions in the value chain. The policies for our upstream value chain activities are the Human rights policy and the Responsible Supply Chain policy. We are using a risk-based approach for due diligence process implementation, where we engage closely with critical suppliers and support continuous improvement as part of our ongoing due diligence.

Table. Policies related to value chain workers and affected communities in the value chain

Human Rights policy

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> Developed to set out TSN's commitment to respecting human rights and applying due diligence across operations and value chain. Introduction in 2026. 	<ul style="list-style-type: none"> Policy manages negative impacts related to human rights Commitments: respect human rights across our sites, local communities, supply chain and broader value chain; apply risk-based due diligence; prevent/mitigate/address impacts; support remedy when TSN causes or contributes. References international laws, standards and frameworks (e.g., ILO conventions, UNGPs, OECD Guidelines, EU CSRD/CSDDD) 	<ul style="list-style-type: none"> The policy applies to all individuals working for/on behalf of TSN (workforce, contractors, etc.) and sets expectations for TSN's value chain (business partners and other relevant third parties) Affected stakeholders: workforce, value chain workers, affected communities. Scope: all TSN operational locations and value chain provided to meet local national laws and regulations

Responsible Supply Chain Policy

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> Developed to ensure responsible and sustainable business practices across Tata Steel's upstream value chain. Planned to be updated in 2026. 	<ul style="list-style-type: none"> Five sustainability principles for supply chain partners: Fair Business Practices, Environmental Protection, Health & Safety, Human Rights, Local Community Development. Human rights content includes non-discrimination, anti-harassment, child & forced labor prohibition, working hours, wages/benefits, freedom of association. 	<ul style="list-style-type: none"> The policy sets expectations for TSN's value chain (business partners and other relevant third parties) Scope: Global supply chain, including high-risk areas

Human Rights policy

TSN is in the process of finalising a standalone Human Rights Policy, which is intended to set out TSN's commitment to respecting human rights throughout our value chain, including our own workforce, workers in the value chain and affected communities, in line with the UN Guiding Principles on Business and Human Rights, relevant ILO conventions and applicable laws. Through the policy, we will integrate human rights into operations through a risk-based approach to identify, prevent, and address adverse impacts. Our policy will cover issues such as prohibiting child labour, forced labour, human trafficking, non-discrimination, freedom of association, fair working conditions, and safe workplaces. For our full commitment, we want to continue to consider interests and concerns of affected worker groups and affected communities when updating and applying the policy.

Our Human Rights Policy will be aligned with international standards addressing child labour, forced or compulsory labour, and human trafficking.

Responsible Supply Chain Policy

TSN is in the process of updating its Responsible Supply Chain Policy, which outlines expectations to our suppliers and encourages our supply chain partners to share the same commitment. We expect partners to demonstrate integrity, comply with laws and not to engage in fraud, bribery and other unethical practices. They are encouraged to reduce environmental impacts, provide safe and healthy working conditions, and uphold fundamental human rights.

Our Responsible Supply Chain Policy, supported by its implementation guidelines, will serve as TSN's Supplier Code of Conduct. It specifies behaviour expected from all supply chain partners and clarifies that compliance with these requirements is a prerequisite for doing business with TSN.

Occupational Health and Safety

We differentiate between occupational safety requirements within our own operations and expectations for our upstream partners, while maintaining a consistent commitment to protecting people throughout the value chain.

In the upstream value chain, occupational health and safety expectations are embedded in the Responsible Supply Chain Policy and the Human Rights Policy. These documents define the standards we expect suppliers to uphold and form part of our broader responsible supply chain approach. As part of this process, TSN requests information about ISO 45001 certification when sending out questionnaires to selected suppliers.

Engagement with value chain workers and affected communities

TSN aims to build meaningful engagement with value chain workers and affected communities to strengthen our due diligence process. We engage both directly and indirectly through suppliers and sector initiatives. TSN continuously updates its Stakeholder Engagement framework to identify relevant stakeholders or their representatives and appropriate channels. Like our policy implementation, our engagement strategy is risk-based, focusing on suppliers, regions and activities where impacts on workers and communities are more likely to occur.

- For direct engagement, we interact with Tier 1 suppliers through procurement processes, including the implementation of our Responsible Supply Chain Policy and targeted questionnaires to the providers of the priority material.
- Engagement with legitimate representatives, such as trade unions, or credible proxies is supported through participation in the sector-wide multi-stakeholder initiative, the Dutch Metals Agreement. The platform enables dialogue on systemic risks, including occupational health and safety and labour rights, while supporting shared learning across the value chain,

TSN's engagement incorporates viewpoints from value chain workers and impacted communities, primarily through the Metal Agreement. Insights gathered this year have contributed to policy development, updates, and the identification of key areas to enhance due diligence processes.

Channels for raising concerns and grievance mechanisms

Value chain workers and affected communities can raise concerns regarding human rights or working conditions through several channels. These channels include direct written communication to our dedicated grievance line and incident tracking channel, or through supplier meetings. Issues may be reported without fear of retaliation. All reports are handled in line with EU and national whistleblower protection requirements.

Indirect channels that reach TSN are our multi-stakeholder initiatives, that gather information shared by unions or worker representatives directly in the value chain. These channels provide valuable input, but we acknowledge the need for an effective grievance mechanism to raise concerns, anonymously, directly with TSN.

As part of our continuous improvement efforts to strengthen our due diligence-process, TSN has identified the establishment of a more robust grievance mechanism for workers in the value chain and affected communities as a key priority. We are developing internationally aligned channels that ensure workers and community members can safely raise concerns and have them addressed in a timely and appropriate manner.

To support this, TSN is introducing an effectiveness assessment covering all current and future reporting channels. This assessment is based on the criteria outlined in UN Guiding Principle 31, including legitimacy, accessibility, predictability, equity, transparency, rights compatibility, and a commitment to continuous learning.

Approaches to remediation

When TSN has caused or contributed to material negative impacts on workers or communities in the value chain, we will work collaboratively with suppliers and relevant stakeholders to provide or cooperate in supporting appropriate remediation. As we strengthen our grievance channels and due diligence system, we are further developing a clearer and more consistent remediation process to ensure it is accessible, timely, and effective.

TSN is committed to transparently reporting on progress as this work advances.

Responsible value chain actions

Our actions target the material topics of working and living conditions, Occupational Health and Safety and labour-related human rights.

Details of occupational safety measures for direct suppliers that are working on TSN's premises are explained in safety-related actions.

TSN has concluded that no significant financial resources have been or are expected to be allocated to the implementation of its actions.

Participation in sector-wide initiative

Through the Metals Sector Agreement 2.0, TSN participates in the Andes Mission, a multi-stakeholder initiative led by CNV Internationaal to improve labour conditions in mining regions in Bolivia and Peru. The programme supports worker-centred monitoring of occupational health and safety risks, engages directly with unions and local stakeholders, and provides insights into labour rights issues such as accidents, exposure to hazardous substances and other systemic risks in the metal supply chain. The initiative helps TSN strengthen its due diligence and visibility regarding upstream working conditions by providing structured assessments and data-driven occupational health and safety insights.

TSN uses tools and collaboration, established through the Metals Agreement to strengthen upstream labour risk identification, prioritisation and follow-up actions in high-risk supply chains.

Through the IRBC Agreement for the Metal Sector, we expanded our collaboration on the ground with the Andes Mission to contribute to fair working conditions monitoring. This engagement enables dialogue with workers, unions and local stakeholders and helps us with tracking working conditions. Activities include enhanced Occupational Health and Safety (OHS) dashboards and collaboration with unions to better understand working conditions and risk patterns of the industry.

Strengthening due diligence implementation across the supply chain

During the reporting year, we directed our due diligence implementation efforts to close previously identified gaps. While some risk considerations are integrated into existing practices, a systematic risk assessment and risk mitigation approach is not yet applied across supplier categories. TSN wants to strengthen and iterate the supplier due diligence framework to proactively manage human rights and environmental risks. To this end, TSN decided to establish a dedicated approach to strengthening the integration of responsible sourcing practices into supplier management. TSN's supplier due diligence process begins with vendor qualification for new suppliers, followed by risk-based enhanced assessments for priority material suppliers. We aim to expand our supplier questionnaires and apply risk mitigation measures, such as monitoring and active engagement, to act according to our policies objectives.

Sourcing tin from Conflict-Affected and High-Risk Areas

Tin is used in TSN's tinplate coating processes and is classified under the Regulation related to the sourcing of minerals from CAHRA, as its extraction in certain regions may be associated with armed conflict and human rights abuses. TSN has chosen to source tin from Conflict-Affected and High-Risk Areas (CAHRAs) in the African Great Lakes region and imports quantities above the EU threshold, ensuring compliance with Regulation (EU) 2017/821 and alignment with the OECD due diligence framework. We do not import tantalum, tungsten, or gold in quantities exceeding the reporting thresholds.



To ensure transparency and compliance, we use the Conflict Minerals Reporting Template (CMRT), developed by the Responsible Minerals Initiative (RMI), to disclose the origin of our materials and the smelters in our supply chain.

As part of TSN's due diligence commitments on tin, we source from Conflict-Affected and High-Risk Areas (CAHRAs) to support economic development and social improvement in these regions, while participating in the 'International Tin Supply Chain Initiative' (ITSCI) to ensure responsible sourcing practices. We maintain close collaboration with ITSCI, a traceability and due diligence programme operating in the African Great Lakes region, covering approximately 3,000 mines and supporting companies in meeting their due diligence obligations. Its primary focus is on establishing traceability from mine to smelter, addressing human rights and other abuses and preventing conflict financing, aiming to avoid harmful blanket disengagement from the Great Lakes Region. Through a robust grievance and risk management mechanism, ITSCI identifies and monitors incidents and, where feasible, facilitates their resolution. Our partnership with ITSCI enables us to stay informed about the overall security situation in ITSCI-monitored countries, mining activities and trends, and incidents at mine sites and along the supply chain, and to support ad hoc remediation and preventive measures for workers and affected communities. (Status Report - Public - ITSCI).

Metrics and targets

At present, TSN has not established measurable, timebound or outcome-oriented targets to manage negative impacts for workers and affected communities in the value chain. Our focus for the upcoming year remains on strengthening our due diligence processes. Details on tracking the effectiveness of our policies and measures are explained in the previous sections.

Affected communities in the IJmond region

Why it matters

TSN's IJmuiden site is located close to residential areas in the municipalities of Velsen, Beverwijk and Heemskerk, making impacts on neighbouring communities a material topic.

Key objectives

The double materiality assessment identified impacts related to community concerns over noise, dust and odour, and a potential positive impact related to green job creation.

During the reporting year, TSN implemented concrete noise-reduction measures, including the installation of three silencers at the steel plant, upgrades to safety alarms and train

alarm bells, restrictions on nighttime activities, and the placement of sound meters on cranes involved in scrap handling¹.

TSN also continued to operate and use formal grievance channels, including a community information desk in Wijk aan Zee, a hotline, an online complaint form, and the handling of complaints submitted via the environmental regulator.

Engagement with affected communities continued through regular meetings with local authorities, participation in neighbourhood forums, site visits, and monthly sentiment surveys in Wijk aan Zee.

In addition, TSN signed a Joint Letter of Intent with the Dutch State and continued work on the Green Steel Project, which frames further mitigating odour hindrance and noise reductions relevant to the IJmond region.



¹ Additional dust and odour reduction related measures are described in the [Pollution](#) chapter.

Table. Summary of IROs, policies, key actions, metrics and targets related to affected communities in the IJmond region

Impacts, risks and opportunities	Category	Key Policies	Key Actions	Key Metrics	Key Targets
<p>Affected communities in the IJmond region: Industrial activities at TSN's IJmuiden site involve noise, dust and odour, which are factors considered in relation to the health and wellbeing of surrounding communities in the IJmond region.</p>	Actual, Negative impact	Human Rights Policy	<ul style="list-style-type: none"> ■ Installation of three silencers at steel plant ■ Upgrades to safety alarms and train alarm bells ■ Noise reduced DRP-EAF design (replacing BF7 and CGP2) ■ Installation of noise-monitoring systems ■ Construction of a sound enclosure ■ Reduction in nighttime activities <p>Further information on dust and odour mitigation efforts is provided in the Pollution chapter.</p>	TSN will assess the option developing entity-specific metrics.	No targets have been set for the current reporting period.
<p>Green job creation: TSN is potentially directly and indirectly creating a significant number of jobs in the emerging green energy industries, while fostering innovation through research and development partnerships with universities, startups, and other stakeholders.</p>	Potential, positive impact	TSN will assess the potential positive impact to develop a management approach			

The TSN IJmuiden site has been in operation for more than a century and is located in the municipalities of Velsen, Beverwijk and Heemskerk. All these municipalities include residential areas that are adjacent to or in close proximity of the IJmuiden site of TSN, such as Velsen-Noord (part of Velsen municipality) and Wijk aan Zee (part of Beverwijk municipality). We will refer to the residents of these areas as 'our neighbours' or 'neighbouring communities'. TSN's IJmond site employs approximately 9200 people in the reporting year, giving us a significant socio-economic role as one of the largest employers in the region. At the same time, we recognise that our operations generate emissions — including dust, noise and odour — that have been an ongoing source of grievance for our neighbours. In recent years, TSN has been subject to heightened scrutiny regarding emissions originating from the IJmuiden site. This includes the Frisse Wind legal proceedings, which are described in the [Litigation](#) section of the Annual Report. Our neighbours expect us to reduce these impacts, and we acknowledge concerns expressed by residents, municipal and national government, the media and non-profit organisations.

Local communities may expect TSN to take appropriate steps to address concerns. Alongside open and respectful engagement with our neighbours, we use complaints as an important additional source of insight to ensure concerns are understood and translated into improvement actions.

How we deal with this is reflected in the measures that TSN has already established and supports, including the Joint Letter of Intent (JLoI), which reaffirms our dedication to lowering emissions, addressing health concerns, and improving transparency on dust, noise, and odour. Fundamentally, TSN's Green Steel Project, aims to substantially reduce dust, odour, noise, NOx and CO₂ emissions, protect local biodiversity, directly supporting the community's call for a better living environment. Further information on the Green Steel Project is provided in the [Climate change](#) chapter.

Impact, risk and opportunity management

Affected communities in the IJmond region policies

TSN's approach to affected communities is set by a group-wide ethics and sustainability framework comprising: the TSN Code of Conduct and TSN's Pollution Control Policy. This framework will be supported by integration of TSN's Human Rights policy. Policies state our commitments to engage stakeholders and to respect human rights across operations and the value chain.

Human Rights policy

TSN is currently developing a Human Rights Policy, which sets out its commitment to respect human rights across our sites, supply chain, local communities and broader value chain, in line with the UN's Guiding Principles, relevant ILO conventions and applicable laws. The policy recognises that human rights impacts may arise in communities connected to TSN's activities and informs expectations for TSN's own operations, as well as for its supply chain and broader value chain. Further information on the responsible value chain approach is provided in the [Responsible value chain](#) chapter.

TSN's Human Rights Policy aims to apply to all TSN sites and to individuals and communities connected to TSN's activities, including the IJmond region. The policy explicitly recognises concerns raised in the IJmond region and states a commitment to addressing such concerns transparently and responsibly.

In setting the policy, TSN recognises the importance of engaging with affected stakeholders, including communities, to understand concerns and manage impacts related to its activities. TSN also ensures that stakeholder insights inform human rights risk assessments and follow-up actions, and specifically consider concerns raised by communities in operational locations, including the IJmond region.

Steelmaking is an energy-intensive activity that inherently results in emissions to air, water and soil which causes concerns over the health, wellbeing and living environment in communities surrounding TSN's operations, particularly in the IJmond region. TSN recognises pollution as a key issue for affected communities and requires robust prevention, control and response measures. Further information on pollution-related impacts and risks and mitigation efforts is provided in the [Pollution](#) chapter.

Engagement with affected communities, existence of channels for affected communities to raise concerns or needs and approaches to remedy

During 2025/26, TSN continued to engage proactively and transparently with affected communities.

TSN maintains structured engagement processes with local residents, authorities, experts and civil society organisations through formal consultation mechanisms embedded in TSN's stakeholder engagement framework. Communities in the IJmond region express their concerns around health, and TSN accepts the reality of these concerns. We use a diverse set of community-oriented engagement channels, including:

- Regular meetings with local authorities, offering recurring dialogue with the mayors, aldermen, and council members to discuss environmental and climate-related developments
- Participation in consultations with the Dorpsraad Wijk aan Zee (Village Council), providing a direct interface with representatives of the Wijk aan Zee community
- Consultations with the Burentafel ("Neighbour Table"), held at least quarterly, enabling structured discussions with neighbourhood councils from the broader IJmond region
- Monthly "Bewonerspanel Wijk aan Zee" sentiment survey, gathering monthly insights into community perceptions, particularly regarding nuisance
- Community information desk in Wijk aan Zee, open three days a week for walk-in questions and direct dialogue with residents
- Site visit tours for our neighbours (Burentours)

TSN operates a formal multi-channel grievance mechanism designed to receive, register, investigate and respond to concerns about the various sources of nuisance from the IJmuiden site. This mechanism is managed by members of our HSSE Front Office, who have direct relationships with Operational Management who have oversight over the parts of the steel plant that may be causing impacts. TSN's primary grievance channels include:

- Online complaint form on the TSN website, where residents can submit dust, odour or noise complaints directly to TSN.
- Telephone hotline, which connects residents directly to the HSSE Front Office for incident reporting.
- Walk-in community information office in Wijk aan Zee, open three days a week, allowing residents to report grievances in person and receive information.
- Complaints submitted via the environmental regulator (OD NZKG) are treated as formal grievances.

All complaints are investigated promptly using operational and environmental measurement tools to identify sources accurately. Investigation methods include dust sampling with laboratory analysis, use of e-nose networks for odour (time/location matched to wind and sensor data), and correlation with operational logs. We notify OD NZKG of unusual incidents within 15 minutes, as required by permit conditions.

These processes allow TSN to reflect community complaints in operational and transition-related decisions. Escalation pathways between the HSSE front office, operations management teams and leadership ensure that recurring concern patterns feed directly into maintenance planning, operational conditions and priority setting. Some grievance-driven changes that we have implemented are microphones to warn crane drivers of the sound and we do not handle scrap material at night to prevent disturbance.

TSN's Green Steel Project, also reflects community expectations as the transition to cleaner steelmaking is expected to substantially reduce dust, noise, odour and emissions for the IJmond region. You can read more in detail about the Green Steel Project's pollution-related measures in the [Pollution](#) chapter.

Our neighbours expect the above-mentioned engagement channels to be accessible, predictable and responsive, and TSN accepts responsibility for ensuring their effectiveness. In an independent assessment, TSN's community grievance mechanisms were evaluated against the UN Guiding Principles' effectiveness criteria. This review included interviews with local community members, users of the mechanism, local organisations, local authorities, and officials across the IJmond.

Some highlighted areas of improvement are:

- Trust in TSN's grievance process is uneven across the community, partly driven by a perception that outcomes are not always visible and understood,
- Odour and noise complaints are submitted anonymously through the Environmental Agency, often without sufficient location-specific information to enable TSN to investigate effectively,
- Internal tracking of grievance outcomes and communication of actions can be made more consistent.

Key insights from this study directly shape our mitigation approach for the coming year and have guided our actions towards concerns mitigation, which are further elaborated on in the next section about Actions. As part of our response, TSN is planning to make its complaints process clearer and easier to follow and improve how it checks the effectiveness of its information desk, hotline and online reporting channels.

TSN acknowledges responsibility for remediating adverse impacts where our operations have caused or contributed to them. TSN's remedial actions are integrated into operational cycles and may include enhanced monitoring, operational adjustments or technical interventions, followed by transparent communication with affected individuals.

TSN encourages residents to report disturbances and remains confident in its ability to address these impacts while continuing its transition to cleaner steelmaking.

Affected communities in the IJmond region actions

TSN's material impact on the surrounding community is rooted in concerns related to noise, dust and odour. In response, TSN seeks to reduce these concerns at the source while ensuring open and consistent communication with the community. Recognising that our neighbours expect decisive action on environmental and health-related concerns, TSN accepts responsibility for remediating adverse impacts where our operations have contributed to them. Our preventive measures are integral to TSN's long-term strategy, supporting our transition towards lower CO₂ emissions, reduced pollution and increased circularity.

Table. Key current and future actions related to affected communities in the IJmond region

Key actions	Expected outcome	Scope and timeframe
Installation of three silencers at steel plant	Reducing peak noise	BOS Plant, IJmuiden site
Upgrades to safety alarms and train alarm bells	Reducing peak noise	Raw materials logistics and railway crossings, IJmuiden site
Noise reduced DRP-EAF design (replacing BF7 and CGP2)	Reducing peak noise	IJmuiden site Closure Coke and Gas Plant Closure Blast Furnace Part of Green Steel Project Phase 1
Installation of noise-monitoring systems	Identify and reduce sources of peak, low frequency, impulse and tonal noise	Critical locations around IJmuiden site (on and offsite) Part of Green Steel Project Phase 1
Construction of a sound enclosure	Targeted reduction of peak noise from scrapyard	Scrapyard 3 (SOP3), IJmuiden Part of Green Steel Project Phase 1
Reduction in nighttime activities	Lower noise exposure during sensitive nighttime periods	Critical locations around IJmuiden site (on and offsite) Ongoing

Key actions include engagement with affected communities around the IJmond region to raise awareness, gather feedback and involve residents in the Green Steel Project, an initiative which will lead to a decrease in emissions and local concerns related to dust, noise and odour. We also maintain a formal complaints procedure through the information desk, hotline and website form, after which grievances are investigated and mitigated as per measures described below.

As part of this approach, TSN engages proactively with local communities and stakeholders to support the Green Steel Project, which is expected to significantly reduce emissions and local concerns related to dust, noise and odour. Through information sessions, participation events and open days, TSN seeks to provide transparency on planned changes, for example permit approval for the DRP-EAF and its environmental programme.

Joint Letter of Intent (JLoI)

TSN has signed a Joint Letter of Intent (JLoI) with the Dutch State, in which addressing community health concerns is a key priority. As part of the JLoI, TSN has set the intent to reduce its annual emissions, including targeted reductions of immissions levels at Wijk aan Zee, sources of noise, mitigating odour hindrance as much as possible. Further information on JLoI and the Tailor-Made Agreement is provided in the [Joint Letter of Intent](#) chapter. For more information on our commitments related to pollution within the JLoI agreement please refer to the [Pollution](#) chapter.

Mitigation measures

Current mitigation actions focus on reducing concerns arising from operational processes. For details of our key actions to ensure dialogue and information provision, see the initiatives under our Roadmap plus programme as described in the [Pollution](#) chapter.

TSN continues to implement targeted noise-reduction measures to minimise disturbance for neighbouring communities. TSN has reduced nighttime activities as much as possible and together with our neighbours will install new noise-monitoring systems at critical locations to trace noise more accurately to its source.

In response to persistent concerns about materials-handling noise, TSN has placed sound meters on cranes involved in scrap handling, installed sound silencers at its steel factory, prohibited nighttime scrap handling. Targeted maintenance was carried out in instances where complaints had identified specific issues.

We use e-nose networks and third-party event analysis to match complaints with wind and sensor data, identifying sources and adjusting operations when needed. TSN is taking proactive measures to minimise odour and control dust levels in the surrounding area. For a high volume of complaints, or issues raised by external parties, TSN conducts laboratory analysis of dust samples and documents the findings in a formal report. Regardless of whether TSN is identified as the source, residents who submit complaints are offered clean-up services to resolve the dust-related concerns.

As part of the Roadmap plus programme, TSN has implemented measures like installing dust extraction systems at the pelletising plants, blast furnaces and steel plant and constructing windscreens around their raw material facilities. For more details on TSN's handling of odour- and dust-related pollution refer to the [Pollution](#) chapter.

Please also refer to the [Licence to Operate](#) section of the Management Report for a concise overview of TSN's actions in relation to noise and odour.

Stakeholder engagement framework

TSN is strengthening its due diligence processes by improving its grievance channels and procedures, including reviewing how effective grievance mechanisms work across the value chain. Building on the independent assessment of the IJmond grievance channels, TSN aims to enhance trust and improve how concerns from affected communities are handled.

At the same time TSN is establishing a systematic approach to engage with potentially affected stakeholders and to monitor the effectiveness of this engagement over time. Together, these steps reflect TSN's commitment to systematic, transparent, and responsive due diligence practices.

Effectiveness of these actions is currently tracked through resident sentiment analysis, periodic surveys and the evaluation of complaint trends. These insights inform operations decisions and the allocation of resources for community-focused investments.

TSN recognises the rights of neighbouring communities to health, safety and an environment free from undue disturbance, as reinforced in TSN's Human Rights Policy. While current community impacts relate primarily to concerns regarding dust, noise and odour rather than confirmed human rights violations, TSN has established clear processes to prevent, address and remediate these impacts.

Green job creation

TSN recognises that green job creation has emerged as a material topic. The transition to net zero steelmaking and participation in the green-energy value chain is expected to generate new employment opportunities, support capability development and stimulate innovation. Our neighbours expect economic contribution alongside environmental progress. TSN collaborates with universities, startups and other partners to support research and skill development and intends to prepare relevant actions and disclosures on this topic in future reporting cycles.

TSN supports positive impacts related to green job creation through its partnership with Techport, which connects industry, education and innovation in the IJmond region. By collaborating with educational institutions and industrial partners via Techport, TSN contributes to skills development and the preparation of a future-ready workforce that supports the transition towards a more sustainable industrial base.

TSN will undertake an investigation of the potential positive impact identified, with the aim of developing a management approach.

Resources allocated to actions

TSN allocates human, financial and technical resources to community related activities. Human resources include stakeholder engagement teams, operational specialists and environmental engineers. Financial resources support grievance handling systems, monitoring infrastructure and community programmes such as the Future Generations programme. Under this initiative, TSN applies a structured donation policy to support local initiatives that contribute positively to health and wellbeing, education and/or the environment. Donations are prioritised for initiatives that deliver the broadest and most sustainable impact on the region. Funding requests are reviewed on a quarterly basis by a Community Committee comprising TSN employees, former employees and external representatives. TSN also supports innovation and capability development through external partnerships.

The Group has concluded that no significant financial resources have been or are expected to be allocated to the implementation of its community-related actions. The future financial resources related to key actions under Green Steel Project Phase 1 are disclosed in the [Climate change](#) chapter.



Metrics and Targets

At this stage, TSN has not yet formalised measurable, time-bound, outcome-oriented qualitative or quantitative targets for affected communities in the IJmond region. We give priority to understanding community-related impacts, framing proposals and measures to be included in the Geen Steel Project Tailor-Made Agreement with the Dutch State, and to developing the data and indicators necessary to support the future setting of related targets.

TSN is focusing on strengthening its due diligence approach required for future target-setting. This includes improving the identification and assessment of actual and potential impacts on affected communities in the IJmond region. As due diligence approach matures, TSN intends to further assess the feasibility of defining targets related to affected communities that are risk-based, context-specific and aligned with international standards.

TSN continues to invest in established communication channels and community-facing initiatives to provide clear information on environmental performance and grievance handling in IJmond.

These ongoing actions underpin TSN's broader strategy to ensure that its operations not only reduce negative impacts but also deliver tangible benefits (e.g., the creation of green jobs) while maintaining an open dialogue with all stakeholders.

Governance

Business conduct

In a period marked by continued geopolitical uncertainty, accelerating regulatory developments, and the ongoing transformation of the steel industry, strong business conduct remains a cornerstone of Tata Steel Nederland’s resilience. Ethical behaviour, integrity and responsible conduct are fundamental to maintaining stakeholder trust and the company’s licence to operate.

Table. Summary of IROs, policies, key actions, metrics and targets related to business conduct

Impacts, risks and opportunities	Category	Policies	Key Actions	Metrics	Targets
Ethics and compliance: Potential gaps in legal compliance or ethical culture could, if they were to arise, affect the organisation’s handling of sustainability-related matters and stakeholder confidence.	Potential, Negative impact	Code of Conduct, Commercial Legal Compliance policy, Gifts & Hospitality policy, Confidential Reporting Policy, Anti-Fraud and Corruption Manual	ABC, Fraud and Conflicts of Interest framework update and implementation	TSN will assess the option developing entity-specific metrics.	No targets have been set for the current reporting period.
Ethics and compliance: Strong ethical corporate culture and legal compliance are a foundation for conduct, accountability, and adequate responses to environmental and social challenges. Breaches, misconduct, or non-compliance are material risk which can potentially lead to fines, legal liabilities, and erosion of stakeholder trust.	Risk	Code of Conduct, Commercial Legal Compliance policy, Gifts & Hospitality policy, Confidential Reporting Policy, Anti-Fraud and Corruption Manual	ABC, Fraud and Conflicts of Interest framework update and implementation		
Protection of whistle blowers: Inadequate protection for whistleblowers within TSN’s operations may discourage reporting of misconduct or unsafe practices, potentially leading to unresolved health and safety risks and undermining employee wellbeing and trust.	Potential, Negative impact	TSN Confidential Reporting Policy	Grievance channels		
Anti-corruption and bribery: Corruption and bribery risks in TSN’s value chain, particularly in high-risk sourcing regions of conflict minerals, may lead to unlawful environmental practices, such as illegal permitting and improper waste disposal, contributing to ecological degradation and undermining TSN’s ethical and sustainability commitments.	Potential, Negative impact	Code of Conduct, Commercial Legal Compliance policy, Gifts & Hospitality policy, Anti-Fraud and Corruption Manual	ABC, Fraud and Conflicts of Interest framework update and implementation	Metrics related to corruption or bribery	
Anti-corruption and bribery: Compliance with anti-corruption and anti-bribery laws is essential. Potential violations are a material risk which can lead to fines, legal proceedings, loss of customers or reputational damage.	Risk	Code of Conduct, Commercial Legal Compliance policy, Gifts & Hospitality policy, Anti-Fraud and Corruption Manual	ABC, Fraud and Conflicts of Interest framework update and implementation	Metrics related to corruption or bribery	
Political influence and lobbying activities: TSN’s interactions with government, politicians and the wider civil society can support the transition of TSIJ’s steel manufacturing site leading to significantly reduced environmental impact and helping advance industrial decarbonisation through creation of a green steel plant producing low-CO ₂ steel.	Potential, Positive impact	Code of Conduct, Commercial Legal Compliance policy, Gifts & Hospitality policy	<ul style="list-style-type: none"> ■ Transparent engagement with policymakers ■ Sector dialogue on transition topics ■ Monitoring legislative developments 	Metrics related to political influence, including lobbying activities	

Impact, risk and opportunity management

Current financial effects

Financial effects are reported in connection with material risks of unethical corporate culture, lack of legal compliance and corruption and bribery. No instances of non-compliance or violations relating to these risks were identified during the reporting year.

Business conduct policies

Tata Steel Nederland's policies on corporate culture and business ethics, anti-corruption and bribery set the framework for responsible business conduct and integrity across all operations.

Table. Policies related to business conduct

Code of Conduct

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> TSN developed a company-specific version of the Tata Code of Conduct to guide expected behaviour during TSN's transformation. 	<ul style="list-style-type: none"> Includes core values and principles (integrity, responsibility, etc.) and commitment to ethical conduct and compliance with law. Defines anti-bribery and anti-corruption principles. Implement conflicts of interest rules and approvals; integrity of information and assets; data privacy requirements. Promotes a speak-up culture and guarantees non-retaliation for reporting concerns. 	<ul style="list-style-type: none"> All Tata Steel employees, contractors, board members and third parties acting for or on behalf of TSN.

Confidential Reporting Policy (Whistleblower Policy)

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> TSN aims to enable reporting of suspected or actual wrongdoing without fear of reprisals, discrimination or disadvantage; encourages raising concerns internally rather than externally. 	<ul style="list-style-type: none"> Objectives include encouraging employees and third parties (suppliers/contractors) to report wrongdoing; explaining reporting methods; assuring non-retaliation; ensuring reports are handled professionally. Refer to whistleblower protection and disclosure laws. 	<ul style="list-style-type: none"> All Tata Steel employees, contractors, board members and third parties acting for or on behalf of TSN.

Gifts & Hospitality Policy

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> TSN wants employees to be careful when making business decisions. They need to make sure that any gifts or hospitality they give or receive are reasonable. This policy aims to provide information on how to comply. The policy is currently being updated. 	<ul style="list-style-type: none"> Defines clear rules for giving and receiving gifts and hospitality. Requires all gifts and hospitality to be appropriate, proportionate, and for a genuine business purpose, and not influence (or appear to influence) decisions. 	<ul style="list-style-type: none"> All Tata Steel employees, contractors, board members and third parties acting for or on behalf of TSN.

Group Anti-Fraud and Corruption Manual

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> Approved by Tata Steel Europe Board to support and embed Tata Code of Conduct principles and ensure highest ethical standards in 2011. The policy is currently being updated. 	<ul style="list-style-type: none"> Zero tolerance approach to corruption. Support of investigation of allegations ensuring concerns are taken seriously and handled properly. 	<ul style="list-style-type: none"> The policy was originally intended for all employees of Tata Steel Europe and its subsidiaries and is applicable to Tata Steel Nederland as the successor entity.

Commercial Legal Compliance Policy

Background	Key Content	Scope & key stakeholders
<ul style="list-style-type: none"> This policy explains TSN Group's commitment to doing business honestly, ethically, and with integrity. TSN will follow all relevant laws and regulations in every country where it operates. 	<ul style="list-style-type: none"> Employees must follow fair competition rules, including approval for trade association activities and comply with anti-corruption requirements by keeping accurate records, following internal controls, and logging gifts and hospitality. 	<ul style="list-style-type: none"> Applies to all employees at TSN and subsidiaries.

Code of Conduct

Tata Steel Nederland operates under the TSN Code of Conduct, which is based on the Tata Group Code of Conduct and supplemented with TSN-specific interpretations. The Code clearly articulates five fundamental values that underpin Tata Steel Nederland's approach to business conduct: integrity, pioneering, excellence, unity, and responsibility, which serve as guiding principles for ethical decision-making.

The Code sets expectations for ethical behaviour across TSN's operations and is supported by policies and procedures covering key risk areas, such as conflicts of interest, gifts & hospitality, anti-bribery and corruption, anti-money laundering, anti-fraud, anti-trust, data protection, trade sanctions, export controls, information security, ESG and human rights. It also defines obligations for interactions with colleagues, customers, suppliers, financial stakeholders and governments, reinforcing transparency, fairness and professionalism.

TSN Confidential Reporting Policy (Whistleblower Policy)

TSN encourages employees and stakeholders to raise concerns about suspected misconduct. TSN has established reporting mechanisms under its Confidential Reporting Policy, providing employees, contractors, and third parties with multiple safe channels to report suspected or actual wrongdoing in good faith, without fear of retaliation. The policy aims to ensure confidentiality, proper assessment, and professional investigation of all reports, supporting TSN's commitment to ethical conduct and compliance including applicable whistleblowing laws.

The policy applies to all TSN entities globally and covers violations of the Tata Steel Code of Conduct and TSN policies, such as bribery & corruption, fraud, conflicts of interest, harassment, and concealment of misconduct.

Commercial Legal Compliance Policy

This is an overarching foundation policy that emphasises TSN's commitment to conducting its business in an honest and ethical manner, with integrity and in conformity with the relevant laws and regulations in all jurisdictions relevant to its business operations. This includes compliance with competition law, anti-bribery and anti-corruption laws, anti-fraud legislation, data protection laws, export control laws and trade sanctions.

Anti-Fraud and Corruption Manual

The Anti-Fraud and Corruption Manual establishes a zero-tolerance approach to bribery, corruption, fraud, facilitation payments and money laundering. The policy aims to ensure that all business is conducted ethically, transparently and in compliance with applicable laws across all jurisdictions in which TSN operates. The policy places significant importance on conducting thorough due diligence regarding third parties.

The policy is currently being updated through a programme aimed at strengthening and further formalising the existing framework for anti-bribery & corruption (ABC), fraud and conflicts of interest (COI), as further described in the Actions section below.

Certain functions are more exposed to bribery and corruption risks due to their roles and activities. At TSN, these include Procurement, Sales, Regulatory Affairs, Project Management, Finance (including Accounts Payable), Third-Party Management, and Senior Management. Their higher risk profile arises from involvement in activities such as supplier selection, contract negotiations, regulatory interactions, financial approvals, environmental reporting, and engagement with third parties and public officials. These target groups require more attention than other employees in this respect.

Gifts & Hospitality Policy

This policy sets out clear rules to ensure appropriate business conduct in giving and receiving gifts and hospitality to reduce the risk of corruption and bribery. All gifts and hospitality must be proportionate, appropriate and have a genuine business purpose, to prevent influencing or appearing to influence impartial decision-making.

Political influence and lobbying activities

TSN addresses lobbying activities and political engagement through its general governance framework, including the Code of Conduct, which sets clear expectations for ethical behaviour, integrity, and compliance with legal obligations. In addition, TSN follows the guidelines of the EU Transparency Register and the Dutch Professional Association for Public Affairs (BVPA).

These external standards provide a framework for responsible public-policy engagement, including rules on transparency, ethical conduct, and avoidance of undue influence. At present, TSN does not maintain separate internal policies or dedicated procedures specifically governing lobbying activities or political influence.

The Corporate Communications & Public Affairs department reports directly to the CEO, ensuring clear oversight on matters related to political influence. The CEO holds responsibility for these matters within the Board of Management. The Board is regularly updated on political influence activities to maintain informed governance.

Business conduct actions

TSN maintains an ethics and compliance framework designed to assess, mitigate, detect and address risks related to unethical or non-compliant behaviour.

Corporate culture and business ethics

To support its business conduct commitments, TSN regularly reviews its Code of Conduct to assess whether updates are required. This ongoing review process ensures that the Code of Conduct remains aligned with evolving regulatory requirements, societal expectations, and the context in which TSN operates.

The transition, that TSN is going through, requires a cultural change, underpinned by the SCALE (Sustainability, Cost-Efficiency, Agility, Leadership and Execution) framework, which sets the foundation for behaviour and decision-making across the organisation. Further information on the culture shift through SCALE is provided in the [Strategy](#) chapter.

Ethical and compliance standards are embedded through a combination of internal communications and training and awareness programmes, with extra attention for senior management and higher risk roles.

Training to all staff was rolled out on the TSN Code of Conduct and the TSN Confidential Reporting Policy, supporting employees in understanding expected behaviours, recognising dilemmas, and knowing how to raise concerns. TSN will continue to develop its ethics and compliance culture through targeted training and awareness sessions for management.

TSN manages a large supplier network using a risk-based approach, as outlined in the [Responsible Value Chain](#) chapter. For sixteen priority materials, suppliers complete targeted questionnaires including social and environmental standards from the Responsible Supply Chain Policy. TSN is working to enhance due diligence by integrating social and environmental criteria into its selection process.

Protection of whistleblowers

For further details about grievance channels refer to the chapters [Own workforce](#) and [Responsible value chain](#).

ABC, fraud and conflicts of interest

In 2025, TSN strengthened and further formalised its existing framework for anti-bribery & corruption (ABC), fraud and conflicts of interest (COI) through its ABC and fraud programme. This programme aims to enhance consistency, improve alignment with regulatory expectations and ensure a more structured approach to risk management across the organisation to prevent, detect, investigate and respond to allegations or incidents related to corruption or bribery.

The following activities mark the first steps toward a more formalised and consistent framework that will be further developed and implemented in 2026:

- Development of the Committee for Ethics, Integrity and Fraud (CEIF) governance structure. The Committee will play a central role in oversight and decision-making. TSN will formalise the governance structure and carry out structured ABC, Fraud and COI risk assessments across its operations.
- Relevant policies will be updated. The ABC Policy, Anti-Fraud Policy, COI Policy and Gifts & Hospitality Policy are currently being reviewed and rewritten and will be finalised and implemented in 2026.
- Supporting processes were also initiated, including the development of a central Code of Conduct register for Gifts & Hospitality, Trade Associations and COI-related disclosures.

The updated ABC Policy framework, including the Anti-Fraud Policy and the Conflict of Interest (COI) Policy, will apply to all TSN employees, subsidiaries, contractors and third parties, and — where feasible — to entities in which TSN holds a non-controlling interest. The framework references relevant international and national standards, including the OECD Anti-Corruption standards, and is aligned with the United Nations Convention against Corruption (UNCAC). It establishes a zero-tolerance approach to corruption, prohibits bribery and facilitation payments, requires accurate books and records, and mandates due diligence on third parties.

The procedures for preventing, detecting, investigating and responding to incidents or allegations of corruption or bribery are currently being further matured and formalised within TSN's integrated ABC and fraud programme. To ensure that these elements are embedded into management practices, TSN is strengthening training and awareness initiatives — including targeted anti-corruption and anti-bribery training for functions and roles with higher exposure to risk, as well as for members of the administrative, management and supervisory bodies — and enhancing processes for addressing breaches, including the documentation and monitoring of actions taken in response to identified violations.

Metrics and targets

Business conduct targets

TSN monitors and evaluates its performance related to business conduct through policies, controls, and compliance-related activities.

Corporate culture and business ethics

TSN demonstrates its commitment to ethical business practices by regularly updating its policy framework and improving business processes. These efforts reflect TSN's dedication to integrity and compliance. Currently, TSN has not set any measurable targets.

ABC, fraud and conflicts of interest

At present, TSN has not established measurable, time bound or outcome-oriented targets for topics related to business conduct. Our focus for the upcoming year remains on strengthening our Anti-Bribery & Corruption (ABC), Fraud and Conflicts of Interest (COI) risk framework. We ensure that anti-bribery and anti-corruption compliance remain an important focus area across our operations.

Once the policies are updated and implemented, the effectiveness will be evaluated through measuring trainings and awareness on the topic and keeping the cases of convictions for violations of anti-corruption and anti-bribery laws to zero. Monitoring will take place also through controls in accordance with the Risk & Control Framework for ABC.

Political influence and lobbying activities

We strive to maintain ethical compliance and adhere to all laws and regulations in our political lobbying efforts, focusing on material impacts, risks, and opportunities, and ensuring alignment with our code of conduct. At this stage, no measurable targets or quantitative indicators have been established.

Business conduct metrics

Anti-corruption and bribery metrics

There were zero convictions or fines related to anti-trust infringements, bribery, corruption or fraud imposed on TSN or its employees during the reporting year.

Table. Convictions and fines for violations of anti-corruption and anti-bribery laws

	2025/26	2024/25
	number	number
Number of convictions for violations of anti-corruption and anti-bribery laws	0	0
Number of fines for violations of anti-corruption and anti-bribery laws	0	0

Accounting policies for metrics related to convictions and fines for violations of anti-corruption or anti-bribery laws

The number of convictions for violations of anti-corruption and anti-bribery laws includes final criminal court decisions issued against TSN or its employees for offences related to corruption and bribery, where such decisions are entered in the criminal record of the relevant European Union Member State. This definition is aligned with the concept of a "conviction" under the European Criminal Records Information System (ECRIS). Only incidents in which TSN or its employees

are directly involved are considered, including cases occurring within the upstream or downstream value chain where such direct involvement exists. Incidents that occur independently within the value chain, without the direct involvement of TSN or its employees, are excluded from the scope of this disclosure. Decisions issued by administrative or regulatory authorities, even where final and legally binding, are not considered convictions for the purpose of this metric.

Political influence and lobbying activities metrics

TSN confirms that it did not make any financial or in-kind political contributions during the reporting period. In alignment with the TSN Code of Conduct, TSN does not give any form of contribution to political parties, their elected representatives, or persons seeking political office. This includes monetary donations, in-kind support, sponsorships, or any other benefit that could be interpreted as political influence.

Furthermore, TSN does not make indirect political contributions. TSN does not provide support through intermediary organisations such as lobbyists, charities, or advisory groups when such support would ultimately benefit a political party or political actor. TSN also does not support organisations such as think tanks or trade associations that are linked to, affiliated with, or explicitly supporting political parties or political causes.

As a result, the total monetary value of financial and in-kind political contributions is zero for the reporting year.

Table. Financial and in-kind political contributions

Political contributions	2025/26	2024/25
	€m	€m
Total monetary value of financial and in-kind political contributions	0	0

Accounting policies for political contributions

Tata Steel Nederland follows the TSN Code of Conduct in preparing this disclosure by applying a strict policy of not making any direct or indirect political contributions and by excluding any form of financial or non-financial support that could benefit political parties, political actors, or affiliated organisations.

Tata Steel Nederland is the largest local employer, one of the largest industrial companies in the Netherlands and a significant player in the EU. As such TSN is impacted by a wide range of policy developments in policy areas including industrial policy, decarbonisation, international trade, energy and other framework conditions for competitiveness. As well as broader themes like competition policy, strategic autonomy and the Single Market. The specific topics that receive particular attention at any point in time are determined by a combination of impact on the company and the (local, national and European) political agenda.

In the reporting period, TSN focused on the topics presented in the table below.

Table. Key topics for policy development activities

Topic	Our Position
Energy policy & industrial transition	A stable, competitive and future proof energy and CO ₂ regulatory framework is essential for the undertaking's transition pathway. TSN favours long-term clarity on energy costs, CO ₂ rules, and industrial transition initiatives to ensure project viability
CBAM design & effectiveness	We seek a CBAM framework that functions effectively in practice, limits circumvention (including downstream products and resource shuffling), and reflects the needs of energy-intensive industries transitioning to low-carbon technologies
Recognition of negative emissions in EU ETS	Appropriate recognition of negative emissions from biomethane combined with CCS within the ETS is viewed as important to accurately reflect the climate impact of the technologies employed in the project
EAF slag regulatory treatment	Consistent, EU-aligned treatment of slag supports its continued use as a circular material and reduces the risk of restrictive waste or hazard classifications that could impede operations
Energy infrastructure	We support timely development of additional grid capacity, hydrogen backbone access, and CCS infrastructure to enable the transition technologies required for Heracleus project (hydrogen era, carbonless)
Scrap market protection	Maintaining sufficient EU scrap availability is seen as an important condition for ensuring reliable access to secondary raw materials for EAF steel production
State aid & transition financing	We support a predictable, well-structured process for state-aid arrangements that enable the financing of the Heracleus climate transition pathway
Trade safeguard measures	Stable and fair market conditions are viewed as important to maintaining the competitiveness of sustainable steel production throughout the transition period

TSN conducts its public policy engagement in a structured and transparent manner. The activities related to lobbying are primarily carried out by the Public Affairs team, whose core responsibility is to represent the company's interests in relevant regulatory and policy discussions. Their work involves monitoring legislative developments, participating in sector dialogues, and engaging with policymakers strictly in accordance with applicable transparency and ethical standards.

In addition, the JLoI is handled exclusively by a dedicated Negotiations team and consists of direct negotiations with the government. These activities are operational in nature and do not form part of the lobbying activities of the Public Affairs team. This separation ensures a clear delineation of responsibilities and maintains transparency in TSN's interactions with public authorities.



FINANCIAL
YEAR
2025/2026

Consolidated income statement

As at 31 March	Note	2026	2025
		€m	€m
Revenue	1	6,028	6,273
Total income		6,028	6,273
Changes in inventory of finished goods and work in progress		(32)	(55)
Raw materials and consumables	2	(2,811)	(3,192)
Maintenance and other external charges	2	(1,273)	(1,285)
Employee benefits expense	4	(1,282)	(1,186)
Depreciation and amortisation expense	2	(315)	(296)
Other expenses	2	(494)	(462)
Total expenses		(6,207)	(6,476)
Finance costs	5	(42)	(55)
Finance income	5	6	-
Share of post-tax results of joint ventures and associates	9(iii)	3	1
Profit/(Loss) before taxation		(212)	(257)
Taxation	6	6	53
Profit/(Loss) after taxation		(206)	(204)

All references to 2026 in the Financial Statements, the Presentation of accounts and accounting policies and the related Notes 1 to 32 refer to the financial year ended 31 March 2026 or as of 31 March 2026 as appropriate (2025: the financial year ended 31 March 2025 or as at 31 March 2025).

Consolidated statement of comprehensive income

As at 31 March	Note	2026	2025
		€m	€m
Profit/(loss) after taxation		(206)	(204)
Items that will not be reclassified to profit or loss:			
Actuarial gains on defined benefit pension and other post-retirement plans		3	1
Income tax relating to items not reclassified		-	-
		3	1
Items that may be reclassified subsequently to profit or loss:			
(Losses)/Gains arising on cash flow hedges	17	16	2
Other movements and Exchange rate movements on currency net investments		(4)	2
Income tax relating to items that may be reclassified	17	-	-
		12	4
Other comprehensive (loss)/income for the year net of tax		15	5
Total comprehensive income for the year		(191)	(199)
Attributable to:			
Owners of the company		(191)	(199)
Non-controlling interest		-	-

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Consolidated balance sheet

As at 31 March	Note	2026	2025
		€m	€m
Non-current assets			
Goodwill	7	31	8
Intangible assets	7	69	63
Property, plant and equipment	8	2,924	2,849
Equity accounted investees	9	48	46
Other investments		2	2
Other non-current assets		2	2
Retirement benefit assets	26	1	1
Non-current tax asset	11	248	241
		3,325	3,212
Current assets			
Inventories	10	1,400	1,417
Trade and other receivables	12	325	332
Current tax assets	11	3	5
Cash and short-term deposits	13	275	428
		2,003	2,182
Total assets		5,328	5,394
Current liabilities			
Borrowings	15	22	45
Trade and other payables	14	1,652	1,476
Current tax liabilities	11	11	9
Retirement benefit obligations	26	-	2
Provisions for liabilities and charges	18	357	173
		2,042	1,705
Non-current liabilities			
Borrowings	15	218	446
Deferred tax liabilities	11	17	3
Retirement benefit obligations	26	55	57
Provisions for liabilities and charges	18	161	132
Other non-current liabilities	16	22	48
Deferred income	19	3	2
		476	688
Total liabilities		2,518	2,393
Net assets		2,810	3,001
Equity			
Called up share capital	20	388	388
Share premium account		17	17
Other components of equity		2,405	2,596
Total equity		2,810	3,001

All references to 2026 in the Financial Statements, the Presentation of accounts and accounting policies and the related Notes 1 to 32 refer to the financial year ended 31 March 2026 or as of 31 March 2026 as appropriate (2025: the financial year ended 31 March 2025 or as at 31 March 2025).

Consolidated statement of changes in equity

	Called-up share capital	Share premium account	Retained earnings	Hedging reserve	Translation reserves	Total equity
	€m	€m	€m	€m	€m	€m
Balance as at 1 April 2024	388	17	2,775	2	18	3,200
(Loss)/profit after taxation	-	-	(204)	-	-	(204)
Other comprehensive result for the year	-	-	1	2	2	5
Total comprehensive result for the year	-	-	(203)	2	2	(199)
Balance as at 31 March 2025	388	17	2,572	4	20	3,001
(Loss)/Profit after taxation	-	-	(206)	-	-	(206)
Other comprehensive result for the year	-	-	3	16	(4)	15
Total comprehensive result for the year	-	-	(203)	16	(4)	(191)
Balance as at 31 March 2026	388	17	2,369	20	16	2,810

The authorised share capital of the Company at 31 March 2026 amounts to €1,300,000,000 (31 March 2025: €1,300,000,000) and consists of 130,000,000 Ordinary shares of €10.00 each of which 38,760,710 Ordinary shares were issued and fully paid up. All the outstanding Ordinary shares were held by Tata Steel Netherlands Holdings B.V.

Consolidated statement of cash flows

As at 31 March	Note	2026	2025
		€m	€m
Operating activities			
Profit/(Loss) after taxation		(206)	(204)
Adjustments for:			
Tax	6	(6)	(53)
(Profit)/Loss on disposal of property, plant and equipment	2	(12)	(17)
Interest income	5	(6)	-
Interest expense	5	42	55
Share of results of joint ventures and associates	9(iii)	(2)	(1)
Depreciation and amortisation including impairments (net of grants released)	2	313	296
Movement pension prepayments		(1)	1
Movement in provisions and pension prepayments		127	129
Movement in spares		(35)	(19)
Movement in inventories		20	202
Movement in receivables		5	96
Movement in payables		193	(9)
Rationalisation costs provided/(released)	18	88	(4)
Utilisation of rationalisation provisions	18	(1)	(6)
Cash (used in) / generated from operations		519	466
Interest paid		(36)	(42)
Interest element of lease rental payments		(9)	(8)
Taxation paid		(1)	(8)
Net cash flow (used in) / generated from operating activities		473	408
Investing activities			
Purchase of property, plant and equipment	8	(251)	(300)
Sale of property, plant and equipment	8	17	23
Purchase of other intangible assets	7	(17)	(4)
Dividends from joint ventures and associates	9	1	2
Acquisition of subsidiary company	7	(115)	-
Interest received		6	-
Net cash flow used in investing activities		(359)	(279)
Financing activities			
Proceeds of loans from Group Companies		-	150
Repayment of loans to Group Companies		-	(150)
New loans (including drawdowns of revolving credit facility)		80	325
Repayment of borrowings (including repayments of revolving credit facility)		(324)	(97)
Capital element of lease rental payment	25	(23)	(24)
Net cash flow generated from/(used in) financing activities		(267)	204
Increase / (Decrease) in cash and cash equivalents		(153)	333
Total cash movement		(153)	333
Cash and cash equivalents at beginning of period		428	95
Cash and cash equivalents at end of period		275	428
Cash and cash equivalents consist of:			
Cash and short-term deposits	13	275	428
Bank overdrafts		-	-

All references to 2026 in the Financial Statements, the Presentation of accounts and accounting policies and the related Notes 1 to 32 refer to the financial year ended 31 March 2026 or as of 31 March 2026 as appropriate (2025: the financial year ended 31 March 2025 or as at 31 March 2025).

Presentation of consolidated accounts and accounting policies

I Introduction

Tata Steel Nederland BV ('TSN') having its registered office (statutaire zetel) in IJmuiden at Wenckebachstraat 1, 1951 JZ Velsen-Noord, the Netherlands. Its registration number at the Chamber of Commerce is 34005278. The ultimate parent company is Tata Steel Limited ('TSL'), which is a company incorporated in India with shares listed on the BSE Ltd (formerly the Bombay Stock Exchange Ltd, Mumbai) and the National Stock Exchange of India, and with global depository receipts listed on the London and the Luxembourg Stock Exchanges. The shares of TSN are directly held by Tata Steel Netherlands Holdings BV ('TSNH').

TSN and its subsidiaries ('the Group') form an international steel group that manufactures, processes and distributes steel products.

The 2026 Annual Accounts of TSN were authorised for issue by the Board of Management on 3 June 2026.

II Basis of preparation

TSN is a private limited company incorporated in the Netherlands. The consolidated financial statements of the Group for the year ended 31 March 2026 comprise the Company and its subsidiaries and the Group's interest in its joint venture and associated undertakings.

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC'). The functional and presentational currency of the Company is the Euro.

The financial statements have been prepared under the historical cost convention, unless otherwise stated.

The Group has prepared the financial statements under the IFRS accounting policies set out below and these policies have been applied consistently to all the periods.

Going concern

The TSN Group is mainly centred in the Netherlands but includes manufacturing assets elsewhere in mainland Europe ('MLE') and the United States, along with other international sales offices.

Assessment period and approach

In preparing the financial statements for the year ended 31 March 2026, the directors have assessed the Group's ability to continue as a going concern. This assessment covers a period of at least 15 months from the date of approval of the financial statements and is supported by detailed liquidity forecasts extending to September 2027.

The forecasts are based on the approved FY2027 Annual Plan and include downside scenarios and sensitivity analyses reflecting reasonably possible adverse developments.

Trading environment and performance

The European steel market remained challenging, with weak manufacturing demand, high energy costs and elevated imports, influenced by global overcapacity and increasing geopolitical and trade uncertainty. Despite this environment, TSN's financial performance improved in FY2026, with EBITDA of approximately €268 million (FY2025: €93 million), supported by operational improvements and transformation initiatives. These improvements are reflected in the Group's forward-looking forecasts.

Liquidity position

At 31 March 2026, TSN held cash of approximately €275 million (FY2025: €428 million) and had gross debt of approximately €241 million (FY2025: €491 million), following significant debt repayments during the year. The acquisition of LAG Velsen B.V. was fully funded from existing liquidity resources and did not materially affect liquidity headroom.

Financing facilities

TSN has access to a range of financing facilities to support its liquidity requirements. These include a committed revolving credit facility with a maximum limit of €550 million, maturing in May 2027, of which €440 million remained undrawn at the reporting date. TSN has received a support letter from Tata Steel Global Holding Pte Ltd ('TSGH'), demonstrating its commitment to support TSN in the rollover of the existing RCF with existing / and or new banks for a period of at least 6 months beyond the current termination date.

In addition, the Group has access to non-committed overdraft facilities of €115 million and participates in a committed non-recourse trade receivables securitisation programme with a maximum capacity of €600 million. Together, these facilities provide sufficient liquidity headroom throughout the going concern assessment period.

Downside scenarios and sensitivities

The directors have considered a number of downside scenarios and sensitivities, including adverse movements in market spreads and volumes, as well as operational disruptions. These scenarios assume no mitigating management actions and reflect severe but plausible downside cases. Under these scenarios, the Group is expected to retain adequate liquidity and to meet its obligations as they fall due.

The assessment also reflects management's consideration of a subsequent event relating to the temporary suspension of DSP operations in April 2026 due to chromium-6 emission levels exceeding permit thresholds. A three-month outage scenario has been assumed, with quantified impacts incorporated into the FY 2027 liquidity

forecasts. As part of this assessment, the directors have also considered the ongoing discussions with the authorities regarding options for accelerated closure of Coke and Gas Plants ('CGP') 2 and CGP 1, while at the same time, ensuring that the CGP's get closed in a controlled, safe and responsible manner.

The Environmental Agency has informed TSN that it is preparing a formal decision to revoke (part of) the environmental permit for CGP 1 and CGP 2. TSN is engaged in discussions with the relevant authorities to substantiate management's proposed timeline to ensure a safe, responsible and controlled closure process, also considering the cokes and gas plants form an integral part of TSN's steelmaking activities. However, it is currently unknown when a decision will be issued by the competent authorities and what the contents of such a decision will be. Management assessed that it would need a certain period of time to close cokes and gas plants CGP 2 and CGP 1 in a safe and responsible manner while allowing continued operation of the related steel manufacturing activities. Should this timeline not be granted by the EA, this could result in an unsafe and/or irresponsible shutdown of the cokes and gas plants. An uncontrolled shutdown of one or both cokes and gas plants would have a material impact on the going concern of TSN.

Conclusion

After considering the Group's forecasts of cash flows, duly stress tested with potential downside scenarios and the availability of sufficient liquidity, and the ongoing discussions with the relevant authorities on the proposed timeline to ensure a safe, responsible and controlled closure process of CGP2 and CGP1 and the legal remedies which TSN can resort to ensure mitigation against immediate closure actions of both the CGPs, the directors have concluded that it is appropriate to prepare the financial statements of TSN for the year ended March 31, 2026 on a going concern basis.

However, given the significance of the CGP facilities to TSN's operations and the risks, challenges and uncertainties associated with the continued operations of both the CGP units, as per the approval date of the accounts, there exists a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

III New standards and interpretations applied

The following new International Accounting Standards ('IAS') and new IFRSs have been adopted in the current year:

Change	Standard	Effective Date*
Lack of Exchangeability (Amendments)	IAS 21	1 Jan 2025

* periods commencing on or after

TSN has adopted the above amendment. In accordance with the transitional provisions, the amendment has been adopted

retrospectively to the financial statements. Comparative amounts have not been restated, and there was no impact on the current opening reserves amount on adoption. This amendment had no material impact on the TSN financial statements.

IV New standards and interpretations not applied

The International Accounting Standards Board ('IASB') has issued the following Standards, which are relevant to the Group's reporting but have either not been applied as they have not been adopted for use in the EU in the year ended 31 March 2026, or have an effective date after the date of these financial statements:

Standard	Change	Effective Date*
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments (Amendment)	1 Jan 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures (New Standard)	1 Jan 2027
IFRS 18	Presentation and Disclosure in Financial Statements (New Standard)	1 Jan 2027
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	TBD

* periods commencing on or after

Management have performed a review of the expected impact from other standards and interpretations not applied as shown above. Management do not expect a material impact as a result of new standards and interpretations not applied, except for the adoption of IFRS 18, for which the Group is still assessing the potential impact to its financial statements. TSN does not plan to early adopt any standards or amendments.

V Use of estimates and critical accounting judgements

In the application of the Group's material accounting policies, which are described in section VI, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The critical judgements, apart from those involving estimations (which are presented separately below), that the Board of Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are presented below.

Definition of cash generating units ('CGU')

A significant part of the Group's capital is invested in property, plant and equipment and intangible assets (including goodwill). Determining whether these assets are impaired requires an estimation of value in use or fair value less cost of disposal of the CGU to which the asset relates. A CGU is the smallest identifiable group of assets that generates cash inflows that are independent of the cash inflows from other assets or groups of assets. The identification of CGUs involves significant judgement. Key factors in determining CGU's are operational interdependence of the integrated production chain and alignment with internal management reporting. The definition of CGUs is reassessed when there is a significant change in the way the business is managed or in the structure of operations. For the Group CGUs are usually taken to be individual businesses or legal entities, although these are combined or split into base entities, where deemed appropriate to reflect the specific economic risks or operational interdependence of locations and operations based on the governance structure and lines of reporting. This process of defining CGUs requires the exercise of significant judgement.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period end that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below. This includes assumptions in respect of the transition to a low carbon economy, which may impact critical judgements and key estimates, disclosure, recognition or derecognition of assets and liabilities and measurement of such assets and liabilities.

If the support from the Dutch government would not be as expected, then there would be a material impact on the valuation of property, plant and equipment. This could also have a significant impact on how the current decarbonization plans could be realized. Furthermore, the ability to retain critical permits and the timing and availability of permits required to realize decarbonization plans are considered key sources of estimation uncertainty.

1) Provisions

Estimates in calculating provisions for environmental remediation, legal claims and employee benefits are based on previous experience and third-party advice and are reassessed on a regular basis. Judgement is required in assessing the costs and the timing of these costs. Further details on the Group's provisions can be found in [Note 18](#).

A provision is recognised when the Group has a present obligation, legal or constructive, as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. They include provisions on restructuring and rationalisation, legal claims, environmental provisions and employee benefits are based on previous experience and third-party advice and are reassessed on a regular basis. Judgement is required in assessing the costs and the timing of these costs. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2) Recognition and valuation of deferred tax assets

The recognition and valuation of deferred tax assets is subject to estimations of the future available taxable profits that the directors consider to be more likely than not to occur, based on the Group's annual plans and future forecasts. Further information can be found in [Note 11](#).

3) Post-retirement benefits

The Group's retirement benefit obligations are assessed by selecting key assumptions. The selection of inflation, salary growth, and mortality rates are key sources of estimation uncertainty which could lead to a material adjustment in the defined benefit obligations within the next financial year. The Group sets these judgements with close reference to market conditions and third-party actuarial advice.

The Group's defined benefit obligations are discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

4) Impairment of non-current assets

Value in use and fair value less cost of disposal calculations requires an estimation of future cash flows expected to arise from the CGU and a suitable discount rate to calculate present value. The present value is sensitive to changes in the discount rate used in the value in use models, the forecast profitability of the Group in the third year of the Group's Annual Plan, and the expected impact of decarbonisation on the Group. Further details on the Group's impairment review, key assumptions, and sensitivity analyses are set out in [Note 9](#).

In respect of impairment of investments in the Company accounts, judgement is required around the relevant enterprise value of the TSN Group. The detailed accounting policies for each of these areas, are outlined in section VI below.

5) Property, plant, and equipment

TSN continues to develop its assessment of the potential impacts of climate change and decarbonisation strategy and has considered such impacts when preparing its consolidated financial statements.

TSN has a public commitment to achieve net-zero CO₂ emissions for Scope 1 and 2 by 2045. The Company is committed to transitioning in a phased manner out of blast furnace operations to steel making using direct reduced iron technology and electric smelting, with an eventual transition to Green Hydrogen depending on availability and economics. It is currently engaged with multiple technology and engineering partners to complete detailed evaluation and engineering, implementation planning and costing of the project.

TSN is also undertaking a comprehensive project to reduce dust and other emissions from its plant to make it future ready. The Roadmap program took a big step forward with the completion of the Windbreaker around raw material storage to reduce dust emissions. Also, significant progress has been made on the DeNOx installation at the Pellet Plant. The DeNOx installation aims to reduce nitrogen oxide emissions by capturing NOx compounds at the Pellet Plant.

Assumptions in respect of climate- and regulatory change and the transition to a low carbon economy may impact the Company's key estimates and result in changes to estimated useful lives. Climate-related risks, in particular those arising from transitioning to a lower-carbon economy, are considered when estimating the useful lives of the assets affected. Further details can be found in [Note 8](#).

VI Critical accounting policies

(a) Property, plant, and equipment

Property, plant and equipment is recorded at fair value on acquisition less accumulated depreciation and any recognised impairment loss. Cost includes professional fees and, for assets constructed by the Group, any related works to the extent that these are directly attributable to the acquisition or construction of the asset. Amounts incurred in connection with capital projects that are not directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended (which the Group refers to as 'commissioning costs' and which include expenses such as initial operating losses incurred while technical deficiencies on new plant are rectified and incremental operating costs that are incurred while the new plant is operating at less than full capacity) are written off to profit and loss as incurred. Advances paid for acquisition or construction of an item of property, plant and equipment are initially recognised as capital advance and transferred to asset under construction when transfer of risk and reward of the asset takes place and an identifiable asset is created. Assets in the course of construction are depreciated from the date on which they are ready for their intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit and loss.

Included in property, plant and equipment are loose plant and tools which are stated at cost less amounts written off related to their expected useful lives and estimated scrap value and also spares, against which impairment provisions are made where necessary to cover slow moving and obsolete items.

Subsequent costs are included in the carrying value of an asset when it is probable that additional future economic benefits will flow to the Group and the cost of the item can be measured reliably. All other repairs and renewals are charged to profit and loss as incurred.

(b) Depreciation, amortisation and impairment of property, plant and equipment and other intangible assets (including goodwill)

Depreciation or amortisation is provided to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets, including right-of-use assets, to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period if shorter.

Useful lives: the estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. Accelerated depreciation or amortisation is provided where an asset is expected to become obsolete before the end of its normal useful life or if events or changes in circumstances indicate that an impairment loss needs to be recognised, as discussed below. No further charges are provided in respect of assets that are fully written down but are still in use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

	Useful life
	in years
Land and buildings:	
Freehold and buildings that house plant and other works buildings	25
Other freehold and buildings	50
Plant and machinery:	
Iron and steelmaking (maximum)	25
IT hardware and software(maximum)	8
Office equipment and furniture	10
Motor vehicles	4
Other(maximum)	15
Patents and trademarks	4
Product & process development costs and computer software (maximum)	8

At each reporting period end, the Group reviews the carrying amounts of its property, plant, and equipment and other intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use.

If any such indication exists, the recoverable amount of the asset is reviewed to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. Other intangible assets (including goodwill) with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Impairment: assessments are performed using either a value in use (“VIU”) or a fair value less costs of disposal (“FVLCD”) methodology, in accordance with IAS 36. The choice of methodology reflects the nature of the asset or cash-generating unit and the extent to which recoverable amount is best reflected by entity-specific cash flows or by a market-participant perspective. Both VIU and FVLCD calculations incorporate assumptions that are relevant to TSN’s decarbonisation strategy, regulatory environment and expected transition pathways, to the extent required under the applicable measurement basis.

The key assumptions applied represent management’s best estimate, at the reporting date, of the most likely impact of decarbonisation based on information currently available. However, these assumptions are subject to change over time as regulatory requirements, transition pathways, market conditions or other relevant factors evolve. Such changes could result in different value in use or fair value less costs of disposal calculations in future periods and may affect the outcome of impairment assessments.

VIU calculations are based on entity-specific future cash flows expected to arise from the continuing use of the assets in their current condition. These cash flows exclude the effects of future restructurings or capital expenditure that are not yet committed at the reporting date. VIU cash flows are discounted to their present value using a pre-tax discount rate based upon the Group’s long term weighted average cost of capital (“WACC”).

FVLCD calculations adopt a market-participant perspective and estimate the price that would be received to sell the asset or CGU in an orderly transaction, less costs of disposal. FVLCD cash flows are discounted using a post-tax discount rate, based upon the Group’s long term weighted average cost of capital (“WACC”), which also recognises the comparative WACCs of its European peers, with appropriate adjustments for risks associated with the relevant units.

If the recoverable amount of an asset (or CGU) is estimated to be lower than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss recognised in prior periods subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised as income immediately. Impairment losses recognised on goodwill are not subject to subsequent reversal.

(c) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The tax effects of income tax losses available for carry-forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised and are reflected as a Non-current tax asset.

To evaluate the deferred tax position, an analysis is made of the expected future taxable profits. The key assumptions of this analysis are aligned with those used for the impairment assessments. These assumptions represent management’s best estimate, at the reporting date, of the most likely impact of decarbonisation based on information currently available. However, these assumptions are subject to change over time as regulatory requirements, transition pathways, market conditions or other relevant factors evolve. Such changes could result in a different level of available future taxable profits and consequently may affect the resulting value of the deferred tax asset.

Both current and deferred tax items are calculated using the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. This means using tax rates that have been enacted or substantially enacted by the end of the reporting period. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority, and they are in the same taxable entity, or a group of taxable entities where the tax losses of one entity are used to offset the taxable profits of another and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

(d) Retirement benefit costs

The group operates a number of defined benefit and a number of defined contribution pension plans for its employees. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting period end. The Group applies IAS 19 'Employee Benefits' to recognise all actuarial gains and losses directly within retained earnings, presenting those arising in anyone reporting period as part of the relevant statement of comprehensive income.

In applying IAS 19, in relation to retirement benefits costs, the current service cost and net interest cost have been treated as a net expense within employment costs.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit liability recognised in the balance sheet represents the fair value of scheme assets less the present value of the defined benefit obligation as adjusted for unrecognised past service cost. Any asset resulting from this calculation is limited to unrecognised past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(e) Provisions

Provisions for rationalisation and related measures, environmental remediation and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. This involves a series of management judgements and estimates that are based on past experience of similar events and third party advice where applicable. Where appropriate and relevant those provisions are discounted to take into consideration the time value of money.

In particular, redundancy provisions are made where the plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been made at the end of the reporting year. These provisions also include charges for any termination costs arising from enhancement of retirement or other post-employment benefits for those employees affected by these plans.

Provisions are also created for long term employee benefits that depend on the length of service, such as long service and sabbatical awards, disability benefits and long-term compensated absences such as sick leave. The amount recognised as a liability is the present value of benefit obligations at the end of the reporting period, and all movements in the provision (including actuarial gains and losses or past service costs) are recognised immediately within profit and loss.

TSN participates in the EU Emissions Trading Scheme, initially measuring any rights received or purchased at cost, and recognises a liability in relation to carbon dioxide allowances if there is any anticipated shortfall in the level of allowances received or purchased when compared with actual emissions in each period. Any surplus is only recognised once it is realised in the form of an external sale. Further information can be found in [note 8](#).

VII Other accounting policies

(a) Basis of consolidation

Business combinations

The group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the group. In determining whether a particular set of activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's rewards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Subsidiaries

Subsidiaries are entities controlled by the group. The group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes to the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interest in equity-accounted investees

The group's interest in equity-accounted investees comprise interests in associates and joint venture.

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence for impairment.

For the company only financial statements TSN makes use of the exemption in Art. 2:402 DCC.

(b) Revenue

The Group's revenue is primarily derived from the single performance obligation to transfer steel products under arrangements in which the transfer of control of the products and the fulfilment of the Group's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Group has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Group will collect the consideration to which it is entitled to in exchange for the goods.

The Group manufactures and sells a range of steel products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The steel is sometimes sold with volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts.

Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting year. No element of financing is deemed present as the sales are normally made with a credit term of 60 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(c) Government grants

Grants related to expenditure on property, plant and equipment are credited to profit and loss over the useful lives of qualifying assets. Grants related to revenue are credited to the income statement in line with the timing of when costs associated with the grants are incurred. Total grants received less the amounts credited to profit and loss at the end of the reporting period are included in the balance sheet as deferred income.

(d) Insurance

Insurance premiums in respect of insurance placed with third parties are charged to profit and loss in the year to which they relate.

(e) Financing items

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Interest expense, excluding that related to financing the construction of qualifying property, plant and equipment is expensed as incurred.

Dividend income is recognised when the right to receive payment is established.

(f) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Euro at the quoted rates of exchange ruling at the end of each reporting year. Income statement items and cash flows are translated into Euro at the average rates for the financial year. In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions.

Exchange differences on the retranslation of the opening net investment in foreign enterprises and the retranslation of profit and loss items from average to closing rate are recorded as movements on reserves. Such cumulative exchange differences are transferred to profit and loss on subsequent disposal of the foreign enterprise and for other substantial reductions in capital in these enterprises during the period. Under IAS 21, cumulative translation differences on the consolidation of subsidiaries are only being accumulated for each individual subsidiary from the date of acquisition.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(g) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. The detailed accounting treatment for such items can differ, as described in the following sections:

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Where the Group transfers substantially all the risks and rewards of ownership of a financial asset, the financial asset is derecognised, and any rights and obligations created or retained in the transfer are recognised separately as assets or liabilities.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- it is held within a business model that has the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- it is held within a business model which aims to achieve its objectives by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Forward purchases and sales, other than those requiring delivery within the time frame established by regulation or market convention, are treated as derivative forward contracts.

(ii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables.

For all other financial instruments and in the case of the company intercompany receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Even when credit losses are recognised, amounts are only fully written off once all possibilities of recoverability have been extinguished.

(iii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

(iv) Derivative financial instruments and hedge accounting

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce financial risks related to its exposure to foreign exchange rates, raw material and base metal prices, the price of CO₂ allowances and interest rate fluctuations. The derivative instruments used are over-the-counter (OTC) forward contracts and options, referring to the relevant underlying exposures, interest rate swaps, forward rate agreements (FRA) and standardised London Metal Exchange ('LME') contracts. These instruments are used as hedges of transactions included in the accounts or of forecasted cash flows from firm contractual commitments.

All derivatives are initially accounted for and measured at fair value from the date the derivative contract is taken out. Following this, at each subsequent reporting period end the derivative is re-measured at its current fair value.

The Group applies hedge accounting for these derivatives, when appropriate. At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. This documentation includes, inter alia, items such as identification of the hedged item or transaction and the nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The methodology of testing the effectiveness and the reliability of this approach for testing is also considered and documented at inception. This effectiveness is assessed on an ongoing basis throughout the life cycle of the hedging relationship. Only forecast transactions that are highly probable are subject to cash flow hedges. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in profit and loss.

If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in profit and loss in the same period in which the hedged item affects profit and loss.

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes attributable to the risk being hedged with the corresponding entry in profit and loss. Gains or losses from re-measuring the associated derivative are also recognised in profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is reclassified to net profit or loss for the period.

(v) Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

(h) Other intangible assets

Patents, trademarks and software are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Group. In this case they are measured initially at fair value on acquisition or purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in profit and loss as incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date that all the following conditions are met:

- i. completion of the development is technically feasible;
- ii. it is the intention to complete the intangible asset and use or sell it;
- iii. it is clear that the intangible asset will generate probable future economic benefits;
- iv. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- v. it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Costs are no longer recognised as an asset when the project is complete and available for its intended use, or if these criteria no longer apply. The approach to amortisation and impairment of other intangible assets is described in section VI (b) above.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Where the Group purchases emission rights from an emission trading scheme, it recognises these as a current asset, where these are intended to settle a current liability, and values the asset at cost. No amortisation is recognised, provided that the Group intends to utilise the asset to settle emission rights liabilities.

(i) Leases

As a lessee, the Group assesses if a contract is or contains a lease at the inception of the contract. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less, leases for which the underlying asset is low value and leases of intangible assets, which are expensed in the consolidated income statement on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. The incremental borrowing rate is calculated with reference to the businesses cost of funding, length of the lease and the suitability of the assets to leasing.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date and extension options, if the Group is reasonably certain to exercise the option. Lease liabilities are classified as part of borrowings.

The associated right-of-use asset is capitalised equal to the lease liability and disclosed together with property, plant and equipment. The right-of-use asset is subsequently depreciated on a straight-line basis over the lease term. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment.

Variable lease payments not included in the measurement of the lease liabilities are expensed in the consolidated income statement in the period in which the events or conditions which trigger those payments occur.

(j) Joint ventures, joint operations and associates

Associates are those entities in which TSN has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which TSN has joint control, whereby TSN has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The results and assets and liabilities of joint ventures and associates are incorporated in the accounts using the equity method of accounting, except where classified as held for sale.

Investments in joint ventures and associates are initially measured at cost. Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets acquired, being goodwill, is included within the carrying value of the joint venture or associate and is subsequently tested for impairment on an annual basis. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets acquired is credited to profit or loss in the period of acquisition. The Group's share of post-acquisition profits and losses is recognised in profit and loss, and its share of post-acquisition movement in reserves are recognised directly in reserves, until the date on which significant influence or joint control ceases. Losses of associates in excess of the Group's interest in those associates are not recognised, unless the Group has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions with joint ventures or associates are eliminated to the extent of the Group's interest in those entities and, where material, the results of joint ventures and associates are modified to conform to the Group's policies.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Joint operations are accounted for by recognising the share of assets, liabilities, expenses and income relating to the joint operation.

(k) Non-current assets and disposal groups held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost of disposal, when the sale is highly probable.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. An impairment loss is recognised for any initial or subsequent write-down of a disposal group to fair value less cost of disposal.

(l) Inventories

Inventories of raw materials are valued at the lower of cost and net realisable value. Cost is generally determined using the weighted average cost method. Inventories of partly processed materials finished products and stores are individually valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution. Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their local product lines and market conditions.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(n) Equity

Share capital: Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's annual accounts in the period in which the dividends are approved by the Company's shareholders. Where dividends are paid in kind the asset transferred is measured at fair value and any difference between the fair value and the carrying value of the asset is recognised in the income statement.

(o) Cash flow statement

The Cash flow statement has been prepared using the indirect method. Cash flows in foreign currencies have been translated into euros using average exchange rates, approximating the foreign exchange rate at transaction date. Exchange rate differences on cash items are shown separately in the Cash flow statement.

Receipts and payments with respect to income tax and interest are included in the Cash flows from operating activities. The cost of acquisition of subsidiaries, associates and joint ventures, and other investments, as far as it was paid for in cash, is included in Cash flows from investing activities. Acquisitions or divestments of subsidiaries are presented net of cash balances acquired or disposed of, respectively. Cash flows from derivatives are recognized in the Cash flow statement in the same category as those of the hedged item.

Notes to the consolidated accounts

1. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods at a point in time in the following major geographic regions. Substantially all revenue is derived from the sale of goods. This disaggregation is consistent with the information regularly reviewed by the Board of Management in order to evaluate the financial performance of the Group.

As at 31 March	2026	2025
	€m	€m
Revenue by destination		
Netherlands	714	705
Europe excluding the Netherlands	4,283	4,373
North America	953	975
Rest of the world	78	220
	6,028	6,273

2. Operating costs

As at 31 March	Note	2026	2025
		€m	€m
Cost by nature:			
Raw materials and consumables		2,811	3,192
Maintenance costs (excluding own labour)		433	482
Other external charges (including fuels and utilities, hire charges and carriage costs)		840	803
Employment costs	4	1,282	1,186
Depreciation and amortisation expense		315	296
Other operating items (including rents, rates, insurance and general expenses)		546	526
Changes in inventory of finished goods and work in progress		32	55
Own work capitalised		(40)	(47)
Loss/(Profit) on disposal of property, plant and equipment		(12)	(17)
		6,207	6,476

The above costs include €99 million (2025: €10 million) in respect of restructuring and impairment, which relate to Employment costs of €98 million (2025: €5 million) and depreciation and amortisation of €1 million (2025: €5 million). Further analysis of restructuring and impairment costs is presented in [Note 3](#).

As at 31 March	Note	2026	2025
		€m	€m
The above costs are stated after including:			
Amortisation of other intangible asset	7	11	7
Impairment losses related to property, plant and equipment	3	2	4
Depreciation of owned assets	8	275	264
Depreciation of leased assets	8	27	21
Low value lease costs		3	4
Variable lease costs		23	22
Costs of research and development (gross)		81	56
Recoveries on research and development		(13)	(4)
Impairments against trade receivables	12(ii)	1	-
Net exchange rate results		1	-
Emission rights costs		179	153

3. Restructuring and impairment costs

As at 31 March	Note	2026	2025
		€m	€m
Provision for restructuring and related measures:			
Redundancy and related costs	4	98	5
Impairment losses related to property, plant and equipment	8	2	4
		100	9

As part of the SCALE transformation programme, the Group has initiated structural and organisational measures aimed at improving operational efficiency and long-term cost competitiveness. These measures include a reduction in workforce capacity of approximately 1,200 FTEs. As a result, redundancy and related costs of €98 million were recognised in the financial statements for the year. The costs primarily comprise severance payments and associated social charges and are recognised as restructuring expenses. The related obligations are recognised as redundancy provisions in the statement of financial position. See [Note 18](#) for further details.

4. Employees

As at 31 March	Note	2026	2025
		€m	€m
The total employment costs of all employees (including directors) in the Group were:			
Wages and salaries		910	904
Social security costs		151	155
Pension costs	26	123	122
Redundancy and other related costs	3, 18	98	5
		1,282	1,186

The average number of the Group's employees (headcount) during the year was 11.866 (2025: 12.217). The analysis by business area and by country was:

	2026	2025		2026	2025
BU IJmuiden	9,348	9,577	The Netherlands	9,870	10,150
BU Downstream	2,518	2,640	France	525	542
			Germany	636	649
			Other	835	876

Other pension costs can be further analysed as follows:

As at 31 March	Note	2026	2025
		€m	€m
Defined benefit schemes	26	3	3
Defined contribution schemes	26	120	119
		123	122

5. Financing items

As at 31 March	2026	2025
	€m	€m
Interest expense:		
Bank and other borrowings	(15)	(21)
Finance leases	(9)	(8)
Capitalised interest	3	-
Interest charge on securitised receivables	(21)	(26)
Finance costs	(42)	(55)
Interest income:		
From other sources	6	-
Finance income	6	-
	(36)	(55)

6. Taxation

Tax consists of current and deferred tax. Tax is recognised in the income statement and in the statement of OCI in the period in which it arises. Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates (and laws) enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Company intends to settle on a net basis and a legal right of offset exists.

Deferred tax is recognised for qualifying temporary differences and for available carry forward tax losses, to the extent that the Company foresees sufficient future taxable income. Temporary differences represent the difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date. The valuation of carry forward tax losses is based on a conservative estimate of future taxable income. As TSNH is the head of Tata Steel's Dutch fiscal unity, the Company has recognised an intercompany non-current tax receivable with the parent company to reflect its deferred tax position ([Note 11](#)).

As at 31 March	2026	2025
	€m	€m
Dutch corporation tax	9	63
Dutch prior year corporation tax	7	(6)
Other corporation tax	(7)	(3)
Other prior year corporation tax	2	(9)
Current tax	11	45
Dutch deferred tax	(5)	16
Other deferred tax	-	(8)
Taxation (charge)/credit	6	53

In addition to the total taxation (credited)/charged to the income statement, an amount of €nil is charged in other comprehensive income in the year (2025: €nil). This has resulted in an effective tax rate of 2,8% (2025: 20,6%).

The total (credit)/charge for the year reconciles to the accounting profit/(loss) as follows:

As at 31 March	2026	2025
	€m	€m
Profit/(loss) before taxation	(212)	(257)
Profit/(Loss) before taxation multiplied by the		
Applicable Dutch corporation tax rate of 25.8% (2025: 25.8%)	55	66
Effects of:		
Unaccounted tax credit	(56)	-
Impact of different tax rate in foreign jurisdictions	1	-
Adjustments to current tax in respect of prior years	9	(15)
Adjustments to deferred tax in respect of prior years	(5)	19
Changes in unrecognised losses and other tax benefits	2	(14)
Non-taxable income	-	(2)
Other differences	-	(1)
Total taxation (charge)/credit	6	53

As taxable income is generated across multiple jurisdictions with differing corporate income tax rates, the reported tax expense deviates from the expected amount calculated using the Dutch statutory corporate income tax rate of 25.8%. The effective tax rate is further impacted by other items, including adjustments related to prior years following final tax filings, movements in unrecognised tax losses and tax-exempt income components. The primary driver of the reported tax result in FY2026 is the unrecognised tax credit in relation to current-year losses, as further described in [Note 11](#).

Pillar Two legislation has been enacted or substantively enacted in most jurisdictions in which the Group operates. Pillar Two legislation is part of the OECD/G20 international tax reform initiative and introduces a global minimum effective corporate income tax rate of 15% for large multinational enterprise groups. The rules, referred to as the Global Anti-Base Erosion (GloBE) rules, apply to groups with consolidated annual revenues of €750 million or more and are designed to ensure that such groups pay a minimum level of tax in each jurisdiction in which they operate.

Under Pillar Two, if the effective tax rate in a jurisdiction falls below the 15% minimum, a top-up tax may be imposed to bring the tax charge up to the minimum level. The group makes use of the Transitional Safe Harbour rules, which for FY2026 has a threshold of 16% ETR. The legislation is effective for the Group as of the 2025 financial year. The Group did not recognise any additional current tax expense in respect of top-up tax, as it has estimated that there is no material impact from the Pillar Two regulation in relation to the reporting period.

7. Intangible assets

As at 31 March 2026	Goodwill	Computer software	Development costs	Patents and trademarks	Total
	€m	€m	€m	€m	€m
Cost at beginning of the period	19	167	18	1	205
Additions	23	17	-	-	40
Cost at end of the period	42	184	18	1	245
Amortisation at beginning of the period	11	104	18	1	134
Charge for the period	-	11	-	-	11
Amortisation at end of the period	11	115	18	1	145
Net book value at the end of the period	31	69	-	-	100

As at 31 March 2025	Goodwill	Computer software	Development costs	Patents and trademarks	Total
	€m	€m	€m	€m	€m
Cost at beginning of the period	19	163	39	1	222
Additions	-	4	-	-	4
Disposals	-	-	(21)	-	(21)
Cost at end of the period	19	167	18	1	205
Amortisation at beginning of the period	11	97	39	1	148
Charge for the period	-	7	-	-	7
Disposals	-	-	(21)	-	(21)
Amortisation at end of the period	11	104	18	1	134
Net book value at the end of the period	9	63	-	-	71

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units expected to benefit from the combination. Goodwill is tested for impairment annually, or more frequently if indicators of impairment exist. The Group's annual goodwill impairment test as at 31 March 2026 resulted in no impairment of goodwill (2025: no impairment). Further information on the impairment test is disclosed in [Note 8](#).

Movements in intangible assets during the year primarily reflect continued investment in computer software and the impact of business combinations. In 2026, intangible assets increased compared with the prior year, mainly due to the recognition of goodwill arising from the acquisition of LAG Velsen B.V. and additional investments in computer software.

Acquisition of LAG Velsen B.V.

On 2 January 2026, the Group, through its wholly-owned subsidiary Tata Steel IJmuiden B.V. (TSIJ B.V.), acquired 100 percent of the shares and voting interest in LAG Velsen B.V. As a result, the Group obtained control of LAG Velsen B.V. in accordance with IFRS 10 Consolidated Financial Statements. Through this acquisition, the Group obtained control over an integrated energy business comprising three power plants (Velsen 24, Velsen 25 and IJmond 01) and a solar facility. The acquired activities and assets generate electricity and steam primarily using residual gases from the Group's steelmaking operations at the IJmuiden site. Together, the acquired inputs and processes are capable of producing outputs and therefore constitute a business in accordance with IFRS 3.

The acquisition has been accounted for as a business combination under IFRS 3 Business Combinations. TSIJ B.V. is the legal acquirer, while TSN is the accounting acquirer for the purposes of the consolidated financial statements.

The Group recognizes the identifiable assets acquired and liabilities assumed at their acquisition-date fair values, and goodwill has been recognized as the excess of the consideration transferred over the net fair value of the identifiable assets and liabilities. Included in the identifiable assets and liabilities acquired at the date of acquisition of LAG Velsen B.V. are inputs (power plants, inventories, tolling contract), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to generate revenue. The Group has concluded that the acquired set is a business.

Taking control of LAG Velsen B.V. will enable the Group to integrate the conversion of blast furnace gases into electricity, which is considered strategically linked to the transition of the Group to more sustainable steel production.

A. Consideration Transferred

The total consideration transferred amounted to €122.4 million, comprising of

- Cash consideration: €114.6 million
- Deferred consideration: €9.4 million
- Net debt correction: €(1.6) million

The deferred consideration is payable 24 months after acquisition date.

B. Acquisition related costs

The Group incurred acquisition-related costs of €225.000 on legal fees, due diligence and consultancy costs. These costs have been included in 'Other operating items', refer to [Note 2](#).

C. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Note	2026
		€m
Property, plant and equipment	8	128
Inventories	10	5
Deferred tax liabilities	11	(15)
Provisions	18	(13)
Trade and other payables	14	(5)
Total identifiable net assets acquired		100

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	<i>Residual method:</i> In this residual method, the total enterprise value of LAG Velsen is assessed based on a DCF approach, applying an AMP forecast and market-based discount rate estimate for LAG Velsen B.V., assuming the Tolling Agreement would be continued over the remaining useful life of the power plants. The value of the PPE is estimated as this total AMP-based enterprise value of LAG Velsen B.V., deducted by the fair value of all other assets and liabilities in the company.

D. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	2026
	€m
Consideration transferred	123
Fair value of identifiable net assets	(100)
Goodwill	23

The goodwill is attributable mainly to the skills and technical talent of LAG Velsen B.V.'s workforce and the expected synergies expected to be achieved from integrating LAG Velsen B.V. into the Group's existing business. None of the Goodwill recognised is expected to be deductible for tax purposes. The goodwill is allocated to the TSIJ CGU for impairment testing.

8. Property, plant and equipment

As at 31 March 2026	Land and buildings	Plant and machinery	Assets under construction	Right-of-use assets	Total
	€m	€m	€m	€m	€m
Cost or valuation at the beginning of the period	1,275	8,429	474	221	10,399
Additions	1	58	198	17	274
Exchange rate movements	-	(10)	(1)	-	(11)
Reclassifications and other movements	-	8	(6)	-	2
Transfers to/(from) assets under construction	11	184	(195)	-	-
Acquisitions through business combination	28	97	3	-	128
Disposals	(14)	(74)	-	(14)	(102)
Cost or valuation at the end of the period	1,302	8,692	473	224	10,691
Depreciation at the beginning of the period	1,008	6,453	4	85	7,550
Charge for the period	19	256	-	27	302
Impairment charge for the period	-	-	2	-	2
Exchange rate movements	-	(8)	-	-	(9)
Reclassifications and other movements	-	2	-	1	3
Disposals	(9)	(55)	-	(18)	(82)
Depreciation at the end of the period	1,017	6,648	6	95	7,766
Net book value at the end of the period	285	2,045	467	129	2,924

As at 31 March 2025	Land and buildings	Plant and machinery	Assets under construction	Right-of-use assets	Total
	€m	€m	€m	€m	€m
Cost or valuation at the beginning of the period	1,207	8,152	506	200	10,065
Additions	4	73	218	54	349
Exchange rate movements	1	2	-	-	3
Reclassifications	44	30	3	(25)	52
Transfers to/(from) assets under construction	20	232	(252)	-	-
Disposals	(1)	(60)	(1)	(8)	(70)
Cost or valuation at the end of the period	1,275	8,429	474	221	10,399
Depreciation at the beginning of the period	949	6,211	4	91	7,255
Charge for the period	21	243	-	21	285
Impairment charge for the period	-	4	-	-	4
Reversal of impairment losses for the period	-	-	-	-	-
Exchange rate movements	1	1	-	-	2
Reclassifications	38	33	-	(19)	52
Disposals	(1)	(39)	-	(8)	(48)
Depreciation at the end of the period	1,008	6,453	4	85	7,550
Net book value at the end of the period	267	1,976	470	136	2,849

Basis the triggers and indicators of impairment and consistent with the annual assessment for impairment of Goodwill (see [Note 7](#)) Property, Plant and Equipment as at 31 March 2026 was tested for impairment. This involves the Group estimating the recoverable amounts of individual Cash Generating Units (CGU). See the Critical Judgements in Applying the Group's Accounting Policies for further information with regards to the definition of CGU's.

European countries including the Netherlands have legal requirements to reach net zero by 2050. Decarbonisation is central to the long-term strategy of TSN which has set out its ambitions to be carbon neutral by 2045.

During the financial year, Tata Steel Nederland made substantive progress in advancing the Green Steel Project. In September 2025, TSN, Tata Steel Limited, the Dutch State and the Province of North Holland entered into a Joint Letter of Intent (JLoI), establishing a framework and agreed intent, and setting out milestones, aimed at working towards a legally binding Tailor-Made Agreement. The JLoI sets out TSN's intention to execute Phase 1 of the Green Steel Project, including the construction of a Direct Reduced Iron plant and an Electric Arc Furnace to replace Blast Furnace 7 and Coke and Gas Plant ("CGP") 2, together with the implementation of a comprehensive package of environmental measures. Phase 1 is intended to deliver substantial reductions in CO₂ emissions and further improvements in local environmental performance, subject to specified conditions, regulatory approvals and the conclusion of a final Tailor-Made Agreement. The State has expressed its intention to provide significant one-off financial support, subject to regulatory approval and fulfilment of agreed conditions.

In parallel, TSN has progressed permitting activities, submitted the Environmental Impact Assessment and integrated the Green Steel Project within the broader SCALE transformation programme.

Regulatory compliance and licence-to-operate considerations were assessed as part of the impairment indicator evaluation. The impairment assessment assumes continued licence to operate for relevant legacy installations during the transition period. In assessing regulatory risk and licence-to-operate uncertainty, based on recent engagement with regulators and other developments, management has identified and taken into consideration the impact of a reasonable possible scenario of accelerated closure of both CGP's in the base valuation model considered for impairment assessment.

Considering presence of these internal and external indicators the management has carried out impairment assessment for the Property, Plant and Equipment's for the year ended March 31, 2026.

For the purposes of TSN's 31 March 2026 year-end reporting under IFRS, detailed impairment reviews were conducted for, amongst others, the most material CGU (Business Unit IJmuiden, primarily comprising Tata Steel IJmuiden B.V.). The recoverable amount of CGU BU IJmuiden has been determined using a fair value less costs of disposal ('FVLCD') approach, as this is considered to better reflect a market participant perspective, including assumptions regarding the decarbonisation transition and anticipated external support, compared with a value in use calculation. TSN applied an income approach valuation technique to determine fair value. All critical assumptions used in the present value determination reflect market participant views and market-based assumptions. Cash flows from FY 2027 to FY 2050 were discounted, with a terminal cash flow applied in FY 2050.

CGU Business Unit IJmuiden

The recoverable amount of Business Unit IJmuiden CGU has been determined from a fair value less costs of disposal ('FV') calculation. The FV calculation involves estimating future cash flows that TSN expects to derive from the CGU using the Annual Plan FY 27, with explicit cash flow projections for FY28–FY50, followed by a terminal value. The objective of using an extended explicit forecast period is to capture the full economic impact of the CGU's long-term transformation and to reflect market-participant assumptions over the entire transition cycle. The length of the forecast period reflects the specific characteristics of the CGU, including the multi-phase nature of the Green Steel transformation programme, the extended transition period during which existing assets continue to operate alongside newly installed low-carbon assets, and the time required for production, cost structures and cash flows to stabilise following commissioning and ramp-up of new installations. The explicit forecast period therefore enables the valuation to reflect a realistic progression towards a steady-state level of cash flows that is representative of long-term, sustainable performance under normalised market conditions, consistent with a market-participant fair value perspective.

TSN intends to transition in a phased manner away from coal-based blast furnace steelmaking towards steel production using Direct Reduced Iron ("DRI") technology and Electric Arc Furnaces ("EAF"), with assets designed to be hydrogen-ready, subject to the future availability and affordability of low-carbon energy. The initial phase of the Green Steel Project comprises the construction of a DRI plant and an EAF, intended to replace one blast furnace, which forms part of the ongoing discussions with the Dutch State in the context of the Joint Letter of Intent and the envisaged Tailor-Made Agreement. The fair value calculation incorporates assumptions regarding capital expenditure required to pursue decarbonisation, together with assumptions on government support consistent with the non-binding framework of the Joint Letter of Intent. The projected cash flows further reflect business improvement initiatives, the expected operational benefits arising from the planned capital investments, and management's expectation that the timing of the closure of coke and gas plant assets may be brought forward, with the related impacts reflected directly in the cash-flow projections.

Key assumptions for the FV model include expected developments in selling prices and raw material costs, levels of EU steel demand, and energy and network costs. The model reflects the expected evolution of the IJmuiden production configuration over the forecast period, including management's current expectations regarding the phased closure of Coke and Gas Plants ("CGP") 2 and CGP 1 assuming that such closures are executed in a controlled, safe and responsible manner.

The FV model further incorporates assumptions regarding the timing and availability of permits and regulatory approvals required to support ongoing operations and future investments, the successful delivery of the business improvement initiatives reflected in the Annual Plan, anticipated capital expenditure requirements in relation to decarbonisation, changes to EBITDA associated with the production and sale of lower-carbon steel products, the timing of commissioning of new production facilities, and the expected impact of existing and proposed regulatory measures, including CBAM, on competitive dynamics within the EU steel market. A post-tax discount rate of 8.15% has been applied.

In particular, during the year TSN signed a Joint Letter of Intent ("JLoI") with the Dutch government in relation to its green steel transition. At the reporting date, however, these discussions remain ongoing and no formal or binding agreement has been concluded. The Group however believes that the key assumptions applied represent its best estimate of the most likely impact of decarbonisation at this point in time, based on information currently available.

These assumptions are subject to inherent uncertainty and will continue to be monitored and reassessed in future periods, particularly as decisions are taken regarding the timing and execution of CGP closures, decarbonisation investments become committed, permitting processes progress and external market and regulatory conditions evolve. The key assumptions also remain an active topic of dialogue with the Dutch government.

For the FV calculation, a set of inflation assumptions is used to extrapolate the cash flow projections up until the terminal year at which point a 2.0% (2024-25: 2%) growth rate is used on future cashflows into perpetuity. The post-tax discount rate of 8.15% (March 31, 2025: 8.2%) is derived from the Group's weighted average cost of capital (WACC) and the WACCs of its main European steel competitors.

Outcome of the Impairment Assessment

The impairment test resulted in a recoverable amount of €3,677 million, compared with a carrying value of €2,721 million, indicating headroom of approximately €956 million. Accordingly, no impairment of goodwill or property, plant and equipment was recognised for CGU Business Unit IJmuiden in FY2026 (FY2025: nil).

Sensitivity Analysis and Key Sources of Estimation Uncertainty

The recoverable value has been determined and stress tested after appropriately considering the major downside impact of probable risks which the business may get exposed to. It remains the directors' best estimate that government support would be provided broadly in line with intentions observed in the JLoI signed September 2025. However, if the scope, timing or level of support ultimately provided by the Dutch government were to differ materially from current expectations, this would have a material impact on the valuation of property, plant and equipment and could significantly affect the manner and timing in which the Group's decarbonisation plans are realised. Also, if the ongoing discussions with the authorities do not result in the timeline expected by management to ensure a controlled, safe and responsible closure of the cokes and gas plants then there could be a material impact on the valuation of property, plant and equipment. Also, if the support from the Dutch government would not be within the timeline and conditions as included in the Joint Letter of Intent, then there would be a material impact on the valuation of property, plant and equipment. This could also have a significant impact on how the current decarbonisation plans could be realised. In addition, the Group has performed a number of sensitivity analyses as part of the impairment assessment of the carrying value of the CGU BU IJmuiden.

Discount Rate Sensitivity

- an increase in the discount rate by 30 basis points will lead to a reduction in recoverable value by €345 million as a result the revised surplus will be €611 million;

Terminal Growth Rate Sensitivity

- a reduction in the terminal growth rate from 2.0% to 1.0% will lead to a reduction in recoverable value by €360 million as a result the revised surplus will be €596 million;

Volume Sensitivity

- a 2% reduction in forecast delivery volumes across the explicit forecast period, reflecting potential operational disruptions, extended maintenance shutdowns or lower market demand will lead to a reduction in recoverable value by €576 million as a result the revised surplus will be €380 million;

Margin / Spread Sensitivity

- a sustained adverse steel spread scenario, equivalent to a 2% reduction in spreads (approximately €10 per tonne) across the explicit forecast period, lead to a reduction in recoverable value by €856 million and results in a revised surplus of €100 million;

Timing of receipt of Decarbonisation Government Support

- a delay of 12-months in the receipt of assumed government support related to decarbonisation investments will lead to a reduction in recoverable value by €108 million as a result the revised surplus will be €848 million.

Other CGUs

For all other CGUs within the TSN Group, recoverable amounts were assessed using value-in-use (“VIU”) calculations, reflecting the expectation that these CGUs will continue to be operated and the limited availability of observable market data for comparable assets. This VIU calculation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which cover a period of three years and future projections taking the analysis out to perpetuity based on a steady state, sustainable cash flow reflecting average steel industry conditions between successive peaks and troughs of profitability.

Key assumptions for the value in use calculation are those regarding expected changes to selling prices and raw material costs, EU steel demand, energy costs, exchange rates, and a pre-tax discount rate of 11.0% (2024-25: 11.0%). Changes in selling prices, raw material costs, exchange rates and EU steel demand are based on expectations of future changes in the steel market based on external market sources.

The outcome of this assessment indicated that none of the CGUs in the TSN group had a recoverable amount which was lower than its carrying value.

9. Equity accounted investees

As at 31 March			2026	2025
	Interest in joint ventures	Investments in associates	Total	Total
	€m	€m	€m	€m
Cost at beginning of the period	10	9	19	17
Change in classification	-	-	-	2
Cost at end of the period	10	9	19	19
Share of post-acquisition reserves at the beginning of period	17	10	27	30
Share of results in period retained	2	1	3	1
Change in classification	-	-	-	(2)
Dividends	-	(1)	(1)	(2)
Share of post-acquisition reserves at end of the period	19	10	29	27
Net book value at end of the period	29	19	48	46
Net book value at beginning of the period	27	19	46	46

The Group’s equity accounted investments are listed in [Note 30](#).

(i) Summarised information in respect of the Group's joint ventures is presented below:

As at 31 March	2026	2025
	€m	€m
The share of assets and liabilities of the Group's joint ventures is as follows:		
Non-current assets	9	13
Current assets	19	20
Current liabilities	(5)	(6)
Group's share of net assets	23	27
The share of revenue and expenses of the Group's joint ventures are as follows:		
Revenue	57	54
Expenses	(55)	(55)
Group's share of joint ventures' profit/(loss) for the period	2	(1)
Dividend received	-	-
Group's share of retained profit/(loss) for the period	2	(1)

(ii) Summarised information in respect of Group's associates is presented below:

	2026	2025
	€m	€m
Summarised balance sheet information		
Total assets	92	93
Total liabilities	(32)	(33)
Net assets	60	60
Group's share of net assets	18	19
Summarised income statement information		
Revenue	270	299
Profit/(loss) for the period	3	5
Group's share of associates profit/(loss) for the period	1	-
Dividend received	(1)	(2)
Group's share of retained profit/(loss) for the period	-	(2)

(iii) The share of post-tax profits of joint ventures and associates as disclosed in the income statement arose as follows:

	2026	2025
	€m	€m
Group's share of joint ventures' profit/(loss) for the period	2	(1)
Group's share of associates profit/(loss) for the period	1	2
Total profit/(loss) on joint ventures and associates for the year	3	1

10. Inventories

As at 31 March	2026	2025
	€m	€m
Raw materials and consumables	510	492
Work in progress	392	417
Finished goods and goods for resale	498	508
	1,400	1,417

The value of inventories above is stated after impairment of €42 million (2025: €83 million) for obsolescence and write-downs to net realisable value. Work in progress includes semi-finished and partly processed materials.

11. Tax assets and tax liabilities

As at 31 March	2026	2025
	€m	€m
Current tax assets	3	5
Non-current tax assets:		
Deferred tax assets	79	87
Non-current tax receivable (intercompany)	169	154
	248	241
Total tax assets	251	246
Current tax liabilities	(11)	(9)
Deferred tax liabilities	(17)	(3)
Total tax liabilities	(28)	(12)

Non-current tax assets

To evaluate the deferred tax position, which includes the intercompany non-current tax receivable, an analysis is made of the expected future taxable profits as has been used for the impairment assessment. Additionally, in accordance with the probability criteria of IAS12, an uncertainty factor is applied to the forecast used. With this adjustment, the outcome of the analysis is considered to be sufficiently probable for the purpose of recognition of the deferred tax position.

Although measures were taken to apply sufficient conservatism in the analysis, changes to any of the key assumptions, such as lower than expected government support or significant delays or restrictions in environmental permitting could have an adverse effect on future valuations of the deferred tax position.

The intercompany non-current tax receivable reflects the deferred tax asset position of the Company related to the loss carry forward under Dutch income tax. Following the evaluation of future taxable profits, the value of the non-current tax receivable (intercompany) has increased to €169 million as at 31 March 2026 (2025: €154 million). The carry forward losses have no expiry date and the carrying value reflects approximately 13% of the nominal value of available tax losses.

TSN has incurred losses in recent periods; however, deferred tax assets have been recognised to the extent that it is considered probable that future taxable profits will be available. This assessment is based on Board-approved forecasts and reflects expected improvements in operating performance driven by cost optimisation following the executed reorganisation and the on-going transformation project, as well as targeted portfolio actions, such as the acquisition of the power plants in January 2026. External factors such as the implementation of CBAM and EU import quotas are expected to support market conditions and consequently financial performance of the Company. The recoverability of these assets remains sensitive to assumptions regarding market conditions, production levels and timing of profitability.

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and prior period.

As at 31 March 2026	Accelerated tax depreciation	Pension	Inventory	Provisions	Losses	Other	Total
	€m	€m	€m	€m	€m	€m	€m
At beginning of period	30	7	5	22	10	10	84
Credited/(charged) to income statement	(2)	(2)	-	(3)	1	1	(5)
Exchange rate differences	-	(1)	-	-	-	(1)	(2)
Acquisitions	(15)	-	-	-	-	-	(15)
At end of period	13	4	5	19	11	10	62

As at 31 March 2025	Accelerated tax depreciation	Pension	Inventory	Provisions	Losses	Other	Total
	€m	€m	€m	€m	€m	€m	€m
At beginning of period	30	7	5	9	16	8	75
Credited/(charged) to income statement	-	-	-	13	(6)	2	9
Acquisitions	-	-	-	-	-	-	-
At end of period	30	7	5	22	10	10	84

Following the evaluation of future taxable profits, net deferred tax assets of €62 million (2025: €84 million) have been recognised at 31 March 2026.

Of the deferred tax asset of €62 million as at 31 March 2026 (2025: €84 million), €8 million is expected to be utilised within the next 12 months (2025: €2 million).

12. Trade and other receivables

As at 31 March	Note	2026	2025
		€m	€m
Trade receivables		152	173
Less provision for expected credit losses		(4)	(3)
		148	170
Amounts owed by other Tata Steel companies	28	41	66
Amounts owed by joint ventures	28	7	8
Amounts owed by associates	28	16	14
Derivative instruments	17	28	9
Derivative financial instruments owed to group companies	17, 28	10	-
Other taxation		26	14
Prepayments		12	9
Other receivables		37	42
		325	332

(i) Trade receivables are further analysed as follows:

As at 31 March 2026	Gross amount	Subject to credit insurance cover	Impairment provision	Net credit risk
	€m	€m	€m	€m
Amounts not yet due	142	(134)	-	8
One month overdue	2	(2)	-	-
Two months overdue	-	-	-	-
Three months overdue	-	-	-	-
Greater than three months overdue	4	-	(4)	-
	148	(136)	(4)	8

As at 31 March 2025	Gross amount	Subject to credit insurance cover	Impairment provision	Net credit risk
	€m	€m	€m	€m
Amounts not yet due	161	(150)	-	11
One month overdue	6	(6)	-	-
Two months overdue	2	(2)	-	-
Three months overdue	-	-	-	-
Greater than three months overdue	4	(1)	(3)	-
	173	(159)	(3)	11

The Group has access to a trade receivables securitization arrangement, with a maximum amount of €600 million on a non-recourse basis. The transfer of trade receivables from the Group to the securitisation vehicle is considered a true sale and leads to derecognition of the trade receivable. At end of the financial year 2026 €566 million of this facility was utilized (prior year: €524 million).

The Group considers its maximum exposure to credit risk with respect to third party customers at 31 March 2026 to be €8 million (2025: €11 million), which is the fair value of trade receivables (after impairment provisions) less those that are subject to credit insurance cover as shown in the table above.

The other classes of financial assets within trade and other receivables do not contain impaired assets. There is no concentration of credit risk with any particular third-party customer.

Credit risk management is discussed further in [Note 17\(e\)](#).

(ii) Movements in the provision for impairment of receivables are as follows:

As at 31 March	Note	2026	2025
		€m	€m
At beginning of the period		3	4
Impairments in the period	2	1	-
Amounts utilised, exchange rate translation and other movements		-	(1)
At end of the period		4	3

(iii) Amounts owed by other Tata Steel companies include trade receivables of €39 million (2025: €49 million) owed by TSUK and €1 million (2025: €17 million) owed by other Tata Steel companies.

The line items Derivative financial instruments and Derivative financial instruments due from group companies reflect the derivative positions with a positive fair value at reporting date. These are used to hedge the risks related to commodity prices, the price of EU allowances and foreign exchange rates. The positive value reflects the price level at reporting date relative to the contracted price of the derivative transaction. Additional disclosure of the derivative positions is included in [Note 17](#).

13. Cash and short-term deposits

As at 31 March	2026	2025
	€m	€m
Cash at bank and in hand	275	428
Short-term deposits	-	-
Cash and short-term deposits	275	428

The distribution of the cash position per currency is stated in the table below:

	2026			2025		
	Cash	Remittance in transit	Total	Cash	Remittance in transit	Total
	€m	€m	€m	€m	€m	€m
Euros	211	-	211	328	14	342
Sterling	2	-	2	51	-	51
US Dollars	52	-	52	19	-	19
Other	10	-	10	16	-	16
	275	-	275	414	14	428

Short-term deposits are highly liquid investments with original maturities of three months or less. No deposits were outstanding as per 31 March 2026.

14. Trade and other payables

As at March 31	Note	2026	2025
		€m	€m
Trade payables		711	690
Amounts owed to Tata Steel companies for the purchase of raw materials		279	269
Amounts owed to other Tata Steel companies		39	11
Amounts owed to associates		2	3
Amounts owed to joint ventures		-	-
Other taxation and social security		82	67
Capital expenditure creditors		67	96
Interest payable		1	4
Derivative financial instruments	17	20	18
Derivative financial instruments owed to group companies	17 & 28	-	1
Holiday pay provision		181	186
Other employment provisions		104	111
Emission rights		123	-
Other payables		42	20
		1,652	1,476

(i) Trade and other payables primarily comprise amounts outstanding for the purchase of raw materials and services, payables to group companies, and other statutory and operational liabilities. Trade payables are non-interest bearing and are generally settled within normal credit terms, which typically range from 30 to 90 days.

(ii) Amounts owed to Tata Steel companies mainly relate to the purchase of raw materials and services within the Tata Steel group. Amounts owed to other group companies include balances arising from shared services, management fees, and intercompany settlements. Payables to associates represent short-term operational balances.

(iii) Other taxation and social security liabilities consist mainly of accrued payroll-related taxes, social security contributions, and indirect taxes payable to tax authorities. Capital expenditure creditors relate to invoices received or accrued for property, plant, and equipment. Interest payable includes accrued interest on borrowings outstanding at the reporting date.

(iv) Derivative financial instruments and Derivative financial instruments owed to group companies represent the fair value of derivative contracts with a negative value at the balance sheet date. These contracts are used to hedge the risks related to commodity prices, the price of EU allowances and foreign exchange rates, and are measured at fair value through profit or loss. The negative value reflects the price level at reporting date relative to the contracted price of the derivative transaction. No derivative financial instruments were owed to group companies at 31 March 2026 (2025: €1 million). Additional disclosure of the derivative positions is included in [Note 17](#).

(v) Holiday pay and other payroll provisions relate to employee entitlements, including accrued vacation days, bonuses, and other short-term employee benefits.

(vi) Emission rights represent a financial liability arising from transactions whereby emission allowances were sold to banking counterparties with an obligation to repurchase these allowances at a future date. The liability reflects the repurchase obligation outstanding at the reporting date.

(vii) Other payables include various accrued expenses and sundry creditors arising in the normal course of business.

All trade and other payables are expected to be settled within twelve months after the reporting date.

15. Borrowings

As at 31 March	2026	2025
	€m	€m
Current:		
Bank and other loans	-	4
Loans from other Tata Steel companies	-	22
Lease liabilities	22	19
	22	45
As at 31 March	2026	2025
	€m	€m
Non-current:		
Bank and other loans	110	328
Lease liabilities	108	118
	218	446
Total borrowings	240	491

(i) The tables below provide the Group's borrowings per currency and the average interest rate and average remaining tenor for fixed rate borrowings.

As at 31 March	2026				2025			
	Fixed rate borrowings	Floating rate borrowings	Zero rate borrowings	Total	Fixed rate borrowings	Floating rate borrowings	Zero rate borrowings	Total
	€m	€m	€m	€m	€m	€m	€m	€m
Euros	124	110	-	234	153	332	-	485
USD	3	-	-	3	2	-	-	2
Other	3	-	-	3	4	-	-	4
Total	130	110	-	240	159	332	-	491

As at 31 March	2026		2025	
	Weighted average fixed interest rate	Weighted average time for which rate is fixed	Weighted average fixed interest rate	Weighted average time for which rate is fixed
	%	Years	%	Years
	7.2	4.7	7.3	6.4

The weighted average remaining fixed rate period reduced by more than one year through prepayment of a fixed rate loan in March 2026.

The weighted average interest rate on short-term borrowings from other Tata Steel companies was nil% (2025: 5.3%).

(ii) The maturity of borrowings is as follows:

As at 31 March	2026	2025
	€m	€m
In one year or less or on demand	29	53
Between one and two years	136	33
Between two and three years	12	337
Between three and four years	28	26
Between four and five years	19	19
More than five years	53	75
	277	543
Less: amounts representing interest in future minimum lease payments	(37)	(52)
	240	491
Analysed as:		
Current liabilities	22	45
Non-current liabilities	218	446

The committed revolving credit facility matures in May 2027. As a consequence, the outstanding balance of €110 million is reported between one and two years. In the comparable figures, the drawn position of €310 million is reported between two and three years. The other positions on balance sheet date relate to lease financing transactions.

In addition, as the revolving credit facility ('RCF') is due to expire in May 2027, TSN has received a support letter from Tata Steel Global Holding Pte Ltd, demonstrating its commitment to support TSN in the rollover of the existing RCF with existing / and or new banks for a period of at least 6 months beyond the current termination date.

In March 2026, the Company has fully prepaid a bilateral annuity loan, which explains the reduction of the outstanding position with a maturity of more than five years.

(iii) Amounts payable under leases are as follows:

As at 31 March	Minimum lease payments		Present value of minimum lease payment	
	2026	2025	2026	2025
	€m	€m	€m	€m
Not later than one year	29	28	22	19
Later than one year but not more than five years	85	92	67	67
More than five years	53	69	41	50
	167	189	130	137
Less: future finance charges on leases	(37)	(52)	-	-
Present value of lease liabilities	130	137	130	137

The lease portfolio of the Group consists of leases of land, building, machinery, and vehicles.

(iv) The maturity of undrawn committed borrowing facilities of the Group is as follows:

As at 31 March	2026	2025
	€m	€m
Not later than one year	-	-
Later than one year but not more than five years	440	240
	440	240

To fund its operations, the Company has access to a committed revolving credit facility of €550 million (31 March 2025: €550 million). Each advance bears interest equal to EURIBOR + 1.50% per annum. Following total repayments of €200 million during the reporting period, €440 million was undrawn as of 31 March 2026 (31 March 2025: €240 million). The revolving credit facility is scheduled to mature in May 2027. The Company intends to pursue the extension and/or refinancing of this facility in the next financial year.

(v) Furthermore, the Group has several (uncommitted) short-term bank facilities in various countries to support daily treasury operations such as cash pooling as well as trade finance solutions, such as the issuance of guarantees and Letters of Credit.

16. Other non-current liabilities

As at March 31	Note	2026	2025
		€m	€m
Other taxation and social security		13	31
Contingent consideration	7	9	-
Derivative liabilities		-	17
		22	48

Other taxation and social security relate to deferred payroll taxes and are due for repayment within three years. These payroll tax deferrals were granted in response to the COVID 19 pandemic. The contingent consideration is due to the deferred payment of €10 million with a net present value of €9,4 million related to the acquisition of LAG Velsen B.V. payable in December 2027.

17. Financial instruments and risk management

(i) Capital

Capital is managed to ensure that the Group remains a going concern. Capital comprises equity and net interest-bearing borrowings. At reporting date, total available capital equals €2,845 (31 March 2025: €2,938 million). In the reporting period, capital decreased due to the financial performance, which has led to a decrease in retained earnings. In addition, net debt changed into net cash. The Group, however, remains sufficiently capitalised to continue its operations.

	2026	2025
	€m	€m
Called-up share capital	388	388
Share premium account	17	17
Retained earnings	2,369	2,572
Reserves	36	24
Total	2,810	3,001
Net funds	35	-63
Capital	2,845	2,938

(ii) Financial assets and financial liabilities recognised in the balance sheet

The carrying amounts of the Group's financial assets and financial liabilities (excluding derivative assets and liabilities) are:

As at 31 March	Note	2026	2025
		€m	€m
Financial assets			
Trade and other receivables ¹	12	248	299
Cash and short-term deposits	13	275	428
Other non-current assets		2	2
		525	729
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables ²	14	(1,549)	(1,390)
Current borrowings	15	(22)	(45)
Non-current borrowings	15	(218)	(446)
		(1,789)	(1,881)
		(1,264)	(1,152)

1 Excludes derivatives, other taxation and prepayments

2 Excludes derivatives, other taxation and social security, and advances from customers

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values with the exception of current and non-current borrowings. The fair value of these are €23 million (2025: €45 million) and €228 million (2025: €453 million) respectively. The fair value of borrowings would be classified as Level 3 within the fair value hierarchy. The fair value is based on discounted cash flows and reflects changes in applicable interest rates and credit spreads.

(iii) Fair value measurements recognised in the balance sheet

The following table categorises the Group's financial instruments held at fair value by the valuation methodology applied in determining this value. Where possible, quoted prices in active markets for identical assets and liabilities are used (Level 1 and this includes the Group's holdings of listed investments). Where such prices are not available, the asset or liability is classified as Level 2, provided all significant inputs to the valuation model used are based on observable market data. The Group's derivative financial assets and liabilities are categorised as Level 2 and their valuation is based on future cash flows (estimated from observable data such as forward exchange rates and yield curves) which are, where material, discounted at a rate which reflects the credit risk of counterparties. If one or more of the significant inputs to the valuation model is not based on observable market data, the instrument is classified as Level 3. The derivative financial assets and liabilities follow from the hedging activities, through which the Group aims to manage its price risks, and include forward foreign exchange transactions, forward commodity contracts (for raw material and base metals) as well as the forward contracts for CO₂ allowances (EUA).

As at 31 March	2026				2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	€m	€m	€m	€m	€m	€m	€m	€m
Financial assets at fair value:								
Forward commodity contracts	-	18	-	18	-	8	-	8
Forward EUA contracts	-	6	-	6	-	-	-	-
Forward foreign currency contracts	-	14	-	14	-	1	-	1
	-	38	-	38	-	9	-	9
Financial liabilities at fair value:								
Forward commodity contracts	-	(2)	-	(2)	-	(3)	-	(3)
Forward EUA contracts	-	(18)	-	(18)	-	(29)	-	(29)
Forward foreign currency contracts	-	(1)	-	(1)	-	(5)	-	(5)
	-	(20)	-	(20)	-	(37)	-	(37)

There were no transfers between any of the levels during the periods represented above.

The reported fair values reflect the price levels at reporting date relative to the contracted price of the derivative transactions. For forward purchases, a positive value indicates a price increase since transaction date, whereas a negative value reflects a price decrease since transaction date.

(iv) Financial risk management and financial instruments

The Group uses a variety of financial instruments, including derivatives, to finance its operations and to manage risks arising from those operations. The principal financial risks to which the Group is exposed are market risk (related to price movements of foreign exchange, commodities and CO₂ allowances), credit risk and liquidity risk. These risks are managed by TSN's treasury function, whose activities are governed by policies and procedures approved by the TSN Board. Performance is periodically reviewed and monitored against applicable policies.

(a) Market risk: Foreign exchange risk and management

It is the Group's policy that substantially all net currency transaction exposure arising from contracted sales and purchases over a 6-month time horizon is hedged by selling or purchasing foreign currency forwards. At 31 March 2026, the absolute notional amount of outstanding contracts to purchase or sell foreign currencies was €760 million (2025: €497 million). This position mainly relates to forward purchases of US Dollars, needed for raw material purchases, traded in US Dollar. The increase of the notional position is the result of lower expected sales in US Dollar, higher raw material prices and higher sales in other currencies. The net fair value of these positions reflect an asset of €13 million (2025: €5 million asset).

As at 31 March 2026, a 10% appreciation of the Euro against the US Dollar would decrease the net assets of TSN by approximately €5 million (2025: €2 million), decrease equity by approximately €5 million (2025: €2 million) and have no impact on the operating profit (2025: no impact). The sensitivity analysis has been based on the composition of the dollar denominated financial assets and liabilities of the Group at 31 March, excluding trade payables, trade receivables, other non-derivative financial instruments not in debt, and financial lease obligations, all of which do not present a material exposure.

As at 31 March 2026, a 10% appreciation of the Euro against the Sterling would decrease the net assets of TSN by approximately €nil (2025: €5 million), decrease equity by approximately €nil (2025: €5 million) and have no impact on the operating profit (2025: no impact).

The net positions of the Euro versus other currencies are of less importance and the sensitivity of a 10% weakening/strengthening of the Euro is therefore not significant.

(b) Market risk: Commodity risk and management

The Group makes use of commodity forward contracts and commodity option contracts to manage its purchase price risk for raw materials and base metals. Forward purchases are made for iron ore, bunker, freight, zinc, tin and nickel to cover a portion of the exposures related to forecasted liquid steel production and sales contracts with fixed prices. Using target hedge ratios for different periods, the required hedge position is determined.

At 31 March 2026, the Group had commodity forward contracts with a total notional value of €260 million (2025: €220 million) and a net fair value asset of €16 million (2025: €5 million asset).

As at 31 March 2026, a 10% decrease of the market prices of iron ore, bunker, freight, zinc, tin and nickel would decrease the equity of TSN by approximately €4 million (2025: €26 million). There was no significant market risk relating to the income statement since commodity derivatives are designated as hedging instruments in cash flow hedge relationships with movements being reflected in equity and the timing and recognition in the income statement depending on the point at which the underlying hedged transactions are also recognised.

(c) Market risk: CO₂ allowances

As the Company falls within scope of the EU Emissions Trading System (EU ETS), it needs to ensure it has sufficient CO₂ allowances to cover its CO₂ emissions. As the Company's requirement for CO₂ allowances is larger than the allocated free allowance, it is exposed to price movements of the CO₂ allowances. Consequently, the EU ETS has introduced an additional market risk related to the volatility of the price of CO₂. The price risks originates as there is a considerable time lag between actual emissions, measured per calendar year, and the required delivery of CO₂ allowances (in September of the following calendar year).

The Company hedges its exposure to the price of CO₂ allowances by executing forward contracts for CO₂ allowances based on its forecasted volume of CO₂ emissions. Through these hedging instruments, it aims to limit the impact of price volatility in reported cost price of CO₂ emissions.

At 31 March 2026, the Group had forward contracts for CO₂ allowances with a total notional value of €454 million (2025: €300 million) and a net fair value liability of €12 million (2025: €26 million liability). The notional position increased as it includes both the hedges for the calendar year 2025, which will be settled in September 2026, as well as the hedges for future periods. The negative fair value is a reflection of the recent price decrease for CO allowances in the market, after reaching a peak in January 2026, bringing the mark-to-market price slightly below the average contract price.

As at 31 March 2026, a 10% decrease of the market price of CO₂ allowances would increase the equity of TSN by approximately €30 million (2025: €11 million increase). There was no significant market risk relating to the income statement since the CO₂ allowance derivatives are designated as hedging instruments in cash flow hedge relationships with movements being reflected in equity and the timing and recognition in the income statement depending on the point at which the underlying hedged transactions are also recognised.

(d) Market risk: Interest rate risk and management

The financial structure of the Group includes only a small percentage of net assets that have been financed by loans. During 2026 and 2025, most of the Group's borrowings were denominated in euros. The Group did not enter into interest rate swap contracts or forward rate agreements. For further details of the borrowings, such as maturity and interest rates, see [Note 15](#).

As at 31 March 2026, the Group had fixed rate borrowings of €130 million (2025: €159 million), floating rate borrowings €110 million (2025: €332 million) and no zero rate borrowings (2025: nil).

Based on the composition of net debt at 31 March 2026, a 100 basis points increase in interest rates over the 12-month period would decrease the Group's net finance expense by approximately €3 million (2025: €3 million) and increase equity by approximately €3 million (2025: €3 million).

(e) Credit risk

Cash deposits, trade receivables and other financial instruments give rise to credit risk for the Group with respect to the related counterparties.

The credit risk on short-term deposits is managed by limiting the aggregate amounts and duration of exposure to any one counter party, depending on its credit rating and other credit information, and by regular reviews of these ratings. The possibility of material loss arising in the event of non-performance is considered unlikely.

Trade receivables follow from commercial operations. Individual operating units are primarily responsible for controlling the credit risk arising from their activities. This is done within a framework of counterparty credit risk policies and guidelines. Trade receivables are, where appropriate, covered by the Group's credit insurance program, and regular reviews are undertaken of exposure to key customers and those where known risks have arisen or persist. Any impairment to the recoverability of debtors is reflected in the income statement.

Credit risk also arises from the possible failure of counterparties to meet their obligations under currency and commodity hedging instruments. However, counter parties are established banks and financial institutions with high credit ratings and the Group continually monitors each institution's credit quality and limits as a matter of policy the amount of credit exposure to any one of them. The Group's theoretical risk is the cost of replacement at current market prices of these transactions in the event of a default by a counterparty. The Group believes that the risk of incurring such losses is remote and underlying principal amounts are not at risk.

(f) Liquidity risk

Liquidity risk is defined as the risk that the Group would not be able to provide sufficient and suitable sources of funding for its business activities. The Treasury department is responsible for liquidity and funding management and manages the liquidity risk by maintaining a sufficient cash position and additional liquidity buffers through available committed and uncommitted credit facilities. For further information on available credit lines see [Note 15](#).

The following table is a maturity analysis of the anticipated contractual cash flows including interest payable for the Group's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differs from both the carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates at 31 March 2026.

Maturity of contractual undiscounted cash flows

As at 31 March 2026	Contractual cash flows	In one year or less or on demand	Between one and five years	More than five years
	€m	€m	€m	€m
Non-derivative financial liabilities				
Trade and other payables ¹	(1,549)	(1,549)	-	-
Borrowings				
Repayment	(240)	(22)	(178)	(40)
Fixed interest	(37)	(7)	(18)	(12)
	(1,826)	(1,578)	(196)	(52)
Derivative financial assets/liabilities				
Foreign currency contracts				
Payables	(647)	(647)	-	-
Receivables	659	659	-	-
Derivatives commodities: net settlement	(5)	(5)	-	-
	7	7	-	-
Total	(1,819)	(1,571)	(196)	(52)

¹ Excludes derivatives, other taxation and social security and advances from customers

As at 31 March 2025	Contractual cash flows	In one year or less or on demand	Between one and five years	More than five years
	€m	€m	€m	€m
Non-derivative financial liabilities				
Trade and other payables ¹	(1,390)	(1,390)	-	-
Borrowings				
Repayment	(491)	(45)	(391)	(55)
Fixed interest	(52)	(8)	(25)	(19)
	(1,933)	(1,443)	(416)	(74)
Derivative financial assets/liabilities				
Foreign currency contracts				
Payables	(416)	(416)	-	-
Receivables	410	410	-	-
Derivatives commodities: net settlement	(20)	(20)	-	-
	(26)	(26)	-	-
Total	(1,959)	(1,469)	(416)	(74)

¹ Excludes derivatives, other taxation and social security and advances from customers

(v) Derivative financial instruments

Derivative financial instruments used by the Group include forward exchange contracts, forward commodity contracts and commodity options. These financial instruments are used to hedge future transactions and cash flows, and are subject to hedge accounting under IFRS 9. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities. The Group does not execute derivative financial instruments for speculative or trading purposes.

The following table sets out the fair values of derivatives held by the Group at the end of the reporting period:

As at 31 March	2026		2025	
	Assets	Liabilities	Assets	Liabilities
	€m	€m	€m	€m
Current:				
Forward Commodity contracts	18	(1)	8	(3)
Forward EUA contracts	6	(18)	-	(26)
Forward foreign currency contracts	14	(1)	1	(8)
	38	(20)	9	(37)

The fair value of derivative financial instruments that were designated as cash flow hedges at the balance sheet date was:

	Forward foreign currency contracts	Commodity contracts	Taxation	2026
	€m	€m	€m	€m
Cash flow hedge reserve net of taxation at beginning of period	(13)	9	-	(4)
Fair value recognised	2	(18)	-	(16)
Cash flow hedge reserve net of taxation at end of period	(11)	(9)	-	(20)

Amounts recognised in the cash flow hedge reserve, excluding deferred tax, are expected to affect profit or loss within one year.

At the balance sheet date the notional amount of outstanding foreign currency and commodity contracts that the Group has committed to is as follows:

As at 31 March	2026	2025
	€m	€m
Forward commodity contracts	260	320
Forward EUA contracts	454	200
Forward foreign currency contracts	760	497

The notional amount of outstanding commodity derivative contracts decreased during the period, primarily driven by reduced hedge volumes for iron ore and zinc and the depreciation of the US Dollar against the Euro. This effect was partially offset by higher underlying commodity prices, which increased the value of the remaining outstanding positions. The total position in EUA contracts has increased due to the need to purchase additional allowances to meet the total requirement. The position in foreign currency contracts has increased due to the need to purchase more US Dollar, following the introduction of US steel tariffs and the increase in the forward sale of the Sterling position. All derivative positions presented above are designated in hedge relationships.

There was no ineffectiveness on cash flow hedges recognised in the income statement in 2026 (2025: nil).

18. Provisions for liabilities and charges

As at 31 March	Rationalisation Costs	Environmental Provisions	Emission schemes	Guarantee commitments	Employee Benefits	Other	2026	2025
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	Total	Total
	€m	€m	€m	€m	€m	€m	€m	€m
At beginning of the period	13	35	138	7	90	22	305	181
Charged to income statement	87	23	193	1	-	-	304	160
Released to income statement	-	-	-	-	(9)	-	(9)	(20)
Utilised during the period	(1)	-	(94)	(1)	-	(1)	(97)	(16)
Assumed in a business combination	-	13	-	-	1	1	15	-
At end of the period	99	71	237	7	82	22	518	305
Analysed as:								
Current liabilities	99	14	237	1	5	1	357	173
Non-current liabilities	0	57	-	6	77	21	161	132

(i) The rationalisation provision relates to costs arising from approved restructuring measures at Tata Steel Nederland (TSN) under the SCALE transition programme. The provision includes unavoidable costs directly associated with the implementation of these measures, such as employee termination benefits, site rationalisation costs and other directly attributable exit and closure obligations.

A provision is recognised when a detailed formal plan has been approved by management and communicated to affected parties, creating a constructive obligation, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. A portion of the provision relates to restructuring measures within specific operational functions where implementation is subject to ongoing employee consultation and related legal processes. Management considers that, as at the reporting date, a present obligation exists in respect of the associated termination benefits, with remaining uncertainty relating primarily to the timing of execution rather than the existence of the obligation. The amount recognised represents management's best estimate of the expenditure required to settle the obligation at the reporting date. The provision does not include costs associated with future activities or operational losses.

The provision is measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and does not include costs associated with future activities or ongoing operational losses. Movements in the provision during the year reflect charges recognised for restructuring measures approved under the SCALE programme, utilisation of the provision as measures were implemented, and adjustments resulting from updated estimates where applicable.

The provision is classified as current based on the expected timing of the underlying cash outflows arising from the reorganisation measures.

(ii) Environmental provisions mainly comprise asbestos-related provisions and steel slag management provisions, both of which relate to obligations arising from past activities and represent present obligations under applicable environmental and safety regulations.

The asbestos provision relates to the safe management, removal and disposal of asbestos-containing materials identified at certain sites. This provision was assumed as part of the business combination with LAG Velsen and represents obligations that existed at the acquisition date. The provision covers unavoidable remediation activities required in connection with maintenance, refurbishment or demolition of existing assets and is measured based on management's best estimate of future costs necessary to comply with statutory health, safety and environmental requirements.

The steel slag provision relates to obligations associated with the handling, storage, treatment and, where necessary, remediation of steel slag resulting from historical and ongoing steel production activities. These obligations arise from environmental permits, regulatory requirements and long-term site management responsibilities for slag storage and processing facilities.

Both provisions are recognised and measured in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Measurement is based on expected future cash outflows and reflects assumptions regarding remediation techniques, regulatory standards and the expected timing of expenditures. Provisions are classified as current or non-current depending on the anticipated settlement period.

(iii) Emission Scheme Provisions (EU ETS)

The Group participates in the European Union Emissions Trading System (EU ETS), under which it is required to surrender European Union Allowances (EUAs) to settle obligations arising from verified carbon dioxide (CO₂) emissions generated during the reporting period.

Free EUAs received under the scheme are not recognised as assets, as they are obtained without cost and are intended to settle emission obligations arising from normal operations. A provision for emission scheme obligations is recognised only where the Group's verified CO₂ emissions exceed the number of free allowances received. The provision represents the present legal obligation to purchase and surrender EUAs to cover emissions in excess of the free allocation, arising from emissions generated prior to the reporting date.

The provision is recognised and measured in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. It is measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, determined by multiplying the volume of verified CO₂ emissions exceeding free allowances by the quoted market price of EUAs at the reporting date. Where free allowances fully cover emissions, no provision is recognised.

Movements in the emission scheme provision during the year reflect charges recognised for emissions generated during the reporting period, utilisation of the provision through the surrender of EUAs to the relevant authorities in settlement of prior-year obligations, and the resulting closing balance for emissions generated but not yet settled at the reporting date.

The measurement of the provision involves estimation uncertainty, primarily relating to the final quantity of verified emissions subject to regulatory confirmation and the EUA market price at the reporting date. Market prices are derived from active trading markets, and valuation techniques are applied consistently from period to period.

(v) Employee benefits provisions primarily relate to long-term employee benefits and include obligations for long service awards, sabbatical leave, disability benefits and continued salary payments during long-term sickness.

These provisions represent the present value of the Group's obligations arising from employee service up to the reporting date and are recognised in accordance with IAS 19 *Employee Benefits*. As the benefits are generally settled more than 12 months after the reporting date, they are classified as long-term employee benefits.

The obligations are measured using independent actuarial valuations, reflecting management's best estimates of future benefit payments. The actuarial calculations are subject to key assumptions, including inflation rates, future salary increases, discount rates determined by reference to market yields on high-quality corporate bonds, and relevant demographic assumptions such as mortality, employee turnover and disability incidence.

Provisions are classified as current or non-current based on the expected timing of settlement, with amounts expected to be settled beyond 12 months after the reporting date presented as non-current liabilities.

(vi) Other provisions primarily relate to legal and similar matters arising in the ordinary course of business. The provision represents management's best estimate of the expected outflow of resources required to settle the dispute, based on the circumstances known at the reporting date.

The provisions do not include amounts relating to fines, penalties or future operating losses. Due to the inherent uncertainty associated with litigation, the ultimate resolution of the dispute may differ from the amount provided. Where appropriate, and to the extent not prejudicial to the Group's position, further information is disclosed in the contingent liabilities section of the financial statements.

19. Deferred income

As at 31 March	2026	2025
	Grants relating to property, plant and equipment	Grants relating to property, plant and equipment
	€m	€m
At beginning of the period	2	2
Additions	1	-
At end of the period	3	2

20. Called-up share capital

For more detailed information on called-up share capital, see [Parent Company Accounts, Note 10](#).

21. Future capital expenditure

As at 31 March	2026	2025
	€m	€m
Contracted but not provided for	55	111
Authorised but contracts not yet placed – Tangible assets	43	127
Authorised but contracts not yet placed – Intangible assets	3	10

22. Exposure for cash outflows relating to leases

As at 31 March	2026	2025
	€m	€m
Future exposure for cash outflows to the Group at the end of the period are:		
Future cash outflows relating to leases committed but not yet commenced	2	2
	2	2

23. Contingent liabilities

The Group is subject to various claims, legal proceedings and regulatory matters arising in the ordinary course of business. Based on the information available at the reporting date, the directors do not consider that it is probable that these matters will result in an outflow of economic benefits or no reliable estimate can be made of such outflow; accordingly, no provisions have been recognised in respect of the items set out below. These matters are therefore disclosed as contingent liabilities.

Environmental and regulatory matters

Penalties under threat

TSIJ operates two cokes and gas plants (CGP1 and CGP2). In 2024, the Environmental Agency for the North Sea Canal Area (EA NZKG) measured alleged exceedances of emission thresholds for substances of very high concern (ZZS) at both plants. As a result, on 19 December 2024 the EA NZKG imposed penalty orders with a combined maximum exposure of €27 million. Objections lodged by TSIJ were largely rejected in November 2025, and no appeal was filed.

With respect to CGP1, recovery decisions totalling €17,065,000 were imposed and paid in December 2025 and April 2026, respectively. The penalty order relating to CGP1 has therefore been fully executed.

On May 11, 2026 TSIJ received a recovery decision of € 3.250.000 for exceedance of MVP1 at CGP2. TSIJ has made the decision to file objections against the recovery decision. Further recovery decisions relating to CGP2 may still follow, as the penalty order for CGP2 has not yet been fully executed. The remaining maximum exposure is €6,500,000.

On 19 December 2024, the EA NZKG sent TSIJ a notice regarding alleged non-compliance at CGP2 concerning the state of maintenance of the plant, and particularly the oven walls. The EA NZKG indicated that should the non-compliance not be remedied in time, it will consider revoking the permit for CGP2. In January 2025, TSIJ submitted its statement of objections, which objections were rejected in December 2025. TSIJ has initiated appeal proceedings, which proceedings are ongoing.

On 23 April 2026, the EA NZKG has notified TSIJ that the EA is preparing an intention to revoke (part of) the environmental permits of CGP 1 and CGP2, based on the EA's view that the remedial sanctions imposed under penalty for both CGPs have not had their intended effect. The EA NZKG furthermore states that the violations of environmental standards continue and that it is plausible that remediation within a reasonable time is not feasible. The letter of the EA, and the uncertainty it creates regarding the timeline for revocation of the permits, and whether this timeline ensures a closure of the CGPs in a safe, responsible and controllable manner, may lead to further litigation.

TSN is currently exploring a faster-than-previously planned closure of the CGPs 1 and 2. The technical and logistical complexity of such a closure is significant, particularly in relation to ensuring proper safeguards for environmental aspects and safety. TSN's focus is on finding a solution that is appropriate for all stakeholders, taking into account all relevant interests, including the continuity of the business.

Dust and HF emissions continuous casters

In September 2023, the EA NZKG imposed a penalty order for alleged exceedance of dust emissions at Continuous Caster Machine 22 ("CGM22"), with a maximum amount of €500,000. Appeal proceedings against this penalty order are ongoing. In 2024, a second penalty order was imposed for CGM22 for further alleged exceedances of dust emissions, providing for penalties of €500,000 per violation, up to a maximum of €2,000,000. Appeal proceedings in respect of this second penalty order are also ongoing.

In connection with the second penalty order for CGM22, in March 2026 TSIJ received a recovery decision for €500,000 for exceedance of dust emissions, which was paid. On 30 March 2026, TSIJ additionally received an intention to impose a further recovery decision of €500,000, which was also paid. These recovery measures form part of the pending appeal proceedings and do not conclude the enforcement process. Further recoveries cannot be excluded.

On 16 October 2025, the EA NZKG imposed a separate penalty order for Continuous Caster Machine 21 ("CGM21") for alleged exceedance of dust and hydrogen fluoride (HF) emissions, with a maximum exposure of €2,400,000. As of the reporting date, no penalties or recovery decisions have been imposed under this order. TSIJ has submitted objections against the penalty order, which are still pending.

Given the ongoing legal proceedings and enforcement actions, the ultimate financial impact of these matters cannot yet be reliably estimated but could be material.

Penalty order – Sinter Plant emissions

In December 2025, TSIJ received a penalty order relating to the Sinter Plant, following alleged exceedances of hydrogen fluoride, chromium and nickel in off-gas emissions downstream of the bag filter. The order provides for a maximum aggregate penalty of € 2,400,000. To date, no penalties have yet been claimed. TSIJ has made the decision not file objections against this penalty order.

Steel slag classification

In April 2026, the Dutch Human Environment and Transport Inspectorate (ILT) issued a penalty order under payment relating to the classification of LD steel slag, asserting that the material should be classified as hazardous under CLP. The penalty amounts to €15 per ton, with a maximum exposure of €10 million, payable within 30 days.

Management considers steel slag to be non-hazardous under the EU REACH regulation. A formal response contesting the draft penalty has been submitted, and supporting research is ongoing within the REACH registration consortium. As the order was received after the balance sheet date and remains contested, no provision has been recognised. A contingent liability of up to €10 million exists.

Legal proceedings and claims

The Group is involved in a limited number of legal proceedings and claims, including civil, administrative and employment-related matters, arising from normal business activities. This includes, among others, collective and representative claims relating to environmental and health matters. The outcome of these proceedings is inherently uncertain and dependent on future legal developments. Based on legal advice received and management's assessment, no outflow of economic benefits is considered probable at the reporting date and therefore no provision has been recognised.

Collective action Stichting Frisse Wind

In December 2025, Stichting Frisse Wind initiated collective proceedings against TSN and its subsidiary Tata Steel IJmuiden (TSIJ) under the Dutch Act on Collective Settlement of Class Actions (Wet Afwikkeling Massaschade in Collectieve Actie, "WAMCA"). Stichting Frisse Wind states that it is acting on behalf of residents living in the vicinity of TSN and TSIJ and argues that TSN and TSIJ have systematically and on a large scale emitted hazardous substances and has failed to take timely and adequate steps to mitigate the harmful consequences of its operations. TSN and TSIJ deny the allegations and will strongly defend their position in court.

Stichting Frisse Wind's claims for relief include confirmation that TSN is liable towards the local residents for current and future damages, compensation for alleged immaterial damages (vulnerability to symptoms / illness and loss of enjoyment of life) of approximately €685 million, material damages of approximately €718 million for loss of property value plus a yet to be quantified amount for loss of enjoyment of living / residency and payment of extrajudicial damages, including costs for (post-judgement) claim handling estimated at at least €8 million.

The proceedings entered the admissibility phase in March 2026. If the claim is declared admissible, opt-out opportunities for affected residents and potential settlement discussions will follow; failing settlement, the case would proceed to a merits phase. This collective action litigation is a complex and extensive litigation, which is expected to last for multiple years in first instance alone. At this stage, the outcome and potential financial impact of the proceedings cannot be reliably estimated. Accordingly, no provision has been recognised, and the matter is disclosed as a contingent liability.

Criminal prosecution case

On 19 May 2021 a criminal complaint was filed on behalf of more than 800 people and ten foundations against Tata Steel and its de facto managers. In February 2022 the Public Prosecution Office initiated a criminal investigation into focusing on the alleged introduction of hazardous substances that could affect public health into the soil, air or surface water. On November 29 and December 6, 2022, The Public Prosecution Office has performed judicial site visits to gain more insight into the steel production process and the operations of the Cokes and Gas Plants. On 12 March 2026 the Public Prosecution Office visited TSIJ to claim administrative documents. The Public Prosecution Office has communicated that that a large part of the investigation is now finalised, that the investigation into a.o. the role of de facto managers is

however still ongoing. The timing and outcome of the complete investigation into TSIJ and into the role of the de facto managers are uncertain. As such we have not recorded a (contingent) liability.

On 27 March 2023, an unusual incident leading to a blast furnace gas emission occurred at Blast Furnace 7. In April 2025, TSIJ received an official report containing several allegations regarding this event. The timing and outcome of this investigation are unknown.

On 8 April 2025, the EA NZKG has informed TSIJ that a criminal investigation has been initiated into the exceedance of emission limit values for dust at Continuous Caster Machines (“CGMs”) 21, 22 and/or 23 from 2020 to 2025. On 4 February 2026 the EA NZKG has issued a written interrogation document with 44 questions, which were answered by TSIJ. The timing and outcome of this investigation are unknown.

On 5 December 2025 a criminal complaint was filed by Greenpeace and Stichting Frisse Wind for an alleged (repeated) violation of the reporting obligation stemming from the PRTR Regulation (Regulation (EC) No 166/2006) with regard to the emission of various harmful substances, including substances of very high concern over the years 2020-2024. Greenpeace and Stichting Frisse Wind allege that actual emissions in previous years were higher than reported based on 2024 e-MJV assessment. No investigation has started as of yet.

Environmental remediation and future compliance obligations

The Group operates complex industrial installations which give rise to long-term environmental compliance obligations, including obligations related to emissions control, waste handling and site restoration. While the Group is committed to complying with applicable environmental regulations and has programmes in place to address identified issues, certain future costs may depend on regulatory interpretations, technological solutions and the timing of enforcement actions. To the extent that such obligations relate to future events or do not meet the recognition criteria of IAS 37 at the reporting date, they have not been provided for and are disclosed as contingent liabilities.

Following the entry into force of the Environmental Act, the competent authority is required to assess whether TSIJ's environmental permit should be amended to include a requirement to provide financial security. Such financial security, if imposed, is intended to support compliance with the permit and to cover potential liability for damage to the physical environment. As at the balance sheet date, the environmental permit has not been amended and no financial security obligation has been imposed. The Company is in ongoing discussions with the competent authority (EA NZKG). The nature, form and potential amount of any financial security cannot yet be reliably estimated.

Tax contingent liabilities

The Group operates in multiple tax jurisdictions and is subject to periodic tax audits, reviews and inquiries by tax authorities, including in the Netherlands, Germany, Belgium, Turkey, and the United States. Certain tax matters are under discussion or review as at 31 March 2026, including transfer pricing positions, corporate income tax assessments, customs duties, indirect tax matters and the application of international tax legislation such as Pillar Two. The outcome of these matters depends on future events and is subject to inherent uncertainty.

Based on management's assessment, supported by external tax advice, no outflow of economic benefits is considered probable in respect of these matters at the reporting date, or the amounts cannot be reliably estimated. Accordingly, no provision has been recognised. Where appropriate, amounts have been provided for in the financial statements when the recognition criteria under IAS 37 or IAS 12 were met. The directors do not expect the resolution of the remaining tax matters to have a material adverse effect on the Group's financial position or liquidity.

24. Reconciliation of net cash flow to movement in net funds

This note provides a reconciliation between the Group's net cash flows and the movement in net funds for the reporting period. Its purpose is to enhance transparency over how cash and non-cash activities have impacted the Group's financing position, consistent with the requirements to disclose changes in liabilities arising from financing activities.

Net funds represent the aggregate of cash and cash equivalents, together with interest-bearing financial liabilities (including borrowings, lease liabilities, and other financing instruments), presented on a net basis. While the statement of cash flows explains movements in cash and cash equivalents, it does not fully capture non-cash changes in financing balances—such as foreign exchange movements, fair value adjustments, new lease recognitions, or the amortisation of financing costs. This disclosure bridges that gap.

The reconciliation therefore distinguishes between:

- **Cash movements**, being the net cash inflows and outflows from financing activities; and
- **Non-cash movements**, including reclassifications, foreign exchange differences, fair value changes, and newly recognised or derecognised financing liabilities.

Together, these elements provide a comprehensive view of how the Group's net funding position has evolved during the period, enabling users of the financial statements to better understand changes in liquidity, leverage, and capital structure.

The reconciliation of net cash flows to movement in net funds is stated in below table:

As at 31 March	2026	2025
	€m	€m
Movement in cash and short-term deposits	(153)	333
Movement in debt	268	(204)
Change in net debt resulting from cash flows in period	115	129
Effect of other non-cash movements	(17)	(52)
Movement in net debt in period	98	77
Net funds at beginning of period	(63)	(140)
Net funds at end of period	35	(63)

25. Analysis of changes in net funds

The table below presents an analysis of the movements in the Group's net funds for the year ended 31 March 2026, showing the opening position, cash flow movements, other non-cash movements, and the closing position for each component of net funds.

During the period, the Group's net funds position improved from a net debt of €63 million at 1 April 2025 to a net funds balance of €35 million at 31 March 2026. This reflects a total improvement of €98 million, primarily driven by positive net cash inflows of €115 million, partially offset by €17 million of non-cash movements.

The table separately presents movements in cash and cash equivalents, borrowings, and lease liabilities. Cash and cash equivalents decreased by €153 million over the period, while total debt (excluding bank overdrafts) reduced significantly due to net repayments of borrowings amounting to €245 million and cash reductions in lease liabilities of €23 million. Other non-cash movements, amounting to €17 million (2025: €52 million), relate to lease liabilities and reflect accounting adjustments such as remeasurements.

This analysis provides a clear and transparent breakdown of the factors contributing to the change in the Group's net funding position over the period.

	1 April 2025	Cash Flow	Other non-cash movements	31 March 2026
	€m	€m	€m	€m
Cash at bank and short-term deposits	428	(153)	-	275
Bank overdrafts	-	-	-	-
Cash and cash equivalents	428	(153)	-	275
Borrowings	(355)	245	-	(110)
Lease liabilities	(136)	23	(17)	(130)
Total debt excluding bank overdrafts	(491)	268	(17)	(240)
Total net funds	(63)	115	(17)	35

26. Pensions and post-retirement benefits

Defined contribution schemes

TSN participates in a number of defined contribution plans on behalf of personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by TSN at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior month's contributions that were not due to be paid until after the end of the reporting period. The total cost charged to the income statement in 2026 amounted to €120 million (2025: €119 million). Of the total cost of €120 million, €111 million (2025: €111 million) related to payments to the Stichting Pensioenfond Hoogovens ('SPH') pension scheme.

Defined benefit schemes

TSN operates a number of defined benefit pension and post-retirement schemes. There are multiple plans, the most significant of which are in Germany and the USA. Benefits offered by these schemes are largely based on pensionable pay and years of service at retirement. With the exception of plans in Germany and France, the assets of these schemes are held in administered funds that are legally separated from the company. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders of the scheme and are responsible for the investment policy with regard to the assets of the fund.

Within Germany, there are three types of defined benefit pension schemes, two of which are closed to new entrants. All of the schemes are unfunded. The scheme for active members in Germany is a pension commitment based on a percentage of the yearly income paid via the pension organisation 'Essener Verband'. The defined benefit schemes in the USA are closed for future accrual. TSN makes sufficient contributions required to fund the cost of benefits provided by the USA schemes and to increase the funding ratio to 100% over a period of 15 years. Pension provision for new entrants in the USA is by means of a defined contribution scheme.

TSN accounts for all pension and post-retirement benefit arrangements using IAS 19 'Employee benefits' with independent actuaries being used to calculate the costs, assets and liabilities to be recognized in relation to these schemes. The present value of the defined benefit obligation, the current service cost and past service costs are calculated by these actuaries using the projected unit credit method. However, the ongoing funding arrangements of each scheme, in place to meet their long-term pension liabilities, are governed by the individual scheme rules and national legislation. The accounting and disclosure requirements of IAS 19 do not affect these funding arrangements.

Actuarial assumptions

A range of assumptions must be used to determine the IAS 19 amounts and the values to be included in the balance sheet and income statement can vary significantly with only small changes in these assumptions. Furthermore, the actuarial assumptions used may vary according to the country in which the plans are situated.

The key assumptions applied at the end of the reporting period for the purposes of the actuarial valuations were as follows:

	2026			2025		
	Germany	USA	Other	Germany	USA	Other
	%	%	%	%	%	%
Salary growth	0.00	0.00	1.50 to 3.00	0.00	0.00	1.50 to 3.00
Pension increases	2.00	0.00 to 2.50	0.00	2.25	0.00 to 2.50	0.00
Discount rate	4.15	5.52	1.10 to 3.90	3.70	5.32 to 5.40	1.10 to 3.30
Inflation	2.75	3.00	0.95 to 2.00	2.75	3.00	1.00 to 2.00

The discount rate is set with reference to the current rate of return on AA rated corporate bonds of equivalent currency and term to the scheme liabilities. Projected inflation rates and pension increases are long-term predictions based mainly on the yield gap between long-term fixed interest and government bond securities.

Demographic assumptions are set having regard to the latest trends in life expectancy, plan experience and other relevant data, including externally published actuarial information within each national jurisdiction. The assumptions are reviewed and updated as necessary as part of the periodic actuarial funding valuations of the individual pension and post-retirement plans. There are no changes in the calculation method compared to prior year.

Income statement costs

Under IAS 19 costs in relation to pension and post-retirement plans mainly arise as follows:

- The current service cost is the actuarially determined present value of the pension benefits earned by employees in the current period.
- It excludes any charges or credits in respect of any deficit or surplus in the scheme respectively and so the cost is unrelated to whether, or how, the scheme is funded.
- Net interest cost / (income) on the liability or asset recognised in the balance sheet. These items are treated as a net operating cost in the income statement within employment costs.

Variations from expected costs, arising from the experience of the plans or changes in actuarial assumptions, are recognised immediately in the statement of comprehensive income. Examples of such variations are differences between the discount rate used for calculating the return on scheme assets and the actual return, the remeasurement of scheme liabilities to reflect changes in discount rates, changes in demographic assumptions such as using updated mortality tables, or the effect of more employees leaving service than forecast.

Income statement pension costs arose as follows:

2026	Netherlands	Germany	USA	Other	Total
	€m	€m	€m	€m	€m
Current service cost	-	-	-	-	-
Net interest cost	-	3	-	-	3
Defined benefit schemes	-	3	-	-	3
Defined contribution schemes	117	1	-	2	120
Total charge for the period	117	4	-	2	123

2025	Netherlands	Germany	USA	Other	Total
	€m	€m	€m	€m	€m
Current service cost	-	-	-	-	-
Net interest cost	-	2	1	-	3
Defined benefit schemes	-	2	1	-	3
Defined contribution schemes	116	1	1	1	119
Total charge for the period	116	3	2	1	122

Plan assets

The asset classes of plan assets of the Groups' defined benefit schemes include national and international equities, fixed income government and non-government securities and real estate. The pension funds invest in diversified asset classes to maximise returns while reducing volatility. The percentage of total plan assets for each category of investment was as follows:

	2026		2025	
	USA	Other ¹	USA	Other ¹
	%	%	%	%
Quoted				
Equities	12.1	33.3	12.7	33.8
Bonds – Fixed Rate	87.5	25.3	84.8	26.2
	99.6	58.6	97.5	60.0
Unquoted				
Real estate	0	22.7	0	22.7
Cash and cash equivalents	0.4	4.1	2.5	1.9
Other ¹	0	14.6	0	15.4
	0.4	41.4	2.5	40.0
Total	100.0	100.0	100.0	100.0

1 Other predominantly relates to Montana Bausysteme AG

Balance sheet measurement

In determining the amounts to be recognised in the balance sheet the following approach has been adopted:

- Pension scheme assets are measured at fair value (for example for quoted securities this is the bid-market value on the relevant public exchange).
- Pension liabilities include future benefits that will be paid to pensioners and deferred pensioners, and accrued benefits which will be paid in the future for members in service taking into account projected earnings. As noted above, the pension liabilities are discounted with reference to the current rate of return on AA rated corporate bonds of equivalent currency and term to the pension liability.

Amounts recognised in the balance sheet arose as follows:

	2026				2025			
	Germany	USA	Other	Total	Germany	USA	Other	Total
	€m	€m	€m	€m	€m	€m	€m	€m
Fair value of plan assets at end of period	-	71	31	102	-	81	29	110
Present value of obligation at end of period	(47)	(76)	(33)	(156)	(51)	(86)	(31)	(168)
Defined benefit liability at end of period	(47)	(5)	(2)	(54)	(51)	(5)	(2)	(58)
Disclosed as:								
Defined benefit asset	-	-	1	1	-	-	1	1
Defined benefit liability - current	-	-	-	-	-	-	(2)	(2)
Defined benefit liability -non current	(47)	(5)	(3)	(55)	(51)	(5)	(1)	(57)
Defined benefit liability at end of period	(47)	(5)	(2)	(54)	(51)	(5)	(2)	(58)

The movements in the present value of plan assets and defined benefit obligations in 2026 and 2025 were as follows:

	2026				2025			
	Germany	USA	Other	Total	Germany	USA	Other	Total
	€m	€m	€m	€m	€m	€m	€m	€m
Plan assets								
As at 1 April 2025	-	81	29	110	-	85	29	114
Return on plan assets less than the discount rate	-	(1)	-	(1)	-	(1)	(1)	(2)
Change in effect for asset ceiling	-	-	-	-	-	4	-	4
Interest income on plan assets	-	4	-	4	-	-	1	1
Contributions from the employer	-	-	1	1	-	-	1	1
Contributions from employees	-	-	1	1	-	-	-	-
Settlements	-	-	-	-	-	-	-	-
Benefits paid	-	(7)	(2)	(9)	-	(8)	-	(8)
Exchange rate movements	-	(6)	1	(5)	-	1	(1)	-
Other	-	-	1	1	-	-	-	-
As at 31 March 2026	-	71	31	102	-	81	29	110
Benefit obligations								
As at 1 April 2025	(51)	(86)	(31)	(168)	(54)	(91)	(29)	(174)
Current service cost	-	-	(1)	(1)	-	-	-	-
Interest cost on the defined benefit obligation	(2)	(4)	-	(6)	(2)	(5)	-	(7)
Settlements	-	-	-	-	-	-	-	-
Contributions from the employees	-	-	(1)	(1)	-	-	-	-
Actuarial loss due to financial assumption changes	4	-	1	5	2	-	(2)	-
Actuarial gain due to actuarial experience	-	-	-	-	-	2	-	2
Benefits paid	2	8	2	12	3	8	-	11
Exchange rate movements	-	6	(2)	4	-	-	-	-
As at 31 March 2026	(47)	(76)	(32)	(155)	(51)	(86)	(31)	(168)

Included within other schemes above are post-retirement medical and similar net obligations of €4 million (2025: €4 million).

Actuarial gains recorded in the Statement of Comprehensive Income for the period were €3 million (2025: gain of €1 million).

27. Disposal of Group companies

There were no disposals of Group companies during the year.

28. Related party transactions

The table below sets out details of transactions and loans between TSN, other Tata Steel companies, joint ventures and associates.

As at 31 March	Note	2026	2025
		€m	€m
Sales to joint ventures		58	70
Sales to associates		111	129
Sales to other Tata Steel companies		296	416
Purchases from joint ventures		-	-
Purchases from associates		56	38
Purchases of raw materials from other Tata Steel companies		1,290	1,512
Other purchases from other Tata Steel companies		136	255
Net recharges to other Tata Steel companies		(35)	(42)
Amounts owed by other Tata Steel companies	12	40	66
Amounts owed by joint ventures	12	7	8
Amounts owed by associates	12	16	14
Amounts owed to other Tata Steel companies	14	318	280
Amounts owed to associates	14	2	3
Derivative with other Tata Steel companies		10	-
Tax payable/(receivable) to TSNH	11	(169)	(154)
Loans from other Tata Steel companies	15	-	22

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Details of transactions with key management personnel are given in 'Further notes to and signing of the annual accounts'.

29. Consolidated subsidiaries

The subsidiary undertakings of TSN on 31 March 2026 are set out below. Country names are countries of incorporation. Undertakings operate principally in their country of incorporation except where otherwise stated.

Unless indicated otherwise, subsidiary undertakings owned by TSN, and TSN holding comprises ordinary shares and 100% of the voting rights.

Subsidiary undertakings

Steel producing, further processing or related activities:

Belgium

Société Européenne de Galvanisation (Segal) SA
Tata Steel Belgium Packaging Steels N.V.
Tata Steel Belgium Services NV

Czech Republic

Tata Steel International (Czech Republic) S.R.O.

France

Corbeil Les Rives SCI (67.3%)
Tata Steel France Holdings SAS
Tata Steel International (France) SAS
Tata Steel Maubeuge SAS
Unitol SAS

Finland

Naantali Steel Service Centre OY

Germany

Degels GmbH
Fischer Profil GmbH
FP Produktions-Und Vertiebs GmbH
Hille & Muller GmbH
S A B Profil GmbH
Service Center Gelsenkirchen GmbH
Tata Steel Germany GmbH
Tata Steel International (Germany) GmbH

Italy

Tata Steel International (Italia) SRL

The Netherlands

C.V. Bénine
Grijze Poort B.V.
S.A.B. Profiel B.V.
Service Centre Maastricht B.V.
Tata Steel IJmuiden B.V.
LAG Velsen B.V.
Tata Steel Nederland Consulting & Technical Services B.V.
Tata Steel Nederland Services B.V.
Tata Steel Nederland Technology B.V.
Tata Steel Nederland Tubes B.V.

Norway

Norsk Stal Tynnplater AS

Poland

Tata Steel International (Poland) Sp.Zo.o

Republic of Ireland

Corus Ireland Ltd

Spain

Layde Steel SL
Tata Steel International Iberica SA

Sweden

Halmstad Steel Service Centre AB
Tata Steel International (Sweden) AB

Switzerland

Montana Bausysteme AG

Turkey

Tata Steel Istanbul Metal Sanayi ve Ticaret AS

USA

Apollo Metals Ltd
Hille & Muller USA Inc.
Hoogovens USA Inc.
Rafferty-Brown Steel Co. Inc.
Tata Steel USA Inc.
Apollo Metals Ltd
Thomas Processing Company
Thomas Steel Strip Corp.

Article 2:403 exemption

Certain Dutch subsidiaries of Tata Steel Nederland B.V. have made use of the exemption from statutory publication requirements pursuant to Article 2:403 of the Dutch Civil Code (Burgerlijk Wetboek 2). In connection with this exemption, Tata Steel Nederland B.V. has issued declarations of joint and several liability for the obligations arising from legal acts of these subsidiaries. As a result, these subsidiaries are exempt from preparing, auditing and publishing separate statutory annual accounts. Their financial information is included in the consolidated financial statements of Tata Steel Nederland B.V.

30. Joint ventures, joint operations and associates

	Classification	Products	2026 Turnover		Issued capital	Shares held
			€m		Number of shares	%
Mexico						
Hoogovens Gan Multimedia SA de CV	Joint Venture	Inactive company (in liquidation)	-	-	-	50
The Netherlands						
GietWalsOnderhoudCombinatie B.V.	Associate	Maintenance of parts of direct sheet plant	14	Shares of €454	100	50
Hoogovens Court Roll Surface Technologies VOF	Joint Operation	Processing chrome deposit on rolls	4	-	-	50
Laura Metaal Holding B.V.	Joint Venture	Trading and processing of non-prime metal	113	Shares of €454	5,600	49
Wupperman Staal Nederland B.V.	Associate	Purchase, process, refine and sale of steel products and other metal products	255	Shares of €1,000	8,000	30
Tata Steel Ticaret AS	Joint Venture	Sales office	3	Shares of TL1	80,000	50

31. Ultimate and immediate parent company

Tata Steel Netherlands Holdings B.V. is the company's immediate parent company, which is incorporated and registered in the Netherlands.

Tata Steel Limited, a company incorporated in India, is the ultimate parent company and controlling party.

Copies of the Report & Accounts for TSL may be obtained from its registered office at Bombay House, 24 Homi Mody Street, Mumbai, 400-01.

32. Subsequent events

Subsequent to the reporting date, in April 2026, operations at the Direct Sheet Plant ("DSP") were temporarily suspended following the identification of chromium-6 emissions exceedances. Management assessed the impact of the temporary closure, including short-term and extended outage scenarios, and identified mitigating operational and commercial actions. While the suspension is expected to result in a temporary adverse impact on production volumes, EBITDA and cash flows in the early part of FY2027, the Group expects this impact to be absorbed within existing liquidity resources and financing arrangements. The temporary closure does not affect the carrying values of assets recognised at 31 March 2026 and, accordingly, no adjustment has been made to the financial statements.



Preparation of a formal decision to revoke (part of) the environmental permit for CGP 1 and CGP 2

On 23 April 2026, Tata Steel Nederland B.V. received a letter from the North Sea Canal Area Environmental Agency (Omgevingsdienst Noordzeekanaalgebied, "ODNZKG") indicating its intention to revoke (part of) the environmental permits for the Coke and Gas Plants (CGP 1 and CGP 2).

TSN is engaged in discussions with the relevant authorities to substantiate management's proposed timeline to ensure a safe, responsible and controlled closure process. However, it is currently unknown when a decision will be issued by the competent authorities and what the contents of such a decision will be. Management assessed that it would need a certain period of time to close cokes and gas plants CGP 2 and CGP 1 in a safe and responsible manner. Should this timeline not be granted by the EA, this could result in an unsafe and/or irresponsible shutdown of the cokes and gas plants. An uncontrolled shutdown of one or both cokes and gas plants would have a material impact on the going concern of TSN as disclosed in the [Basis of preparation](#).

Company income statement

As at 31 March	2026	2025
	€m	€m
Profit/(Loss) subsidiaries	(196)	(195)
Other income and charges, after taxation	(10)	(9)
Net profit/(Loss) after taxation	(206)	(204)

Company balance sheet

As at 31 March	Note	2026	2025
Before appropriation of the result for the year		€m	€m
Non-current assets			
Investments in group companies	1	2,911	3,102
Loans to own group companies	1	41	101
Deferred tax assets	2	4	4
Non-current tax assets	2	20	15
Other non-current assets	3	-	17
		2,976	3,239
Current assets			
Receivables	4	333	297
Cash and short-term deposits	5	153	255
		486	552
TOTAL ASSETS		3,462	3,791
Current liabilities			
Borrowings	6	(464)	(424)
Amounts owed to subsidiaries	7	(12)	(16)
Other payables	7	(66)	(23)
		(542)	(463)
Non-current liabilities			
Other non-current liabilities	8	-	(17)
Borrowings	9	(110)	(310)
		(110)	(327)
TOTAL LIABILITIES		(652)	(790)
NET ASSETS		2,810	3,001
Equity			
Called-up share capital	10	388	388
Share premium account	10	17	17
Legal Reserves	10	36	24
Other components of Equity	10	2,575	2,776
Result of the period	10	(206)	(204)
Total equity		2,810	3,001

Parent company 2026 accounts

Significant accounting policies

Basis of preparation

The company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. This is in accordance with article 362.8 of Part 9 Book 2 of the Dutch Civil Code. Participations in consolidated entities are accounted for using the asset value method applying the same accounting policies as those used in the consolidated financial statements.

Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are measured at net asset value (equity method of accounting). Net asset value is based on the measurement of assets (including goodwill), provisions and liabilities, and determination of profit, as described in [Note 9](#) to the consolidated financial statements for equity accounted investments. Goodwill is subsumed in the carrying amount of the net asset value if an investment in a subsidiary is acquired through the Company's intermediate subsidiary.

Presentation of Company accounts and accounting policies

The company statement of income has been prepared in accordance with Art. 2:402 DCC, which allows a simplified Statement of income in the Company financial statements if a comprehensive Statement of income is included in the consolidated Group financial statements.

Information on the use of financial instruments is provided in [Note 17](#) of the consolidated report and accounts.

Notes to the company accounts

1. Financial fixed assets

	Investments in group companies	Loans to own group companies	Total
	€m	€m	€m
Balance sheet value at 1 April 2025	3,102	101	3,203
Movements in 2025/26:			
Loss subsidiaries	(196)	-	(196)
Other comprehensive gains	5	-	5
Additions	-	5	5
Loan reclassification	-	(18)	(18)
Loan redemptions	-	(47)	(47)
At 31 March 2026	2,911	41	2,952

Tata Steel Nederland participates as the central treasury entity in a cash pooling arrangement. Balances arising from the cash pool are presented as loans to own group companies.

The maturity of the Loans to own group companies is as follows:

As at 31 March	2026	2025
	€m	€m
In one year or less or on demand	-	-
Between one and five years	41	81
More than five years	-	20
	41	101

The average interest rate is 6.1% (2025: 4.9%).

2. Deferred tax assets

As at 31 March	2026	2025
	€m	€m
Deferred tax asset	4	4
Intercompany corporate income tax receivable	20	15
	24	19

TSN has an intercompany corporate income tax receivable from the head of the Dutch fiscal unity Tata Steel Netherlands Holding B.V.

3. Other non-current assets

As at 31 March	2026	2025
	€m	€m
Derivative financial instruments	-	17
	-	17

The non-current derivative financial instruments consist of emission rights contracts.

4. Receivables

As at 31 March	2026	2025
	€m	€m
Receivables from subsidiaries	267	278
Derivative financial instruments	65	18
Other debtors	1	1
	333	297

Tata Steel Nederland participates as the central treasury entity in a cash pooling arrangement. At the reporting date cash pool receivables of €259 million (2025: €268 million) are included within receivables from subsidiaries. The cashpool arrangements with TSN group companies bear interest rates based on EURIBOR or official local rates.

All receivables fall due within one year.

Derivative financial instruments comprise forward foreign currency contracts and emission rights contracts.

5. Cash and short-term deposits

As at 31 March	2026	2025
	€m	€m
Cash at bank and in hand	153	255
Short-term deposits	-	-
	153	255

The cash balances disclosed above and in the statement of cash flows are not subject to regulatory restrictions and are therefore available for use.

6. Borrowings

As at 31 March	2026	2025
	€m	€m
Borrowings from subsidiaries	464	402
Borrowings from other Tata Steel companies	-	22
Borrowings from joint ventures	-	-
Bank and other loans	-	-
Total	464	424

Tata Steel Nederland participates as the central treasury entity in a cash pooling arrangement. Balances arising from the cash pool are presented as borrowings from subsidiaries. The borrowings from TSN group companies bear interest rates based on EURIBOR or official local rates. These rates are fixed for periods up to six months.

7. Other payables

As at 31 March	2026	2025
	€m	€m
Amounts owed to subsidiaries	12	16
Derivative financial instruments	65	18
Other payables	1	5
	78	39

Derivative financial instruments comprise forward foreign currency contracts and emission rights contracts.

8. Other non-current liabilities

As at 31 March	2026	2025
	€m	€m
Derivative financial instruments	-	17
	-	17

The non-current derivative financial instruments consist of forward purchase contracts for carbon emission rights.

9. Non-current borrowings

As at 31 March	2026	2025
	€m	€m
Bank and other Loans	110	310
	110	310

Bank loans consist of the revolving credit facility. The average interest rate during the year is 3,529%. Maturity date May 2027.

10. Capital and reserves

	Share capital	Share premium account	Hedging reserve	Translation reserve	Other reserves	Total
	€m	€m	€m	€m	€m	€m
Balance as at 1 April 2024	388	17	2	18	2,775	3,200
Profit/(Loss) after taxation	-	-	-	-	(204)	(204)
Actuarial gains	-	-	-	-	1	1
Translation reserve	-	-	-	2	-	2
Other	-	-	-	-	-	-
Hedging reserve	-	-	2	-	-	2
Balance as at 31 March 2025	388	17	4	20	2,572	3,001
Profit/(Loss) after taxation	-	-	-	-	(206)	(206)
Actuarial gains	-	-	-	-	3	3
Translation reserve	-	-	-	(4)	-	(4)
Other	-	-	-	-	-	-
Hedging reserve	-	-	16	-	-	16
Balance as at 31 March 2026	388	17	20	16	2,369	2,810

The authorised share capital of the Company on 31 March 2026 amounts to €1.300.000.000 (31 March 2025: €1.300.000.000) and consists of 130.000.000 Ordinary shares of €10.00 each of which 38.760.710 Ordinary shares were issued and fully paid up. All the outstanding Ordinary shares were held by TSNH.

11. Commitments and contingent liabilities

As at 31 March	2026	2025
	€m	€m
Guarantees and securities on behalf of group companies	88	106

The amount outstanding relates to bank guarantees, guarantees for lease obligations and other obligations of subsidiaries. No contingent liabilities are outstanding per 31 March 2026.

Tata Steel Nederland BV has provided a declaration of liability, as referred to in Article 403, Book 2, of the Dutch Civil Code, for the debts of its subsidiaries Tata Steel Nederland Technology BV and Tata Steel Nederland Services BV.

Since 1 January 2008 Tata Steel Nederland BV and its Dutch subsidiaries are part of the fiscal unity for corporate income tax purposes "Tata Steel Netherlands Holdings BV", which is the ultimate parent of Tata Steel's Dutch corporate income tax group (fiscal unity). Within the fiscal unity for VAT purposes, Tata Steel Nederland BV is the entity liable for VAT.

Under the Dutch Collection of State Taxes Act, Tata Steel Netherlands Holdings BV (corporate income tax fiscal unity) and Tata Steel Nederland BV (VAT fiscal unity), together with the other entities within these fiscal unities, are jointly and severally liable for taxes payable by the respective fiscal unities. For corporate income tax subsidiaries settle their tax positions within the fiscal unity as if they were separate taxpayers, based on their respective taxable results. For VAT purposes, the fiscal unity is treated as a single taxable person, with VAT accounted for centrally by the entity liable for VAT.

The Company has provided a letter of support to:

- Tata Steel Germany GmbH to enable this company to continue its operations under normal conditions until the date of the approbation by the shareholder of the financial statements for the year ending 31 March 2028. This confirmation is made in relation with the going concern assumption used in preparing the statutory financial statements for the twelve month period which ended on 31 March 2026.
- Tata Steel Nederland Tubes BV to provide adequate resources to enable this company to continue its operations under normal conditions until at least 1 April 2027. This confirmation is made in relation with the going concern assumption used in preparing the statutory financial statements for the twelve month period which ended on 31 March 2025.

12. Audit fees

	PricewaterhouseCoopers Accountants N.V.	Other PWC network	Total PWC network
2026	€m	€m	€m
Audit of the financial statements	2.0	0.7	2.7
Other audit procedures	0.3	-	0.3
Tax services and other non-audit services	-	-	-
Total Audit fees	2.3	0.7	3.0

	PricewaterhouseCoopers Accountants N.V.	Other PWC network	Total PWC network
2025	€m	€m	€m
Audit of the financial statements	1.7	0.7	2.4
Other audit procedures	0.7	-	0.7
Tax services and other non-audit services	-	-	-
Total Audit fees	2.4	0.7	3.1

The fees listed above relate to the procedures applied to the company and its consolidated group entities by accounting firms and external independent auditors as referred to in article 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta) as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the 2025/26 financial statements, regardless of whether the work was performed during the financial year

Other audit procedures comprise review procedures performed as part of the Tata Steel Limited Group's quarterly reporting cycle, insofar as they relate to Tata Steel IJmuiden B.V.

13. Other

No employees are employed by the Company, unchanged from the previous reporting period.

Further notes to and signing of the annual accounts

Group and affiliated companies and other capital interests

A list forming part of the Annual Accounts with names and other particulars of companies in which Tata Steel Nederland BV directly or via group companies participates or holds capital interests in other ways has been filed with the Trade Register in Amsterdam.

Remuneration of and loans to members of the Board of Management and of the Supervisory Board

	2026	2025
	€k	€k
The total employment costs of the Board of Management of Tata Steel Nederland BV were:		
Short term employee benefits	3,173	3,766
Long term employment benefits	413	278
Post-employment benefits	530	616
Total emoluments of current and former members*	4,116	4,660
Termination benefits	2,058	-

* For further details see [Remuneration Report](#).

Employment costs relate to all activities within the Group of the members of the Board of Management. The emoluments of Mr T.V. Narendran and Mr K. Chatterjee are paid by TSL which makes no recharge to TSN. Mr T.V. Narendran and Mr K. Chatterjee are directors of TSL, TSN and a number of fellow subsidiaries of TSL and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments for the aforementioned, whose emoluments are disclosed in the financial statements of TSL with whom they have their primary employment contract.

There were no loans outstanding to members of the Board of Management as of 31 March 2026 or 31 March 2025.

The Annual General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board.

	2026	2025
	€k	€k
Remuneration of current and former members of the Supervisory Board*	213	189

* Borne by the Company and its subsidiaries

The members of the Supervisory Board do not own any securities in the Company's capital or rights thereto.

Appropriation of the result for the financial year 2026

We propose to deduct the loss of €206 million over the financial year 2026 from the Retained Earnings.

During the year ended 31 March 2026 no dividend was paid.



Signing of the Annual Accounts

The 2026 Annual Accounts of Tata Steel Nederland BV have been signed by all the members of the Board of Management and by all the members of the Supervisory Board.

Velsen-Noord, 3 June 2026

Board of management

J. van den Berg, CEO
J. Turkesteen

A. Latchman
P. Bernscher

Supervisory Board

T.V. Narendran, Chair
H. Dijkhuizen

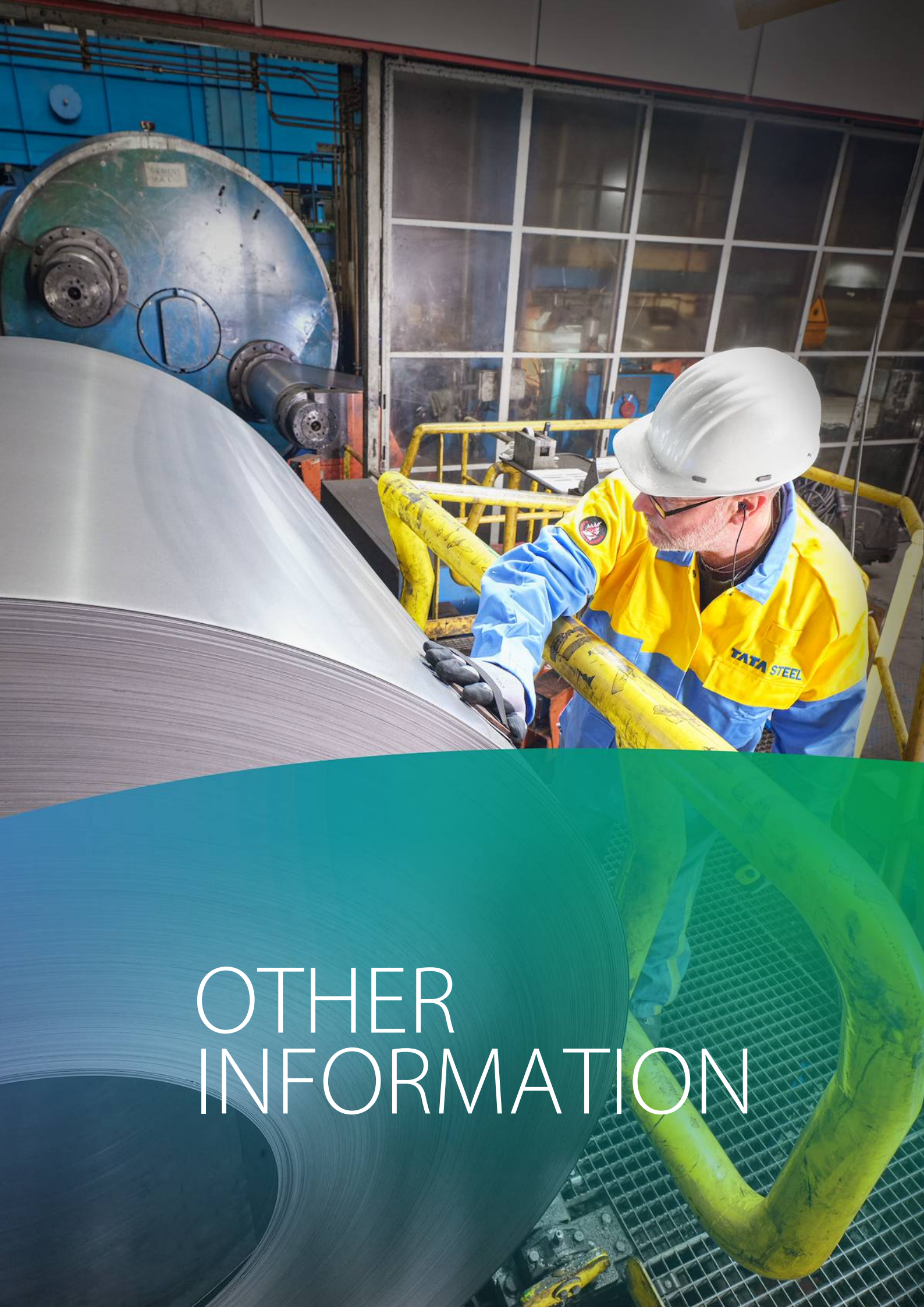
C. Zuiderwijk
K. Chatterjee

Independent Auditor's Report

Reference is made to the Independent Auditor's Report as included hereinafter.

Appropriation of result according to Articles of Association

Article 36, of the Articles of Association stipulates that, the profit for the year is at the disposal of the General Meeting of Shareholders.



OTHER INFORMATION



Independent auditor's report

To: the general meeting and the supervisory board of Tata Steel Nederland B.V.

Report on the audit of the annual accounts 2025/2026

Our opinion

In our opinion:

- the consolidated annual accounts of Tata Steel Nederland B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 March 2026 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company annual accounts of Tata Steel Nederland B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 March 2026 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying annual accounts 2025/2026 of Tata Steel Nederland B.V. ('TSN'), Velsen-Noord. The annual accounts comprise the consolidated annual accounts of the Group and the company annual accounts.

The consolidated annual accounts comprise:

- the consolidated balance sheet as at 31 March 2026;
- the following statements for 2025/2026: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes to the annual accounts, including material accounting policy information and other explanatory information.

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands, T: +31 (0) 88 792 00 20, www.pwc.nl

*PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (Chamber of Commerce 54226368), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkoopvoorwaarden'). At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.



The company annual accounts comprise:

- the company balance sheet as at 31 March 2026;
- the company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the annual accounts is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated annual accounts and Part 9 of Book 2 of the Dutch Civil Code for the company annual accounts.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the annual accounts' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Tata Steel Nederland B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Material uncertainty related to going concern

We draw attention to section II 'Basis of preparation' of the chapter 'Presentation of consolidated accounts and accounting policies' in the annual accounts, which indicates that Tata Steel Nederland B.V. is exposed to significant regulatory uncertainty.



As disclosed, the Dutch Environmental Agency is preparing a decision that may result in the revocation (in whole or in part) of environmental permits for Coke and Gas Plants ("CGP") 1 and 2. The timing, scope and outcome of this decision remain uncertain. An adverse outcome, including further acceleration of timelines beyond what management considers feasible, could significantly impact production, earnings, and cash flows.

This event, as set out in the section II 'Basis of preparation' of the chapter 'Presentation of consolidated accounts and accounting policies' in the annual accounts, indicates that a material uncertainty exists that may cast significant doubt on TSN's ability to continue as a going concern.

Our opinion is not modified in respect of this matter. We refer to section 'Audit approach going concern' for further information on our audit procedures regarding the going-concern assumption.

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the annual accounts as a whole and in forming our opinion thereon. Therefore, we do not provide separate opinions or conclusions on information in support of our opinion, such as our findings and observations related to individual key audit matters and the audit approach to address fraud risk and going concern.

Overview and context

Tata Steel Nederland B.V. is one of the major steel producers in mainland Europe. The Group comprises several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.



During the financial year 2025/2026 TSN's financial performance remained challenging with weak manufacturing demand, high energy costs and elevated imports in Europe, influenced by the effect of US tariffs, global overcapacity and increasing geopolitical and trade uncertainty, as well as the effects of the improvement plan that is undertaken to improve the underlying performance of the company. These challenges significantly impacted the company's results, culminating in a financial loss for the year. In addition, the company is faced with penalties and challenges from the Environmental Agency on various environmental matters. This affected the determination of materiality, the scope of our group audit, and our audit procedures as described in the sections 'Materiality', 'The scope of our audit' and 'Key audit matters'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the annual accounts. In particular, we considered where the board of management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change as well as the effects of earlier shutdown of the coke and gas plants on the IJmuiden site.

In section V 'Use of estimates and critical accounting judgments' of the annual accounts, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the impairment assessment of property, plant and equipment of CGU Business Unit Tata Steel IJmuiden, we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report. Furthermore, we identified the risk of non-compliance with laws and regulations as key audit matter given the significance of ongoing environmental matters and significant level of uncertainty of their outcomes.

Tata Steel Nederland B.V. assessed the possible effects of climate change and its plans to meet its net zero commitments in the section 'Climate change' of the Sustainability statement in the annual report. The company aims to achieve net-zero CO₂ emissions for Scope 1 and 2 by 2045, aligning with the Tata Group's climate targets and the Paris Agreement. This involves a two-phase 'Green Steel Plan' to replace current coal-dependent assets at the IJmuiden steel plant with Direct Reduced Iron and Electric Arc Furnaces, using natural gas and when economically viable hydrogen, and the implementation of a large number of other measures across all operations.



Tata Steel Nederland B.V. has elaborated on the uncertainties arising from climate change, as well as the actions taken and to be taken with regards to decarbonisation, in the risk section of the annual report. In the explanation of the materiality analysis, the company further discusses actions already taken and analyses yet to be performed regarding determining the financial impact of the various topics from the materiality analysis on the company. A key uncertainty is the level of Dutch government support as well as whether a level playing field for the European steel sector will be created, regarding carbon taxes on top of the European ETS and grid connection cost.

The board of management has taken into account the potential impact of climate change when determining estimates in the financial statements and has elaborated on this in section V 'Use of estimates and critical accounting judgements' of the annual accounts.

Together with our sustainability reporting specialists, we have held discussions with company's management about the impact of climate change and the climate targets on the company. In our audit of the annual accounts, we did not identify climate change as a separate key audit matter but included it in the key audit matters that were identified given their interrelationship.

We have evaluated the potential impact of the committed net climate targets on the financial position, including the underlying assumptions and estimates, for example, regarding future cash flows and significant assumptions in the impairment model of property, plant and equipment, as well as the related disclosures in the annual accounts. We have not been engaged to provide assurance on the sustainability report and therefore do not provide assurance on any metric or text claim in that section, nor have we assessed whether it complies with the European Sustainability Reporting Standards or EU taxonomy.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of an internationally operating integrated steel company. We therefore included experts and specialists in the areas of amongst others IT systems, valuation of assets, sustainability, legal expertise, forensics and international taxes in our team.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the annual accounts'.



Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the annual accounts as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the annual accounts as a whole and on our opinion.

Overall group materiality	€57.3 million (2024/2025: €60 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 2% of net assets.
Rationale for benchmark applied	We used net assets as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the annual accounts. On this basis, we believe that net assets is the most relevant metric for the financial performance of the Company as net assets have demonstrated relative stability in comparison with profit before tax, and therefore provides a more consistent and meaningful indicator of TSN's financial resilience and ability to continue as a going concern, which we consider most important to the majority of the stakeholders.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €3 million and €50 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €2.9 million (2024/2025: €3 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.



The scope of our group audit

Tata Steel Nederland B.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated annual accounts of Tata Steel Nederland B.V.

We are responsible for the identification and assessment of the risks of material misstatement of the annual accounts of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the annual accounts to enable us to provide an opinion on the annual accounts as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

<i>Revenue</i>	73%
<i>Total assets</i>	88%
<i>Profit before tax</i>	76%

For the remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The group engagement team performed the audit work on the Dutch entities which represented the vast majority of the group audit.

We have engaged component auditors to audit or perform audit procedures over the foreign components. Where component auditors performed the work, we determined the level of involvement we needed to have in their audit work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated annual accounts as a whole.

Audit approach fraud risks



We identified and assessed the risks of material misstatements in the annual accounts due to fraud. During our audit we obtained an understanding of Tata Steel Nederland B.V. and its environment and the components of the internal control system. This included the board of management's risk assessment process, the board of management's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section "Risk management and compliance" of the report of the board of management for management's 'ethics and compliance' disclosure.

We evaluated the design and implementation of relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the code of conduct, whistleblower procedures, incident registration and investigation protocols, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We performed inquiries with the supervisory board, a selection of members of the board of management and senior management, including e.g. Risk & Compliance, Health Safety and Environment (HSE), legal, finance, internal audit to evaluate their fraud awareness, the internal control environment in relation to fraud, the 'tone at the top' and entity-level controls and whether they were aware of any actual or suspected fraud. This did not result in fraud matters that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:



Identified fraud risks	Our audit work and observations
<p>The risk of management override of controls</p> <p>Inherently, management is in a unique position to perpetrate fraud because of the board of management's ability to manipulate accounting records and prepare fraudulent annual accounts by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in:</p> <ul style="list-style-type: none"> • The appropriateness of journal entries and other adjustments made in the preparation of the annual accounts. • Possible management bias in management's significant estimates; and • Significant transactions, if any, outside the normal course of business for the entity. <p>Management and its ultimate parent company are in the process of negotiations on the Tailormade agreement (TMA or 'Maatwerk') with the Dutch government for the decarbonisation of the Tata Steel plant in IJmuiden. Next to government support, the ultimate parent company would also commit to providing significant support. The TMA support from both parties is critical for the decarbonisation journey of the plant.</p>	<p>Where relevant to our audit, we evaluated the design and implementation of the internal control system, that is intended to mitigate the risk of management override of controls and assessed the effectiveness of those measures in the processes of generating and processing journal entries and making estimates.</p> <p>We selected journal entries based on risk criteria and conducted specific audit procedures for these entries, including inspection, where considered relevant, of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence. In this context, we also tested the consolidation and elimination entries around year-end.</p> <p>We performed specific audit procedures related to possible management bias in significant estimates and judgements applied by management, such as listed in the section V 'Use of estimates and critical accounting judgements' of the chapter 'Presentation of consolidated accounts and accounting policies' in the annual accounts.</p> <p>These procedures include assessing management's ability to make reasonable estimates, by assessing previous estimations with actual outcomes, performing sensitivity analyses, test the underlying models, methodology and inputs to supporting evidence and challenge managements' assumptions as applicable.</p> <p>Specifically, for the judgements and estimations applied as part of the impairment testing of non-current assets, we engaged our valuation experts to develop independent range estimates of the discount rate and long-term growth rate.</p> <p>We also paid specific attention to the access safeguards in the IT system and the possibility that this will lead to violations of the segregation of duties.</p> <p>We performed our audit procedures in a mix of controls and substantive procedures.</p> <p>We verified that there were no significant transactions or events that were outside the normal course of business for the Group.</p> <p>Our audit procedures did not lead to specific indications of fraud with respect to management override of controls.</p>



Identified fraud risks	Our audit work and observations
<p>In this context, the company should remain economically viable. This could lead to management bias to overstate the current and future financial results and cashflows.</p>	
<p>The risk of fraudulent financial reporting due to overstating the revenue</p> <p>With regard to the risk of fraud in revenue recognition, based on our risk assessment procedures, we concluded that this risk relates to the existence and occurrence (through recording of fictitious revenue transactions) and cut-off before and after year-end (through improperly shifting revenues between different periods) of revenue transactions.</p>	<p>We evaluated the design and implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to revenue recognition.</p> <p>Through data analysis, we tested unexpected journal entries based on revenue recognition criteria. We also performed relevant testing on revenue transactions throughout the year and the receivable balances at year-end. Our audit procedures included inspection of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence, testing the occurrence and cut-off of the related revenue.</p> <p>Our audit procedures did not lead to specific indications of fraud with respect to revenue recognition.</p>
<p>Valuation of property plant and equipment</p> <p>For the identified potential fraud risk in the valuation of property, plant and equipment refer to the section "Key audit matters".</p>	<p>Refer to Key audit matter 'Valuation of Property, Plant and Equipment (PP&E) – Cash Generating Unit Tata Steel IJmuiden (TSIJ)' for the fraud risk of potential management bias (as explained in the fraud risk above 'Management override of controls' in preparing a cash flow forecast in which significant estimates of future earnings are included.</p>



Identified fraud risks	Our audit work and observations
<p>Incomplete provisions and/or disclosures</p> <p>Tata Steel Nederland B.V. is subject to a wide range of regulatory liabilities either due to exceedances with environmental permits or due to claims/litigation. The assessment of the impact (classification of these (contingent) liabilities is complex and potentially subject to management bias.</p>	<p>We evaluated the company's internal processes for monitoring compliance with environmental regulations, including the design and operating effectiveness of controls in place to identify and address potential non-compliance issues.</p> <ul style="list-style-type: none"> • We reviewed correspondence with regulatory authorities and external legal counsel regarding the ongoing investigations to understand the current status and potential outcomes of these matters. • We held discussions with both internal and external legal counsel and obtained lawyers' letters to assess the nature, status, and likely outcomes of the legal and regulatory proceedings. • We assessed the adequacy of provisions recognized and contingent liabilities disclosed in the annual accounts, including management's estimates and assumptions underlying the amounts recognized or disclosed. <p>Our audit procedures did not lead to specific indications of fraud with respect to incomplete provisions and/or disclosures.</p>
<p>Incomplete or misleading disclosures in the annual report</p> <p>Tata Steel Nederland B.V. has made a public commitment on the decarbonisation strategy.</p> <p>This could lead to material misstatements as a result of bias in accounting estimates and disclosures.</p>	<p>Through inquiry with management, we have obtained an understanding of the feasibility of the Group's decarbonisation strategy/energy transition journey.</p> <p>We reviewed management's assessment on the accounting implications of such journey, including the valuation of property, plant and equipment of Cash Generating Unit Business Unit Tata Steel IJmuiden.</p> <p>Our procedures also included the assessment of the adequacy of the related disclosures in the annual report and accounts as made by the board of management.</p> <p>Our audit procedures did not lead to specific indications of fraud with respect to the adequacy of disclosures.</p>

We incorporated an element of unpredictability in our audit and reviewed lawyer's letters. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.



Audit approach going concern

As disclosed in section II 'Basis of preparation' of the chapter 'Presentation of consolidated accounts and accounting policies' of the annual accounts, the board of management disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern.

The board of management's most significant considerations underlying its plans/actions to address these conditions that indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern (hereafter: going-concern risk) are:

- The group's forecasts of cash flows which have been stress tested with potential downside scenarios, demonstrating the availability of sufficient liquidity;
- The fact that a support letter from Tata Steel Global Holding Pte Ltd (the Tata Steel group inhouse bank, TSGH) is in place for an amount equalling the revolving credit facility that matures in May 2027, whereby TSGH commits that it will support TSN in the rollover of the existing RCF with existing and/or new banks for a period of at least 6 months beyond the current termination date. Should TSN not be able to timely extend the RCF, TSGH commits that they will provide TSN with sufficient funding if and as would be required to meet its cash flow requirements for a period at least up until July 31, 2027, or if earlier, the date that the RCF rollover is in place for an amount of at least EUR 550mln;
- The ongoing discussions with the relevant authorities on the proposed timeline to close the coke and gas plants that management considers minimally required to ensure a safe, responsible and controlled closure process and the legal remedies which TSN considers it can resort to, to ensure mitigation against immediate closure actions of both the CGPs.

In order to evaluate the appropriateness of the board of management's use of the going-concern basis of accounting, including the board of management's expectation that their plans sufficiently address the identified going-concern risk and the adequacy of the related disclosures, we with support of restructuring and finance specialists and internal legal specialists amongst others, performed the following procedures.



Based on our knowledge obtained regarding the entity, its environment and current financial situation, we assessed whether the information obtained regarding events or conditions that may result in going-concern risks has been included in the board of management's assessment. We have taken into account external validation for the technical feasibility for closing down the CGPs in line with management's best estimate for controlled and responsible shutdown. We have inquired with the company's external legal advisors into the procedural steps and timelines from draft decision to potential closure. We have confirmed management's and external legal advisors' views on timelines with internal legal specialists. We reviewed the availability and terms of the Group's financing facilities, including the €550 million revolving credit facility, €600 million securitisation facility, and €115 million overdraft, and confirmed the amounts drawn and available per year-end. We have also reviewed the appropriateness of the wording and commitment in the support letter obtained from Tata Steel Global Holding Pte Ltd and its ability to deliver on such commitment when needed. In addition, we have inquired with the board of management as to its knowledge of going-concern risks beyond the period of the board of management's assessment.

Regarding the board of management's plans/actions and underlying assumptions, we:

- Read the letter dated 23 April 2026 from the North Sea Canal Area Environmental Agency (Omgevingsdienst Noordzeekanaalgebied, "ODNZKG") indicating its intention to revoke (part of) the environmental permits for the Coke and Gas Plants (CGP 1 and CGP 2);
- Evaluated whether the scenarios applied in the board of management's sensitivity analysis (including the early closure of CGP1 and/or CGP2, a three-month outage at the DSP plant, and reductions in spread and volume) regarding the expected outcome of the board of management's plans/actions were reasonable;
- Assessed whether the expected outcome of the board of management's plans/actions has been adequately included in the board of management's cash flow forecast;
- Evaluated the consistency of the board of management's revised business plan, the aforementioned actions/plans and cash flow forecast.

To consider whether any additional facts or information have become available that may be relevant for the identified going-concern risk, including the board of management's expectation on the sufficiency of the board of management's actions/plans to mitigate the identified risk, we:



- Read minutes of the board of management and the supervisory board;
- Inquired with the board of management and the supervisory board.

We evaluated whether the going-concern risk including the board of management’s plans/actions to address the identified risk and the most significant underlying assumptions have been sufficiently described in the notes to the annual accounts. We found the disclosure in section II ‘Basis of preparation’ of the chapter ‘Presentation of consolidated accounts and accounting policies’, where the board of management disclosed conditions that indicate the existence of a material uncertainty which may cast significant doubt about the entity’s ability to continue as a going concern, to be adequate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

In addition to the matter described in the section ‘Material uncertainty related to going concern’ we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Our audit work and observations
<p>Valuation of Property, Plant and Equipment (PP&E) – Cash Generating Unit Tata Steel IJmuiden (TSIJ) Refer to note ‘Property, plant and equipment’ of the consolidated annual accounts.</p> <p>The valuation of property, plant and equipment (PP&E) for the cash generating unit (CGU) Tata Steel IJmuiden (TSIJ) was a matter of most significance in our audit due to the substantial estimation uncertainty and the material impact that changes in key assumptions could have on the company’s financial position. As at 31 March 2026, management determined a recoverable amount of EUR 3.7</p>	<p>Together with our valuation specialists, we obtained an understanding of management’s impairment assessment process and performed a comprehensive risk assessment, identifying a significant audit risk for error and/or fraud due to potential management bias in the valuation of PP&E for CGU TSIJ. We reviewed the outcomes of previous impairment assessments and their subsequent re-estimations to inform our assessment of the current period’s risks.</p>



Key audit matter	Our audit work and observations
<p>billion for CGU TSIJ, compared to a carrying amount of EUR 2.7 billion, resulting in a headroom of approximately EUR 1 billion. The key assumptions are subject to management's judgment, and adverse changes in assumptions could result in a material impairment.</p> <p>The recoverable amount is highly sensitive to forward-looking judgments, including selling prices, raw material costs, EU steel demand, energy costs, discount rates, and the timing and magnitude of capital expenditure required for the company's decarbonisation strategy. These assumptions are inherently uncertain and susceptible to management bias, increasing the risk of material misstatement. In addition, the company faces significant operational and legal risks, including ongoing scrutiny from environmental agencies, orders under penalty, legal proceedings, and uncertainty regarding the timeline for a safe and responsible shutdown of Coke and Gas Plant 2 (CGP2) and Coke and Gas Plant 1 (CGP1). Management assessed the earliest possibility for a safe and responsible closure, accelerated from the timelines as per the publicly available Joint Letter of Intent (JLOI) between the company and the Dutch government, together with the assumption of successfully converting to imported cokes and switching from cokes oven gas to natural gas. The successful execution of the decarbonisation strategy is dependent on timely permitting and commissioning of new carbon-free production facilities, the effectiveness of the Carbon Border Adjustment Mechanism (CBAM) and the EU Steel and Metal Action Plan in protecting against (high-carbon) steel imports from outside the EU, and the successful completion of the tailor-made agreement with the Dutch government. Collectively, these factors introduce significant complexity and uncertainty into the valuation of PP&E.</p>	<p>We evaluated whether the fair value less cost of disposal model applied by management was appropriate and tested the mathematical accuracy of the calculations within the valuation model. We challenged the post-tax discount rate used, including the impact of climate-related risks and regulatory developments on risk premiums, by benchmarking it against market data and peer analysis.</p> <p>As part of addressing the risk of error and fraud we challenged management's key assumptions, including selling prices, raw material costs, EU steel demand, and energy costs, by comparing them to external market data. We independently developed a range estimate and benchmarked management's valuation against peer group market data, including EBITDA multiples, to assess the reasonableness of the overall valuation outcome.</p> <p>We evaluated management's assessment of the required timeline for an accelerated safe and responsible closure of the cokes and gas plants and successfully converting to imported cokes and switching from cokes oven gas to natural gas. Also, we assessed the timing and availability of permits, by discussing these matters with management's external legal counsel and obtaining both external and internal TSN legal confirmations. We compared the projected changes to EBITDA from producing and selling low-carbon steel with external market data and reports. The Dutch Environmental Agency is preparing a decision that may result in the revocation (in whole or in part) of environmental permits for Coke and Gas Plants ("CGP") 1 and 2. The timing, scope and outcome of this decision remain uncertain. An adverse outcome, including further acceleration of timelines beyond what management considers feasible, could have a material impact on the valuation of property, plant and equipment.</p>



Key audit matter	Our audit work and observations
<p>Given the magnitude of the amounts involved, the high sensitivity of the valuation to changes in key assumptions, and the significant estimation uncertainty, we considered this area to be a key audit matter. The adequacy and transparency of note 'Property, plant and equipment' of the consolidated annual accounts, including sensitivities and inherent uncertainties, are critical for stakeholders, as even modest changes in assumptions could result in a material impairment and adversely impact shareholder value.</p>	<p>We have challenged management's assumption that the tailor-made agreement with the Dutch government will be finalized within the timeline and conditions as included in the Joint Letter of Intent. If the support from the Dutch government would not be as expected, then there would be a material impact on the valuation of property, plant and equipment.</p> <p>We also obtained and assessed management's evaluation of the effectiveness of CBAM in reducing the inflow of high-carbon steel into the EU market, substantiated by independent market research and compared it to prices since its introduction in the EU.</p> <p>We reconciled the inputs to the impairment model with the annual plan FY27 approved by the supervisory board and tested the mathematical accuracy of calculations in the valuation model. We assessed the adequacy, sufficiency, accuracy, presentation, and appropriateness of management's disclosures in note 'Property, plant and equipment' of the consolidated annual accounts, including the reported recoverable amount, carrying amount, key assumptions, sensitivities, and inherent uncertainties.</p> <p>Our procedures confirmed that the fair value less cost of disposal model was appropriate and that the calculations were mathematically accurate. We observed that the headroom between the recoverable amount and carrying amount is highly sensitive to changes in key assumptions. We note that significant estimation uncertainty remains, particularly in relation to regulatory and environmental risks, the execution of the decarbonisation strategy, and the reliance on government support and CBAM effectiveness. We found that management's disclosures in note 'Property,</p>



Key audit matter	Our audit work and observations
	<p>plant and equipment' of the consolidated annual accounts, including sensitivity analyses, adequately inform stakeholders of the potential impact of changes in key assumptions on the PP&E valuation and the associated risks of future impairment.</p>
<p>Risk of non-compliance with environmental laws and regulations at the Coke and Gas Plants</p> <p>Risk of non-compliance with environmental laws and regulations at the Coke and Gas Plants (Contingent Liabilities note, Property, Plant and Equipment note, and section II 'Basis of preparation' in the annual accounts).</p> <p>During the year, the company continued to face significant regulatory scrutiny, including (draft) notices and penalties from the Environmental Agency regarding emissions level exceedances and the technical condition of assets at its Coke and Gas Plants. Ongoing investigations by the authorities have raised concerns about the company's ability to retain its operating permits at these facilities. The revocation of these licenses in a non-controlled manner could have a material impact on the company's ability to continue operations, with direct consequences for revenue, asset values, and the company's overall financial position. In addition, heightened media attention and public concern regarding the company's environmental and health impact have increased reputational risk.</p> <p>The outcome and timing of the regulatory proceedings remain highly uncertain, with possible consequences including substantial fines, legal liabilities, asset impairments, and the need to recognize or disclose significant provisions and contingent liabilities. The risk of non-compliance with environmental laws and regulations is therefore of critical interest to stakeholders, as it could fundamentally threaten the company's financial viability and</p>	<p>In response to this key audit matter, we performed the following procedures: We evaluated the company's internal processes for monitoring compliance with environmental regulations, including the design and operating effectiveness of controls in place to identify and address potential non-compliance issues.</p> <p>We reviewed correspondence with regulatory authorities and external legal counsel regarding the ongoing investigations, in particular on the closure of coke and gas plants, in order to understand the current status and potential outcomes of these matters.</p> <p>We reviewed management's assessment on the Stichting Frisse Wind collective proceedings as disclosed in the Contingent Liabilities note of the annual accounts and discussed this with internal and external legal counsel.</p> <p>We held discussions with both internal and external legal counsel and obtained lawyers' letters to assess the nature, status, and likely outcomes of the legal and regulatory proceedings.</p> <p>We assessed the adequacy of provisions recognized and contingent liabilities disclosed in the Contingent Liabilities note of the annual accounts relating to environmental matters, including management's estimates and assumptions underlying the amounts recognized or disclosed.</p>



Key audit matter	Our audit work and observations
<p>going concern status. Given the magnitude of the potential impact, the significant level of uncertainty, and the importance of transparent and adequate disclosures, we considered this matter to be one of most significance in our audit.</p>	<p>We involved internal specialists with legal expertise to evaluate the expected length and potential outcomes of the legal proceedings, and to support our assessment of the implications for going concern, provisions, and contingent liabilities.</p> <p>We considered the impact of these matters on the company's going concern assessment, including reviewing management's analysis of the potential consequences of revoking of the permit of Coke and Gas Plants, (partial) license suspension or revocation and the adequacy of related disclosures.</p> <p>We evaluated management's impairment assessments for the assets at the Coke and Gas Plants, including the assumptions and data used to determine whether asset carrying values remained recoverable in light of the regulatory risks.</p> <p>We reviewed the disclosures in the annual accounts relating to non-compliance risks, provisions, contingent liabilities, going concern, and impairment, to determine whether they were adequate, sufficient, and transparent for users of the annual accounts.</p> <p>Key observations and outcomes</p> <p>The regulatory investigations are ongoing and unresolved at the reporting date, with significant uncertainty regarding their outcome and timing. The company continues to operate under its existing licenses, but the risk of adverse regulatory action persists. The company has recognized provisions and disclosed contingent liabilities where appropriate, and that management's impairment assessments and going concern analysis reflect the risks associated with the ongoing investigations. The disclosures in the annual accounts provide transparent information regarding the nature and potential impact of these matters.</p>



Key audit matter	Our audit work and observations
	<p>However, given the significant uncertainty, we note that future developments could materially affect the company's financial position and operational viability. In particular, the uncertainty regarding the accelerated timeline for a safe and responsible shutdown of Coke and Gas Plant 2 (CGP2) and Coke and Gas Plant 1 (CGP1). Together with the assumption of successfully converting to imported cokes and switching from cokes oven gas to natural gas. Refer to our opinion paragraph in which a material uncertainty with respect to going concern is included, and the paragraph 'Audit approach going concern' for our procedures performed thereto.</p>

Compliance with the requirements of the Regulatory Technical Standard of SBR, including the XBRL mark up, not audited

The audit includes the verification that the prepared annual accounts comply with the legal provisions in Part 9 of Book 2 of the Dutch Civil Code. Our audit opinion is issued on the prepared annual accounts and will be included in the digitally filed annual report. The compliance with all requirements of the Regulatory Technical Standard of the SBR domain Trade Register, including the applied eXtensible Business Reporting Language (XBRL) mark ups, was not subject to our audit.

Report on the other information included in the annual accounts

The annual accounts contain other information. This includes all information in the annual accounts in addition to the annual accounts and our auditor's report thereon. We have not been engaged to provide assurance on the sustainability report and therefore do not provide assurance on any metric or text claim in that section, nor have we assessed whether it complies with the European Sustainability Reporting Standards or EU taxonomy.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the annual accounts and does not contain material misstatements; and



- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the annual accounts or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the annual accounts.

The board of management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the annual accounts and the audit

Responsibilities of the board of management and the supervisory board for the annual accounts

The board of management is responsible for:

- the preparation and fair presentation of the annual accounts in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of management determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of management should prepare the annual accounts using the going-concern basis of accounting unless the board of management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of management should disclose in the annual accounts any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.



The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the annual accounts

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the annual accounts, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of management.



- Concluding on the appropriateness of the board of management's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the annual accounts as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the annual accounts, including the disclosures, and evaluating whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the annual accounts. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Amsterdam, 3 June 2026

PricewaterhouseCoopers Accountants N.V.

Original has been signed by:

E. van der Vleuten RA MSc

Abbreviations and glossary

Abbreviation	Full term
Biofuel	Fuel derived from biomass
CAPEX	CAPital EXpenditure
CBAM	Carbon Border Adjustment Mechanism (an EU climate policy tool placing a fair carbon price on imported carbon-intensive goods, including steel)
CCS	Carbon Capture and Storage
CLA	Collective Labour Agreement
CO ₂	Carbon dioxide
COR	Central Works Council (<i>Centrale Ondernemingsraad</i>)
CSRD	Corporate Sustainability Reporting Directive (EU regulation requiring companies to report on the environmental and social impacts of their business activities)
DRI	Direct Reduced Iron
DRP	Direct Reduction Plant
DSP	Direct Sheet Plant
EAF	Electric Arc Furnace
EIA	Environmental Impact Assessment
ESG	Environmental, Social and Governance (a framework used to measure a business's sustainability, social impact and long-term risk management beyond just financial performance)
ESRS	European Sustainability Reporting Standards (mandatory rules for companies under the Corporate Sustainability Reporting Directive (CSRD) to report on environmental, social, and governance (ESG) impacts)
FY	Financial Year (1 April to 31 March)
GHG	Greenhouse Gas
HSE	Health, Safety & Environment
ISO	International Organisation for Standardisation
IRBC	International Responsible Business Conduct (commitment of companies to conduct international business in a way that respects human rights, labour rights and the environment)
JLoI	Joint Letter of Intent
KPI	Key Performance Indicator
LTI	Lost Time Injury (work-related injury or illness that prevents an employee from performing their regular duties)

Abbreviation	Full term
LTIFR	Lost Time Injury Frequency Rate (indicates the number of incidents resulting in sickness absence per million hours worked)
NGO	Non-Governmental Organisation
NOx	Nitrogen Oxides
OECD	Organisation for Economic Cooperation and Development (international organisation of currently 38 member countries committed to democracy and the market economy, focusing on promoting policies that improve economic and social wellbeing worldwide)
PAH	Polycyclic Aromatic Hydrocarbons (a class of organic compounds created primarily by the incomplete combustion of organic materials like coal, oil, gas, wood and garbage; they are prevalent environmental pollutants found in air, soil and water)
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals (EU regulation designed to protect human health and the environment from chemical risks requiring companies to register, assess and manage risks for substances manufactured in or imported into the EU)
RMI	Responsible Minerals Initiative (one of the world's largest industry associations focused on advancing responsible mineral sourcing across global supply chains)
Roadmap (Plus)	A package of measures taken to reduce emissions and the nuisance experienced by the local community
SCALE	Sustainability, Cost-Efficiency, Agility, Leadership, Execution
TCCT	Trivalent Chromium-Coating Technology (a sustainable and reliable packaging material developed by Tata Steel as a replacement for conventional tin-free steel)
TMA	Tailor-Made Agreement
TRIFR	Total Recordable Injury Frequency Rate (indicates the number of medical treatment cases per million hours worked)
TSDE	Tata Steel Downstream
TSIJ	Tata Steel IJmuiden
TSL	Tata Steel Limited
TSN	Tata Steel Nederland
TSNH	Tata Steel Nederland Holdings BV
Zeremis	Short for zero emissions: brand name for low-carbon steel propositions

List of abbreviations Sustainability Statement

Abbreviation	Full term
ABRvS	Administrative Jurisdiction Division of the Council of State (Afdeling bestuursrechtspraak van de Raad van State - NL)
ALARP	As Low As Reasonably Possible
BAT	Best Available Techniques
BF	Blast Furnace
BF-BOS	Blast Furnace – Basic Oxygen Steelmaking
BoM	Board of Management
BOF	Basic Oxygen Furnace
CAPEX	Capital Expenditure
CBAM	Carbon Border Adjustment Mechanism
CCO	Chief Commercial Officer
CCS	Carbon Capture and Storage
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGM	Continuous Casting Machine
CGM21	Continuous Casting Machine 21
CGM22	Continuous Casting Machine 22
CGP	Coke and Gas Plant
CGP1	Coke and Gas Plant 1
CGP2	Coke and Gas Plant 2
CMRT	Conflict Minerals Reporting Template
CO ₂	Carbon dioxide
COO	Chief Operations Officer
COR	Central Works Council (Centrale Ondernemingsraad)
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSRD	Corporate Sustainability Reporting Directive
DeNOx	Denitrification (NOx reduction installation)
DMA	Double Materiality Assessment
DRI	Direct Reduced Iron
DRP	Direct Reduction Plant
EA	Environmental Agency
EA NZKG	Environmental Agency North Sea Canal Area
EAF	Electric Arc Furnace
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EIA	Environmental Impact Assessment
eMJV	elektronisch Milieujaarverslag (Electronic Environmental Annual Report – NL)
EO	Ore Stockyard
EO2	Ore Stockyard 2
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
ETS	Emissions Trading System
EU ETS	European Union Emissions Trading System

Abbreviation	Full term
EU Taxonomy	European Union Taxonomy Regulation
EVP	Employee Value Proposition
FEED	Front End Engineering Design
FID	Final Investment Decision
FY	Financial Year
GHG	Greenhouse Gas
GRC	Governance, Risk and Compliance
HIA	Health Impact Assessment
HSSE	Health, Safety, Security & Environment
ICS	Industrial Control Systems
ILO	International Labour Organization
ILT	Human Environment and Transport Inspectorate
IPCC	Intergovernmental Panel on Climate Change
IRBC	International Responsible Business Conduct
ISO	International Organization for Standardization
IT	Information Technology
ITSCI	International Tin Supply Chain Initiative
JLoI	Joint Letter of Intent
KPI	Key Performance Indicator
MER	Milieu-effectrapportage (Environmental Impact Assessment – NL)
MVP	Massavracht Programma (Dutch permit-based emissions classification)
MVP1	Massavracht Programma 1
MVP2	Massavracht Programma 2
MV	Ore Blending Field
MV1	Ore Blending Field 1
MV2	Ore Blending Field 2
NIS2	EU Network and Information Security Directive
NMVOC	Non-Methane Volatile Organic Compounds
NOx	Nitrogen oxides
OECD	Organisation for Economic Co-operation and Development
OH&S	Occupational Health and Safety
OEM	Original Equipment Manufacturer
OPEX	Operating Expenditure
OT	Operational Technology
PAH	Polycyclic Aromatic Hydrocarbons
PCB	Polychlorobiphenyl
PCDD	Polychlorinated Dibenzo-p-Dioxins
PCDF	Polychlorinated Dibenzofurans
PM	Particulate Matter
PM10	Particulate Matter ≤10 micrometres
PM2.5	Particulate Matter ≤2.5 micrometres
PMO	Project Management Office
PPE	Personal Protective Equipment



Abbreviation	Full term
PPO	Public Prosecution Office
R&C	Risk & Compliance
RCF	Revolving Credit Facility
SCALE	Sustainability, Cost-Efficiency, Agility, Leadership, Execution
SB	Supervisory Board
SCR	Selective Catalytic Reduction
SNCR	Selective Non-Catalytic Reduction
SOP	Scrap Operation Point
SOP3	Scrap Operation Point 3
SOP4	Scrap Operation Point 4
SOP5	Scrap Operation Point 5
SOx	Sulphur oxides
SVHC	Substances of Very High Concern
TCFD	Task Force on Climate-related Financial Disclosures
TMA	Tailor-Made Agreement
TNFD	Taskforce on Nature-related Financial Disclosures
UN	United Nations
VOC	Volatile Organic Compounds
VRP	Vermijdings- en Reductieplan (Avoidance and Reduction Plan – NL)
WRI	World Resources Institute
WSA	World Steel Association
ZZS	Zeer Zorgwekkende Stoffen (Substances of Very High Concern – NL)

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