

TATA STEEL



SUMMARY Sustainability report 2022/2023



Steel is a special material. Strong enough to build large structures and sufficiently ductile at the same time. And with its high wear resistance, it is one of the most recyclable materials.

Steel is everywhere. Trains, cars, ships, windmills, houses, e-bikes and household appliances are all made of steel. Its applications are countless. Thanks to our thin-rolled steel, our customers can make their products lighter and therefore more sustainable. To make for more economical cars, for example. And special coatings on our cans keep food fresher for longer.

In our 2022/2023 Sustainability Report, you can read that Tata Steel Netherlands ranks among the sustainable top of the global steel industry. The CO₂ emissions from our steel production are almost 19% lower than the global average. That is the result of many years of efforts on our part, while we have been able to reduce the impact on our immediate

environment as well. Global developments and the public debate surrounding our company make it clear that more is needed. We hear the criticism AND take our responsibility. That's why we have significantly increased our environmental efforts and are working towards a sustainable future: green steel in a clean environment.

In our 2022-2023 Sustainability Report, we account for our plans, performance and results in the field of sustainability. It shows how we deal with all relevant themes, from climate to local environment and from customers to employees.

The full report is available at www.tatasteelnederland.com/sustainability-report

For more information, questions or comments, please send an e-mail to: nieuws@tatasteleurope.com

CUSTOMER & VALUE

Our customers make all kinds of products that people around the world use to be able to work, live and move. Through our steel and our services, we support customers in a sustainable way.

By innovating continuously, our customers remain successful in the markets they serve. We support our customers where necessary and develop innovative ideas together. We listen carefully to the needs and priorities of our customers.

When developing a product, we calculate the impact of each phase in its service life on the following aspects:

- Climate change and energy consumption
- Water use
- Emissions and substances of very high concern
- Raw material use and waste reduction
- Service life, reuse and recycling
- Social and ethical values
- Economic sustainability

We carried out a sustainability test for each of the ten newly developed steel products in the past year. It showed that they all outperformed current products in the field of sustainability. Based on this approach, we are always in dialogue with customers who, like us, aim to reduce CO₂ emissions.

R&D driving force

Our Research & Development (R&D) department is the driving force behind the development of better and more sustainable products and processes, across the entire value chain. Last year, the R&D department was therefore strengthened with fourteen full-time positions, with another six being added in the coming year.

R&D FIGURES

REPORTING YEAR 2022-2023

Patents granted

161

Patents applied for

22

R&D expenditure

**64 million
Euros**

New products
developed and launched

10

R&D employees

**307
FTE**

Zeremis: steel with less CO₂

The demand for green steel is growing. That's why we launched the Zeremis® (zero emissions) brand in 2022, in preparation of our commitment to be CO₂ neutral by 2045. The first product, Zeremis Carbon Lite®, concerns high-quality steel with a smaller CO₂ footprint: guaranteed to be produced with at least 30% fewer CO₂ emissions compared to the European average for steel products (verified externally).

During the year under review, five customers that apply the steel for kitchen cabinet hinges, robot storage systems and passenger cars already showed an interest.



ENVIRONMENT AND SURROUNDINGS

We have been making steel in the IJmond region for more than a century. We want to continue to do this with due care and in accordance with laws and regulations. Nevertheless, we cause a nuisance. That's why in 2020 we launched the Roadmap Plus improvement programme for Tata Steel IJmuiden, which consists of many projects aimed at further reducing the burden of noise, odour, light, dust and PAHs.

Most projects will be completed by the end of 2023, with the exception of an 18-metre high dust screen (2024) and the DeNOx installation at the Pelletising Plant (2025). These measures against the emissions of PAHs (Polycyclic Aromatic Hydrocarbons) have been taken. Measurements in 2022 showed that the intended 50% reduction has been achieved.

Furthermore, odour emissions at the Steel Plant and Coking and Gas Plant 2 have more than halved and the proportion of slag dust in slag samples has decreased considerably, as have the emissions of particulate matter, heavy metals and lead. We are taking additional measures in the field of noise. Nearly 3,000 conventional lamps have been replaced by LEDs to reduce light dissemination.

Goals Roadmap Plus

- 50% less PAHs (achieved)
- 85% less odour nuisance in 2023
- 65% less dust precipitation in Wijk aan Zee in 2024
- 70% less lead by 2023
- 35% less particulate matter in 2023
- 55% less heavy metals in 2023
- 30% less nitrogen by 2025

Local involvement

We support local initiatives in the fields of sports, education and culture. For example, we organised an Easter activity for vulnerable families, collected money for the purchase of playground equipment and, together with social partner Telstar, organised special sports projects for children. In September we organised the Tata Steel Festival, a two-day open house with a job fair. January 2023 saw another edition of the Tata Steel Chess Tournament during which we welcomed 1,500 chess players (from grandmasters to amateurs) and over 15,000 spectators.



In April 2022, some 240 girls from eleven primary and secondary schools in our region were given the opportunity to get acquainted with technology at a young age

Map of short-term and long-term measures

Scan the QR code for an interactive overview of our measures for a better living environment and future green steel production.



PEOPLE AND SOCIETY

Tata Steel Netherlands strives for a good working climate and embraces cultural diversity in an inclusive environment. Safety for our employees is our top priority. We invest in the sustainable employability of our employees as much as possible, including a vitality programme and training courses.

- During the year under review, the success rate of the Tata Steel Academy was 82%, compared to a national average of 65 percent.
- Current employees can attend training at the Tata Steel Academy to further advance their level. In 2022, more than 543 employees participated in training courses: 431 at medium professional level and 112 at higher professional level.
- The Tata Steel Academy is already preparing students for the transition to green steel, with Hydrogen learning modules for professional training courses such as Electrical Engineering, Mechanical Engineering, Process engineering and Logistics.
- During the year under review, Tata Steel IJmuiden employed 63 trainees. Many of those participated in sustainability projects.
- In 2022, under the motto of Connect, Change and Care, the leadership programme that ultimately covers the entire workplace was rolled out. The goal is to develop into a meaningful, sustainable enterprise.

Goals and results:

- An inclusive working climate (being able to be yourself at work): 96% at the start of 2023 (target: 99% in 2027)
- Cultural diversity: 15% at the start of 2023 (target: 25% in 2027)
- More women in senior technical positions: 2.5% at the start of 2023 (target: 5% in 2027)
- More women in decision-making positions: 17% at the start of 2023 (target: 30% in 2027)
- Lost-time accidents per million hours worked: 0.72 in 2022/2023 (target: 0.6)
- Gender pay gap: 1% (nationally 2 to 3%).

Certificate bicycle-friendly company

Every day, 650 employees cycle to work. On 19 May 2022, we received the Gold certificate for bicycle-friendly company from the Dutch Bicycle Association. We sought to be certified to learn how we can become even more bicycle-friendly.

Social contract

The transition to green steel means that in ten years' time, the Tata Steel IJmuiden site will look completely different. Some installations will even disappear entirely. To offer the people who work there prospects, we concluded the Green Steel Social Contract with the trade unions during the year under review. This created clarity for employees whose jobs will eventually disappear as a result of the transition.

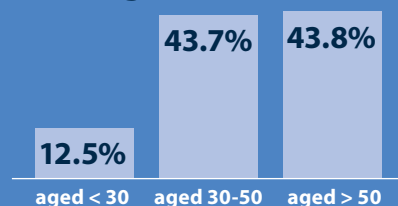
EMPLOYEES

REPORTING YEAR 2022-2023

Number of employees

12,299

Age structure



Number of female staff

1,265

New employees

1,108

Staff turnover

4.1%

DECARBONISATION AND SUSTAINABILITY

The climate issue is urgent and requires a rapid reduction in greenhouse gas emissions across the globe. Compared to 1990, Tata Steel IJmuiden has achieved a reduction in CO₂ emissions of fifteen percent. Based on our green steel strategy, i.e. steel production with green hydrogen and without coal, we aim to be CO₂ neutral by 2045.

Together with suppliers and customers, we are working on the creation of a value chain that offers maximum sustainability, while using natural resources and energy as efficiently as possible.

Currently, Tata Steel accounts for 8% of total CO₂ emissions in the Netherlands. The responsibility is therefore major, but so is the opportunity to make a relevant contribution to the Dutch climate objectives.

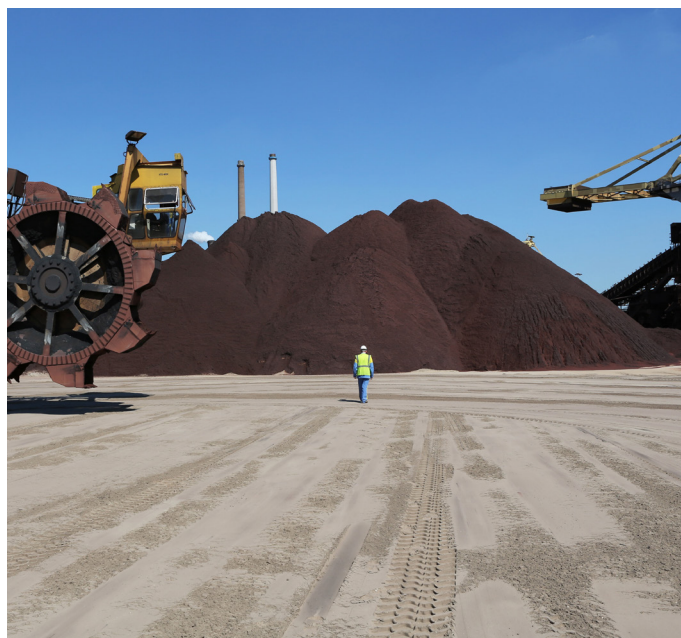
- Our steel production generates more than 11 million tons of CO₂ each year, the majority of which in the making of pig iron (90%). Half is emitted through our own processes, the other half through residual gases used for the production of electricity (by Vattenfall in Velsen-North). This electricity finds its way back to our company again.
- In 2021 we decided to completely change the heart of our production process in IJmuiden (where most CO₂ emissions occur), by switching to new and cleaner technologies. Traditional blast furnaces and coking and gas plants are being replaced by new installations that run on natural gas or green hydrogen for the production of pig iron.
- We want to make green steel by 2030, which means the closure of one blast furnace and Coking and Gas Plant 2. Once this process is fully operational, we will also replace the last blast furnace and cooking and gas plant.
- This transition requires many new permits; during the year under review, the Noord-Holland provincial authorities decided on a shortened, fast-track permit procedure. The Participation process to involve local residents in these plans was started in March 2023.
- Our efforts on making energy savings are ongoing. During the past five years, we have made savings that equals the electricity consumption of approximately 12,000 households (0.6 petajoules/year). That accounts for 1% of our total energy consumption.
- In our production, materials are reused as much as possible. The residual material from one plant is often the raw material for the next. In 2022, we managed to reuse 98% of all residual and by-products in useful applications.
- We want our raw materials, such as iron ore and coal, to be sourced responsibly, which is why we work together with NGOs, trade unions, companies and governments to improve conditions in our supply chains.

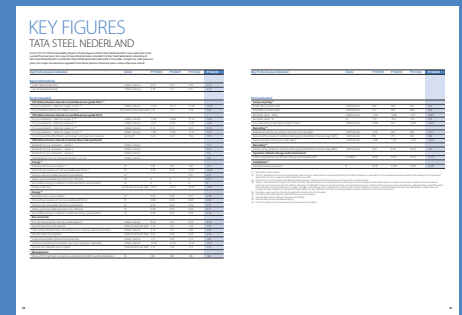
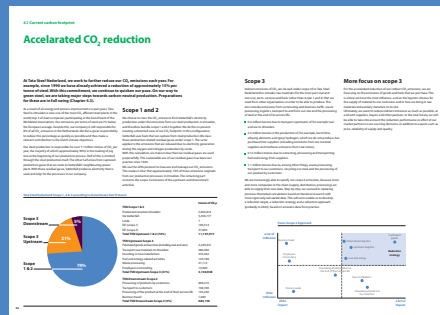
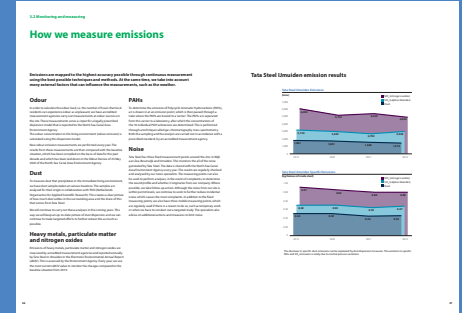
Downstream CO₂ neutral

In addition to IJmuiden, Tata Steel Netherlands has 19 other locations. In these plants, our steel is processed further for high-quality applications in specific market segments. The service centres in Halmstad (Sweden) and Naantali (Finland) already became certified for CO₂-neutral business operations (scope 1 and 2) in July 2022. The other locations will follow by 2030 at the latest.

Reduction in logistics

Zero Carbon Logistics focuses on reducing CO₂ emissions when transporting our product to the customer. The ultimate goal is a CO₂ reduction of 30% compared to the reference year 2019. At the end of the 2022-2023 reporting year, we achieved a reduction of 19%.





2022/2023 SUSTAINABILITY REPORT ONLINE

The entire Sustainability Report is available at:
www.tatasteelnederland.com/duurzaamheidsverslag

Do you have any questions and/or comments about the report and how we can improve it? Please e-mail us at:
nieuws@tatasteeleurope.com



STAY INFORMED

Would you like to stay updated on any new developments at Tata Steel? Check out our website:
www.tatasteelnederland.com/en

Below is an overview of other communication channels:

- Tata Steel in de Buurt information office
- Wijk aan Zee residents' panel
- Staal & IJmond regional newspaper
- RandomStaal newsletter

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