

Tata Steel UK Group Tax Statement

This strategy specifically applies to Tata Steel Europe Limited (“TSE”), a UK registered Company and all UK entities in the TSE Group. This Tata Steel UK Tax Strategy is in compliance with schedule 19 of the Finance (No.2) Bill 2016.

We comply with tax law 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. We aim to comply with the spirit as well as the letter of the law.

We employ a team of appropriately qualified and trained tax professionals (TSE Group Taxation) with the right level of expertise who work closely with the business to provide advice and guidance to ensure compliance with tax laws and practice. TSE Group taxation seeks to manage the Group’s tax position pro-actively, including minimising the tax costs of conducting business activities in all applicable territories by claiming relevant reliefs and incentives in accordance with the relevant legislation.

Significant areas of tax risk are communicated by TSE Group Taxation to the relevant Board, e.g. at the level of UK, Europe or Group depending on scope of impact. Where appropriate tax policies and guidance are issued to influence organisational behaviours to minimise risks based on the recommendations of TSE Group Taxation. Risk management processes are then implemented to ensure that the policies are properly followed including training relevant personal as appropriate, internal audit reviews and periodical refreshment of policies in line with emerging tax laws and practice.

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. All tax planning is 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, understanding and excellence. 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 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.

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 planning, 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 TSE Board.