

# Price Waterhouse & Co Chartered Accountants LLP

## Independent practitioner's Limited assurance report

### To the Board of Directors Tata Steel Limited

We have undertaken to perform limited assurance engagement for Tata Steel Limited (the 'Company' or 'Tata Steel') vide Engagement Letter dated June 1, 2022 in respect of the agreed indicators/parameters listed below (the "Identified Sustainability Indicators"). These indicators/parameters are as identified in "Tata Steel ESG indicators factsheet FY 2021-22" on page 128 of the Integrated Report of the Company for the year ended 31 March 2022 (the 'Integrated Report').

### Identified Sustainability Indicators

The Identified Sustainability Indicators are summarized in Annexure 1 to this report.

Our limited assurance engagement was with respect to the financial year ended March 31, 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Report and, therefore, do not express any conclusion thereon.

### Criteria

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

### Management's Responsibility

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

### Inherent limitations

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

### Our Independence and Quality Control

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



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

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

### **Our Responsibility**

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

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

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

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

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

- Obtained an understanding of the identified Sustainability indicators and related disclosures,
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurement of the identified sustainability indicators.
- Made enquiries of Company's management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) Team, etc., and those with responsibility for managing Company's Integrated Reporting
- Understood and evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting on the identified Sustainability Indicators including at the sites covered (did not include testing the operating effectiveness of management systems and controls).
- Checked consolidation for various sites and corporate offices for ensuring the completeness of data being reported
- Based on that understanding and the risks that the identified sustainability indicators may be materially misstated, determined the nature, timing and extent of further procedures
- Performed limited substantive testing on a selective basis of the identified Indicators/ parameters at corporate head office, and in relation to 3 sites located in India [Tata Steel Jamshedpur (TSJ), Tata Steel Kalinganagar (TSK) & Tata Steel Meramandali (TSM)], to check that data had been appropriately measured, recorded, collated and reported;
- Reviewed records and performed testing including recalculation of sample data to establish an assurance trail
- Reviewed the level of adherence to the reporting criteria and the reporting framework followed by the company in preparing the Integrated Report
- Reviewed the Integrated Report for detecting, on a test basis, any major anomalies between the information reported in the Integrated Report on performance with respect to identified Sustainability Indicators and relevant source data/information





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

### **Exclusions**

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

- Testing the operating effectiveness of management systems and controls;
- Performing the same extent of tests of details as would be necessary for reasonable assurance (both with regards to sample sizes tested and the scope of testing);
- Performing any procedures over other information included in the Integrated Annual Report not listed under the identified Sustainability indicators (other than those necessary to confirm consistency);
- Testing or assessing any forward-looking assertions and/or data
- Data and information outside the defined reporting period i.e. April, 2021 to March, 2022.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company

### **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Indicators contained in the Integrated Report for the financial year ended March 31, 2022 are not prepared, in all material respects, in accordance with the Criteria.

### **Restriction on Use**

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

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No: 304026E/E300009  
Chartered Accountants



Heman Sabharwal  
Partner  
Membership Number: 093263  
UDIN: 22093263AKGMVL2053

Place: Gurgaon  
Date: June 4, 2022

**Appendix 1**

**List of Indicators to be assured**

S. No	Indicator	Criteria
1	Lost Time Injuries (LTI)*	WSA Sustainability Indicators
2	Lost Time Injury Frequency Rate (LTIFR)*	WSA Sustainability Indicators
3	NOx Emission Intensity#	<p>NOx emission intensity = Total NOx emissions /Total crude steel production</p> <p>NOx emission is calculated basis the average gas concentration, volumetric flow rate and operating hours.</p> <p>The average gas concentration is derived from online data analyzer installed at each stack. The analyzer records a reading every 15 mins on a daily basis.</p>
4	S/Ox Emission intensity#	<p>SOx emission intensity = Total SOx emissions/Total crude steel production</p> <p>SOx emission is calculated basis the average gas concentration, volumetric flow rate and operating hours.</p> <p>The average gas concentration is derived from online data analyzer installed at each stack. The analyzer records a reading every 15 mins on a daily basis.</p>
5	Dust Emission intensity#	<p>Dust emission intensity = Total dust emissions/Total crude steel production</p> <p>Dust emission is calculated basis the average gas concentration, volumetric flow rate and operating hours.</p> <p>The average gas concentration is derived from online data analyzer installed at each stack. The analyzer records a reading every 15 mins on a daily basis.</p>
6	Solid Waste Utilization#	<p>Solid Waste Utilization covers total waste generated and total waste utilized in metric tons</p> <ul style="list-style-type: none"> <li>-The categories of solid waste consists of process solid waste, LD slag, Blast Furnace slag, etc.</li> <li>- The waste is utilized via internal consumption and external consumption</li> <li>- The stock from the previous months in also considered for the calculations.</li> </ul>
7	Energy Intensity#	WSA Sustainability Indicators
8	Employee Training*	WSA Sustainability Indicators
9	Training per Employee*	WSA Sustainability Indicators
10	Diversity- % Women in the workforce*	The indicator gives the percentage of women workforce over the total employee on rolls.



S. No	Indicator	Criteria
11	Diversity Mix (% of individuals who are AA/Women/PWD/LGBTQ+ over EOR) *	The indicator gives the percentage of individuals who are Affirmative Action/Women/Persons with Disabilities/ Lesbian, Gay, Bisexual, Transgender, Queer over the total Employee on Rolls.
12	No. of distributors assessed on Responsible Supply Chain Policy*	The indicator covers distributors assessed by a third party on the basis of multiple areas including fair business practices.
13	Lives reached through CSR initiatives (million) *	The indicator gives the total number of people impacted through various projects undertaken by the TATA Steel Foundation (TSF). The includes beneficiaries from COVID-19 and Non COVID-19 programs.
14	Number of Water Harvesting structures*	This includes all the water harvesting structures that were constructed in FY 2021-22
15	Number of Employee Volunteers for CSR Programs*	This includes the number of employees who volunteered for TSF's CSR activities. This includes COVID-19 and Non COVID-19 programs.
16	Number of Employee Volunteering hours for CSR Programs*	This includes the number of employees hours volunteered for TSF's CSR activities. This includes COVID-19 and Non COVID-19 programs.

**Note:** Reporting boundary of indicators assured:

# – TSJ, TSK & TSM

\* – Tata Steel Standalone

