

Tata Steel Minerals UK Group Tax Statement

This strategy specifically applies to Tata Steel Minerals UK (“TSMUK”), a UK registered Company TSMUK regards this document and its publication as complying with its duty under Para 19(2), Sch 19, FA16 for the Financial Year ended 31 March 2023.

Tata Steel Group Overview

The Tata Steel group is one of the world’s leading steel manufacturers, with a fully diversified and integrated global business, providing end to end services from mining to finished steel goods. It services various market segments including construction, automotive, industrial, engineering and agriculture. The ultimate parent, Tata Steel Limited, is headquartered in Mumbai, India. TSMUK is a subsidiary of TS Global Holding Pte Ltd, a Singapore entity. TSMUK has subsidiaries in Canada, Tata Steel Minerals Canada and Tata Steel Canada Capital.

Tax principles

At Tata Steel, key business decisions are made with the aim of maximising value on a sustainable basis for our stakeholders. Tax decisions are also driven by our core values of integrity, excellence, unity, responsibility and pioneering.

We are governed by the Tata Group Code of Conduct which specifies six key principles applicable to all Group Companies in managing tax affairs across all business activities and territories of operation.

TSMUK conducts its affairs in a way that:

1. Is compliant with all legal and regulatory obligations and which adheres to the principles set out in the Tata Code of Conduct.
2. Is aligned with the Group’s overall business strategy and growth objectives;
3. Proactively seeks to enhance shareholder value and optimise tax cost on a sustainable basis;
4. Is governed, managed and controlled within an appropriate risk management framework;
5. Is appropriately resourced and seeks to maximise operating efficiencies through the suitable use of automation and technology-based solutions; and
6. Maintains good, open, honest and professional working relationships with tax authorities globally and seeks to take a leading role in relation to matters of governmental tax policy relevant to TSMUK.

Comments on the application of these principles is as follows:

1. Tax compliance

We comply with all applicable tax laws and practice in all countries in which we operate, including the UK. We aim to pay the right amount of tax at the right time, on the profits we make in the territories where the underlying value has been created. TSMUK aims to comply with the spirit as well as the letter of the law to satisfy its global tax compliance obligations in a timely and accurate manner.

2. Business alignment

TSMUK aligns its tax affairs with genuine organisational business activities. We do not undertake tax planning that is contrived or artificial, or not driven by a commercial rationale. We do not engage in any form of tax avoidance, and we do not use or operate offshore tax havens.

TSMUK entities are located in countries where the business has significant physical and economic operations (i.e. employees, offices and revenue generating activities). We seek to ensure that all transactions between connected parties are conducted on Arm's length terms in accordance with Organisation for Economic Co-operation and Development (OECD) principles.

3. Enhancing shareholder value

The commercial needs of the Group are paramount. Key business decisions should be made with regard to the tax consequences with the aim of maximising value on a sustainable basis for our shareholders. Any tax decisions are undertaken within the context of a wider business purpose or commercial rationale and will have regard to the potential impact on our reputation, broader goals and Tata Steel core values of unity, integrity, responsibility, excellence and pioneering. We will not undertake planning which is contrived or artificial and is not derived from a commercial requirement.

Given the scale of our business, global footprint and volume of tax obligations, risks may arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements. Diligent professional care and judgement will be employed to assess tax risks in order to arrive at well-reasoned fully documented conclusions on how the risks should be managed. Where there is uncertainty as to the application or interpretation of tax law, appropriate advice may be sought from third parties to support the decision-making process.

4. Governance and risk management

Tax risks arising within the TSMUK Group are identified, assessed and managed by the management on an ongoing basis in line with emerging tax laws and practice.

5. Tax resource

TSMUK holds TSL Group's Canadian companies.

To advise on complex transactions and to ensure compliance with the local rules and regulations, support is obtained from external consultant.

6. Relationship with governments and authorities

We seek to foster constructive, professional and transparent relationships with tax authorities, including Her Majesty's Revenue and Customs ("HMRC"), based on the concepts of integrity, fairness, co-operation and mutual trust. We engage in full, open and early dialogue with tax authorities to discuss tax management, strategy, risks and significant transactions.

With the objective of minimising tax risk wherever possible we seek to resolve issues with HMRC on a real time basis and in the event that disagreements arise, we would strive to work with the tax authorities to resolve any disputed matters through pro-active and transparent discussion and negotiation. We aim to obtain advance agreements or clearances where possible and litigation would only be considered as a last resort.

This Strategy is aligned with our core values and is approved, owned and overseen by the TSMUK Board.