

TATA STEEL



Tata Steel UK Limited
Report & Accounts 2026

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Directors and advisors

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Introduction

The Directors have pleasure in presenting their Strategic Report, together with the audited financial statements of Tata Steel UK Limited ('TSUK' or the 'Company'), for the year ended 31 March 2026.

The Company has chosen to present the financial statements in accordance with FRS 101 'Reduced Disclosure Framework' 'FRS 101', a framework for entities which apply the presentation, recognition, measurement and disclosure requirements of UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, but also ensure compliance with any relevant legal requirements applicable to it.

Ownership

TSUK is incorporated in England and Wales and is an indirect subsidiary of Tata Steel Limited ('TSL'). The financial results of TSUK are consolidated within an immediate group of companies headed by Corus Group Limited ('CGL'). TSUK and CGL are indirect subsidiaries of Tata Steel Europe Limited. The ultimate parent company in all cases is TSL, which is a company incorporated in India with shares listed on BSE Limited (formerly the Bombay Stock Exchange Limited), Mumbai and the National Stock Exchange of India, and with global depository receipts listed on the London and the Luxembourg Stock Exchanges.

Principal activities

The principal activities of TSUK are the manufacture and sale of steel products throughout the world. Following the closure of Port Talbot's primary steelmaking facilities in September 2024, TSUK is currently operating a "re-roller" model whereby imports of purchased slab and coil are converted to finished products through mills and other downstream facilities. This model is in place whilst TSUK constructs a state-of-the-art Electric Arc Furnace ('EAF') at its Port Talbot site with the support of TSL and of the UK Government which is providing a grant of up to £500m. The construction of an EAF is a critical step on TSUK's transition to a sustainable, green steelmaking business.

The Company owns or has access to sales offices, stockholders, service centres and joint venture or associate arrangements in a number of markets for the distribution and further processing of steel products. This includes a branch office of the Company in France. Principal end user markets for the Company's steel products are engineering, construction, automotive, retail and packaging.

Further information on the Company can be obtained from either TSUK's website (www.tatasteeluk.com) and/or the TSL 2025/26 Integrated Report & Annual Accounts which may be obtained from TSL's website (www.tatasteel.com) or its registered office at Bombay House, 24 Homi Mody Street, Mumbai, 400 001.

Strategic activities

International trade developments were a key theme in the steel industry during 2025/26 and announcements of increased trade

measures for steel in the USA and EU led to increased imports into the UK, where tariff free quotas exceeded domestic demand for several of the Company's product categories. This resulted in a decline in the Company's UK market share and a significant reduction in UK steel selling prices. Historically aligned with North European prices, UK selling prices experienced a sustained and substantial discount of up to approximately £96/t during the year. In March 2026 the UK Government announced proposals for new trade measures relating to steel effective from 1 July 2026 which are expected to narrow this price disparity during 2026/27, supporting the Company's path to profitability. However, the final measures do not fully address the Company's concerns in certain product categories and TSUK continues to engage with the UK Government on potential future refinements to the trade framework.

Responding to these market headwinds, TSUK continued its turnaround plan during 2025/26 and implemented additional fixed cost savings to improve efficiency. These efforts have resulted in structural cost savings of approximately £220m compared to 2024/25, and around £450m since the cessation of primary steelmaking in 2023/24.

The EAF project represents the largest transformation undertaken in the UK steel industry in a generation. The new furnace is expected to reduce Port Talbot's carbon emissions by around 90%, equivalent to 5 million tonnes of CO₂ annually, while ensuring sustainable, high-quality steel production and supporting approximately 5,000 UK jobs. As one of the world's largest EAF installations, it will melt UK-sourced scrap steel to produce approximately 3 million tonnes of steel per year and will be supported by new ladle metallurgy facilities, significant site infrastructure upgrades and advanced steelmaking technologies.

2025/26 was marked by several important milestones in the Company's transition journey. TSUK broke ground on the EAF site, formally commencing major construction activity and signalling the beginning of a new phase in sustainable steelmaking in Wales. Additional progress was made across the supply chain and supporting infrastructure, including the advancement of new processing facilities, major upgrades to site logistics and handling areas, and the commencement of large-scale civil works to prepare for the installation of next generation steelmaking equipment.

B2. Principal risks and uncertainties

The principal risks and uncertainties affecting the Company and the actions taken are as follows:

Risks	Mitigating factors
Health, safety, environmental and other compliance matters The Company's priority at all times is minimising any adverse impact of its activities upon the environment and the health, safety and wellbeing of staff and contractors. Available capital expenditure funding is therefore prioritised to this area. The Company has policies, systems and procedures in place aimed at ensuring compliance and there is a strong commitment from the leadership of the business to continuously improve health and safety performance, enforce compliance and to minimise the impact of the Company's current and future operations on the environment. The Company's businesses are subject to numerous laws, regulations and contractual commitments relating to health, safety, the environment and regulatory compliance in the countries in which it operates. The risk of substantial costs, liabilities and damage to reputation related to these laws and regulations are an inherent part of the Company's business. Improving environmental performance and its linkage to "licence to operate" is a key focus of the Company. The "licence to operate" of the Company depends on the balance which its businesses achieve between the value of their products and services to society, the jobs they create, their contributions to communities and local economies, and their environmental footprint.	
Digital Resilience The cyber environment in which TSUK operates requires continuous scanning of threats and constant review of controls to prevent an increasing risk exposure, utilising new technology and maintaining existing hardware at all levels. TSUK is committed to having the right cyber security standards and practices to ensure the Company is equipped to defend itself from cyber incidents. The increasing threat of cyber-attacks has continued as a genuine business risk due to large scale criminal activity targeting major businesses across all industries. This risk is amplified by an increasing sophistication of attacks and significant organisational change, as well as increasing interconnectedness of systems and obsolete technologies making recovery more challenging. The profile and impact of these risks has also been widely publicised in the UK following significant outrages for JLR, Marks and Spencer and the Co-Operative. Similar attacks could lead to extended operational downtime, reputational harm, data compromise, and high recovery costs. TSUK therefore has a focus on preventative measures to help maintain a low level of vulnerability.	
Performance and operations Whilst the Company seeks to increase differentiated/premium business which is less dependent on steel market price movements, it still retains focus in the UK on improving its operational reliability, product quality, and taking measures to protect against unplanned interruptions and asset failure.	
	TSUK deploys a positive culture of managing safety, health and environmental ('SHE') risks. This includes the escalation of these risks to a TSL SHE Committee. A key area of focus for the TSUK's operations and procurement has been to minimise environmental impacts by selecting raw materials on their environmental credentials (as well as quality) in order to minimise landfill tonnages and to identify external opportunities for use/sale of by-products. The Company continues to engage with legislators to secure a level playing field, for example in areas such as the REACH (Registration, Evaluation, Authorisation & restriction of Chemicals) scheme. The disparities in legislation across steel producers in different countries reinforce the continued need to build brand reputation and customer loyalty. The Company is increasing its contact with local communities closest to its manufacturing operations to explain the measures taken by the Company to reduce emissions and avoid environmental nuisance.
	Significant investment has been committed to combat the increasing global threat from cyber incidents to manufacturing companies, including continuing investment in a central Operational Security Service (including a Security Operations Centre), and both IT and process control security projects to improve resilience, manage security incidents and improve event detection. Specific focus and investment has been placed on awareness and education, protection from viruses, malicious software and external hacking, managing core network components, and contingency planning and resilience for digital business critical components. Regular vulnerability assessments and penetration testing are also key components of the TSUK's cybersecurity strategy.
	Best practices in asset management, enhancing technical knowledge and skills, improving process safety, targeted capital expenditure and focused asset risk management remain as priorities for the business.

B2. Principal risks and uncertainties

Risks	Mitigating factors
Climate Change Climate-related risks are central to the TSUK risk register. This includes climate change-induced physical risks such as those linked to rising sea levels and extreme weather events disrupting supply chains (e.g. storms, flooding, droughts, severe winds), and transition risks which include technological, policy and market changes to adapt to a lower-carbon economy. For the steel industry, transition risks include increased costs within UK Emissions Trading Systems and a reduction in the free allocation of CO₂ allowances under this scheme. There is an expectation that in the future the allocation of CO₂ allowances is likely to be substantially lower than projected emissions which is likely to expose TSUK to higher operating costs. Carbon compliance costs continue to present a competitive disadvantage to the Company over competitors in less carbon-constrained jurisdictions. One of the major challenges facing the steel sector is the ambition to move towards low carbon steelmaking with key stakeholders putting pressure on the industry to make a step change in CO₂ emissions. TSUK has entered in partnership with the UK government on the shared objective of creating an achievable, long-term plan to support our transition to a competitive, sustainable and low carbon future. In September 2024, the UK government committed to a grant of £500m towards the announced £1.25bn investment in Electric Arc Furnace construction and enhancement of the Hot and Cold Mill operations at Port Talbot. This large capital build project comes with associated project management requirements to mitigate risks to achieving project delivery on time and within budget. TSUK has built a skilled project team to manage the Electric Arc Furnace Capex build and other operational enhancements. This is supported by a selection of experienced construction management and supply partners. It is recognised that certain factors are outside of the control of the Company and may not be able to be fully mitigated and accordingly there remains a risk that the announced £1.25bn investment in the Electric Arc Furnace may end up costing significantly more than the original estimates.	Physical risks for which mitigations are in place include flood-risk management on TSUK sites and resilience planning in respect of raw material suppliers declaring Force Majeure because of mine inundation or shipping delays. By transitioning to an electric arc furnace, TSUK will reduce its ETS-scope CO₂ emissions by approximately 90% compared to the steady state prior to the decommissioning of integrated steelmaking. This change in technology substantially reduces TSUK's exposure to carbon costs as the emissions are so much lower. There remains an ongoing exposure to carbon compliance costs which needs to be managed, but this is much less than would have been the case had the transformation from integrated to EAF steelmaking not been implemented. Whilst the transition to EAF steelmaking will substantially reduce the carbon compliance costs for TSUK, these will still be substantial and for this reason ongoing carbon leakage mitigation is required. The UK Government has indicated that it will introduce a Carbon Border Adjustment Mechanism from the start of 2027. TSUK is supportive of this as it will ensure that carbon compliance costs broadly equivalent to those borne by UK steel producers will be levied on steel imported from outside the UK where less carbon constraint currently exists. The precise details of the UK CBAM are still being consulted upon and care will be needed in its design and implementation if it is to meet its stated policy intent. TSUK will be monitoring proposed ETS and CBAM schemes (which will not be introduced at the same time) and the impact this will have on domestic markets in terms of import volumes and price premiums for greener steel. TSUK is and will continue to work with UK policy makers to ensure strong alignment between the different geographies and the effectiveness of CBAM to prevent carbon leakage into the UK, which will be critical to the success of the decarbonisation projects.
Long Term Competitiveness TSUK's manufacturing facilities are based in the UK which is a relatively high-cost area and where demand growth for steel products is lower than in developing parts of the world. Increasing raw material costs as well as high energy and CO₂ costs challenge the long-term competitiveness of its products.	In order to maintain its ability to successfully compete in the long term the Company is undertaking a number of initiatives, including cost reduction measures and business specific improvement plans. The most significant of these initiatives is the Transformation programme, which aims to deliver operational, commercial and supply chain improvements and enable the Company's businesses to reach sustainable levels of EBITDA even in an economic downturn. As part of the Transformation programme, the Company will continue to target and grow its offering of a high value, differentiated product mix to the market.

B2. Principal risks and uncertainties

Risks	Mitigating factors
Financing	
TSUK is financed through an external rolling credit facility (RCF) and through the support of its parent companies in the wider Tata Steel group. TSUK is committed to long-term financial independence and in recent years significant sums outstanding as loans to TSUK from TSL group companies have been converted into equity or waived. Short term facilities have been put in place for the TSUK business in order to help manage liquidity The continued support of the Tata Steel group and the UK Government is key to ensure that the Group will continue to have access to funding to complete the construction of its EAF and to meet operational activity needs.	In order to effectively manage this risk, the forecast requirements of the Company continue to be closely monitored and 'downside' sensitivities are undertaken regularly to ensure the adequacy of facilities. As part of the wider TSL group, TSUK has good relationships with external banks and has a proven ability to access sources of financing when required. As referenced on page 31, TSUK benefits from a letter of support from TSL Group companies in order to help refinance or repay certain of its funding facilities if required. Following the signing of the Grant Funding Agreement with the UK Government in September 2024, there is assurance as to support from the UK Government with a grant available of up to £500m to complete the construction of the EAF.
Trading in global steel market	
TSUK's financial performance continues to be significantly shaped by the dynamics of the global steel market and the economic climate in the UK and EU, where steel producers are facing intense pressure from rising import levels and a persistent decline in demand, particularly for hot-rolled flat products. Intensified Market Pressures and Trade Flow Redirection The global steel market has been characterised by increased steel safeguard measures, leading to price-driven competition in the Company's main market in the UK and a reduction in prices and revenue. Significant changes in safeguard measures and a global rise in protectionism are causing a redirection of trade flows and uncertainty, amplified by persistent variability in US Trade Measures and new "melt and pour" requirements. Insufficient domestic protection Anti-dumping and anti-subsidy measures are currently insufficient to establish level-playing field with imports with quotas exceeding UK demand. With UK safeguards expiring on 30 June 2026, the UK Government has provisionally announced the new quota framework which provides increased protection from low cost imports for most of the Group's products compared to the current regime. TSUK continues discussions with the government on galvanised steel and hollow sections for which the new measures may not have the desired effect of establishing a level-playing field for UK producers. Carbon Border Adjustment Mechanism (CBAM) The introduction of CBAM in the EU poses a risk, as does proposed design differences between UK and EU CBAM, making the UK a more attractive destination for high-emission imports from third countries in 2026. The longer-term impact of CBAM, which only applies to semi-finished products, creates a risk of Original Equipment Manufacturers (OEMs) relocating manufacturing outside CBAM regions or switching to materials not covered by the mechanism (e.g. aluminium).	TSUK actively pursues several strategies to mitigate these risks: Proactive Government Engagement: The Company maintains continuous communication with the UK government. This engagement aims to influence the UK steel strategy, particularly in areas concerning robust trade defence mechanisms, competitive energy costs, and supportive public procurement policies. Strategic Product Differentiation: To counter tariff risks and intense competition, the Company leverages a strong product portfolio, such as specialised packaging materials for the USA market. These products are difficult for local competitors to replicate due to the substantial investment, advanced technical capabilities, and long lead times required. UK Safeguards The UK Government has implemented a strengthened steel safeguards framework through reduction of tariff-free import quotas from July 2026, to move towards a level playing field for the domestic steel industry. Whilst the new measures ensure adequate protection is in place for certain product categories, there are other categories which do not yet allow the domestic steel industry to compete on a level-playing field with imports. TSUK continues to engage with the UK Government and industry bodies to pursue further improvements to the trade measures and support sustainable market conditions for the domestic steel industry.

B2. Principal risks and uncertainties

Risks	Mitigating factors
Raw materials and energy	
TSUK's post steelmaking transitional period of operations, prior to Electric Arc Furnace commissioning, will require the Company to be able to access imported slab and coil in order to continue to supply its customers. Global slab availability may be limited when maintenance of Blast Furnaces in other countries is occurring and the introduction of EU CBAM in 2026 could also reduce the availability of slab. The Company is exposed to the higher UK energy prices, UK gas storage capability, unseasonable weather variations, and geopolitical issues. These contribute to market volatility that can materially increase electricity and gas costs above annual plan and competitors.	The Company has secured a number of long-term supply agreements from key strategic partners in order to guarantee supply and maintain flexibility in secure sourcing of required substrate. A significant proportion of the purchased slab and coil is now being sourced from Tata Steel's other operations in India and the Netherlands with over two thirds of the Company's slab requirement is expected to be sourced from Tata Steel's Indian operations. Within the Company's Transformation programme, opportunities are being sought with suppliers to extract greater value from contracts by strengthening of supplier relationships, negotiating better payment terms and leveraging the buying power of the TSL Group to lower costs of consumables and key raw materials. Exposure to energy shortages and price increases are a relevant risk due to global market price pressures exacerbated by the Middle East conflict. These risks are closely watched and extreme volatility in the market is partly mitigated by short term price hedging. In addition, the Group continues to target measures to reduce its energy requirements, e.g. by efficiency improvements.

Business environment and prospects

Dynamics of the business

The steel industry is cyclical. Financial performance is affected by general macroeconomic conditions that set the demand for steel from downstream industries, as well as by available global production capacity, raw material prices and exchange rate relativities. As integrated steel players seek to maintain high capacity utilisation, changes in margins across regions lead to changes in the geographical sales pattern. As a result, in addition to market developments in the UK and mainland Europe, changes in the global market for steel influence the financial performance of TSUK.

Macroeconomic environment

Global economic growth accelerated slightly in 2025 with an increase of 3.0% (2024: 2.9%) after three years of deceleration. A gradual lowering of interest rates supported economic growth. At the same time, newly introduced US tariffs impacted global growth by affecting global trade. Consumer inflation was at 3.4% globally, lower than the 4.5% in 2024 but still above levels seen in earlier years (3.0% in 2016-2020).

In China GDP growth remained stable at 5.0% (2024: 5.0%), in line with the government target. The weakness in domestic demand and the property market continued. Chinese industrial production decelerated to 4.5% in 2025 (2024: 5.0%) with exports supporting the economy.

The EU economic growth accelerated to 1.6% (2024: 1.0%) and the UK economy to 1.4% (2024: 1.1%). The moderate growth in the EU was helped by monetary easing by the European Central Bank which implemented a series of rate cuts in the first half of the year (from 3.15% to 2.15%). Inflation remained historically high at 2.5% (2024: 2.6%). Growth varied across the sectors. Whilst activity in services grew, output in manufacturing remained low due to reduced demand from the local and global markets as well as high energy costs impacting competitiveness. Economic growth was uneven across the individual economies. GDP in France and Italy grew by respectively 0.9% and 0.7% whilst Germany grew by 0.4%.

Steel demand and production

Global steel demand decreased by -1.9% in 2025, after a decrease of -1.5% in 2024. Demand in China decreased strongly by -7.1% (2024: -5.4%) mainly due to the persistent weakness in the housing market. In the EU28, demand increased by 3.8% (2024: 1.7%) mainly due to low volumes recorded in the earlier years. In the EU, the main steel-using sectors continued to be negatively affected by weak macroeconomic conditions. Output in the automotive and machinery sectors remained in recession in 2025. The construction sector recorded low growth, with residential construction being the slowest growing subsector.

In 2025 global steel production decreased by -2.1% to 1,799 Mt (2024: -0.6%). Steel production in China decreased by -4.6% to 955

Mt (2024: -1.4%) and equated to 53% (2024: 55%) of global steel production. In the EU, the production level remained at a lower level at 126 Mt representing a decrease of -2.7% (2024: 2.6%) as more than 20% of the blast furnaces were idled in response to low demand for steel. In recent years, crude steel output in the EU has declined from 161 Mt in 2017 and 153 Mt in 2021 to 126 Mt in 2025.

Raw materials and steel prices

The principal raw materials for TSUK are steel in the form of slab and coil. These prices are set by reference to benchmark indices based on prices achieved in Europe or the UK.

The European steel spot Hot Rolled Coil price (Germany) decreased in 2025 to €598/t (-€28/t). The highest price was achieved in April at €649/t due to new trade policies by the EU. After a reduction of the steel price in the summer period, the price started to recover in anticipation of the implementation of the Carbon Border Adjustment Mechanism and due to higher import offers, ending the year at €615/t in December.

Trade

Exports from China to the rest of the world were at a record high in 2025 at 119 Mt as domestic demand for steel in China decreased significantly, whereas the decline in production was more moderate. The high exports from China resulted in a growing amount of trade cases globally. In 2025 imports into the EU increased to 29.7 Mt (2024: 27.3 Mt) and imports into the UK increased to 7.2 Mt (2024: 6.4 Mt). The higher imports led to an increase in the market share of imports from 19.4% in 2024 to 20.6% in 2025. The trend where the steel-using sectors in the EU are increasingly sourcing steel from third countries continued. The EU remained a net importer of steel with net imports of 14.9 Mt (imports: 29.7 Mt, exports: 14.8 Mt). The UK too remained a net importer of steel with net imports of 4.7 Mt (imports: 7.2 Mt, exports: 2.5 Mt). The region became a net importer of steel in 2015.

Prospects for 2026

In 2026, weak global demand, stronger protectionism and geopolitical uncertainty are expected to negatively impact the economy in the UK and EU by limiting investment and exports. As a result, low economic growth of 0.4% in the UK and 1.0% in the EU is expected. Output growth in the steel-using sectors in the EU is expected to remain reduced in 2026, with construction anticipated to be the strongest sector. A modest increase of 1.3% of the demand for steel in the EU28 is forecast by worldsteel for 2026. On the policy side, from January 2026 the European Commission has introduced the Carbon Border Adjustment Mechanism, ensuring that imports face a carbon cost comparable to steel produced in the EU. From July 2026 onwards, new trade measures in both UK and EU are expected to be introduced to address global overcapacity, replacing the current safeguards. The aim of the new trade measures is to restore to a level playing field similar to market conditions in 2013-2014 by reducing the current import quotas by about half and doubling the out-of-quota tariffs.

Both the CBAM and the new trade measures are expected to improve the competitiveness of domestic steel production in the

B3. Business review

UK and EU. While the revised trade measures strengthen protection against the effects of global steel overcapacity and support a more level playing field in a number of key product categories, TSUK considers that certain aspects of the final framework remain less favourable than required, particularly in some downstream product segments. The Company will continue to engage with policymakers and industry bodies to support further refinements that promote the long term competitiveness and sustainability of domestic steel manufacturing.

Civil society advocacy

The Company's businesses continuously engage with governments at various levels and other civil society stakeholders, such as non-governmental organisations, to inform the elements of public policy and regulation relevant to the business. The objective is to help create the right conditions for a sustainable steel industry through adoption of policies which would create a level playing field with international competitors, a competitive cost base and attractive conditions for innovation and investment, including energy prices, taxation, carbon pricing and leakage, public procurement and international trade.

Climate change and decarbonisation is the most significant area of engagement with civil society stakeholders. Engagement with the UK Government has centred on how plans for decarbonisation can be funded and ensuring the business secures the right policy environment for industrial decarbonisation.

Employees

Health and safety

The health, safety and wellbeing of employees, contractors, and all those affected by its operations remain the foremost priority for TSUK as it continues to pursue its goal of zero harm. The Company's clear ambition is to be recognised as the benchmark for health and safety performance within the steel industry.

Tragically, on 13 January 2026, the Company suffered the loss of a colleague following an incident at its Corby site in Northamptonshire. At the time of publication, the incident remains under investigation the Health and Safety Executive. TSUK is fully cooperating with the relevant authorities and continues to support those affected.

TSUK operates a comprehensive health and safety management system founded on 15 core principles, aligned with the Plan-Do-Check-Act (PDCA) framework that underpins the international standard ISO 45001:2018. This alignment ensures that the Company's established management system is inherently consistent with recognised best practice in occupational health and safety. During 2025/26, two additional sites successfully achieved ISO 45001 certification, bringing the total number of certified sites to five. A structured programme remains in place to complete the transition of all remaining sites over the next three years. Importantly, the strong alignment between the Company's longstanding internal framework and ISO 45001 means that both certified sites and those progressing towards certification are operating to fundamentally consistent management principles and controls. This ensures that robust and effective health and safety

arrangements are applied across the business, irrespective of certification status, and supports a coherent, organisation-wide approach to risk management, governance, and continuous improvement.

A key priority during 2025/26 was the safe management of asset transition activities at the Port Talbot site. This transition involves the move from integrated steelmaking assets to electric arc furnace-based steelmaking, forming a central part of the Company's strategy to produce lower-CO₂ steel. This significant transformation includes the decommissioning of legacy assets, their safe management, and the design and construction of new facilities.

Given the scale and complexity of these activities, the Company has adopted a structured and systematic approach to risk identification and control, underpinned by the application of formal hazard studies. These hazard studies are applied throughout the lifecycle of asset change, encompassing decommissioning, temporary safe states, and the design and construction of new assets. The process involves the detailed examination of discrete elements, or "nodes", within systems undergoing change, ensuring that hazards are identified, assessed and mitigated in a comprehensive and methodical manner.

Importantly, in the context of new asset development, the hazard study process plays a critical role in influencing design. It enables health and safety considerations to be embedded at an early stage, ensuring that risks are, wherever practicable, designed out through the application of the hierarchy of control. This includes the elimination or reduction of high-risk activities, the adoption of inherently safer design principles, and the integration of ergonomic considerations to promote safe and effective interaction between people, equipment, and processes. Human factors studies form a key component of this approach, supporting the design of systems that take account of human capabilities and limitations and reducing the potential for error.

The studies are undertaken by multidisciplinary teams comprising specialists from engineering, health and safety, and other relevant functional disciplines. This collaborative approach ensures that both operational experience and technical expertise are fully integrated into the identification and management of risk. It promotes consistency in hazard assessment and supports the implementation of effective and proportionate control measures.

Through the application of these structured hazard studies, aligned with recognised construction and engineering best practice, the Company is maintaining robust control of risk during a period of significant operational transformation, ensuring that safety is fully embedded in both the decommissioning of legacy assets and the development of future facilities.

Further priorities during the year included the further development and deployment of corporate health and safety standards and targeted improvements in the management of critical risks. These included controls relating to isolation and immobilisation, cranes and lifting operations, and mechanical safety. The Company also continued its planned migration to a single, integrated digital permit-to-work system across its UK operations.

B3. Business review

During 2025/26 there was a 25% reduction in total recordable accidents compared with 2024/25 and a 10% reduction in lost workday cases. It is important to note that because of a reduction in employees and hours worked in 2025/26 compared to 2024/25, the reductions in the numbers of accidents did not translate into reduced frequency rates. There was a very marginal 3% worsening of the recordable accident frequency rate between 2024/25 and 2025/26. Whilst the time injury frequency rate in 2025/26 was ~25% worse than in 2024/25, it nevertheless represented an improvement when compared to the previous two years. Efforts are continuing to strengthen risk management and operational discipline.

A sustained emphasis has been placed on occupational health, with initiatives addressing both physical and psychological wellbeing. These have been supported by the delivery of comprehensive occupational health services, enabling effective support for employees experiencing ill health and promoting a proactive approach to wellbeing.

Strong safety leadership and governance continue to be demonstrated across the organisation. Leaders at all levels have undertaken a standardised programme of health, safety and environmental leadership tours, reinforcing visible leadership and engagement. In parallel, the Company has progressed the migration of health and safety data to a single IT platform (Salus), enhancing the consistency and quality of reporting, investigation, and assurance activities, including inspections and safety tours.

To further strengthen organisational culture, Company undertook a comprehensive Health, Safety, Sustainability and Environment (HSSE) culture programme during the year. This included a detailed survey issued to approximately 6,000 employees across the business, designed to provide insight into behaviours, perceptions, and areas for improvement. The response rate, with around 1,100 employees participating, was considered strong and provided a robust evidence base to inform subsequent actions.

The Company recognises that, while progress has been made in reducing accident rates and strengthening systems and controls, further improvement in safety performance requires a continued focus on culture and behaviours. As operations become more complex and the business undergoes significant transformation, including major construction, decommissioning and operational changes, the potential for risk is increasingly influenced by human factors, decision-making, and the consistency with which standards are applied. A strong and mature safety culture is therefore fundamental to sustaining performance, preventing serious incidents, and ensuring that risks are effectively managed in practice as well as in design.

Building on these insights, the Company has initiated a structured programme of 'Felt Leadership' safety training, aimed at enhancing leadership capability at all levels and reinforcing visible, values-driven engagement on health and safety. This programme is designed to support progression beyond compliance-based behaviours towards a more mature, interdependent safety culture.

In this context, the Company is seeking to foster an environment in which individuals not only take personal responsibility for their own

safety but are also actively engaged in looking out for the safety and wellbeing of others. This includes encouraging open dialogue, constructive challenge, and shared accountability across all levels of the organisation.

Through these initiatives, the Company is working to embed a consistent, high-performing safety culture across all operating units, ensuring that strong cultural foundations support the effective management of risk and the delivery of its ambition to be the benchmark for health and safety in the steel industry.

Employee numbers

At 31 March 2026, the number of employees in the Company was 5,419 (2025: 6,046). Further details of the number of employees and related costs can be found in Note 4 to the financial statements.

Employment policies

There are well established and effective arrangements at each business location for communication and consultation with works councils and trade union representatives to systematically provide employees with information on matters of concern to them. Well-developed policies and procedures have been operating in all parts of the Company for a considerable time for the purpose of consulting and negotiating with trade unions and some of these are being reviewed and updated with trade union representatives to reflect the creation of the separate value-chains.

As part of a trans-national, multi-cultural group, TSUK's businesses are committed to providing an environment that recognises and values the differences in employee backgrounds and skills and to provide equality of opportunity for all employees and seeks to maximise the benefits available from a diverse workforce. The Company has continued to embed flexibility and adaptive working as a part of supporting its diversity and inclusivity action plan.

The Company is committed to provide an environment that recognises and values the differences in employee backgrounds and skills. The aim is to provide equal opportunity for all employees to maximise the benefits available from a diverse workforce. The Company has continued to embed flexibility and adaptive working as a part of supporting its diversity and inclusivity action plan.

The transition towards lower CO₂ steelmaking has continued safely and smoothly, bringing traditional iron and steelmaking operations to an end while supporting those directly affected by the changes. Over the past year, the Company's focus and resources have been dedicated to helping employees through this restructure and transformation, with internal and external support to ensure they are well positioned for the future.

The year saw numerous key achievements, including the successful agreement and deployment of new multi-skill working arrangements across the business, which delivered substantial efficiency gains and a sustained reduction in employment costs. Furthermore, a skills-based manufacturing framework was designed and implemented across the Building Systems business, enhancing workforce flexibility and supporting employee development, crucial for talent attraction and retention. Organisational efficiency and alignment were significantly

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improved through the restructuring of Commercial and Functional organisations, with minimal individual impact.

Demonstrating a renewed commitment to employee well-being, the Wellbeing Committee was relaunched with a refreshed agenda and strategic focus.

A Global Talent Acquisition Network was established in 2025/26 under the One Tata Steel initiative which aims to foster cross-geography collaboration and the sharing of best practices. The Company also successfully supported the "Girls Get SET" programme, significantly strengthening early career attraction and STEM engagement for young women. Finally, the organisation re-entered the prestigious "Rate My Placement – Top 100 Employers" table, significantly enhancing its employer brand and visibility among early career talent.

The requirements of job applicants and existing members of staff who have a disability are reviewed to ensure that reasonable adjustments are made to enable them to perform as well as possible during the recruitment process and while employed by the Company. Opportunities for promotion, access to benefits and facilities of employment will not be unreasonably limited and all reasonable adjustments will be made. All reasonable measure will be taken to ensure that disabled staff are given the opportunity to participate fully in the workplace, in training and career development opportunities.

UKSE Limited, a subsidiary of TSUK, helps the economic regeneration of communities affected by changes in the UK steel industry and it continues to roll out support measures to businesses across all steel manufacturing regions in the UK to help support and create new job opportunities for all steel communities.

UK Gender pay

In the UK, under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, employers with more than 250 employees are required to publish annually their gender pay gap information by reporting the percentage differences in pay between their male and female employees for the previous year. TSUK first published results in 2018 and again this year has published its results on the UK Government website.

Relative to national and industry statistics TSUK's gender pay gap (2.6% mean gender pay gap and 5.2% median gender pay gap) continues to be at the lower end. The Company continues to focus on steps to further enhance the diversity in its organisation because it believes having the right people in the right job is important.

Pension arrangements

The Company's historic defined benefit scheme in the UK, the British Steel Pension Scheme (BSPS), completed a successful buyout on 31 March 2026 which completes the final step on the Company's journey to successfully de-risk the BSPS and secure the best possible outcome for members of the BSPS. Pension arrangements for employees in the UK are now provided by way of a defined contribution scheme.

Further details on these schemes are provided in Note 26.

Modern Slavery Act

Section 54 of the Modern Slavery Act 2015 requires relevant organisations carrying on business in the UK to publish a statement setting out the steps taken to ensure no slavery or human trafficking is taking place within the organisation or its supply chains. The TSUK Board has approved a statement setting out the measures taken by the Group during the prior financial year ended 31 March 2025. The statement for the financial year ending on 31 March 2026 will be issued by TSUK on behalf of itself and its relevant subsidiary companies and published on the TSUK website.

Community Engagement

As the Company progresses its transformation of the Port Talbot site, it remains committed to putting local communities at the centre of everything it does, actively cultivating strategic collaboration and fostering meaningful community engagement. The long-standing community programme continues to reach tens of thousands each year, focusing on Future Generations, Health and Wellbeing, and the Environment.

Some of the community highlights of the Company include;

- Sponsor of the Richard Burton 10K near Port Talbot which is now in its 43rd year and raised £60,000 for local charities and good causes in 2025;
- The 16th anniversary of the Aberavon Wizards League – providing an accessible football and netball tournament for every primary school year in Port Talbot, with TSUK covering the costs of kit and travel;
- The Tata Kids of Steel event in Shotton, giving thousands of kids the opportunity to try swimming, cycling and running for the first time;
- Sponsoring the Llanelli half marathon; and
- Building Systems' support for the GirlsGetSET International STEM program and investment in mental health and first aid training.

Sustainability & Environment

Sustainable in Every Sense

TSUK is steadfast in its determination to be sustainable in every sense. It understands sustainability to be a broad concept, encompassing themes of climate action and resource efficiency, environmental protection and biodiversity, good governance, ethical business practices and responsible procurement, stakeholder engagement and community relations, strong labour standards and employee relations, social equity, diversity and inclusivity. As such, TSUK's sustainability approach permeates all of its business activities and is embedded in its policy and management systems. The Company seeks to ensure that its decisions and its communications in relation to environment and climate matter are underpinned by science and facts. It follows widely-accepted standards, guidelines and indicators and communicates openly about sustainability performance to the extent that third parties can assess this as well.

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In order to secure external validation of its progress, the Company (through its parent company, Tata Steel Limited) became a member of ResponsibleSteel™ in 2020. This is the first globally present sustainability standard development and certification scheme for the steel industry. TSUK is intent on securing certification against the ResponsibleSteel™ standard for its sites and to assess extending certification to products.

During 2024/25, TSUK made further, concrete steps towards transforming its businesses in line with these sustainability goals, including a commitment to attain net zero by 2045.

Recognition

The TSL Group remains a signatory of the World Steel Association (worldsteel) Sustainability Charter, one of 14 companies recognised by worldsteel as Sustainability Champions 2026 in recognition of outstanding sustainability efforts and performance in 2025, and one of only two to be recognised continuously since the programme began (nine times since 2018). The Steel Sustainability Champions Programme commends those worldsteel members that most clearly demonstrate their commitment and action to sustainable development through their involvement in worldsteel sustainability activities. In order to be recognised as Sustainability Champions, companies must: (i) sign the worldsteel Sustainability Charter, providing evidence of meeting 20 criteria covering the fields of environment, social, governance and economics (ESGE), (ii) provide Life Cycle Inventory (LCI) data to worldsteel's data collection programme, ensuring that the data cover more than 60% of the Group's crude steel production and are less than 5 years old, and, (iii) be shortlisted in one of the 6 categories of the worldsteel Steelie Awards or be recognised in the worldsteel Safety and Health Recognition Programme.

In 2024, worldsteel presented Tata Steel with the Steelie award for Excellence in Life Cycle Assessment (LCA). The UK-based team secured the award on the basis of their work on supporting improvements in the consistency, accuracy, and robustness of product carbon footprints and other product environmental claims – work that is critical to developing future rules, standards, and guidelines in relation to product foot printing. This recognition makes it four times in the past eight years that Tata Steel has secured this prestigious award, consolidating its strong international reputation for LCA expertise. All of the Company's manufacturing operations continue to be independently certified as meeting the international environmental management system standard, ISO 14001:2015. The Company continues to have all of its products manufactured in the UK certified as conforming with the sustainability standard, BES6001. Certification against this standard is increasingly being specified by customers in the construction and other market sectors.

Climate Action

Steel and climate change

Steel is a vital and familiar component of our everyday lives. It is increasingly recognised as also being fundamental to efforts by countries to transition to low-carbon economies. Indeed, there can be no low-carbon economy without steel. It is needed for

renewable energy, sustainable homes, low-CO₂ transportation, infrastructure schemes for large-scale hydrogen production and distribution, and carbon capture, usage & storage. It is needed to build and power electric vehicles, as well as creating sustainable buildings and delivering major infrastructure projects which will help nations across the globe to achieve their climate goals.

Steel's role in the net zero world of the future is clear, but it is also recognised that the steelmaking process itself creates substantial CO₂ emissions. The steel sector globally accounts for between 7% and 9% of man-made emissions of CO₂. It is recognised as being a 'hard to abate' sector. Given the steel sector's intrinsic importance to global development, prosperity and well-being it has become a priority for governments around the world who are committed to playing their part in achieving the goals of the Paris Agreement.

Government action

The UK Government continue to take leadership positions in global climate action. The UK are signatories to the Paris Agreement. Each party to the agreement must submit a Nationally Determined Contribution (NDC) for its emissions reduction to the United Nations Framework Convention on Climate Change (UNFCCC) every 5 years, ahead of the relevant Conference of the Parties (COP). NDCs covering the period 2031 to 2035 are due for submission ahead of COP30 in Brazil in November 2025. The UK has set a 2035 NDC target to reduce all greenhouse gas emissions by at least 81% on 1990 levels. The principal policy mechanism through which the UK seek to achieve industrial decarbonisation is the UK Emissions Trading System (UKETS). From 2024, the UKETS cap will be aligned with the UK's net zero trajectory.

Market expectations

A large proportion of TSUK's customer base will not accept a supplier that does not have the plans and credentials to be a zero CO₂ supply partner. Increasingly, the ability of steel companies to demonstrate not only that they already perform to a very high standard in terms of carbon efficiency, but that they have clear and credible plans to make the transformative changes needed to become carbon neutral before 2050, are becoming part of their 'licence to sell.' Steel companies are increasingly seeking to differentiate themselves from competitors on grounds of their climate ambition and performance in addition to their product capability, reliability and service. The stakeholder expectations and pressures driving steel companies to enhance their climate credentials go beyond those of the market and the governments in the jurisdictions in which they operate: TSUK is also intent on responding to the expectations of its parent company and its shareholders and to the strengthening public attitudes in the UK towards climate change and environmental protection. Only companies that can be seen to be making a positive contribution to climate solutions will command the support of the public and will be able to attract the best talent.

Commitment

TSUK has responded to the risks and opportunities presented by a changing policy landscape and stakeholder expectations with a comprehensive suite of actions to reduce its emissions, innovate in

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the products and services that will enable its customers and wider society to decarbonise and to disclose its performance, plans and progress in a transparent and accessible manner to all interested parties.

In 2023, Tata Steel adopted a target to be net zero across the entire group – including its European entities – by 2045. As part of this Group-wide ambition, Tata Steel is delivering its decarbonisation strategy under Project Aalingana, the Tata Group's flagship sustainability framework with three main pillars comprising decarbonisation, circular economy and protection of nature and biodiversity. Under the decarbonisation pillar, Project Aalingana sets out clear targets and commitments focused on achieving net zero by 2045, embedding decarbonisation into core business strategy, and addressing Scope 1, 2 and value-chain (Scope 3) emissions. The programme's scope for Tata Steel includes the transformation of primary steelmaking through lower-carbon technologies, increased use of low-carbon energy, application of circular-economy principles and increased recycled material use, and the protection and restoration of natural ecosystems. Through Project Aalingana, Tata Steel commits to transparent governance, interim milestones, and measurable progress across its operations and supply chain, supporting a just transition for employees, customers and the communities in which it operates.

Public Policy Environment

TSUK is supportive of the strong leadership positions on climate action that the UK Government has taken. It is committed to working closely with policy-makers to make a substantial contribution to the achievement of national aspirations. The Company's emission reduction commitments, participation in global initiatives and other actions to date are evidence of this. Yet, the Company cannot achieve its decarbonisation aspirations alone. Tackling climate change is an effort that concerns the whole of society and accelerating the pace of decarbonisation of the steel sector will require a set of policy interventions that rapidly strengthen the business case for public and private investment in low-CO₂ steel.

It would be counter-productive if the cost of decarbonising the Company's steelmaking operations in the UK were to give a competitive advantage to steelmakers in less carbon-constrained jurisdictions; policy measures are thus needed to enable the Company to remain competitive whilst pioneering the steel sector transition to net-zero. These measures should take the form of public procurement and product policies that incentivise the use by society of low-CO₂ steel, measures that accelerate the deployment of clean energy infrastructure, interventions that ensure that steelmakers can access low-cost finance to commercialise high-risk, innovative and first-of-a-kind technologies and protections against 'carbon leakage' in the form of import penetration from jurisdictions where steelmakers do not bear comparable carbon constraints to those prevalent in the UK.

In March 2026, the UK Government published its Steel Strategy, reinforcing its intent to support a competitive, resilient domestic steel sector, including through measures to stimulate demand and address trade-related pressures. The EU has already introduced a

carbon border adjustment mechanism (CBAM) and, from 1 January 2026, the EU CBAM entered its definitive phase (moving beyond reporting-only obligations). The UK has confirmed that it will implement a UK CBAM from 1 January 2027, and primary legislation has now been enacted with secondary legislation under development.

The Company is supportive in principle of the CBAMs though continued attention is required to ensure these mechanisms have the intended effect of incentivising rapid decarbonisation amongst EU and UK steelmakers whilst ensuring their adoption of a leadership position on climate action does not come at the expense of their competitiveness. The level playing field between the EU and UK must also be preserved. Key to this will be increasing the scope of the EU and UK schemes to include steel in imported goods.

In May 2025, the UK and EU announced an intention to work towards closer co-operation on emissions through linking their respective Emissions Trading Systems (ETS), including the potential for mutual exemption from the EU and UK CBAMs. Since then, the EU Council has authorised the European Commission to open negotiations with the UK on ETS linking; any mutual CBAM exemptions would apply once a linking agreement is concluded and in force. In addition, both the UK and EU implemented revised steel safeguard measures from 1 July 2026, reflecting a continued policy focus on addressing global steel overcapacity and supporting domestic manufacturing competitiveness.

Decarbonisation Activities across Tata Steel UK

In September 2023, Tata Steel agreed in principle with the UK Government to transition Port Talbot from blast-furnace steelmaking to electric arc furnace (EAF) steel production. Between March and September 2024 a phased shutdown of the 'heavy end' iron and steel making assets took place.

A Grant Funding Agreement was signed in September 2024 between the Company and the UK Government. Under the agreement, it was agreed that the UK Government would contribute £500 million and the Company would contribute £750 million for an initially estimated overall investment of £1.25 billion, making this the largest investment in the UK steel industry for decades. It will safeguard an important part of the UK's steel sovereignty; secure steel making in Port Talbot and preserve 5,000 jobs. The new assets will reduce the UK's entire industrial carbon emissions by 8% (and Port Talbot's direct emissions by 90%) while setting a benchmark in circularity. The project will bolster the UK's steel security and will be transformative in terms of the UK's progress towards a more circular economy, leveraging strategic, domestically available scrap steel and promoting value addition within the UK.

Progress since the signing of the Grant Funding Agreement has been significant. In October 2024, the Company appointed major supply partners for many aspects of the transformation, including the world-leading metals technology manufacturer Tenova to supply the new furnace. In December 2024, the Company signed a deal with JCB for the supply of low-CO₂ steel. In January 2025, it appointed Sir Robert McAlpine as the project's main works

contractor. In February 2025, following extensive public consultation on its plans, the Company secured planning permission for the project to go ahead. In July 2025 Tata Steel UK's CEO hosted the Tata Steel Limited and Tata Group Chairman, the Tata Steel global CEO and members of the UK, Welsh and local governments for the groundbreaking ceremony marking the commencement of the major construction works to be completed over the next two years. Since then TSUK has awarded major contracts for other parts of the project, including the new pickle line, caster and hot-mill life extension projects. The heavy end assets have been safely decommissioned and excellent progress made on the extensive groundworks required in preparation for construction of the new EAF.

Despite the challenges inherent in the transformation, the Company's workforce has demonstrated great commitment and resilience in winding down and closing iconic iron and steelmaking processes that have been a feature of the Port Talbot community for many decades.

During the transition period and project phase, Tata Steel is seeking to ensure uninterrupted and reliable product supply to fulfil customer and market commitments, through the import of semi-finished steel products in the form of hot rolled coil and slabs, from stable and responsible supply chains, including its plants in India and the Netherlands, to feed its downstream units. A thorough and rigorous cross-functional process has been put in place to monitor the carbon footprint and other environmental attributes of incoming semi-finished steel feedstock to reassure customers that the product environmental claims the Company makes continue to be credible, robust and verifiable.

CO₂ Emissions Performance and Emissions Trading

Even with TSUK's decarbonisation activities moving forward at pace, it is nevertheless still important to ensure that its retained assets remain highly efficient in the short term. TSUK reports the CO₂ emissions from its operations using the Green House Gas protocol. The methodology comprises a number of different emission scopes, such as direct emissions only (Scope 1 emissions), direct emissions plus indirect emissions associated with imported electricity (Scope 1 + Scope 2) and a holistic scope which also takes account of the emissions associated with up-stream and downstream supply chains (Scopes 1+2+3). It is important when comparing the emissions performance of different installations to define which methodology and which scope are being used.

In 2024/25 TSUK reported this carbon intensity metric as tCO₂/tonne of crude steel (tCO₂/tcs as per the worldsteel methodology) for data up to September 2024, after which steel production ceased and the metric was no longer relevant. During its transitional phase TSUK has developed a new measure of its carbon intensity, measured in tCO₂/tonne of hot-rolled coil processed (tCO₂/thrc). To allow for clear comparison, this methodology has also been used to retrospectively calculate historical performance. See the non-financial data table.

TSUK met its environmental obligations for calendar year 2025, the fifth year of Phase 1 (2021 to 2030) of UK ETS.

Product innovation

Decarbonisation of its operations is only a part of the positive contribution that the Company is making, as its products are also part of the solution to climate change. The launch of Catnic's SolarSeam solution coincided with the UK Government announcing that by 2027 the majority of new homes will be required to have solar panels. Catnic SolarSeam® delivers efficient renewable energy without the traditional highly visible frames. As an innovative, lightweight solution for new and refurbishment projects it delivers excellent solar performance. Catnic SolarSeam® is bonded to the roof panel offsite, creating a low-profile and seamless finish, and it is guaranteed to produce energy for 25 years. CO₂ emissions in steel production can be offset by reductions in direct and indirect emissions through the life-cycle of steel products, achieved through effective product development and design, and through recycling at end-of-life. The Company has developed a tool to assess the sustainability of all new products against the products they replace, in a semi-quantitative manner. The Sustainability Assessment Profiler is a unique framework supporting the Company's mission to become sustainable in every sense, by considering environmental, social and economic aspects over the complete product life cycle in a consistent manner. The Company also seeks to support the sustainability journey of its customers through product innovations such as lightweighting through thinner steel, lifespan-extending coatings, and eco-friendly food container materials.

Carbon Lite

The Company have further developed commercial propositions that allow customers to take a stake in the decarbonisation journeys, whilst demonstrating their own contribution to societal CO₂ emission reductions. Under the brand name Optemis Carbon Lite, the propositions are based on carbon 'insetting,' where actual reductions in emissions are third-party verified, banked and offered to customers for off-setting their Scope 3 emissions of CO₂. As markets for low emission products have grown in 2025/26, the Company has played a leading role with worldsteel and steel companies across the globe to further develop robust guidelines (worldsteel chain of custody guidelines) & develop understanding on how CO₂ reductions can be effectively captured through chain of custody approaches. This supports customers in reducing their Scope 3 emissions and ensures alignment with recognised and credible reporting practices.

Transparency & Disclosure

In the last reporting period TSUK released the Tata Steel UK Sustainability Report for the period 2023-2025. The Sustainability Report addresses non-financial disclosures related to topics often described alternatively as corporate social responsibility (CSR). These topics cover broad themes of corporate responsibility covering many aspects of operating a business. The primary intention of this report is to support disclosure and transparency relating to performance, impacts, activities, risks and opportunities.

TSUK is committed to open communication of its carbon emissions and climate action. In 2025 it again provided a comprehensive disclosure as part of a consolidated TSL annual submission to CDP

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(formerly Carbon Disclosure Project). Separately, the Group also received the 'committed' badge and rating from EcoVadis, showing its commitment to the environment, labour and human rights, ethics, and sustainable procurement.

The Company continues to demonstrate its commitment to sustainability by means of third party assured responsible sourcing certification for construction products, BES 6001.

Increasingly, the Company is working with customers in all market sectors on all aspects of sustainability. Its knowledge and transparency about the performance of its products allows customers to understand the sustainability of steel applications, enabling them in turn to develop their approach to material usage and meet their environmental goals.

Life cycle assessment

Life cycle assessment ('LCA') is a powerful tool for identifying opportunities to reduce the environmental impact of a product – whether that is a building, a vehicle, a piece of machinery or packaging – throughout its life cycle. TSUK is widely recognised for its expertise in LCA. Taking a supply chain perspective allows it to demonstrate how improvements in material utilisation and right-first-time manufacturing can reduce emissions during the production phase. TSUK's LCA models allow it to consider the complete value chain, for instance, the impact of the carbon intensity of regional grid electricity (gCO₂ / kWh) on the carbon footprint of a vehicle or building.

In the automotive sector, light-weighting remains a key lever for reducing the CO₂ emissions of vehicles in their use-phase. LCA can be used to demonstrate how embodied CO₂ derived from the manufacture of advanced and ultra-high strength steel can be offset by downgauging parts to make them lighter. Savings in mass means CO₂ savings: less material is required to manufacture the vehicle and a lighter vehicle produces fewer emissions in use.

In construction, the Company has been supplying life cycle data on its building envelope products for 15 years, publishing environmental declarations for its supply chain partners' cladding systems that use its Colorcoat HPS200 Ultra® or Colorcoat Prisma® prefinished steel. Work in this area has been recognised with four worldsteel awards for Excellence in LCA.

The Company was the world's first steel manufacturer to operate an Environmental Product Declaration (EPD) programme and can produce product-specific EPDs that comply with EN 15804 and ISO 14025 standards and which are third-party validated. An EPD contains a description of the manufacturing route and a technical description of the product. Along with quantified environmental information, it covers specific aspects of the product life cycle, from raw material extraction, manufacture, and fabrication through to use and end-of-life.

Environment

Environmental Policy

The Company is committed to minimising the environmental impact of its operations and its products through the adoption of

sustainable practices and continuous improvement in environmental performance.

Environmental Improvements

In 2024 the cessation of iron and steelmaking operations at Port Talbot resulted in substantial environmental improvements in terms of emissions, consumption, waste production and local air quality. Since then considerable focus has been applied to incorporating environmental excellence into the design of the new EAF and ancillary features.

The comprehensive environmental impact assessment made public as part of the planning application for the EAF set out the technologies that will be incorporated to prevent and, where that is not possible, minimise emissions from the new project. The significant transformation underway at Port Talbot steelworks will result in a step-change in environmental performance, including a 90% reduction in scope 1 CO₂ emissions, 7 million tonnes of imported iron ore and coal being replaced with 75% of raw materials sourced from within the UK including 2-2.5 million tonnes of scrap steel per year used for UK steelmaking which would otherwise be exported.

Energy and carbon emissions reporting

Streamlined Energy and Carbon Reporting

In April 2019, the UK Government introduced legislation called Streamlined Energy and Carbon Reporting ('SECR'), which mandates that certain companies include energy and carbon emissions in their annual reports. In addition, a narrative on the principal measures taken for the purpose of increasing the business's energy efficiency is required. Both parts of the required information are provided below.

Energy Efficiency of Tata Steel UK's Activities

In previous periods, most of the energy use and carbon emissions associated with the Company's activities during the financial year occurred at Port Talbot integrated steelworks, where iron ore and coal were brought together in the blast furnace process. Since the cessation of steelmaking at Port Talbot in 2024 there has been a significant reduction in energy consumption and direct carbon emissions from the business. A step-change in energy and carbon intensity for steel production will occur when the EAF is fully commissioned and producing low CO₂ steel.

The Company takes part in the UK's Energy Saving Opportunities Scheme (ESOS) and has fulfilled its obligations under this regime by delivering a rolling programme of audit, assessment and continuous improvement. The Company has also developed MoniCA, a state-of-the-art monitoring and benchmarking tool for energy and CO₂ emissions from its processes.

Recent improvements include a £350,000 investment to upgrade air compressors at the Company's Hartlepool pipe mill, providing annual electricity savings of over 600 MWh.

Additionally, an extensive re-design and optimisation of the Company's steam network in Port Talbot has taken place with reductions in system losses, identification of novel technologies to

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improve heating efficiencies and with the introduction of a new efficient steam generation system.

As part of a UK-wide approach on comprehensive energy management, four of the Company's sites have attained ISO50001 certification as of the end of the period 2025/26 (Shotton, Hartlepool, Catnic and Corby). ISO50001 certification will continue to be rolled out across the UK operations.

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UK ¹ GHG emissions and energy use 2025 - 26	Scope	Units	2025 - 2026	2024 - 2025
Gaseous fuel for combustion ¹	1	kWh	1,425,797,000	3,947,308,000
Fuel for transport and business travel ²	1	kWh	11,630,000	13,629,000
Purchased electricity ³	2	kWh	564,480,000	646,619,000
Fuel for transport and business travel ²	3	kWh	14,047,000	21,865,000
Energy consumption based on above		kWh	2,015,954,000	4,629,421,000
Emissions from gaseous fuel ¹	1	tCO ₂ e	286,900	1,877,700
Emissions from fuel for transport and business travel ²	1	tCO ₂ e	2,800	3,300
Emissions from purchased electricity ³	2	tCO ₂ e	90,200	122,700
Emissions from fuel for transport and business travel ²	3	tCO ₂ e	3,500	5,600
Total gross emissions		tCO₂e	383,400	2,009,300
Total gross emissions intensity (per tonne of hot-rolled coil produced)⁴		tCO₂e/tHRC	0.170	0.788

Notes

- The disclosure covers the UK operations of TSUK and is consistent with the reporting boundary applied in the previous year. The reporting methodology used was based on the Green House Gas Protocol Corporate Reporting Standard and the UK Emission Trading Scheme (UK ETS), with conversion factors stated below. The financial control approach (as opposed to equity split) was used to define the organisational boundaries; deductions were made for onward 3rd party supplies. Greenhouse gas emissions are reported as CO₂e except for the combustion of natural gas and the historic combustion of works arising gases (WAGs), which only include CO₂ emissions.
- The scope 1 transport and business travel category was defined to include on-site vehicular re-fuelling and mileage/fuel claims relating to fuel used in company-owned or leased (where capitalised on balance sheet as per IFRS 16) vehicles, both on and off-site. Conversion to net energy and CO₂e was based on factors provided by UK government. Vehicle type and fuel consumption per km, were based on national averages. Fuel claims and on-site fuel use were treated as Scope 1 where they related to leased vehicles (as per IFRS 16). Since clarity on the lease status was unavailable, the fuel was divided evenly between scopes 1 and 3. The corresponding level of uncertainty in these allocations is very small compared to the total company energy use and emissions.
- UK electricity consumption was based on supplier measurements and EFs of 0.177 kg CO₂e/kWh to calculate associated CO₂e emissions; this was based on the most recent average, as provided in Government factors for Company Reporting (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025>).
- Historically, the emissions intensity was reported in terms of tonnes of CO₂e per tonne of liquid steel produced (tCO₂e/tls). Since September 2024 liquid steel ceased to be produced at TSUK's Port Talbot site as part of the ongoing transition in steelmaking technology. For FY25 and the current reporting year, FY26, the denominator used for the disclosed annual emissions intensity is tonnes of "first processed" hot-rolled coil (tHRC). This emissions intensity, reported in terms of tonnes of CO₂e per tonne of hot-rolled coil (tCO₂e/tHRC) is representative of the current activities of TSUK and allows a more relevant comparison to previous years. The term "first processed" includes hot-rolled coil produced at Port Talbot site, and imported material that has been processed through TSUK sites. The reduction in emissions intensity observed between the reporting years FY25 and FY26 is the result of this transition and the closure of all steelmaking assets at Port Talbot site. These closures have resulted in the elimination of works arising gases on site and a reduction in overall gas use on site.
- Part of the data was subject to 3rd party verification conforming to UK ETS rules and regulations. This covered the period April-December 2025. Natural gas consumption accounted for in the UK ETS figures represents 77.1% of the UK natural gas consumption and 100% of the consumption of works arising gases at Port Talbot.

Research & development

Research & Technology programme

Under the One Tata Steel initiative, from September 2025, the Company's R&D activities have been carved out into a new company Tata Steel Research and Innovation Limited ('TSRIL'), a wholly owned subsidiary of TSUK. TSRIL operates from the 'Voyager' Building at Warwick Science Park in Coventry. TSRIL provides research services supporting TSUK in the development of new and differentiated products, product solutions and further provides advanced characterisation, testing and control models. TSRIL is also engaged with TSL in India through medium to long term research projects. TSRIL has adopted a bespoke model of leveraging skills and knowhow available from universities and the wider research ecosystem to incubate and innovate. TSRIL also helps TSUK to manage an extensive portfolio of patent filings and other intellectual property related to on products and technologies. During the year, TSRIL has engaged with and attended various events to encourage interaction and information exchange, for example;

1. PhD seminars organised by universities
2. Exhibitions such as Metal Expo in Birmingham, IOM3 Annual Symposium
3. TSUK Innovation Awards – highlighting and recognising the great innovators in every area of TSUK's business
4. Promotion of developments within the Tata Group's innovation programme (*Innovista*) for global recognition
5. Various workshops and knowledge-sharing sessions to encourage effective interaction and information exchange.
6. Resident Engineers at certain customer sites to capture best practices in innovation

TSRIL has launched a research initiative named ADAPT-EAF (Accelerating the Development of Automotive and Packaging steel Technology for EAF production) to create a new generation of high-performance steel products from EAF technology, aimed at revolutionising automotive body parts and packaging solutions like food cans. ADAPT-EAF brings together the University of Cambridge, Imperial College London, and the University of Warwick together with Tata Steel, reflecting our vision of leading green steel innovation in the UK. As the UK steel industry shifts toward EAF processes, ADAPT-EAF will tackle a critical challenge related to controlling residual elements in high-recycled-content steel which can influence the quality and performance of steels used in automotive and packaging applications. The project will develop an AI-powered platform to accurately predict how various scrap materials affect steel quality and processing. This digital tool will be combined with rapid alloy prototyping and testing to generate vital data and design new steel grades optimized for EAF production. As part of a One Tata Steel approach, TSRIL benefits from Global collaboration platforms of Tata Steel Limited through its collaboration with USTB, China and MIT, USA. TSRIL also works closely with local UK and Wales Innovation Ecosystem – particularly

through the WMG Catapult framework at Warwick University and more recently with the Offshore Renewable Energy Catapult.

Product market sector developments

A key element of the Company's strategy is the development of new steel products. Structured programmes are initiated for all market segments identified by strategic marketing with particular emphasis on the automotive, engineering, construction and packaging sectors.

In 2025/26, the Company retained a healthy pipeline of new product developments, each making progress in its journey, while focusing on embedding its reroller model across its existing range of new and differentiated products. The Company worked to ensure its imported substrate continued to meet its customers' needs in both the UK and export markets while maintaining the Company's commitment to sustainability, in-service performance guarantees, and rigorous product assessments.

Through 2026/27, the Company will grow its development pipeline further with aims to launch a series of new products across the Packaging, Infrastructure and the Construction sectors. Critically, the Company will work to develop its EAF product market position by developing, testing and supplying low embodied carbon versions of our existing products using third party EAF substrate. This work will underpin the transition to the Company's EAF product development as it moves towards a new EAF steel making future in the UK.

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£m	2025/26	2024/25
Liquid steel production (mt)	-	1.1
Steel deliveries (mt)	2.2	2.5
Revenue	1,881	2,246
EBITDA	(240)	(414)
Depreciation and amortisation (net of grants)	(30)	(31)
Operating loss before restructuring, impairment and disposals	(270)	(445)
Restructuring, impairment and disposals	-	13
Operating loss	(270)	(432)
Net finance costs	(69)	(120)
Income from subsidiaries and joint arrangements	4	32
Loss before taxation	(335)	(520)
Taxation credit	26	43
Loss for the financial year	(309)	(477)

Profit and loss

The Company's revenue of £1,881m in 2025/26 was lower than the previous year due to a 5% decrease in average revenue per tonne and a 12% decrease in deliveries. The reduction in average revenue per tonne reflected a weaker UK steel market, with demand remaining subdued given the prevailing economic conditions, together with pricing pressure arising from increased imports of lower priced material into the UK. These imports were driven by global trade diversion following the introduction of increased trade protection measures in other markets, most notably the European Union and United States. Deliveries were lower primarily due to subdued market demand, in particular within the Automotive sector, as well as broader weakness across other end markets.

The operating result before restructuring, impairment and disposals in 2025/26 was a loss of £270m compared to a loss of £445m in 2024/25. The reduction in losses reflects both the impact of the cessation of blast furnace operations partway through the prior year, as well as the Company's continued progress in executing its turnaround plan during the year, including the implementation of additional fixed cost savings to improve efficiency. These actions delivered structural cost savings of approximately £220m compared to 2024/25, and around £450m since the cessation of primary steelmaking in 2023/24.

Restructuring, impairment and disposals was £nil in 2025/26 (2024/25: £13m credit). This was primarily attributable to a £8m credit from disposal of property, plant and equipment, offset by impairments in investments of subsidiaries companies of £6m and rationalisation and redundancy cost of £1m each. The prior year credit of £13m included a £34m credit arising from the release of restructuring provisions, a £12m credit from disposals, partially offset by provisions for rationalisation of £19m and impairment losses of £14m.

Taxation was a net credit of £26m in 2025/26 compared to a net credit of £43m in 2024/25. The tax credit in 2025/26 includes a deferred tax credit of £35m, partly offset by a £9m prior year tax charge.

The loss after tax in 2025/26 was £303m compared to a loss of £477m in 2024/25.

Financing

TSUK has a revolving credit facility with a syndicate of lenders with a limit of £400m. As of 31 March 2026, £165m has been drawn from the RCF facility leaving an undrawn limit of £235m.

The Company continues to have access to a trade receivables securitisation arrangement. Under the uncommitted arrangement, an external bank has agreed to purchase all receivables up to a programme maximum of £450m on a non-recourse basis.

As an integral part of the wider Tata Steel group, the Company benefits from the support of its parent companies and in 2025/26 received equity proceeds of £1,041m to support the underlying business, progress with its decarbonisation plans and to repay £476m of debt. The Company's financing arrangements are such that it expects to continue to finance its business through equity support from its parent companies in 2026/27.

Corporate Simplification

Across the wider Tata Steel Group there is a continuing focus on simplifying the corporate structure by reducing the number of separate legal entities. This is intended to reduce costs, reduce complexity, aid in transparency and improve corporate governance. During the current year, two subsidiaries within the UK group entered into voluntary liquidation out of which the liquidation process was completed for one subsidiary.

Full details of TSUK's subsidiary companies can be found in Note 31 of the financial statements.

Capital expenditure

Capital expenditure on property, plant and equipment in 2025/26 at £181m (2024/25: £63m) mainly related to spend on the Company's decarbonisation project. In accordance with the Grant Funding Agreement (GFA) with the UK Government, the Company received £43m of grant income during the year (2024/25: £nil).

B4. Financial review

The decarbonisation project continued its detailed engineering and enabling works during the year with an aim to deliver a state-of-the-art electric arc furnace and additional advanced steelmaking equipment for the Port Talbot site. When it is commissioned, the electric arc furnace (EAF) will reduce the site's steelmaking carbon emissions by 90%, equivalent to 5 million tonnes of CO₂ a year.

The EAF will have an annual capacity of 3.2 million tonnes of steel – similar to the output of the site's former blast furnaces – by melting scrap steel sourced from the UK. The use of scrap will also significantly reduce the UK's reliance on imported iron ore, strengthening the resilience of the UK's manufacturing supply chains. New ladle metallurgy furnaces, will then refine the molten steel to make more complex grades required by manufacturers in the UK and other countries. The project is being funded jointly with UK Government which has agreed to provide a grant of £500m.

The decarbonisation project also encompasses the construction of a new Pickle Line. The new line will process hot rolled coils to eliminate oxide scale formed during the steel rolling process, ensuring a clean surface for further processing, improving product quality, and enhancing the bonding of coatings or finishes. Within the year the contract was signed with global supplier of steel processing lines and rolling mills, Clecim, together with global technology leader, ABB, who will supply essential equipment and expertise needed to power the site's brand new 1.8 million tonne pickle line. Detailed engineering and enabling works for this project are now being progressed.

Balance sheet

TSUK's net assets at 31 March 2026 were £52m (31 March 2025: £690m debit). The increase of £742m was principally due to equity funding received from the parent amounting to £1,041m, partly offset by comprehensive loss for the year of £299m (including comprehensive gains £10m).

Net debt at 31 March 2026 amounted to £729m (31 March 2025: £1,187m). This comprises of external loans of £165m (2025: £641m), lease liabilities of £112m (2025: £53m), inter-group loans of £479m (2025: £556m), and cash and short term deposits of £27m (31 March 2025: £63m). Further details on borrowings can be found in Note 15 and 16.

Financial risk management

TSUK's financial risk management is based upon sound economic objectives and good corporate practice. The Company's main financial risks are related to the availability of funds to meet its business needs, movements in exchange rates, and commodity costs. Derivative and other financial instruments are used to manage any exposures where considered appropriate. Further details of its financial risks, and the way the Company mitigates them, are set out in Note 23.

B5. Non-financial sustainability information statement

The Climate-related Financial Disclosure Regulations 2022 ("the Regulations") require certain UK companies to report on material climate-related matters. The regulations comprise eight climate-related financial disclosure ('CFD') requirements (A-H) based around the four pillar framework (Governance, Risk Management, Strategy, Metrics & Targets) developed by the Taskforce on Climate-related Financial Disclosures ('TCFD'). For the year ended 31 March 2026, the Company meets the relevant threshold of having 500 employees and turnover of more than £500m.

TSUK's strategy, along with the wider TSL Company is to become a Net Zero Organisation by 2045 with an interim target of reducing direct emissions by 30% by 2030 (compared to 2018 levels). Implementing carbon reduction across TSUK's activities requires the development of various governance processes as the climate challenge permeates across TSUK's strategic decision-making channels.

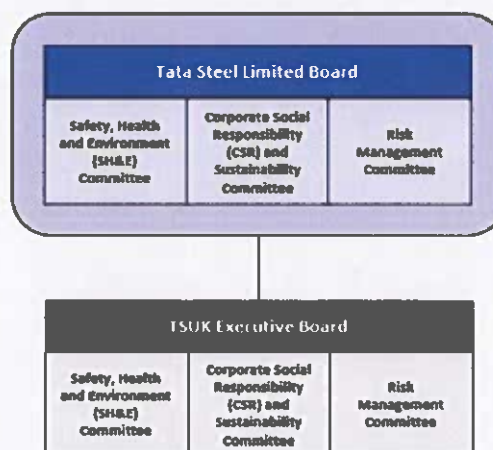
TSUK recognises that climate change poses several physical (e.g. severe environmental shifts) and transition-related (e.g. demonstrably moving toward a greener economy) risks and opportunities for its business and wider industry.

The following sections set out climate-related financial disclosures covering how climate change is addressed in corporate governance; how climate-related risks and opportunities are managed; what impacts these have on strategy; and the performance metrics and targets applied in managing these issues.

Section 1: Governance

This section addresses CFD requirement (A) and outlines: (1) the climate risk governance structure, and; (2) board and management responsibilities.

1.1 Board and Committee responsibilities



The Board of Tata Steel Limited ('TSL'), the ultimate parent company of TSUK, leads the climate risk assessment and identification of mitigations for the whole Tata Steel group. While the Board of TSUK is responsible for its own environment and sustainability matters, this is done within a common framework aligned to achieve Tata Steel's Net Zero ambition of 2045.

The following TSL Board committees are responsible for and have a specific remit on climate change risk assessment and strategy within the group:

Board Committee	Key Governance and Oversight Functions in Relation to Climate-related Risks and Opportunities
Corporate Social Responsibility (CSR) and Sustainability Committee	- Providing overall governance and oversight of CSR activities of the company including recommendation of the Annual Business Plan for CSR to the Board for its approval. - Overseeing the response by Tata Steel entities to sustainability-related risks and opportunities, including those presented by climate change.
Safety, Health and Environment Committee (SH&E Committee)	Providing oversight of the policies relating to Safety, Health and Environment and their implementation across Tata Steel Company. A number of Climate-related risks and opportunities fall within the scope of the oversight this committee provides including, but not limited to, compliance with and costs of carbon trading policies.
Risk Management Committee	- Overseeing key risks, including strategic, financial, operational and compliance risks. - Assisting the Board in framing, implementing and monitoring the Risk Management Plan for the Company and reviewing and guiding the Risk Policy. - Developing risk management policy and risk management system framework for the Company.

B5. Non-financial sustainability information statement

1.2 Individual responsibilities

Tata Steel's Global Chief Executive Officer & Managing Director (CEO & MD) and the Executive Director & Chief Financial Officer (ED & CFO) are members of TSL's Board in an executive capacity and are also members of the CSR & Sustainability Committee and Risk Management Committee. The CEO & MD is also on the SH&E Committee.

Under the TSL Board governance arrangements, Tata Steel's CEO & MD periodically review the status of the action plan for long term strategy including climate change mitigation plans. While the CEO & MD set leadership direction, the team under that role evaluate various options, engage with relevant internal & external stakeholders, pursues responsible advocacy to inform policy in a proactive manner and develops & implements strategy.

This governance framework operates within the broader corporate governance structure of TSUK, with management of the Company resting with its Directors with the support of the TSUK leadership team (see Section B7). Accordingly, these roles and responsibilities align with the TSUK Board's focus on stewardship, oversight and long-term value creation.

Section 2: Risk Management

This section addresses CFD requirements B and C and explains: (1) TSUK's approach to climate risk management, and; (2) how this approach is integrated into the overall risk management process.

2.1 Identifying and assessing climate risk

Enterprise Risk Management

Tata Steel uses its Enterprise Risk Management (ERM) process for managing climate change risks across the Company and its subsidiaries, including TSUK, in an integrated and uniform manner. The process identifies and assesses business risks using a two-pronged approach, i.e., bottom-up and top-down, to ensure comprehensive risk identification and to minimise 'blind spots'.

Climate change related risks are assigned likelihood and impact values to arrive at the risk score. Likelihood & impact scores are assigned from a 5-point scales, as tabulated below which aids management in prioritising risks and opportunities. Scores for these parameters are assigned after a rigorous due-diligence process including scenario-analysis to stress test the assumptions and assess various pathways in which the risk may play out. The impact assessment is based on five metrics – financial, market /customer, brand / reputation, environment and business continuity and the worst-case risk scenario is considered for assigning the risk impact.

Likelihood Score			Impact Score	
Score	Category	Probability	Score	Category
5	Almost Certain	81-99%	5	Critical
4	Likely	61-80%	4	Major
3	Possible	41-60%	3	Moderate
2	Unlikely	21-40%	2	Minor
1	Rare	1-20%	1	Low

Materiality assessment

In 2023, Tata Steel undertook a detailed and systematic assessment of Physical and Transition risks in a Climate Risk assessment focusing on its key steel making sites in India, the Netherlands and the UK. The assessment was conducted by an independent third party advisor. As part of the review, scenario analysis was conducted to evaluate the company in a base case and a low carbon range.

The risk assessment exercise complemented the pre-existing ERM process operated within Tata Steel and material risks identified were incorporated into the ERM process so that they could be managed and subject to Board oversight in accordance with the existing risk management processes in place across Tata Steel.

Further detail of the impact of these scenarios on TSUK is set out in Section 4.

2.2 Managing climate risks

Appropriate early warning indicators and mitigation strategies are identified for review by the Risk Management Committees for TSUK.

TSUK's Risk Committee meets quarterly and includes the TSUK CEO and the UK leadership team which is composed of cross functional senior leaders. The Risk Committee also has representation from the ultimate parent company, TSL. Its principal purpose is to assess and identify TSUK's most significant and emerging risks which are aligned to TSUK's strategy and the delivery of its objectives.

In addition, monthly risk management sub-committees are held by each of TSUK's Chief Operations Officer, Chief Financial Officer and the Chief Commercial Officer.

2.3 Integration processes for identifying, assessing and managing climate-related risks into the overall risk management process

The integration of climate risk into the overall risk management process has been enabled through:

- Raising awareness amongst risk owners and the operators of the ERM process of climate-related risks and opportunities through regular internal communications.
- Integrating climate into the risk appetite reporting (Principal risk & uncertainties / significant risk on Risk register).
- Embedding climate-related reporting into Boards and key Committees.
- Integrating climate risks in scenario analysis / appraisals (incorporating climate considerations on all assessments).

Section 3: Strategy

This section addresses CFD requirements D, E and F and explores the principal climate-related risks (actual and potential) and opportunities, and their impacts on TSUK's business, strategy and financial planning. It also describes methods used to understand and measure these climate-related risks, and TSUK's resilience under different climate-related scenarios.

B5. Non-financial sustainability information statement

3.1 Climate-related risks and opportunities

The table below outlines the principal climate-related risks and opportunities that arise in connection with TSUK's operations, alongside: (1) affected business areas; (2) time horizons, and; (3) current and future mitigating actions. A short term (S) horizon is considered to be between 0 to 5 years, Medium term (M) 5 to 20 years and long term (L) greater than 20 years.

B5. Non-financial sustainability information statement

Risks

a) Transition risks

Climate factor	Risk	Term	Impact	Like-likelihood score	Impact score	Mitigating actions
Policy and Legal	Carbon pricing and Carbon Border Adjustment Mechanism (CBAM). TSUK is subject to a wide range of government policy measures to incentivise the reduction of greenhouse gas emissions. The most important is the UK Emissions Trading System (UKETS). Under the UKETS, industrial installations considered to be at significant risk of CO ₂ leakage are allocated free allowances based on benchmark levels of performance to safeguard competitiveness. These free allowances decrease every year, and hence the cost of UKETS compliance increases.	S	Opex	5	3	Structural transformation of steelmaking assets at UK to significantly reduce CO ₂ emissions. (See opportunities section below for further detail). Systematic targeting of incremental improvements in carbon emissions and energy efficiency in downstream processing assets across the UK operational portfolios. Key measures include electrification of steel re-heating, evaluation of options to fuel switch, use of renewables (either through construction of on-site renewable projects, private wire arrangements to 3 rd party developments or procurement of certificates of renewable origin).
Markets	Procurement of low-carbon energy net of ability to pass on the higher costs to its customers.	S / M	Opex	4	4	Systematic targeting of incremental improvements in energy efficiency in downstream processing assets across the TSUK operational portfolios (see above). Providing innovative commercial offerings to the market that increase the willingness of customers to pay a price premium for lower-CO ₂ products.
		S	Market share / revenue	4	4	Decarbonising production activities with a particular focus on the transformation of steelmaking activities. Providing innovative commercial offerings to the market ahead of the transformation. Providing Excellent Information to Customers on Environmental Footprint of Products.
Technology	Cost of transitioning to low carbon steel making technologies. The ability to realise transformational decarbonisation of steelmaking assets is critically dependent on adequate and timely support from governments in terms of (i) financial support, (ii) granting of permits, (iii) provision of enabling infrastructure (e.g. abundant and affordable green hydrogen and green electricity), (iv) maintaining a level playing field for steelmakers, (v) creating demand and markets for 'green' steel.	S	Cash flow / Capex	2	5	GHG reduction commitments On 15th September 2023, the UK business announced that it had reached an agreement in principle with the UK Government on proposals that would see the two blast furnaces at Port Talbot replaced with an electric arc furnace (EAF). The proposed EAF and associated investments were budgeted to cost £1.25 billion. Under the agreement, the UK Government would contribute £500 million and Tata Steel would fund £750 million. The project will bolster UK's steel security and would be the first major step towards decarbonisation of the UK steel industry, potentially reducing direct emissions by 50 million tonnes over 10 years.
Acute & chronic	Storms and high winds	M / L	Opex / Capex	3	1	Implementation of robust asset condition management process across TSUK sites. Consideration of changing climate taken into account in all new construction design.

B5. Non-financial sustainability information statement

b) Opportunities

Climate factor	Opportunity	Term	Impact	Likelihood score	Impact score
Technology / Resource efficiency	Transition to a lower CO ₂ technology (e.g. EAF) steel making process will significantly reduce carbon emissions. Steelmaking by EAF uses scrap as the main raw material instead of iron ore. The UK is currently a net exporter of scrap iron so there is a readily available source of scrap in the UK. Transition to EAF will significantly reduce TSUK's input cost base, its exposure to carbon compliance costs and reduce exposure to exchange rate effects (when a bigger proportion of raw material comes from domestic sources).	S / M / L	Revenue/ operating costs/ Capex	5	4
Products & services	Enhanced demand for low carbon steel products enabling revenue uplift for 'Green-steel' premiums. Failure to respond to increased market demand for low-CO ₂ steel products. A growing number of customers across all the market sectors supplied by TSUK are making procurement decisions based upon the comparative carbon and wider-ESG credentials of prospective suppliers. Inter-material competition is also increasing in some market sub-sectors. These developments present both a risk and an opportunity to TSUK. They are a downside risk if TSUK cannot decarbonise its operations at the pace of its key competitors but they are an opportunity if TSUK can decarbonise quicker than its competitors and if it can demonstrate to the market that its commercial proposition is more attractive than that of its competitors.	S / M / L	Revenue	4	4
Products & services	Increased demand for high strength steels (which can be used to lightweight end-user products such as cars, thereby making them more carbon efficient during their operational life).	S / M	Revenue	4	3
Products & services	TSUK has launched commercial propositions that allow customers to take a stake in its decarbonisation journey, whilst demonstrating their own contribution to societal CO ₂ emission reductions. Under the brand name Optemis Carbon Lite, the propositions are based on an approach described as carbon 'insetting,' in which actual emissions reductions are third-party verified, banked and then offered to customers as a way of off-setting their own Scope 3 CO ₂ emissions. The CO ₂ savings are real, part of the customer's value chain, and are subject to verification by leading assurance organisation DNV. Revenues from the sale of certificates are used to fund projects generating further CO ₂ savings to be verified by DNV, speeding up the Company's decarbonisation.	S / M / L	Revenue	3	3
Markets	Increased access to capital markets – Banks may be more willing to lend to 'Greener' companies to meet their own sustainability targets and to enhance their own green credentials. Funding may also be provided on more favourable terms	S / M	Cash flow	3	2

3.2 Resilience of the business model and strategy, considering different climate-related scenarios

Scenario analysis has been carried out for the UK businesses as part of a TSL Company wide materiality assessment. The objectives of the analysis were to assess materiality, prioritise key risks and opportunities and provide insight to the resilience of the business models and strategy under different climate scenarios.

The assessment was performed using a four-stage process as follows:

 1. Climate-Related Risk & Opportunity (CRRO) Assessment	 2. Transition scenarios & indicators are identified	 3. Company exposure ratings are applied	 4. Summary Heat Map
Generate a list of risks and opportunities relevant to TSUK, assessed based on impact likelihood and timeframe.	Select climate scenarios and time horizons. Assign a climate scenario indicator for climate-related risks and opportunities (CRRO) to act as a proxy to explore how the CRRO may change with each scenario.	Combine scenario exposure ratings with scenario indicator deltas to calculate the risk / opportunity score.	Present the overall risk / opportunity scores for each CRRO

B5. Non-financial sustainability information statement

A low carbon and high carbon scenario were selected for the scenario analysis.



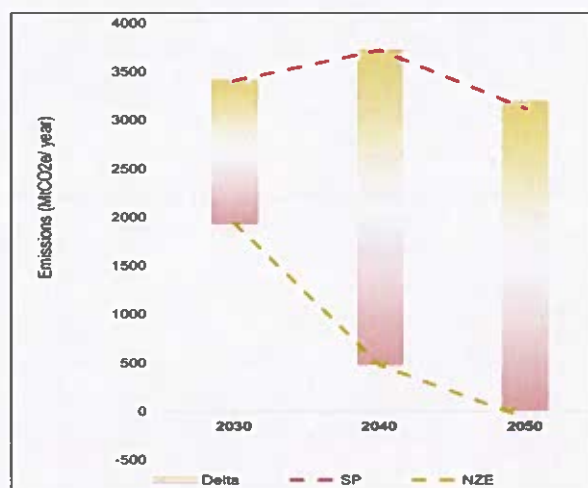
Time periods were also selected for the analysis to align with the TSUK's decarbonisation targets.



Scenarios were used to evaluate TSUK in a base case and a low carbon range. Accordingly, two forward-looking climate scenarios were used to do this:

- **Stated Policies** – This scenario is most aligned with stated and announced policies (including those aligned with Nationally Determined Contributions (NDCs)), with an expected temperature outcome of ~2.5°C by 2100.
- **Net Zero Emissions by 2050 (NZE)** – This is an ambitious scenario that limits global warming to around 1.5 °C through stringent climate policies and innovation, reaching Net Zero CO₂ emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately. The global temperature rise peaks below 1.6 °C around 2040, before dropping to ~1.4 °C in 2100.

Scenario deltas were multiplied by exposure ratings to give a risk/opportunity score. The graph below shows indicative data for a scenario indicator under the Stated Policies (SP) and Net Zero Emissions by 2050 (NZE) scenarios. The difference between the two scenarios at each time point was used to represent the inherent risk posed by a given climate-related risk or opportunity. Where there is a greater difference between the higher and lower carbon scenario, it is assumed there is a higher inherent risk or opportunity. The key risks and opportunities identified from the assessment are set out in section 3.1.



Section 4: Targets and Metrics

This section addresses CFD requirements G and H and how TSUK has set climate-related targets and KPI measures to assess progress in managing climate-related risks and opportunities.

4.1 GHG emissions

TSUK, along with the wider TSE and TSL group has a target to become a Net Zero Organisation for Scope 1 and Scope 2 emissions by 2045. TSUK established in 2020 a target to reduce its direct (Scope 1) emissions by 30% by 2030, compared to 2018, and has since announced its plans to transition to electric arc furnace steelmaking at its UK steel plant in Port Talbot – a plan that will achieve a reduction in annual direct emissions from the site of over 5 million tonnes.

Methodology

TSUK calculates and reports emission intensity based on the guidelines provided by the World Steel Association (worldsteel). These were originally derived from the GHG Protocol methodology and are designed specifically for and been widely adopted by the steel sector. TSUK, as part of the wider TSE Company was a founder participant in worldsteel's Climate Action programme and has been recognised as an accredited Climate Action member ever since.

The GHG Protocol is sector agnostic and enables investors in their capital allocation decision making across sectors. It has been prepared by World Resources Institute and World Business Council for Sustainable Development and is the world's most widely used greenhouse gas accounting standards for companies. The use of GHG Protocol has also been recommended for use by the draft standards issued by the International Sustainability Standards Boards (ISSB) under the IFRS Foundation, the Science Based Target initiative (SBTi) and CDP (formerly Carbon Disclosure Protocol).

The guidelines provide for site-wise emission reporting by steel companies based on common definitions and agreed boundaries. The data collection programme enables individual steel plants to compare themselves against both average and best performance in the sector and identify the scope for improvement.

B5. Non-financial sustainability information statement

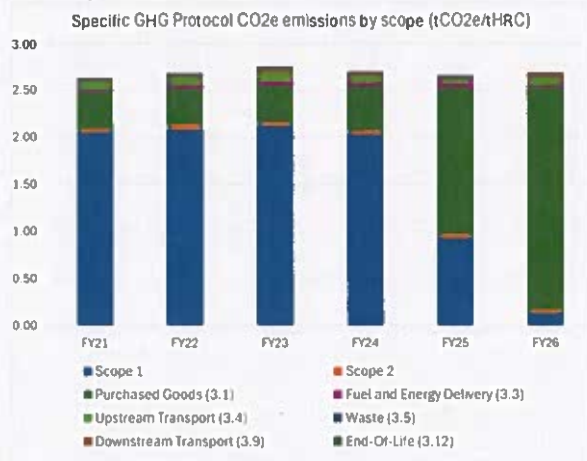
Over time, the emission reporting landscape has evolved, and investors and global reporting standards have been coalescing behind emission reporting based on the original Greenhouse Gas Protocol (GHG Protocol) methodology. Recognising the likely changes in reporting methodologies in future, TSUK is beginning to make a transition towards reporting its emission as per the GHG Protocol. However, in order to ensure continued comparability against peer sites, TSUK will continue to report its emission intensity as per the worldsteel methodology.

Historic trends

The table below shows TSUK's CO₂ over the past five years which forms the baseline against which future performance is to be measured;

TSUK	UOM	FY21	FY22	FY23	FY24	FY25
Scope 1	Million tonnes	6.2	6.4	5.7	5.5	2.1
Scope 2	Million tonnes	0.2	0.2	0.2	0.2	0.1
Scope 3	Million tonnes	0.2	0.2	0.1	0.2	0.1
Scope 1 + 2 + 3	Million tonnes	6.6	6.8	6.0	5.9	2.3
CO ₂ emissions intensity	tCO ₂ /tcs	2.00	2.02	2.05	2.02	2.21

The GHG protocol emissions intensity includes scope 3 emissions i.e. those outside of the Group's operational boundary. As the Group moved to a re-rolling business model, the embedded emissions in the substrate that has been imported has taken over from the Group's scope 1 emissions. Emissions intensity recorded under SECR is primarily concerned with domestic emissions (scope 1 and 2), which have reduced significantly following the closure of the heavy-end operations.



This report sets out how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) when performing their duties under section 172 of the Companies Act 2006. This requires Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decision in the long term;
- b) The interests of the Company's employees;
- c) The need to foster the Company's business relationships with suppliers, customers and others;
- d) The impact of the Company's operations on the community and the environment;
- e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between members of the Company.

Tata Steel UK Limited ('TSUK') is Tata Steel's principal operating company in the UK and an indirect material subsidiary of the Tata Steel Europe Limited ('TSE') and Tata Steel Limited ('TSL') Groups. The TSUK Board is responsible for governance and oversight of the Company's business, including setting strategic priorities and monitoring the performance of the TSUK Group.

The TSUK board promotes high standards of corporate governance for itself and its subsidiary companies. The TSUK Board holds regular meetings to consider key proposals and material matters affecting TSUK and its subsidiaries. During the year, the TSUK Board has met a number of times and further considered matters via Committees of the Board and via circulation where it was considered appropriate. One Director resigned during the year. Since all Directors are also senior managers employed within the Tata Steel Group, regular management interactions take place between Board members outside of formal Board meetings.

Induction materials are refreshed and made available to all TSUK Directors via a Board portal. The TSUK Board is conscious of the impact its business decisions have on stakeholders as well as the wider impact on society. The Board recognises that given the complexity of the TSUK business not all decisions taken will align with all stakeholder interests. Accordingly, the TSUK Board has taken decisions in the year that it believes best support TSUK's strategic objectives.

The likely consequences of any decision in the long term

Each year, an Annual Plan is adopted for the TSUK Group. Annual Plan and capital allocation are monitored throughout the year through reviews of operational and financial performance.

The Board reviews proposals for key matters affecting TSUK and its subsidiaries, for example, health, safety and environmental matters, pensions matters, liquidity and funding and restructuring.

Certain decisions also require endorsement and reporting to the board of the Company's ultimate shareholder. As set out in the Corporate Governance statement from pages 32 to 34 of the 2025/26 Annual Report, any Board proposal is required to include detailed criteria to inform Directors in their decision making.

During 2025/26, the Board spent time considering the significant long-term implications for stakeholders of decisions relating to the decarbonisation and modernisation of its business, including monitoring the progress and timeline for implementing the transition to carbon-neutral steel-making at its operating plant in Port Talbot. In addition, the TSUK leadership team, under the supervision of the Board, has continued to focus on the financial stability and sustainability of the UK Value Chain and has continued to monitor and assess liquidity in the shorter term. The Board has also considered proposals with respect to the Company's plans for sustainability reporting, equity restructuring, group structure simplification, capital investments, strategic procurement, financing arrangements, contract renewals, and health and safety matters. Consideration of all of these matters is required to support the Company in the longer term.

The interests of the Company's employees

Disclosures in relation to TSUK's employees are set out on page 34 of the 2025/26 Annual Report.

The Board has had regard to the interests of the Company's employees in its decision-making, and the Company has, in particular, continued to engage with employees and their representatives in relation to the significant challenges faced by the Company. Throughout this period of continued change, management has recognised, and taken steps to address, the importance of attracting, retaining and motivating employees to enable TSUK to operate effectively and deliver its strategic objectives.

The Company prioritises the health, safety, and wellbeing of its workforce and those of its partners who work at TSUK's sites. Health and safety performance is always considered at Board meetings and the Board has reflected on improvements and challenges during the year. Health, safety and wellbeing matters continue to feature prominently in communications from senior management with employees to reinforce that this is and improvements in these areas remain a core objective of the Company. Members of the Board conducted a number of leadership safety tours on TSUK's sites, and the Board has continued to consider the control of major accident hazards within the business, considering appropriate steps to mitigate Health and Safety risks.

The need to foster the Company's business relationships with suppliers, customers and others

The Board has had regard to a range of stakeholder relationships in its decision making. Relationships with suppliers and customers are principally managed through the engagement of the procurement and commercial functions within the Company which were represented in the Board through the responsible senior managers for these parts of the business. The Company monitors its supplier relationships and all facets of its supply chain to ensure the continued, sustainable supply of utilities, transportation, and raw materials to deliver on customer demand.

As the Company continues its journey to build new and decarbonised steelmaking operations, the Company has

maintained regular dialogue and communication with customers, suppliers, and other stakeholders to explain the Company's plans and the steps it is able to take to mitigate the impact of the transition.

The Company also has regard to its relations with the UK Government, the devolved administrations (especially in Wales) and local politicians. Directors and senior managers have taken part in many discussions with all of these stakeholders during the year both in general and in connection with the impact of global trade and steel-related policy developments. Further information can be found in the Corporate Governance statement under Principle 6 on page 34 of the 2025/26 Annual Report.

The impact of the Company's operations on the community and the environment

The Board is conscious of the impact of steel manufacturing on the environment and the communities in which TSUK operates and has considered these in particular as part of the ongoing changes to steelmaking operations at Port Talbot. Environmental performance is regularly reviewed, and a key ambition is that TSUK should be carbon neutral by 2045. The Board continues to review the ongoing strategic capital expenditure engaged on decarbonisation and receives regular updates as to implementation and progress. During this year, the Board reviewed and approved for publication the Company's Sustainability Report for FY2023-25. The Board is also conscious that this is an effort that concerns the whole of society and requires positive industrial policy and funding interventions from UK Government to enable the steel industry to make and maintain the very substantial investments required to become carbon neutral and sustainable.

In any case, the Company is committed to continuing to minimise the environmental impact of its operations through the systematic implementation of environmental control and through continuous improvement in environmental performance wherever possible and the Board takes into account the impact of its operations on the communities in which it operates. All TSUK's manufacturing operations are independently certified as meeting the international environmental management system standard, ISO 14001:2015. Furthermore, almost all products manufactured in the UK are independently certified as meeting the requirements of the sustainable sourcing standard, BES6001.

TSUK continues to support the decarbonisation efforts of the UK Industrial Clusters including in South Wales where a network of industries in the region is working together to develop shared decarbonisation infrastructure and drive net zero carbon in heavy industry in South Wales. More information with regards to TSUK's progress and commitment in relation to sustainability can be found in TSUK's Sustainability Report.

As a major employer in the areas of its operations, TSUK acts as a cornerstone for local businesses. TSUK also supports several community initiatives, along with its contracting partners; more information is available in the Corporate Governance report on page 34 of the 2025/26 Annual Report.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Board is committed to maintaining the reputation of TSUK and the high standards of business conducted in all its business dealings. The five Tata values are set out in the Corporate Governance statement on pages 32 to 34 of the 2025/26 Annual Report. In addition, the Tata Code of Conduct, which is a series of principles supporting the Tata values and ethical conduct, is expected to apply to all Tata branded companies. TSUK expects honesty, integrity, and transparency in all aspects of its business dealings from employees, contractors and other partners. Control measures and frameworks to uphold ethical principles and high standards of corporate and personal conduct are reviewed and approved by the TSUK Board and management has continued to take steps to communicate and reinforce the importance of the Code of Conduct throughout the year. The Company has several compliance policies, including competition, anti-bribery and corruption, gifts and hospitality, responsible procurement, anti-slavery, insurance-hedging and human trafficking, cybersecurity and data privacy. Senior management and relevant employees are required to undertake compliance training and assessments.

The need to act fairly as between members of the Company

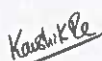
TSUK's ultimate parent company is TSL, a listed company in India.

TSUK has mechanisms in place for reporting to its parent boards.

B7. Approval of strategic report

Section B of this Annual Report comprises a strategic report for the Company which has been prepared in accordance with, and in reliance upon, applicable English and Welsh company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the Directors in connection with this report shall be subject to the limitations and restrictions provided by the law.

Approved by the Board of Directors and signed on behalf of the Board by:



K De
Director

17 August 2026

C. Director's report

The Board

The Directors of the Company are listed on page 2.

Directors' indemnity

The Company's articles of association provide, subject to the provisions of UK legislation, that the Company may indemnify any director or former director of the Company in respect of any losses or liabilities he or she may incur in connection with any proven or alleged negligence, default, breach of duty or breach of trust in relation to the Company (including by funding any expenditure incurred or to be incurred by him or her). In addition, Directors and officers of the Company and its subsidiaries are covered by Directors' & Officers liability insurance.

Dividends

The Directors do not recommend that a dividend be paid, and no dividends were paid or proposed during the year (2024/25: £nil).

Political donations

The Company does not make any donations to political parties and none were made during the year.

Statement as to disclosure of information to the Company's auditors

Each director in office at the date of this Directors' report confirms that:

- a) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- b) the Directors have taken all the relevant steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed as auditors to the Company for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an AGM.

Price Waterhouse & Co Chartered Accountants LLP in India are the auditors of the ultimate parent company, TSL.

Going concern

The financial statements of TSUK have been prepared on a going concern basis, which the Directors consider appropriate for the reasons set out below.

The Directors have assessed the future funding requirements of the Company over the going concern assessment period through to September 2027, and have compared these funding requirements to the level of borrowing facilities which are assumed to be available, including working capital facilities.

As at 31 March 2026, the Company has a net current liabilities position of £574m. The Directors have considered a number of possible scenarios for the financial position of TSUK, with reference to the Company's Annual Plan ("the base case") and the mitigating actions the Company could take to limit any adverse consequences to liquidity.

In previous years, as part of the wider TSL group, TSUK has benefited from significant financial support from its parent companies in order to settle historic financial indebtedness and to invest in working capital. This support included equity proceeds of £100m in 2023/24, £866m in 2024/25, £1,048m in 2025/26 (including £6m settlement of intercompany balances with Tata Steel Europe Limited), and £153m in April to July 2026 up to the date of approval of these financial statements.

On 15 September 2023, TSUK announced a joint agreement with the UK Government on a proposal to invest in state-of-the-art EAF steelmaking at the Port Talbot site with an initially estimated capital cost of £1.25 billion inclusive of a grant from the UK Government of up to £500 million, subject to relevant regulatory approvals, information and consultation processes, and the finalisation of detailed terms and conditions. As part of this joint agreement, TSL agreed that if the proposal proceeded, it would inject equity of at least £1,000m into TSUK in order to fund the capital cost not covered by the government grant and £250m to cover certain restructuring costs including interim cash losses which TSUK would be expected to incur as part of its proposal to close the heavy end facilities in Port Talbot. The formal GFA between TSUK, TSL and the UK Government reflecting all the key points contained in the term sheet was signed on 11 September 2024. Following the signing of the GFA and the completion of certain administrative requirements under the GFA, TSUK has the ability to access confirmed support of £500m from the UK Government in order to fund the EAF and make the transition from its current operating model. TSUK is entitled to claim sums under the GFA one quarter in arrears after TSUK has paid the capital costs. The first grant claim was paid to TSUK in Q1 2025/26.

As TSUK is an integral part of the TSL Group, a letter of support has been provided by T S Global Holdings Pte Limited ('TSGH'), a subsidiary of TSL, which confirms that TSGH will provide equity funding to cover the funding requirements of TSUK including capital expenditure funding for the decarbonisation project, the restructuring costs involved with TSUK's transition in its business model, and any support which may be needed for its underlying business operations during the forecast period of the going concern assessment.

As well as the funding available from the UK Government and equity funding from the wider TSL Group mentioned above, TSUK will continue to have access to its own financing facilities to support its day-to-day liquidity requirements. As the Company's committed financing facility expires in May 2027, the letter of support confirms that TSGH will support the refinancing, or the repayment, of the committed financing facility.

C. Director's report

Under the base case scenario and a severe but plausible downside scenario, the Directors believe that the Company have access to adequate liquidity given the support undertakings provided by TSGH as described above and the commitments from the UK Government and TSL contained in the GFA in order to enable the execution of its decarbonisation strategy.

For these reasons, the Directors have determined that it is appropriate for the financial statements of the Company to be prepared on a going concern basis.

Corporate Governance

For the year ended 31 March 2026, the Company has applied the Wates Corporate Governance Principles for Large Private Companies as an appropriate framework for its governance arrangements.

Principle 1 – Purpose and Leadership

TSUK is Tata Steel's principal operating company in the UK and an indirect material subsidiary of the TSE and TSL Groups. The TSUK Board is responsible for governance, management and oversight of the Company's business.

In 2025/26 the Board continued to review the TSUK Group's governance arrangements including updated delegations of authority and adaptations to the Company's management structure. The Board delegates authority for day-to-day management of the business to a leadership team responsible for operations and key functions within the business. The Chief Executive Officer continues to be supported by the leadership team and has been joined on the Board by the Chief Financial Officer.

Tata Steel was established in India in 1907. Sir Jamsetji Tata, founder of the Tata group, believed that "in a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence". The vision of the TSL Group is to strive to be the global steel industry benchmark for value creation and corporate citizenship.

In addition, TSUK has now launched its own mission in support of this vision. This is to build a profitable and sustainable UK steel company that strengthens industrial supply chains, creates value and supports communities through its people and collaborating with partner to deliver differentiated, resource-efficient steel for a low carbon future. Accordingly, the Company continues to: work with suppliers to shape a more sustainable future through partnering to source sustainable raw materials originating from responsible supply chains in line with the Group's Responsible Procurement Policy; to engage with customers to create sustainable solutions and products that society needs; to be an innovator of carbon-neutral steelmaking and demonstrate a commitment to the way sustainable steel is produced and delivered; to empower its people and engage and work with its communities, whilst creating value for the shareholder. All of these activities are underpinned by the Tata values, which are outlined below.

There are five core values which are shared by all Tata companies worldwide and which continue to direct the growth and business

of these companies and inform expected behaviours and practices. These values are Pioneering, Responsibility, Excellence, Unity and Integrity and underpin the way the Company does business.

The Company's purpose, values, strategy and key messages are communicated through internal communications and senior manager updates. The leadership team also use regular live streaming and town hall events to communicate key information, such as information on business performance, to enable the cascade of information to the Company's employees. These have included updates wherever possible on discussions with key stakeholders on the Company's announced transition towards the decarbonisation goals of the Company.

Members of the Board and leadership team have also continued to participate in discussions with stakeholders at all levels – inside and outside the Company – to present the case for the Company's transition plans and to listen and respond to different points of view.

Principle 2 – Board Composition

During the 2025/26 financial year, the board membership comprised of five Directors until the resignation of one Director (the Chief Commercial Officer) in March 2026. Two Directors hold senior positions in the TSL Group and are also Directors on the TSL board. Two senior representatives from the Company's leadership team, currently the Chief Executive Officer and the Chief Financial Officer continue to be members of the Board, which is currently chaired by Mr Narendran, who is also Chief Executive Officer & Managing Director of TSL.

The Board's current composition is expected to allow it to continue to meet the strategic needs of the Company and the UK Value Chain and support effective decision-making to meet its future challenges. All members of the Board have extensive experience of the steel manufacturing sector, the wider Tata Steel Group and the markets in which the Company operates. The size and composition of the Board therefore remains appropriate for the size and complexity of the Company.

During the year, day-to-day management of the Company's business was carried out by a leadership team led by the Chief Executive Officer who provides a single point of day-to-day leadership for the Company.

The Board continues to have representation from different ethnic backgrounds. While the Board does not currently have any women directors, the Board and the UK leadership team is conscious of the need to take steps to further enhance its diversity and that of the UK Value Chain. The Company continued to work on procedures to improve Diversity & Inclusion with a Steering Group continuing to develop strategy in this area.

TSUK does not have its own Nominations Committee as this is dealt with at TSL level. Any appointments to boards of companies in the UK Value Chain are considered and approved by senior management in the business.

The Securities and Exchange Board of India (SEBI) monitors and regulates the corporate governance of TSL, which is a listed

C. Director's report

Company in India. Announcements relating to developments in the UK business may be required to comply with SEBI disclosure requirements.

Principle 3 – Directors' Responsibilities

The Board convenes meetings as and when required to discuss material matters affecting the Company and its subsidiaries.

During the year, the Board in particular spent time considering the implications of decisions relating to the decarbonisation and modernisation of its business, including funding arrangements with its shareholder. The Board continued to review the progress throughout 2025/26 of these matters, maintaining regular oversight of timelines, costs and engagement with stakeholders.

In addition, the Board considered matters including health, safety and wellbeing, financial performance and liquidity, sustainability reporting, equity funding, group restructuring, capital investments, strategic procurement provisions, financing arrangements and lease and contract renewals. Directors' interests are reported at each Board meeting.

The TSE Audit Committee has historically had oversight of all audit and legal compliance matters across Tata Steel's European business and matters arising in the UK are reviewed there, as well as in the TSUK Board whenever required.

In addition to their consideration at UK Board meetings, Safety, Health and Environment (SHE) matters are reviewed at a TSL Group level by a SHE committee. TSUK is represented at the SHE committee by the Chief Executive Officer. The UK Value Chain has adopted governance arrangements for health and safety which recognise the responsibility of the TSUK Board as well as the role of the Chief Executive Officer and the leadership team working through the UK Health & Safety Committee, comprised of leadership team members and other senior leaders, including those with specialist health and safety expertise. Under these arrangements, TSUK continues to report material health, safety and environmental matters which impact TSUK to the TSL SSE Committee.

Members of the Board receive regular information on all key aspects of the business including health and safety statistics, operational and financial performance, strategic matters, compliance and risk matters, stakeholder engagement, commercial and technical updates and market conditions. Board papers setting out proposals are designed to include sufficient background, financial analysis, risk assessment and stakeholder context to help inform Directors with their decision making. In addition, the Audit and Assurance function provides additional assurance on specific key risks to ensure systems and controls and operating effectively.

The TSUK Board has a Policy for Delegations of Authority which reflect operating and managing structures of the UK Value Chain.

Principle 4 – Opportunity and Risk

The Board has considered for approval material and strategic projects, partnerships, contracts and other opportunities (as defined by value and duration) in addition to monitoring the performance of the Company and the TSUK Group's longer term

financial sustainability. With the cessation of traditional heavy end operations, TSUK's business model has continued to develop during the year to require the import and distribution of significant volumes of steel substrate to support its downstream operations. The Company has sought to consider and manage the opportunities and risks associated with these developments. In addition, climate change, supply chain risk, energy costs, global trade issues and decarbonisation continue to be key risks and the Company continues to seek opportunities to work with third parties and the wider Tata group to address TSUK's sustainability and CO₂ reduction objectives for a sustainable business in the long term. More information is contained in the Sustainability and Environment section of the 2025/26 Annual Report.

The principal risks and uncertainties affecting TSUK and mitigating actions taken in respect of them are set out in the Strategic Report on page 3 of the annual report.

An Enterprise Risk Management (ERM) framework has been deployed by the Board, in alignment with TSL's ERM framework. TSUK's Risk Committee meets quarterly and includes all members of the leadership team. The Risk Committee also has representation from the ultimate parent company, TSL. Its principal purpose is to assess and identify TSUK's most significant and emerging risks. In addition, monthly risk management sub-committees are held by each of TSUK's Chief Executive Officer, Chief Financial Officer and Chief Commercial Officer. Among the Company's compliance policies include competition, anti-bribery and corruption, gifts and hospitality, responsible procurement, anti-slavery, insurance-hedging and human trafficking, cybersecurity and data privacy. Where risks or potential breaches are identified the Company considers the appropriate response including changes to policies to address any such compliance risks effectively.

The UK business reviews behavioural compliance matters, including confidential reports and compliance improvement activity by means of a Compliance and Integrity Committee made up of senior TSUK leaders, including the Chief Executive Officer, which meets quarterly. In addition, there are regular interactions with persons responsible for these matters in Tata Steel's mainland European business to discuss matters of common interest. Reports are submitted to the TSE Audit Committee on a six-monthly basis.

Principle 5 – Remuneration

The Company has a policy which sets out TSUK's reward and recognition principles and the criteria describing key drivers for base and variable pay. TSUK follows a reward philosophy that will enable it to attract, retain and motivate the people it needs to deliver its objectives, is competitive in relevant markets, links to the achievement of the corporate objectives and follows the principles of being simple, objective and fair. TSUK reward processes support talent management and career development.

External benchmarking is undertaken periodically to ensure alignment with good practice and the market, the input from which is used to inform decision making with respect to TSUK's reward and recognition principles.

C. Director's report

Recommendations relating to the remuneration of Company employees are referred for approval to members of the senior management team. The remuneration of TSUK Company Directors who hold positions in the wider TSL Group is a matter for the parent company, TSL.

TSUK has published its Gender Pay Gap Report for 2025/26. Further information in relation to the Gender Pay Gap is available on page 11 of the 2025/26 Annual Report and on the Corporate Governance pages of the Tata Steel UK Website (www.tatasteeluk.com).

Principle 6 – Stakeholder Relationships and Engagement

The TSUK Board recognises the importance of effective communication with all its stakeholders in order to deliver its purpose, vision, mission and strategy and ensure protection of TSUK's relationships, reputation and brand. TSUK's stakeholders include its shareholders, customers, suppliers, employees and employee representatives, pensioners, banks, Government bodies, and the local communities in which it operates. The Company has continued to engage in dialogue with Government and other stakeholders in relation to its ongoing strategic project to install a new and decarbonised form of steelmaking and in relation to trade policy and other conditions required for the Company to trade effectively during the transition.

TSUK prioritises the health, safety and wellbeing of its employees, contractors and other partners. Health and safety is prominently discussed in leadership team and other communications and management reviews. TSUK's ambition is Zero Harm and the health and safety annual plan and framework supports this ambition through engagement and communication with all employees, trade union representatives and contracting partners. During the year, the Board and leadership team have continued to support and lead focus and engagement on safety matters to mitigate against health and safety risks, as described on page 9 of the 2025/26 Annual Report.

The Company engages with its employees in several ways and there are well-established arrangements at each business location for communication and consultation with trade union representatives to provide employees with information on matters of concern to them. During the year, the leadership team have participated in a number of town hall meetings with employees at operational sites. The Company strives to ensure that well-developed policies and procedures are in place for consulting and negotiating with trade unions so that views of employees can be considered in making decisions that are likely to affect their interests.

Digital media continues to be used for regular live streaming events with employees such as performance updates and team meetings and to communicate the strategy and goals for the financial year. Employee surveys have also been conducted in segments of the business, the results of which have been used to drive areas for employee engagement. Through its HR systems, TSUK offers online learning and development courses accessible by all employees, including a series of mental health modules as well as other health, safety, and wellbeing training.

In relation to its shareholders, the TSUK Board includes Directors of the ultimate parent company, TSL, and is therefore able to consider key matters in a wider Tata Steel Group context and to consider the interests of the shareholder on relevant matters.

Directors and senior managers with relevant areas of expertise liaise with both national and devolved Government bodies, including regulators, as appropriate. Further participation by Directors and senior managers in these discussions is expected in 2026/27, especially in relation to the ongoing transition to decarbonised steelmaking.

The Company encourages suppliers to work with TSUK to create value for end customers, society and TSUK shareholders. TSUK continues to operate to a Responsible Procurement Policy which underpins TSUK's commitment to ensuring supply chain transparency which applies to all goods and services supplied to TSUK and their respective supply chains. A due diligence management system for the complete supply base has been implemented in order to identify applicable risks and take appropriate steps to mitigate them. Further information can be found on the Supply Chain Transparency pages of the Tata Steel UK website. Delivering an excellent customer experience continues to be a key strategic priority for Tata Steel, and its business model, centred around direct engagement with customers aligned to market sectors which allows for continuous feedback to support this ambition. The Commercial function continues to engage with customers including through 'The Voice of the Customer' process which provides regular and efficient feedback opportunities through brief surveys, and ad hoc customer research with deep dive studies to understand a particular aspect of TSUK's performance from the customer's perspective and identify ways to improve.

Notwithstanding the transitional nature of the current period in its operations, the Company continues to be dedicated to managing its operations responsibly and to preserving a sustainable business in the long term. These considerations continue to underpin the Company's ongoing transition to decarbonised steelmaking.

TSUK is committed to working in partnership with its local communities to support their social and economic wellbeing. During 2025/26, the Company held several community events near its sites, including those described on page 11 of the 2025/26 Annual Report.

In addition to these active means of engagement with its employees and contractors, TSUK continues to operate a confidential reporting line which allows employees and others to report potential concerns while remaining anonymous.

Statement of engagement with suppliers, customers and others in a business relationship with the company

TSUK's engagement with suppliers, customers and others with whom it is in a business relationship is addressed in the Strategic Report and under Corporate Governance, Principle 6 on page 34 of the 2025/26 Annual Report.

C. Director's report

Statement of engagement with employees

TSUK's engagement with employees and the workforce is addressed in the Strategic Report and under Corporate Governance, Principle 6 on page 34 of the 2025/26 Annual Report.

Post balance sheet events

Since the year end and up to the date of approval of these financial statements, TSUK has received £153m by way of an advance for equity from, or repayment of inter-company loans to, Corus Group Limited ('CGL').

On 31 May 2026, the Company's wholly owned subsidiary, Corus International Limited ("CIL"), declared a dividend of £696m, representing the full amount of its distributable reserves. The dividend was settled to TSUK through a series of assignments of intercompany balances within the CGL group. As part of this settlement, intercompany payables of £394m owed by TSUK to Corus International (Overseas Holdings) Limited ("CIOH") and CIL were offset, and intercompany receivables of £302m due from CGL were assigned to TSUK. Following these transactions, TSUK no longer has any intercompany payable balances with CIOH and CIL and instead has a net intercompany receivable of £302m due from CGL. As a result of recognising the dividend declared by CIL and derecognising the carrying value of its investment in CIL, TSUK has recorded a net credit of £486m in its financial statements, with a corresponding increase in net assets as at 31 May 2026. This transaction is considered a non-adjusting post balance sheet event. Accordingly, no adjustments have been made to these financial statements in respect of this matter.

On 3 June 2026, a fire broke out on the existing pickle line at the Group's Port Talbot site. As at the date of approval of these financial statements, the extent of the damage and the resulting financial impact, including any potential insurance recoveries, are still being assessed, but the costs incurred due to this event during the month-ended 30 June 2026 are not material. The Company is working to ensure customer requirements are met through alternate assets and will actively seek insurance claims to recover the damages as appropriate. No adjustments have been made to these financial statements in respect of this event.

Information disclosed in the Strategic Report

The following information has been disclosed in the strategic report

- A review of the strategic activities (see page 3);
- Details of branch offices (see page 3);
- Principal risks and uncertainties (see page 4);
- Business environment and prospects (see page 8);
- Employee information (see page 9);
- Sustainability & Environment (see page 11);
- Climate Action (see page 12);
- Financial risk management objectives (see page 20)

Approved by the Board of Directors and signed on behalf of the Board by:



K De
Director
Registered Office:
18 Grosvenor Place,
London,
SW1X 7HS
17 August 2026

D. Directors' responsibilities statement on the Company's financial statements

The Directors are responsible for preparing the Report & Accounts 2026 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

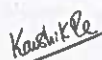
Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have

taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors and signed on behalf by:



K De
Director
Registered Office:
18 Grosvenor Place,
London,
SW1X 7HS
17 August 2026

E. Independent auditors' report to the members of Tata Steel UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Tata Steel UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report & Accounts 2026 (the "Annual Report"), which comprise:

- the Balance sheet as at 31 March 2026;
- the Income statement for the year then ended;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended;
- the Presentation of accounts and accounting policies; and
- the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 2, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Verifying the integrity and mathematical accuracy of the directors' going concern model as well as agreeing underlying cash flow projections to management forecasts;
- Assessing historic forecasting accuracy by performing lookback tests on actual performance whilst also considering the cash flow implications for the transition period prior to the installation of the Electric Arc Furnace;
- Evaluating and challenging the reasonableness of the key assumptions in the directors' model and agreeing the data and assumptions to supporting third party information, where available;
- Evaluating and assessing the severe but plausible downside scenario modelled;

- Reviewing and assessing the terms of the Grant Funding Agreement and letter of financial support provided by T S Global Holdings Pte Limited ("TSGH"), and considering the ability of those counter parties to make the committed funds available as required; and
- Reviewing and challenging the basis of preparation disclosure presented by the directors in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2026 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

E. Independent auditors' report to the members of Tata Steel UK Limited

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement on the Company's financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety and environmental matters, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and potential management bias in significant accounting estimates in order to manipulate financial results and overstate profits. Audit procedures performed by the engagement team included:

- Discussions with directors, management and internal legal representatives, including consideration of known or suspected non-compliance with laws, regulations and fraud, and confirming such matters with external legal counsel where applicable;

- Reviewing Board minutes and reports that set out the Company's compliance and monitoring of legal and internal control matters;
- Inquiring with relevant personnel to understand management's processes for identifying and reporting risks and threats within the Company;
- Identifying and testing journals, in particular those that have unusual account combinations involving credits to revenue and other income statement items;
- Challenging assumptions made by management in its significant accounting estimates; in particular in relation to restructuring provisions; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Stuart Couch

Stuart Couch (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
17 August 2026

F1. Income statement

For the financial year ended 31 March

	Note	2026 £m	2025 £m
Revenue	1	1,881	2,246
Operating costs	2	(2,151)	(2,678)
Operating loss		(270)	(432)
Income from subsidiaries and joint arrangements	5	4	32
Loss before interest and taxation		(266)	(400)
Finance income	6	2	2
Finance costs	6	(71)	(122)
Loss before taxation		(335)	(520)
Taxation	7	26	43
Loss after taxation		(309)	(477)
Attributable to:			
Owners of the company		(309)	(477)

All references to 2026 in the Financial statements, the presentation of accounts and accounting policies and the related notes 1 to 31 refer to the financial year ended 31 March, 2026 or as at 31 March, 2026 as appropriate (2025: the financial year ended 31 March, 2025 or as at 31 March, 2025).

Notes and related statements forming part of these accounts appear on pages 43 to 72.

F2. Statement of comprehensive income

For the financial year ended 31 March

	Note	2026 £m	2025 £m
Loss after taxation		(309)	(477)
Items that will not be reclassified to income statement:			
Actuarial gains on defined pension and other post-retirement plans	26	5	8
Income tax relating to items that will not be reclassified	7	(1)	(2)
Items that may be reclassified to income statement:			
Gains arising on cash flow hedges	23	8	-
Income tax relating to items that will may be reclassified	7	(2)	-
Other comprehensive gain for the year net of tax		10	6
Total comprehensive loss for the year		(299)	(471)
Attributable to:			
Owners of the company		(299)	(471)

Notes and related statements forming part of these accounts appear on pages 43 to 72.

F3. Balance sheet

As at 31 March

	Note	2026 £m	2025 £m
Non current assets			
Intangible assets	8	10	12
Property, plant & equipment	9	505	313
Investments and loans to subsidiary and fellow group undertakings	10	272	276
Other non-current assets	11	57	14
Deferred tax assets	12	188	156
		1,032	771
Current assets			
Inventories	13	384	443
Trade and other receivables	14	130	121
Cash and short term deposits	15	27	63
		541	627
TOTAL ASSETS		1,573	1,398
Current liabilities			
Inter-group borrowings	16	479	100
External borrowings	16	27	179
Trade and other payables	17	537	611
Current tax liabilities	18	9	6
Provisions and other liabilities	19	63	91
		1,115	987
Non-current liabilities			
Inter-group borrowings	16	-	456
External borrowings	16	250	515
Retirement benefit obligations	26	6	6
Provisions and other liabilities	19	79	108
Other non-current liabilities	20	-	1
Deferred income	21	71	15
		406	1,101
TOTAL LIABILITIES		1,521	2,088
NET ASSETS / (LIABILITIES)		52	(690)
Equity			
Called up share capital	22	4,249	3,208
Share premium account		4,523	4,523
Accumulated losses		(8,771)	(8,466)
Other components of equity		51	45
TOTAL EQUITY		52	(690)

The financial statements on pages 39 to 72 were approved and authorised for issue by the Board and signed on its behalf by:

Kaushik K De

K De
Director
17 August 2026
Tata Steel UK Limited
Registered No: 02280000

F4. Statement of changes in equity

	Other components of equity					Total Equity £m
	Share Capital £m	Share premium account £m	Accumulated Losses £m	Capital Redemption reserve £m	Hedging reserve £m	
Balance as at 1 April 2024	2,342	4,523	(7,995)	47	(2)	(1,085)
Loss for the financial year	-	-	(477)	-	-	(477)
Other comprehensive income for the financial year	-	-	6	-	-	6
Total comprehensive loss for the financial year	-	-	(471)	-	-	(471)
Issue of ordinary shares	866	-	-	-	-	866
Balance as at 31 March 2025	3,208	4,523	(8,466)	47	(2)	(690)
Loss for the financial year	-	-	(309)	-	-	(309)
Other comprehensive income for the financial year	-	-	4	-	6	10
Total comprehensive (loss)/gain for the year	-	-	(305)	-	6	(299)
Issue of ordinary shares	1,041	-	-	-	-	1,041
Balance as at 31 March 2026	4,249	4,523	(8,771)	47	4	52

Notes and related statements forming part of these appear on pages 43 to 72.

I General information and basis of preparation

Background

TSUK is a private company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act 2006. The functional and presentational currency of the Company is sterling.

Statement of compliance

These financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The following relevant exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- (i) IFRS 7, 'Financial instruments: Disclosures';
- (ii) Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' in relation to the disclosure of valuation techniques and inputs used for fair value measurements of assets and liabilities;
- (iii) Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - a) paragraph 79(a)(iv) of IAS 1;
 - b) paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - c) paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the year).
- (iv) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- (v) IAS 7, 'Statement of cash flows';
- (vi) The requirements of paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' in relation to the disclosure of standards not yet effective; and
- (vii) Paragraph 17 of IAS 24, 'Related party disclosures' requirements to disclose key management compensation and paragraph 18A to disclose related party transactions with Tata Steel group companies.

The company is a wholly owned subsidiary of Corus Group Limited (CGL) and of its ultimate parent, Tata Steel Limited (TSL). It is included in the consolidated financial statements of CGL, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Bombay House, 24 Homby Mody Street, Mumbai, 400 001.

All accounting policies used in the preparation of the financial statements remained consistent with those applied in the preparation of the Annual Report in 2025.

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments measured at fair value through profit and loss and in accordance with the Companies Act 2006.

Going concern

The financial statements of TSUK have been prepared on a going concern basis, which the Directors consider appropriate for the reasons set out below.

The Directors have assessed the future funding requirements of the Company over the going concern assessment period through to September 2027, and have compared these funding requirements to the level of borrowing facilities which are assumed to be available, including working capital facilities.

As at 31 March 2026, the Company has a net current liabilities position of £574m. The Directors have considered a number of possible scenarios for the financial position of Tata Steel UK Limited ('TSUK'), with reference to the Company's Annual Plan ('the base case') and the mitigating actions the Company could take to limit any adverse consequences to liquidity.

In previous years, as part of the wider Tata Steel Limited ('TSL') group, TSUK has benefited from significant financial support from its parent companies in order to settle historic financial indebtedness and to invest in working capital. This support included equity proceeds of £100m in 2023/24, £866m in 2024/25, £1,048m in 2025/26 (including £6m settlement of intercompany balances with Tata Steel Europe Limited), and £153m in April to July 2026 up to the date of approval of these financial statements.

On 15 September 2023, TSUK announced a joint agreement with the UK Government on a proposal to invest in state-of-the-art electric arc furnace ('EAF') steelmaking at the Port Talbot site with an initially estimated capital cost of £1.25 billion inclusive of a grant from the UK Government of up to £500 million, subject to relevant regulatory approvals, information and consultation processes, and the finalisation of detailed terms and conditions. As part of this joint agreement, TSL agreed that if the proposal proceeded, it would inject equity of at least £1,000m into TSUK in order to fund the capital cost not covered by the government grant and £250m to cover certain restructuring costs including interim cash losses which TSUK would be expected to incur as part of its proposal to close the heavy end facilities in Port Talbot. The formal Grant Funding Agreement ('GFA') between TSUK, TSL and the UK Government reflecting all the key points contained in the term sheet was signed on 11 September 2024. Following the signing of the GFA and the completion of certain administrative requirements under the GFA, TSUK has the ability to access confirmed support of £500m from the UK Government in order to fund the EAF and make the transition from its current operating model. TSUK is entitled to claim sums under the GFA one quarter in arrears after TSUK has paid the capital costs. The first grant claim was paid to TSUK in Q1 2025/26.

As TSUK is an integral part of the TSL Group, a letter of support has been provided by T S Global Holdings Pte Limited ('TSGH'), a subsidiary of TSL, which confirms that TSGH will provide equity funding to cover the funding requirements of TSUK including CAPEX funding for the decarbonisation project, the restructuring costs involved with TSUK's transition in its business model, and any support which may be needed for its underlying business operations during the forecast period of the going concern assessment.

As well as the funding available from the UK Government and equity funding from the wider TSL Group mentioned above, TSUK will continue to have access to its own financing facilities to support

F5. Presentation of accounts and accounting policies

its day to day liquidity requirements. As the Company's committed financing facility expires in May 2027, the letter of support confirms that TSGH will support the refinancing, or the repayment, of the committed financing facility.

Under the base case scenario and a severe but plausible downside scenario, the Directors of the Company believe that the Company have access to adequate liquidity given the support undertakings provided by TSGH as described above and the commitments from the UK Government and TSL contained in the Grant Funding Agreement in order to enable the execution of its decarbonisation strategy.

For these reasons, the Directors have determined that it is appropriate for the financial statements of the Company to be prepared on a going concern basis.

II New Standards and interpretations applied

The following new International Accounting Standards ('IAS') and The following amendment to International Accounting Standards ('IAS') was adopted in the current year which did not have an impact on the Company's consolidated financial statements.

		Effective Date*
IAS 21 (Amendments)	Lack of exchangeability	1 Jan 2025

* periods commencing on or after

III New Standards and interpretations not applied

The International Accounting Standards Board ('IASB') has issued the following Standards, which are relevant to the Company's reporting but have either not been applied as they have not been adopted for use under UK-adopted international accounting standards in the year ended 31 March 2026, or have an effective date after the date of these financial statements:

		Effective Date*
IFRS 9 and IFRS 7 (Amendments)	Classification and measurement of financial instruments	1 Jan 2026
IFRS 9 and IFRS 7 (Amendments)	Contracts referencing nature dependent electricity	1 Jan 2026
IFRS 18	Presentation and disclosure of financial statements	1 Jan 2027
IFRS 19	Subsidiaries without public accountability	1 Jan 2027

* periods commencing on or after

With respect to IFRS 18 *Presentation and Disclosure of Financial Statements*, while the standard does not amend the recognition and measurement requirements for assets, liabilities, income or expenses, it introduces changes to the presentation and structure of the financial statements, including the presentation of the statement of profit or loss. The Company is assessing the potential impact of IFRS 18 on its financial statements, including the identification, presentation and disclosure of its management defined performance measures.

Except for IFRS 18, management does not expect that the adoption of the other standards and amendments issued but not yet effective will have a material impact on the Company's financial statements. The Company does not intend to early adopt any standards or amendments.

IV Use of estimates and critical accounting judgements

In the application of the Company's material accounting policies, which are described in section V, 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 year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting year end that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

1) Impairment of non-current assets

Value in use and fair value less costs to sell calculations require an estimation of future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The present value is sensitive to changes in the discount rate used in the models, the forecast profitability of the Company in the third year of the Annual Plan, and the expected impact of decarbonisation on the Company. Further details on the Company's impairment review, key assumptions, and sensitivity analyses are set out in Note 9.

2) Recognition of deferred tax assets

The recognition 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 Company's annual plans and future forecasts. Estimation is required when considering the amount of available losses and temporary differences that are available to the Company compared to those future profit forecasts and whether there is prior evidence of utilisation. The Company's financial position in recent years has been such that only a limited utilisation has been possible and utilisation is only likely to occur after the Company has completed its decarbonisation investments plans. Further information can be found in note 12.

3) Post-retirement benefits

The Company's retirement benefit obligations are assessed using actuarial valuations that require the selection of key assumptions. The selection of inflation and mortality rates are key sources of

F5. Presentation of accounts and accounting policies

estimation uncertainty which could lead to a material adjustment in the defined benefit obligations reported in the financial year. The Company sets these judgements with close reference to market conditions and third party actuarial advice.

The Company's defined benefit obligations are discounted at a rate set by reference to market yields at the end of the reporting year 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.

On 31 March 2026, the Company's main defined benefit scheme in the UK, the British Steel Pension Scheme (BSPS), completed a full buy out, with individual insurance policies established for all members and the existing buy-in policy converted into a buy-out. From this date, the Company has no further legal or constructive obligation in respect of the scheme, and the related pension assets and liabilities were settled and derecognised. An 'asset ceiling' continued to be applied at the date of settlement, restricting the residual £8m of assets in the Scheme to nil, reflecting the absence of any unconditional right to a refund or reduction in future contributions. Further details on the Company's retirement benefit obligations are included within note 26.

4) Recognition of provision

A provision is recognised when the Company 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, decommissioning and environmental provisions which may change where changes in facts and circumstances affect expectations about the timing or cost of underlying activities. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates although the Directors do not believe that any reasonably possible change in the estimates would lead to a materially different outcome. Further details on the Company's redundancy and rationalisation provisions can be found in note 19.

5) Climate change and decarbonisation

The Company continues to assess the potential impacts of climate change and decarbonisation strategy and has considered such impacts on the estimates and judgments used in preparing its financial statements.

Assumptions in respect of climate and regulatory changes and the transition to a low carbon economy are taken into account when estimating the useful lives of property, plant and equipment used for calculation of depreciation and amortisation and also the review of other estimates and judgements concerning the impairment tests for property, plant and equipment. Further information in this respect can be found in note 9.

The detailed material accounting policies for each of these areas are outlined in section V below.

V Material 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 Company, any related works to the extent that these are directly attributable to the acquisition or construction of the asset. From 1 April 2009 this includes borrowing costs capitalised in respect of qualifying assets in accordance with the Company's policy.

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 Company 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 Company 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 intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases, 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.

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:

F5. Presentation of accounts and accounting policies

	Life Years
Freehold and long leasehold buildings that house plant and other works buildings	25
Other freehold and long leasehold 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 and process development costs	5

At each reporting year end, the Company 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 in order 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 Company estimates the recoverable amount of the CGU to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use and fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, based upon the Company's long-term weighted average cost of capital ('WACC'), which also recognises the comparative WACCs of its European peers, with appropriate adjustments for the risks associated with the relevant units. If the recoverable amount of an asset (or CGU) is estimated to be less 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 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.

(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 is the tax expected to be 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 and 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 Company 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.

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 year. 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.

(d) Retirement benefit costs

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 least triennially and updated at each reporting year end. The Company applies IAS 19 'Employee Benefits' (revised in 2011) to recognise all actuarial gains and losses directly within retained earnings, presenting those arising in any one reporting year 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.

The retirement benefit asset or liability recognised in the balance sheet represents the fair value of scheme assets less the present value of the defined benefit obligation. 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 Company 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.

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

F5. Presentation of accounts and accounting policies

arising from enhancement of retirement or other post-employment benefits for those employees affected by these plans.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

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 year, and all movements in the provision (including actuarial gains and losses or past service costs) are recognised immediately within profit and loss.

TSUK participates in the UK Emissions Trading Scheme, initially measuring any rights received or purchased at cost, and recognises a provision in relation to carbon dioxide quotas if there is any anticipated shortfall in the level of quotas received or purchased when compared with actual emissions in a given period. Any surplus is only recognised once it is realised in the form of an external sale.

(f) Other non-current investments and loan receivables

Non-current investments and loan receivables are stated at cost. Provisions are made if events or circumstances indicate that the carrying amount may not be recoverable. Income from non-current investments comprises dividends declared up to the balance sheet date and, where relevant, is shown before deduction of overseas withholding taxes.

VI Other accounting policies

(a) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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 (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 costs to sell.

Where a disposal group represents a separate major line of business or geographical area of operation, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation, then it is treated as a discontinued operation. The result of the discontinued operation are presented on the face of the income statement, with all prior years being presented on this basis.

Where intercompany transactions have occurred between continuing and discontinued operations, these are eliminated against discontinued operations except for interest costs on intercompany financing arrangements that will not continue after disposal which are eliminated against continuing operations.

(b) Revenue

The Company'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 Company's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Company 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 Company will collect the consideration to which it is entitled to in exchange for the goods.

The Company 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 Company has objective evidence that all criteria for acceptance have been satisfied.

The steel is often 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 Company 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 Company does not adjust any of the transaction prices for the time value of money.

F5. Presentation of accounts and accounting policies

(c) Government grants

Government grants are only recognised if there is reasonable assurance that the associated conditions will be met and the grants will be granted. Grants related to expenditure on property, plant and equipment are credited to the income statement as reduction of depreciation expense 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 receivable or received less the amounts credited to income statement 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.

In addition, the Company provides for insurance charges for historic industrial exposures of personnel. These provisions are subject to regular review and are adjusted as appropriate; the value of final insurance settlements is uncertain, as is the timing of expenditure.

(e) Interest

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.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related security and included within interest expense. Unamortised amounts are shown in the balance sheet as part of the outstanding balance of the related security. Premiums payable on early redemptions of debt securities, in lieu of future interest costs, are written off as interest expense when paid.

(f) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the quoted rates of exchange ruling at the end of each reporting year. Income statement items and cash flows are translated into sterling at the average rates for the financial year.

In order to hedge its exposure to certain foreign exchange transaction risks, the Company enters into forward contracts and options (see (g) below for details of the Company's accounting policies in respect of such derivative financial instruments).

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. The impact of revaluations of foreign currency loans is included within operating costs.

(g) Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company 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 Company 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. This includes arrangements where the Company securitises trade receivables on a non-recourse basis.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the 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).

Where the Company purchases emission rights from an emission trading scheme, it recognises these as an asset, and values the asset at cost. No amortisation is recognised, provided that the Company intends to utilise the asset to settle emission rights liabilities.

(ii) Impairment of financial assets

The Company 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

F5. Presentation of accounts and accounting policies

updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. For all other financial instruments which includes intercompany receivables, the Company 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 Company 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 possibility of recoverability has 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 the 'other gains and losses' line item 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 Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange, base metal prices, energy and CO₂ prices, and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, forward rate agreements, interest rate swaps and London Metal Exchange (LME) contracts. The instruments are employed as economic hedges of transactions included in the accounts or forecast for firm contractual commitments. Contracts do not generally extend beyond 6 months, except for certain interest rate swaps and commodity contracts.

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 year end the derivative is re-measured at its current fair value. For forward currency contracts, interest rate swaps and commodity contracts the fair values are determined based on market forward rates at the end of the reporting year.

The Company seeks to adopt hedge accounting for these currency, interest rate and commodity contracts. At inception of the hedge relationship, the Company 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. In particular, 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 year.

(h) 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 Company. 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 of the following conditions are met:

- (i) completion of the development is technically feasible;

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- (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 IV 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.

(i) Leases

As a lessee, the Company 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 of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is low value, which are expensed in the 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 Company 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 Company 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 income statement in the period in which the events or conditions which trigger those payments occur.

As a lessor, the Company recognises leases at cost which are then amortised over the life of the leases with interest recognised as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not. These leases relate to property and vessels that are sublet in relation to the head lease. The risk associated with any rights retained in the underlying asset is managed via safeguards within the sub lease contract and vetting and monitoring of lessees.

(j) Inventories

Inventories comprise the followings:

- a) Raw materials and consumables,
- b) Work-in-progress, and
- c) Finished goods and goods for resale.

Raw materials are categorised as those inputs which are required to produce steel products or to add to the steel products as part of their further processing.

Work in progress is categorised as steel products available for further processing inclusive of any purchases of steel products such as slab and coil.

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 (including imports of steel slab and coil) 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.

(k) Cash and cash equivalents

Cash and cash equivalents includes 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.

F6. Notes to the financial statements

1. Revenue

The Company's revenue and before taxation all arose from one class of business. An analysis of revenue by destination is shown below:

	2026 £m	2025 £m
Revenue by destination:		
UK	1,171	1,300
Europe excluding UK	612	811
Rest of the world	98	135
	1,881	2,246

2. Operating costs

	2026 £m	2025 £m
Costs by type:		
Raw material and consumables	1,297	1,683
Maintenance costs (excluding own labour)	89	175
Other external charges (including fuels & utilities, hire charges and carriage costs)	311	426
Employee costs	320	340
Depreciation, amortisation and impairments (Note 3, 8, 9 and 10)	36	45
Other operating items (including rents, insurance, and general expenses)	73	117
Changes in inventory of finished goods and work in progress	47	(93)
Own work capitalised	(14)	(3)
Profit on disposal of property, plant, and equipment	(8)	(13)
Loss on disposal of group undertakings	-	1
	2,151	2,678

	Operating items before restructuring, impairment and disposals £m	Restructuring, impairment and disposals £m	Total (YTD) £m
The above costs in 2026 include:			
Raw material and consumables	1,297	-	1,297
Maintenance costs (excluding own labour)	89	-	89
Other external charges (including fuels & utilities, hire charges and carriage costs)	311	-	311
Employment costs	319	1	320
Depreciation, amortisation and impairments	30	6	36
Other operating items (including rents, insurance, and general expenses)	72	1	73
Changes in inventory of finished goods and work in progress	47	-	47
Own work capitalised	(14)	-	(14)
Profit on disposal of property, plant and equipment	-	(8)	(8)
	2,151	-	2,151

Further analysis of restructuring and impairment costs is presented in Note 3.

F6. Notes to the financial statements

	2026 £m	2025 £m
The above costs are stated after including:		
Amortisation of other intangible assets (Note 8)	1	2
Depreciation of owned assets (Note 9)	16	19
Depreciation of right of use assets (Note 9)	13	10
Impairment losses related to other intangible assets (Note 8)	-	1
Impairment losses related to property, plant and equipment (Note 9)	-	5
Impairment losses related to loose plants, tools and spares (Note 9)	-	8
Impairment losses related to investments in subsidiaries (Note 10)	6	-
Net exchange rate (gains)/losses	(2)	6
Loss allowance for expected credit losses (Note 14)	2	-
Impairment against other receivables	1	-
Costs of research and development (gross)	4	6
Credit on research and development	(41)	(15)
Credit on provision for emissions rights	(1)	(3)

The analysis of the Company's auditors' remuneration is as follows:

	2026 £m	2025 £m
Fees payable to the Company's auditors for the audit of the Company's financial statements	0.8	0.8
Other assurance services	0.1	-
Total auditors' remuneration	0.9	0.8

Fees payable to PricewaterhouseCoopers LLP during the year in respect of other assurance services were £80,350 (2025: £42,000) and primarily relate to certification related to grant claims.

Audit fees in relation to the Company's subsidiaries are disclosed in the consolidated accounts of the parent entity, Corus Group Limited.

3. Net restructuring and impairment costs

	2026 £m	2025 £m
Provision for restructuring and related measures:		
Redundancy and related costs (Note 4)	1	-
Impairment losses relating to investments in subsidiaries (Note 10)	6	-
Impairment losses relating to property, plant, and equipment (Note 9)	-	5
Impairment losses related to intangible fixed assets (Note 8)	-	1
Impairment losses related to loose plant and tools and spares (Note 9)	-	8
Other rationalisation costs (Note 19)	1	19
	8	33
Credits for restructuring and related measures:		
Redundancy and related costs (Note 4 and 19)	-	(34)
	-	(34)
Total net restructuring and impairment costs / (credits)	8	(1)

Redundancy and related costs recognised during the year of £1m (2025: credit of £34m) relate to employees leaving the Company as part of the restructuring of heavy end steel making facilities at the Port Talbot site. Other rationalisation costs of £1m relate to other non-operational sites. In the prior year, a £34m credit arose from the release of redundancy and related costs, while other rationalisation costs of £19m and impairment losses on property, plant, and equipment of £13m related to the restructuring of heavy end steel making facilities.

F6. Notes to the financial statements

4. Employees

	2026 £m	2025 £m
The total employment costs of all employees (including directors) in the Company were:		
Wages and salaries	248	294
Social security costs	32	32
Pension costs (Note 26)	39	48
Redundancy and related costs (Note 3)	1	(34)
	320	340

(i) The monthly average number of employees during the year was 5,600 (2025: 7,130). This total includes operations staff of 4,500 (2025: 5,895) and functional support of 1,100 (2025: 1,235).

(ii) Employment costs includes £14m (2025: £3m) in respect of employees working directly on the Company's decarbonisation investment project and which have been capitalised to assets under construction.

(iii) Directors' remuneration

The total employment costs of the directors in the Company were:	2026 £m	2025 £m
Short term employee benefits	1.2	1.0
Other long term benefits	0.6	0.2

There are no retirement benefits accruing to any directors under defined benefit schemes (2025: £nil).

The emoluments of Mr T V Narendran and Mr K Chatterjee are paid by Tata Steel Limited ('TSL') which make no recharge to TSUK. As both individuals were directors of TSE and a number of fellow TSL Group subsidiaries during 2026, it is not practicable to allocate their remuneration between of each of these entities. Accordingly, no amounts have been included in these financial statements in respect of their services; their remuneration is disclosure in the financial statements of TSL, with whom they have their primary employment contract.

(iv) Highest paid director

Total amount of emoluments:	2026 £m	2025 £m
Short term employee benefits	0.4	0.4
Other long term benefits	0.4	0.1

There is no accrued lump sum falling due under a defined benefit pension scheme (2025: £nil).

(v) Pension costs can further be analysed as follows:

	2026 £m	2025 £m
Defined benefit scheme costs (Note 26)	5	8
Defined contribution scheme costs (Note 26)	34	40
Total charge for the year	39	48

5. Income from subsidiaries and joint arrangements

	2026 £m	2025 £m
Waiver of inter-group borrowings (Note 16)	-	29
Dividend from subsidiaries	4	3
	4	32

F6. Notes to the financial statements

6. Financing items

	2026 £m	2025 £m
Interest expense:		
Bank and other borrowings	22	43
Interest on leases	3	4
Interest on loans from other group companies	19	23
Interest on loans from parent undertakings	5	25
Discount on disposal of trade receivables within purchase agreement with external companies	18	21
Unwinding of discount on long term provisions	4	6
Finance costs	71	122
Interest income relating to:		
Financial assets measured at amortised cost	(2)	(2)
Finance income	(2)	(2)
	69	120

7. Taxation

	2026 £m	2025 £m
Current year tax charge	-	-
Adjustments to current tax in respect of prior periods	9	3
Deferred tax credit (Note 12)	(35)	(46)
Total tax credit	(26)	(43)

The total income statement credit for the year can be reconciled to the accounting loss as follows:

	2026 £m	2025 £m
Loss before taxation	(329)	(520)
Loss before taxation multiplied by the applicable corporation tax rate of 25% (2025: 25%)	(82)	(130)
Effects of:		
Adjustments to current tax in respect of prior periods	9	3
Change in unrecognised losses and other tax credits	43	86
Non-taxable dividend income	(1)	(8)
Group relief	6	5
Other permanent differences	(1)	1
Total tax credit	(26)	(43)

In addition to the total taxation credit to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2026 £m	2025 £m
Relating to components of other comprehensive income:		
Actuarial movements of defined benefit pension plans and other post-retirement plans	1	2
Revaluation of financial instruments treated as cash flow hedges	2	-
Total tax charge recognised in other comprehensive income	3	2

The Company is not liable for any top-up tax under the OECD Pillar Two model rules (2025: £nil). The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax, (as provided in the amendments to IAS 12 issued in May 2023) and accounts for it as a current tax when it is incurred.

8. Intangible assets

2026	Computer software £m	Patents and trademark £m	Intangibles under development £m	Total £m
Costs as at 1 April 2025	223	4	10	237
Transfers	3	-	(4)	(1)
Costs as at 31 March 2026	226	4	6	236
Accumulated amortisation and impairment as at 1 April 2025	222	3	-	225
Amortisation charge for the year	1	-	-	1
Amortisation and impairment as at 31 March 2026	223	3	-	226
Net book value as at 31 March 2026	3	1	6	10
Net book value as at 31 March 2025	1	1	10	12

The remaining amortisation period for computer software is approximately 8 years (2025: 1 year).

9. Property, plant & equipment

2026	Land and buildings £m	Plant and machinery £m	Loose plant and tools £m	Assets in course of construction £m	Total £m
Costs as at 1 April 2025	326	3,367	154	191	4,038
Additions	95	4	11	113	223
Disposals	(14)	(83)	(33)	-	(130)
Transfers	6	44	-	(48)	2
Costs as at 31 March 2026	413	3,332	132	256	4,133
Depreciation and impairment as at 1 April 2025	303	3,243	122	106	3,774
Depreciation charge for the year	8	16	5	-	29
Disposals	(12)	(84)	(33)	-	(129)
Transfers	1	6	-	(5)	2
Depreciation and impairment as at 31 March 2026	300	3,181	94	101	3,676
Net book value as at 31 March 2026	113	151	38	155	457
Spares (net book value)					48
Net book value as at 31 March 2026					505
Net book value as at 31 March 2025	23	124	32	85	264
Spares (net book value)					49
Net book value as at 31 March 2025					313

The additions to the right-of-use assets during the 2026 financial year were £99m (2025: £3m).

The Company recognised a total impairment charge of £nil in the year (2025: £13m of which £8m related to spares).

Transfers during the year includes £48m capitalisation from assets under construction to land and buildings (£6m) and plant and machinery (£44m).

A fair value less costs of disposal (FV) model was used to test for impairment in the Property, Plant and Equipment as at 31 March 2026. A value in use calculation is not deemed appropriate due to TSUK's closure of blast furnace steelmaking assets in Port Talbot and plans to replace the same by new EAF assets in the future following a transition period during which the business will continue to supply its customers using purchased slab and coil processed through its downstream facilities. The FV calculation for TSUK involves estimating future cash flows expected to be derived for the period up to 2049/50. The cash flows for this period include EBITDA benefits generated from the EAF assets once they are commissioned and the capital expenditure estimated to be required to bring the assets into use along with a grant from the UK Government of up to £500 million. For the model, a Nil growth rate (March 31, 2025: Nil) is used to extrapolate the cash flow projections beyond the steady state operations once the EAF is commissioned. Given that the cash flows are prepared on a real basis without any growth rate, the post-tax discount rate of 9.9% (March 31, 2025: 9.6%) has been adjusted to a post-tax real discount rate of 7.8% (March 31, 2025: 7.4%). The discount rate is derived from TSUK's weighted average cost of capital (WACC) and the WACCs of its main European steel competitors. The fair value measurement of TSUK is categorised as Level 3 within the IFRS 13 fair value hierarchy.

F6. Notes to the financial statements

Key assumptions for the UK business are expected changes to selling prices and raw material costs, UK and EU steel demand, energy costs, exchange rates, the amount of capital expenditure needed for decarbonisation, the changes to EBITDA resulting from producing and selling low CO₂ steel including the selling price effects of a 'green steel premium', levels of government support for decarbonisation, including the introduction of a UK Carbon Border Adjustment Mechanism along similar lines as to the EU's and support for electricity network costs, the timing and phasing of the decommissioning of legacy assets as well as the commissioning of new carbon free production facilities and a post-tax real discount rate of 7.8% (post-tax nominal discount rate of 9.9%)

The Company has conducted sensitivity analysis on the impairment tests of the carrying value in respect of TSUK including sensitivity in respect of discount rate, the amount of capital expenditure relating to construction of the EAF assets, long term steel prices and other key assumptions. Due to significant headroom, the Company believes that no reasonably possible change in any of the key assumptions used in the model would cause the carrying value to materially exceed its recoverable value.

During the prior year a review of specific assets within TSUK identified assets with a carrying value of £13m which related to assets which were no longer in use following the restructuring of TSUK's business and accordingly an impairment of £13m was recognised during the prior year. The impairment comprised £5m in respect of owned property, plant and equipment and £8m in respect of spares.

(i)

As at 31 March	2026 £m	2025 £m
The net book value of land and building comprises of:		
Freehold	13	9
Short leasehold	100	14
	113	23
Which may be further analysed as:		
Right of use assets not subject to operating leases:		
Cost	206	124
Accumulated depreciation and impairment losses	(106)	(110)
	100	14
Owned assets	13	9
	113	23

Depreciation and impairment charges relating to right-of-use assets were £8m and £nil respectively for the year (2025: £6m depreciation and £nil impairment).

(ii)

As at 31 March	2026 £m	2025 £m
The net book value of plant and machinery comprises of:		
Right of use assets not subject to operating leases:		
Cost	17	82
Accumulated depreciation and impairment losses	(11)	(74)
	6	8
Owned assets	145	116
	151	124

Depreciation and impairment charges relating to right-of-use assets were £5m and £nil respectively for the year (2025: £4m depreciation and £nil impairment).

(iii)

As at 31 March	2026 £m	2025 £m
The net book value of spares comprises of:		
Cost	389	386
Accumulated depreciation and impairment losses	(341)	(337)
	48	49

(iv) There was £nil (2025: £nil) borrowing costs capitalised in the year.

10. Investments and loans to subsidiary and fellow group undertakings

	Share in subsidiary undertakings £m	Loans to subsidiary undertakings £m	Interest in Joint ventures and Associates £m	Loans to Joint ventures £m	Other investments £m	Total £m
Cost as at 1 April 2025	632	40	1	20	7	700
Additions	3	-	-	-	-	3
Disposals	(1)	-	-	-	-	(1)
Cost at end of the year	634	40	1	20	7	702
Impairment as on 1 April 2025	367	29	1	20	7	424
Charge for the year (i)	6	-	-	-	-	6
Impairment at end of year	373	29	1	20	7	430
Net book value as at 31 March 2026	261	11	-	-	-	272
Net book value as at 31 March 2025	265	11	-	-	-	276

- (i) During the year the Company recognised an impairment of £4m (2025: £nil) in its investment in subsidiary Cogent Power Limited and an impairment of £2m (2025: £nil) in its investment in Tata Steel Research & Innovation Limited (formerly Tata Steel UK Consulting Limited) in order to reduce the carrying value of these investments to their expected recoverable amount.
- (ii) Included in the above net book value of loans to subsidiary undertakings at 31 March 2026 are loans of £11m (2025: £11m) which are non-interest bearing and have no fixed repayment date.
- (iii) On 27 February 2026, Tata Steel International (India) repurchased a portion of its own shares from the Company. The cost of shares repurchased is included within disposal.
- (iv) The Company's shares in subsidiary undertakings are listed in Note 31.

11. Other non-current assets

	2026 £m	2025 £m
Capital advances	57	14
	57	14

Capital advances represent advances paid to suppliers for the purchase or construction of property, plant and equipment.

12. Deferred tax assets

The following is the analysis of the deferred tax balances for balance sheet purposes:

	2026 £m	2025 £m
Deferred tax assets	188	156
	188	156

The following are the major deferred tax assets and liabilities recognised by the Company, and the movements thereon, during the current and prior reporting year.

	Accelerated tax depreciation £m	Retirement benefit obligations £m	Interest £m	Other £m	Total £m
At 1 April 2025	48	2	85	21	156
(Charged)/credited to income statement	(11)	1	12	33	35
Charged to other comprehensive income	-	(1)	-	(2)	(3)
As at 31 March 2026	37	2	97	52	188

	Accelerated tax depreciation £m	Retirement benefit obligations £m	Interest £m	Other £m	Total £m
At 1 April 2024	7	2	61	42	112
Credited/(Charged) to income statement	41	2	24	(21)	46
Charged to other comprehensive income	-	(2)	-	-	(2)
As at 31 March 2025	48	2	85	21	156

Deferred tax assets of £188m (2025: £156m) have been recognised at 31 March 2026. In evaluating whether it is probable that taxable profits will be earned in future accounting periods, all available evidence was considered, including Board approved budgets and forecasts. Consistent with the prior year, the level of taxable profits expected to be earned in future periods has been determined using the same forecasts as in the FV model for PPE impairment testing, as outlined in note 8, but with the application of an increasing "uncertainty factor" to reflect the increasing subjectivity of the projections the further into the future the forecast extends. The underlying assumptions outlined in note 8 will be updated annually or more regularly, where appropriate, and any significant change in assumption will give rise to a change in the annual forecast profits and therefore the deferred tax asset. However, by their nature the forecast profits will remain uncertain until the point they are realised in the future. The deferred tax asset recognised is 10% (2025: 9%) of the maximum asset that the Company could recognise based on the amount of temporary differences and losses which are available. In considering the amount of temporary differences and losses which should be recognised as an asset, the Company has taken into account its history of tax losses and the strength of evidence which supports its forecast projections giving weight to evidence that can be statistically proven. The Company has sought to reflect any reasonable possible movement to the collective change in assumptions by performing a sensitivity analysis which shows that increasing the "uncertainty factor" by 1% on forecast annual profits from 2032/33 onwards would have resulted in a lower deferred tax asset of £171m and decreasing the "uncertainty factor" by 1% would have resulted in a higher deferred tax asset of £204m. In the prior year, the sensitivity analysis applied a 5% change in the "uncertainty factor" to forecast annual profits over a 10 year period to March 2035, which resulted in a decrease in the deferred tax asset of £123m for a 5% increase and an increase of £190m for a 5% decrease in the uncertainty factor. The change in sensitivity analysis reflects management's view that uncertainty is more pronounced in later forecast years, while near term projections are subject to greater certainty as they approach the balance sheet date.

It is expected that the deferred tax asset will continue to increase over the short term as the anticipated outturn from the EAF becomes closer to the balance sheet date and is less affected by the uncertainty factors applied above.

Deferred tax assets have not been recognised in respect of total tax losses of £5,394m (2025: £5,148m) and other tax credits of £953m (2025: £883m) which can be carried forward indefinitely.

F6. Notes to the financial statements

13. Inventories

	2026	2025
	£m	£m
Raw materials and consumables	22	34
Work in progress	158	128
Finished goods and goods for resale	204	281
	384	443

The value of inventories above is stated after impairment of £69m (2025: £115m) for obsolescence and write-downs to net realisable value.

The cost of inventories recognised as an expense (Note 2) includes a net credit £46m in respect of any write down of inventory to net realisable value (2025: charge of £6m).

14. Trade and other receivables

As at 31 March	2026	2025
	£m	£m
Trade receivables	12	12
Less provision for impairment of receivables	(2)	-
	10	12
Amounts owed by parent undertakings	-	12
Amounts owed by other group companies	9	22
Amounts owed by subsidiary undertakings	4	5
Derivative financial instruments	9	3
Prepayments and other non-financial assets	8	8
Government grant receivables	28	15
Other receivables	62	44
	130	121

Details of the Company's credit risk are not disclosed because the financial statements of Corus Group Limited disclose such details on a consolidated basis.

15. Cash and short term deposits

	2026	2025
	£m	£m
Cash at bank and in hand	22	58
Short-term deposits	5	5
	27	63

Short term deposits represents security provided by the Company in respect of certain pension arrangements. The deposit is restricted in nature.

16. Borrowings

	2026 £m	2025 £m
Current:		
Inter-group		
Amount owed to parent undertakings ⁽ⁱ⁾	-	100
Amounts owed to subsidiary undertakings ⁽ⁱⁱ⁾	479	-
	479	100
External:		
Bank Loans	-	142
Obligations under leases	27	37
	27	179
	506	279
Non-current:		
Inter-group		
Amounts owed to subsidiary undertakings	-	456
	-	456
External:		
Bank Loans	165	499
Obligations under leases	85	16
	250	515
	250	971
Total borrowings	756	1,250

(i) Included in amounts owed to parent undertakings is £nil (2025: £100m). The prior year amount of £100m relates to a loan from Tata Steel Europe Limited, which carried an interest rate of 6.1%, was fully repaid during the year.

(ii) Included in amounts owed to subsidiary undertakings are balances of £355m (2025: £328m) due to Corus International (Overseas Holdings) Limited and £32m (2025: £32m) due to Corus International Limited, which were settled subsequent to the reporting date (Note 28). The remaining balance comprises amounts due to other subsidiary undertakings. With the corporate restructuring undertaken in respect of CIOH and CIL, these balances are classified as current liabilities as at the reporting date.

The board of the Company granted a guarantee in relation to the debt raised as part of the SFA entered into by Tata Steel Netherlands Holdings B.V. in October 2022. This guarantee is supported by security over the assets of the Company. On 4 February 2026, the SFA was fully repaid and all liabilities relating to the guarantee provided by TSUK were extinguished (Note 20).

The Company has provided a security package to the UK Government in respect of a Grant Funding Agreement ('GFA') in relation to the Company's decarbonisation investment in a new Electric Arc Furnace and associated equipment at Port Talbot. Under this arrangement TSUK continues to provide security over its assets.

Amounts payable under leases are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2026 £m	2025 £m	2026 £m	2025 £m
Not later than one year	33	40	27	37
Later than one year but not more than five years	51	13	37	12
More than five years	64	5	48	4
	148	58	112	53
Less: future finance charges on lease	(36)	(5)	-	-
Present value of lease payments	112	53	112	53

The lease portfolio of the Company consists of leases of land, buildings, machinery and vehicles.

F6. Notes to the financial statements

17. Trade and other payables

As at 31 March	2026 £m	2025 £m
Trade payables	294	331
Amounts owed to other group companies	123	140
Amounts owed to parent undertakings	8	5
Amounts owed to joint operations (Note 27)	3	2
Amount owed to subsidiaries	3	2
Other taxation and social security	31	19
Interest payable to immediate parent undertakings	-	3
Interest payable to subsidiaries	3	4
External interest payable	2	3
Derivative financial instruments (Note 23)	2	8
Capital expenditure creditors	25	31
Advances from customers	1	3
Other payables	42	60
	537	611

Other payables include amounts provided in respect of insurances, holiday pay, other employment costs, sales rebates and customer claims and sundry other items.

18. Current tax liabilities

	2026 £m	2025 £m
UK corporation tax	9	6
	9	6

19. Provisions and other liabilities

	Rationalisation costs ⁽ⁱ⁾ £m	Environmental provision ⁽ⁱⁱ⁾ £m	Insurance ⁽ⁱⁱⁱ⁾ £m	Other ^(iv) £m	Total 2026 £m	Total 2025 £m
Opening balance	159	3	24	13	199	317
Charged to income statement ^(v)	5	2	16	3	26	51
Released to income statement	-	(2)	-	1	(1)	(41)
Utilised during the year	(88)	-	(13)	(2)	(103)	(128)
Transfers ^(vi)	19	-	-	2	21	-
At end of year	95	3	27	17	142	199
Analysed as:						
Current liabilities	54	-	8	1	63	91
Non - Current liabilities	41	3	19	16	79	108

(i) Rationalisation costs include employee redundancy provisions and contributions to the Tata Steel / Port Talbot Transition Board arising from the closure of heavy end steelmaking facilities. The Board was established to protect jobs, support affected workers and local businesses, and promote long term economic regeneration. At 31 March 2026, the provision for these costs amount to £16m (2025: £61m). The expected timeframe of the utilisation of this provision is £9m within one year and £7m within one to two years. The movement during the year was as follows:

	2026 £m	2025 £m
At beginning of the year	61	148
Charged to income statement	2	3
Released to income statement	-	(34)
Utilised during the year	(47)	(56)
	16	61

F6. Notes to the financial statements

Other rationalisation provisions comprise onerous lease obligations in respect of unutilised premises, onerous contracts and termination costs, and decommissioning, environmental and other remediation costs at sites subject to restructuring or closure. At 31 March 2026, the rationalisation provision included £2m (2025: £2m) in respect of onerous leases on a discounted basis and £2m (2025: £2m) on an undiscounted basis. The expected timing of utilisation of the remaining rationalisation provision is £45m within one year, £22m within one to two years, £8m within two to three years and £4m within three to five years.

	2026 £m	2025 £m
a) Onerous lease payments relating to unutilised premises	2	2
b) Onerous contracts and termination costs	21	44
c) Decommissioning, environmental and other remediation costs at sites subject to restructuring/ closure	56	52
	79	98

(ii) The environmental provisions primarily comprise obligations arising under the European Union (EU) Carbon Border Adjustment Mechanism (CBAM) in respect of sales made into the EU under Delivered Duty Paid (DDP) incoterms, where the Company retains responsibility for associated carbon costs. The provisions also include costs relating to remediation and clean-up activities that are likely to be undertaken in the foreseeable future and for which the costs can be reasonably estimated. The majority of the provision is expected to be incurred within the next one to two years.

(iii) The insurance provisions includes liabilities for reported claims and losses incurred but not yet reported in respect of risks retained by the Company rather than passed to third party insurers and also include amounts in relation to certain industrial disease claims. All are subject to regular review and are adjusted as appropriate. The value of final insurance settlements is uncertain and so is the timing of expenditure.

(iv) The other provisions include dilapidation obligations in respect of properties held under lease arrangements, provisions for employee benefits, including long term benefits such as long service, ex-gratia payments for early retirement and sabbatical leave, and product warranty claims for which the timing of any potential expenditure is uncertain. All employee benefit provisions are subject to independent actuarial assessments.

(v) The provisions are discounted where material and the unwinding of discount is included in finance costs in the income statement. Within the provision for rationalisation costs, charge to income statement includes £4m (2025: £6m) in respect of such unwinding of discount of which £1m (2025: £3m) relates to employee redundancy related provisions.

(vi) Transfers comprise a reclassification of amounts previously recognised within lease liabilities £16m and other financial liabilities £5m to provisions. These transfers reflect a regrouping of liabilities and have no impact on profit, net assets or cash flows.

20. Other non-current liabilities

As at 31 March	2026 £m	2025 £m
Financial guarantees	-	1
	-	1

On 19 December 2007 the board of TSUK granted a guarantee in relation to the debt raised as part of the old Senior Facilities Agreement (SFA) entered into by Tata Steel Netherlands Holdings B.V. Over the years, the borrowings and lender commitments under the old SFA were refinanced a number of times with the most recent refinancing on 4 October 2022. The guarantee was supported by security over the assets of TSUK.

On 4 February 2026, the SFA was fully repaid and all liabilities relating to the guarantee provided by TSUK were extinguished.

F6. Notes to the financial statements

21. Deferred income

	Grants relating to revenue £m	Grants relating to property, plant & equipment £m	2026 £m	2025 £m
Opening balance	-	15	15	1
Additions	-	56	56	15
Released to income statement	-	-	-	(1)
As at 31 March	-	71	71	15

22. Called up share capital

The share capital of the Company is shown below as at 31 March:

Allotted, called up and fully paid	2026 £m	2025 £m
424,909,379,123 (2025: 320,767,179,123) Ordinary shares of 1p each	4,249	3,208
	4,249	3,208

During the year TSUK allotted and issued 104,142,200,000 ordinary shares of £0.01 each to Corus Group Limited.

During the prior year TSUK redesignated all of the deferred shares and Ordinary A shares into 224,130,027,316 Ordinary shares of £0.01 each. The holders of Ordinary shares are entitled to be paid any profits of the Company which are available for distribution and to receive notice of general meetings and to attend, speak and vote at such meetings.

23. Financial instruments and risk management

The following table details the Company's financial instruments held at fair value:

	2026 £m	2025 £m
Derivative financial assets	9	3
Derivative financial liabilities	(2)	(8)
	7	(5)

Derivative financial instruments used by the Company include forward rate contracts for exchange rate, energy price exposure, and commodity contracts. These financial instruments are utilised to hedge significant future transactions and cash flows, and, in most cases, these are subject to hedge accounting under IFRS 9. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair values of derivatives held by the Company at the end of the reporting year:

	31 March, 2026		31 March, 2025	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Current:				
Foreign currency contracts	4	(2)	1	(4)
Commodity contracts	-	-	2	(4)
Others	5	-	-	-
	9	(2)	3	(8)

The Company'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.

F6. Notes to the financial statements

The fair value of derivative financial instruments that were designated as cash flow hedges at the end of the reporting year were:

	2026 £m	2025 £m
Commodity contracts	5	(2)
Taxation	(1)	-
Cash flow hedge reserve	4	(2)

Amounts recognised in the cash flow hedge reserve are expected to affect the income statement within one year.

As at 31 March 2026	Commodity contracts £m	Currency contracts £m	Taxation £m	Total £m
Cash flow hedge reserve net of taxation at beginning of year	(2)	-	-	(2)
Recycled to the profit and loss	12	-	-	12
Fair value recognised	(4)	-	-	(4)
Deferred tax	-	-	(2)	(2)
Cash flow hedge reserve net of taxation as at 31 March 2026	6	-	(2)	4

As at 31 March 2025	Commodity contracts £m	Currency contracts £m	Taxation £m	Total £m
Cash flow hedge reserve net of taxation at beginning of year	(2)	-	-	(2)
Recycled to the profit and loss	12	-	-	12
Fair value recognised	(12)	-	-	(12)
Cash flow hedge reserve net of taxation as at 31 March 2025	(2)	-	-	(2)

24. Future capital expenditure

	2026 £m	2025 £m
Contracted but not provided for	283	246
Authorised but contracts not yet placed	764	963

The Company has approved investment in a new state of the art EAF along with new secondary steelmaking ladle metallurgy furnaces and upgrades to casting capabilities and hot and cold rolling facilities initially estimated to cost £1.25bn. Under the agreement, the UK Government will contribute £500m and Tata Steel Limited will fund the balance. The amounts shown in the above table include £1,039m (2025: £1,193m) of spend in relation to this project although 40% of this value is expected to be reimbursed by the UK Government in respect of a grant specific to this project.

At the end of the reporting year there was £nil (2025: £nil) of future expenditure planned in relation to intangible assets, included above.

25. Contingencies

Dependent on future events, the Company is subject to various legal, regulatory and other proceedings and obligations arising in the ordinary course of business, including environmental, contractual and other commercial matters. Certain of these matters may give rise to contingencies and commitments that are not disclosed where the possibility of any outflow of economic benefits in settlement is considered remote. Other matters are subject to considerable uncertainty inherent due to their nature and stage of development.

The determination of whether legal, regulatory, environmental and tax matters give rise to a provision or should be disclosed as a contingent liability involves significant judgement. In particular, management assesses the probability of an outflow of economic resources and whether a present obligation exists at the reporting date, taking into account the nature and status of ongoing proceedings and claims, external legal advice, relevant precedent and the stage of the proceedings. Where an outflow is not considered probable, or cannot be reliably estimated, no provision is recognised and the matter is disclosed as a contingent liability.

The Company is a party to a number of environmental obligations where it is possible that an obligation may crystallise. Based on management assessment, informed by legal and technical advice, no present obligation has been established at the reporting date and any potential outflows of economic benefits are considered possible but not probable. Accordingly, no provision has been recognised in

F6. Notes to the financial statements

respect of these matters. Judgement is also applied in evaluating environmental and remediation matters, including the extent to which future regulatory actions or remediation requirements give rise to present obligations.

Where practicable, estimates are made of the potential financial effect of such contingent liabilities. However, in many cases it is not possible to make a reliable estimate due to the uncertainties surrounding timing, scope and outcome. In determining the extent of disclosure, management considers whether quantification of exposures is possible or whether such disclosure could be prejudicial to the Companies' position. Actual outcomes may differ from these judgements and could result in material changes to provisions or contingent liability disclosures in future years. Certain matters may be covered in whole or in part by insurance policies or contractual indemnities, although the timing and amount of any potential reimbursement remain uncertain.

In addition, the Company is party to a number of claims which may result in a future inflow of economic benefits. No amounts have been recognised in the financial statements in relation to such claims, as the receipt of economic benefits is not considered virtually certain at the reporting date.

26. Pensions and post-retirement benefits

Defined contribution schemes

The Company participates in defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the year by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to prior month contributions that were not due to be paid until after the end of the reporting year. The total cost charged to the income statement in 2026 amounted to £34m (2025: £40m).

Defined benefit schemes

The principal defined benefit pension scheme for TSUK is the British Steel Pension Scheme ('BSPS'), which is the main scheme for previous and present employees based in the UK. Benefits offered by this scheme are based on final pay and years of service at retirement. The assets of this scheme are held in a separately administered fund.

The British Steel Pension Scheme ('BSPS') is the legacy defined benefit pension scheme in the UK and is closed to future accrual. The current Scheme is the successor to the old BSPS which entered a PPF assessment period in March 2018 following a Regulated Apportionment Arrangement ('RAA') which separated the old BSPS from TSUK. The current Scheme was created on 28 March 2018 when 69.0% of the members of the old Scheme transferred into the current Scheme. The Scheme is sponsored by TSUK and at the end of March 2025 had around 62,000 members of which c.80% were pensioners with benefits in payment. Although TSUK had a legal obligation to fund any future deficit, a key condition of the new BSPS going forward was that it was sufficiently well funded to meet the Scheme's modified liabilities on a self-sufficiency basis with a buffer to cover residual risks.

In previous years the Scheme entered into a number of buy-in transactions with an external insurer and, on 17 May 2023, the BSPS completed a final buy-in transaction which ensured that all liabilities of the Scheme are fully insured. The funding levels secured as part of these arrangements enabled the Trustee to award an uplift equivalent to 3.0% of liabilities from February 2024 in order to restore an element of member benefits which were foregone as part of the RAA. The final buy-in also included the purchase of an insurance policy on an "all risks" basis whereby any risks for data cleanse items (e.g. impact of Guaranteed Minimum Pension and Barber equalisation) and residual risks (e.g. whether any members claim that their benefit calculations are incorrect) were passed on to the insurer.

During 2025/26 further progress was made with the steps required in order to fully de-risk the Scheme with an allocation of £185m of surplus Scheme funds being made to augment member benefits and, on 31 March 2026, the completion of a full buy-out of the Scheme's liabilities with the external insurer. The buy-out reflects the successful completion of TSUK's and Scheme's main objective since the RAA and has been completed ahead of schedule whilst delivering additional benefits for members beyond those specified at the time of the Scheme's inception.

As at the date of the buy-out, all members of the Scheme transferred to the external insurer such that a settlement of the Defined Benefit Obligation of £5,224m has been recognised as at 31 March 2026 with a corresponding reduction in plan assets (comprising all of the insurance policies) such that there was no gain or loss on settlement. As at 31 March 2026 the Scheme has c. £8m worth of assets remaining which are expected to be utilised to cover the remaining running and wind-up costs of the Scheme which is expected to be complete by 31 March 2027.

On 29 September 2023, TSUK and the Scheme Trustee signed a Deed of Amendment that stipulated that the Trustee shall apply any surplus assets at the time of winding up of the Scheme to augment member benefits to the fullest extent possible after allowing for any expenses necessary to wind up the Scheme. The Deed of Amendment means that there is no longer an ability for TSUK to access any of the surplus of the Scheme. In accordance with IAS 19 an 'asset ceiling' has been applied to reflect the fact that TSUK does not have an unconditional right to a refund from the Scheme and therefore any of the £8m of remaining assets which are not required for the Scheme's expenses will not be returned to the Company.

F6. Notes to the financial statements

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.

The key assumptions applied at the end of the reporting year, or in the case of BSPS immediately prior to the buyout of the Scheme, were as follows:

2026	BSPS %	Other %
Salary growth ⁽¹⁾	n/a	n/a
Pension increases ⁽²⁾	3.04	3.04
Discount rate	6.02	6.02
Inflation	3.04	3.04

1 The BSPS is closed to future accrual.

2 Where applicable a CPI assumption of 3.04% was applied within the BSPS.

2025	BSPS %	Other %
Salary growth ⁽³⁾	n/a	n/a
Pension increases ⁽⁴⁾	2.82	2.82
Discount rate	5.72	5.72
Inflation	2.82	2.82

3 The BSPS is closed to future accrual.

4 Where applicable a CPI assumption of 2.82% was applied within the BSPS.

The discount rate is set with reference to the current rate of return on AA rated corporate bonds (excluding government backed bonds) of equivalent term to the scheme liabilities. Projected inflation rate and pension increases are long-term predictions based mainly on the yield gap between long-term fixed interest and index-linked gilts.

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 base table assumption is reviewed and updated as necessary as part of the periodic actuarial funding valuations of the individual pension and post-retirement plans. For the BSPS the liability calculations as at 31 March 2026 use the Self-Administered Pension Schemes 3 (SAPS 3) base tables, S3PMA_M/S3PFA/S3DFA with the 2020 CMI projections with a 1.25% p.a. (2025: 1.25% p.a.) long-term trend applied from 2013 to 2021 (adjusted by a multiplier of 1.03 p.a. (2025: 1.03 p.a.) for males, 1.03 p.a. (2025: 1.03 p.a.) for females and 1.04 p.a. for female dependents (2025: 1.04 p.a.). The future mortality improvements assumptions are typically updated with each release of an updated model. Future mortality improvements from 2021 onwards are allowed for in line with the 2022 CMI Projections with a long-term improvement trend of 1.0% (2025: 1.0%) per annum, a smoothing parameter of 7.0 (2025: 7.0) and a 25.0% allowance for adopting the w2022 parameter for excess deaths in the UK in the COVID-19 affected years. This indicates that today's 65 year old male member is expected to live on average to approximately 86 years (2025: 86 years) of age and a male member reaching age 65 in 15 years' time is then expected to live on average to 86 years (2025: 86) of age.

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 year. No charge or credit is reflected here for any surplus or deficit in the scheme and so the cost is unrelated to whether, or how, the scheme is funded.
- The net interest cost/(income) on the liability or asset recognised in the balance sheet.
- Asset ceiling restrictions are applied where the provisions of the scheme do not allow for refund of any residual surplus to the company in the event of wind-up of the scheme.

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 other comprehensive income. Examples of such variations are differences between the discount rate used for calculating the return on scheme assets (credited to the income statement) and the actual return, the re-measurement 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.

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Income statement pension costs arose as follows:

	2026 £m	2025 £m
Current service costs	5	8
Net interest income	(1)	(3)
Interest cost on irrecoverable surplus	1	3
Defined benefit schemes	5	8
Defined contribution schemes	34	40
Total charge for the year	39	48

Total pension costs disclosed above and included in the income statement are as follows:

	2026 £m	2025 £m
Pension costs (Note 4)	39	48
Total charge for the year	39	48

The actual return on plan assets for the above schemes was a gain of £217m (2025: £16m loss).

Plan assets

The asset classes include national and international stocks, fixed income government and non-government securities and real estate and annuities with external insurers. The majority of the reported plan assets are located in UK and EU. 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	2026 %	2025 %
Quoted:		
Bonds- Fixed rate	-	1.5%
	-	1.5%
Unquoted:		
Real estate	41.8%	0.5%
Cash and cash equivalent	58.2%	1.2%
Insurance	-	96.5%
Other	-	0.3%
	100%	98.5%
Total	100%	100%

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.
- Asset ceiling restrictions are applied where the provisions of the scheme do not allow for refund of any residual surplus to the Company in the event of wind-up of the Scheme.

F6. Notes to the financial statements

Amounts recognised in the balance sheet arose as follows:

2026	BSPS £m	Other £m	Total £m
Fair value of plan assets	8	-	8
Present value of obligation	-	(6)	(6)
Irrecoverable surplus (effect of asset ceiling)	(8)	-	(8)
	-	(6)	(6)
Disclosed as:			
Defined benefit liability - non-current	-	(6)	(6)
Arising from:			
Unfunded schemes	-	(6)	(6)
2025	BSPS £m	Other £m	Total £m
Fair value of plan assets	5,464	-	5,464
Present value of obligation	(5,439)	(6)	(5,445)
Irrecoverable surplus (effect of asset ceiling)	(25)	-	(25)
	-	(6)	(6)
Disclosed as:			
Defined benefit liability - non-current	-	(6)	(6)
Arising from:			
Unfunded schemes	-	(6)	(6)

The movements in the present value of plan assets and defined benefit obligations in 2026 and 2025 were as follows:

2026	BSPS £m	Other £m	Total £m
Plan assets:			
As at 1 April 2025	5,439	-	5,439
Interest income on plan assets	299	-	299
Interest cost on irrecoverable surplus	(1)	-	(1)
Return on plan assets less than the discount rate	(99)	-	(99)
Change in effect of asset ceiling	18	-	18
Benefits paid	(432)	-	(432)
Settlements related to buy out	(5,224)	-	(5,224)
As at 31 March 2026	-	-	-
Defined benefit obligations:			
As at 1 April 2025	5,439	6	5,445
Current service cost	5	-	5
Interest cost on the defined benefit obligations	298	-	298
Actuarial gain due to financial assumption changes	(117)	-	(117)
Actuarial losses due to actuarial changes	31	-	31
Benefits paid	(432)	-	(432)
Settlements related to buy out	(5,224)	-	(5,224)
As at 31 March 2026	-	6	6

F6. Notes to the financial statements

2025	BSPS £m	Other £m	Total £m
Plan assets:			
As at 1 April 2024	5,918	-	5,918
Interest income on plan assets	282	-	282
Interest cost on irrecoverable surplus	(3)	-	(3)
Return on plan assets less than the discount rate	(342)	-	(342)
Change in effect of asset ceiling	47	-	47
Benefits paid	(463)	-	(463)
As at 31 March 2025	5,439	-	5,439
Defined benefit obligations:			
As at 1 April 2024	5,918	7	5,925
Current service cost	8	-	8
Interest cost on the defined benefit obligations	279	-	279
Actuarial gain due to financial assumption changes	(469)	-	(469)
Actuarial losses due to actuarial changes	166	-	166
Benefits paid	(463)	(1)	(464)
As at 31 March 2025	5,439	6	5,445

Actuarial gains recorded in the statement of comprehensive income for the year were £5m (2025: gains of £8m).

27. Related party transactions

The table below sets out details of transactions which occurred in the normal course of business between the Company and its joint ventures. Joint arrangements are considered as joint ventures for reporting purposes.

	2026 £m	2025 £m
Amounts reported within the income statement:		
Purchases from joint operations	5	6
Amounts reported within the balance sheet:		
Amounts owed to joint operations (Note 17)	3	2

28. Events after the reporting period

Since the year end and up to the date of approval of these financial statements, TSUK has received £153m by way of an advance of funding from Corus Group Limited ('CGL').

On 31 May 2026, the Company's wholly owned subsidiary, Corus International Limited ("CIL"), declared a dividend of £696m, representing the full amount of its distributable reserves. The dividend was settled to TSUK through a series of assignments of intercompany balances within the CGL group. As part of this settlement, intercompany payables of £394m owed by TSUK to Corus International (Overseas Holdings) Limited ("CIOH") and CIL were offset, and intercompany receivables of £302m due from CGL were assigned to TSUK. Following these transactions, TSUK no longer has any intercompany payable balances with CIOH and CIL and instead has a net intercompany receivable of £302m due from CGL. As a result of recognising the dividend declared by CIL and derecognising the carrying value of its investment in CIL, TSUK has recorded a net credit of £486m in its financial statements, with a corresponding increase in net assets as at 31 May 2026. This transaction is considered a non-adjusting post balance sheet event. Accordingly, no adjustments have been made to these financial statements in respect of this matter.

On 3 June 2026, a fire broke out at the Company's Port Talbot site. As at the date of approval of these financial statements, the extent of the damage and the resulting financial impact, including any potential insurance recoveries, are still being assessed, but the costs incurred due to this event during the month-ended 30 June 2026 are not material. The Company is working to ensure customer requirements are met through alternate assets and will actively seek insurance claims to recover the damages as appropriate. No adjustments have been made to these financial statements in respect of this event.

29. Ultimate and immediate parent company

Corus Group Limited is the Company's immediate parent company, which is registered in England and Wales. Corus Group Limited is an intermediate holding company, registered in England and Wales, and is the smallest group to consolidate these financial statements.

Copies of the Report & Accounts for Corus Group Limited may be obtained from the Secretary, 18 Grosvenor Place, London SW1X 7HS.

Tata Steel Limited, a company incorporated in India, is the ultimate parent company and controlling party and the largest group to consolidate these financial statements.

Copies of the Report & Accounts for Tata Steel Limited may be obtained from its registered office at Bombay House, 24 Homi Mody Street, Mumbai, 400 001.

30. Disposal of group undertakings

During the year, the Company entered the following companies into liquidation

- Crucible 2025 Limited
- Tata Steel International (India) Limited

31. Details of related undertakings

The subsidiary undertakings, joint ventures and associates of the Company at 31 March 2026 are set out below. Country names are countries of incorporation. Undertakings operate principally in their country of incorporation.

Subsidiary undertakings

Steel producing, further processing or related activities:

Brazil

Tata Steel International (South America) Representacoes Limited (ii) (iii)	C/O SIS, Brigadeiro Faria Lima, 1685 Conj. 5J Sao Paulo, SP Brazil
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Germany

Catnic GmbH (i) (iii)	Am Leitzelbach 16, Sinsheim, 74889, Germany
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India

Tata Steel International (India) Limited. (i) (iii) (v)	3rd Floor, One Forbes Buildings, 1 Dr V B Ghandi Marg Fort, Mumbai, 400 001, India
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Ireland (Republic of)

Gamble Simms Metals Limited. (i) (iii)	70 Sir John Rogerson's Quay, Dublin 2, Ireland
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Isle of Man

Crucible 2025 Limited. (ii) (iii) (v)	Level 2, Samuel Harris House, 5-11 St. George's Street, Douglas, Isle of Man, IM1 1AJ
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Mexico

Tata Steel Mexico SA de CV (ii) (iii)	Blvd Bernardo Quintana 300, Colonia centro sur, ZIP 76090, Querétaro Qro, Mexico
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Nigeria

Tata Steel International (Nigeria) Limited (ii) (iii)	Block 69a, Plot 8, Admiralty Way, Lekki Phase 1, Lagos, Nigeria
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Norway

Tata Steel Norway Byggsystemer A/S (ii) (iii)	Roraskogen 2, Skien, N 3739, Norway
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Romania

Corus International Romania SRL (ii) (iii)	7, Hirsova Street, Sector 3, Bucharest, Romania
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F6. Notes to the financial statements

South Africa

TS South Africa Sales Office Proprietary Limited (i) (iii)

Indobali Office Park, 229 Hull Road Rynfield, Benoni, Gauteng,
1501, South Africa

Sweden

Surahammar Bruks AB (ii) (iii)

Box 201, S-735 23, Surahammar, Sweden

UAE

Tata Steel International (Middle East) FZE (ii) (iii)

PO Box 18294, Jebel Ali, Dubai, United Arab Emirates

United Kingdom

137050 Limited (i) (iii) (vii)

British Steel Trading Limited (i) (iii) (vii)

Cogent Power Limited (i) (iii) (vi)

Corby (Northants) & District Water Co. (i) (iii)

Corus CNBV Investments (50%) (ii) (iii)

Corus Engineering Steels (UK) Limited (i) (iii)

Corus Engineering Steels Limited (i) (iii)

Corus Holdings Limited (i) (iii)

Corus International (Overseas Holdings) Limited (ii) (iii)

Corus International Limited (i) (iii)

Corus Property (50%) (ii) (iii)

Corus UK Healthcare Trustee Limited (i) (iii)

Hammermega Limited (ii) (iii) (vii)

H E Samson Limited (i) (iii)

Runblast Limited (i) (iii) (vii)

Tata Steel Research & Innovation Limited (Formerly Tata Steel UK Consulting Limited) (i) (iii)

The Newport And South Wales Tube Company Limited (i) (iii) (vi)

U.E.S. Bright Bar Limited (i) (iii) (vii)

UES Cable Street Mills Ltd (ii) (iii) (vii)

UK Steel Enterprise Limited (i) (iii)

30 Millbank London SW1P 4WY

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

58 Morrison Street, Edinburgh, Scotland EH3 8BP

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

156 Great Charles Street Birmingham B3 3HN

18 Grosvenor Place London SW1X 7HS

P O Box 4385 Cardiff CF14 8LH

18 Grosvenor Place London SW1X 7HS

18 Grosvenor Place London SW1X 7HS

154 Great Charles Street, Queensway, Birmingham. B3 3HN

9 Albert Embankment, London. SE1 7SN

The Innovation Centre 217 Portobello Sheffield S1 4DP

USA

Tata Steel International (Americas) Holdings Inc. (ii) (iii) (iv)

Wilmington Trust SP Services Inc., 1105 N Market Place,
Wilmington, DE, 19899

Tata Steel International (Americas) Inc. (ii) (iii)

475 N. Martingale Road, Suite 400, Schaumburg, IL 60173 USA

Classification key:

(i) Directly owned by Tata Steel UK Limited

(ii) Indirectly owned by Tata Steel UK Limited

(iii) Ordinary shares

(iv) Ordinary A shares

(v) Currently in liquidation via members voluntary liquidation

(vi) Cumulative redeemable preference shares

(vii) Restored by court order and claimed exemption from preparing
and filing individual accounts under Section 394A and 448A of the
Companies Act 2006

Unless indicated otherwise, subsidiary undertakings are directly or indirectly wholly owned within the Group.

F6. Notes to the financial statements

Joint arrangements

United Kingdom

Air Products Llanwern Limited (50%) (i) (ii) (JO)

Hersham Place Technology Park, Molesey Road, Walton On Thames, Surrey, KT12 4RZ

Ravenscraig Limited (33%) (i) (iii) (JV)

58 Morrison Street, Edinburgh, Scotland EH3 8BP

Texturing Technology Limited (50%) (i) (iii) (JO)

PO Box 22, Texturing Technology Ltd, Central Road, Tata Steel Site Margam, Port Talbot, West Glamorgan, Wales, SA13 2YJ

Classification key:

(i) Owned by the Company

(ii) Ordinary shares

(iii) Ordinary A shares

(JO) Joint Operation

(JV) Joint Venture

Unless indicated otherwise, subsidiary undertakings are directly or indirectly wholly owned within the Group.
