

Tata Steel UK Limited Section 172 and Corporate Governance Statements for the Financial Year 2026

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 consequence 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 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 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.