

TATA STEEL



Future-Ready

Resolute

Resilient



Integrated Report &
Annual Accounts 2020-21

114th Year

Resilient. Resolute. Future-Ready.



At Tata Steel, innovation and responsibility have been at the core of building a sustainable enterprise and exploring possibilities towards creating a better future. Whether by developing high-strength steel or offering new solutions for construction and mobility, we relentlessly focus on delivering world-class products that are synonymous with quality and durability. We also deploy best available technologies and processes to drive resource efficiency and develop materials of the future which are superior, sustainable and affordable.

About Tata Steel

Established in India as Asia’s first integrated private steel company in 1907, Tata Steel today is one of the most profitable and lowest cost producers of steel in the world, with captive iron ore mines and collieries located near our

The ebbs and flows of business cycles notwithstanding, we have focussed on strengthening our balance sheet, upholding the highest standards in ethical and responsible business practices and striving towards a shared future of prosperity. Even when faced with a once-in-a-century global crisis that tested our resilience, we stayed true to our core values and worked together with our stakeholders to embrace a new normal.

manufacturing facilities in Jamshedpur and Kalinganagar. Our comprehensive portfolio of products and brands caters to multiple industries and segments, making the steel we produce an integral part of everyday life.

Tata Steel’s Four Pillars of Transformation

Read more in the Chairman’s message on [Page 30](#)

Resilience and Agility

Simplification and Scale

Technology and Digital Leadership

Enabling Planet Resilience

Contents

04	Performance Snapshot	
	Summary FY 2020-21	04
	Health, safety and new businesses	06
	Combating COVID-19	08
14	About Tata Steel	
	Corporate portrait	14
	Integrated operations	16
	Product portfolio and geographic presence	18
	Introducing our capitals	20
	Business model	22
	Value creation imperatives	24
28	Leadership	
	Board of Directors	28
	Chairman’s message	30
	Management speak	34
40	Strategy	
	Strategy planning	40
	Strategic objectives	42
	Risk management	44
	Opportunities	54
58	Stakeholders and Materiality	
	Stakeholder engagement	58
	Materiality	62
68	Capitals	
	Financial capital	68
	Manufactured capital	72
	Intellectual capital	76
	Human capital	82
	Natural capital	90
	Social and Relationship capital	98
112	Governance	
	Compliance and ethics	112
	Sustainability strategy	114
	Awards and recognition	116
120	Statutory Reports	
	Board’s Report	120
	Annexures	138
236	Financial Statements	
	Financial Highlights	236
	Standalone	240
	Consolidated	334
	Notice of AGM	452

King Power MahaNakhon, Bangkok

A marvel of tomorrow elevating the skyline and exemplifying ingenuity and innovation, raising the bar of luxury for tomorrow.

The iconic structure is built using 2,000 tonne of Tata Tiscon rebars.

Sure, we make steel.
But #WeAlsoMakeTomorrow

ABOUT THIS REPORT

Our approach to reporting

This is the sixth Integrated Report of Tata Steel Limited (Tata Steel). Our Integrated Report provides quantitative and qualitative disclosures on our relationships with the stakeholders and how our leadership, culture and strategy are aligned to deliver value while managing risks and changes to the external environment. Our Report continues to evolve towards enhanced disclosures to meet the requirements of our investors and other stakeholders.

Reporting principle

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards issued by The Institute of Company Secretaries of India. The Report is prepared in accordance with the Integrated Reporting <IR> framework of the International Integrated Reporting Council (IIRC) and discloses performance against Key Performance Indicators (KPIs) relevant to Tata Steel, which are aligned with Global Reporting Initiative (GRI), the requirements of Business Responsibility Reporting issued by the Securities and Exchange Board of India (SEBI) and World Steel Association (worldsteel).



Reporting period

The information is reported for the period April 1, 2020 to March 31, 2021. For KPIs, comparative figures for the last three to five years have been incorporated in the Report to provide a holistic view.

Scope and boundary

The Report predominantly covers information with respect to Tata Steel's plants located at Jamshedpur, Jharkhand and Kalinganagar, Odisha, Raw Materials Division and Profit Centres. However, certain sections of the Report include KPIs (financial and production) of our subsidiaries, Tata Steel BSL Limited (TSBSL) and Tata Steel Long Products Limited (TSLP).

Approach to materiality

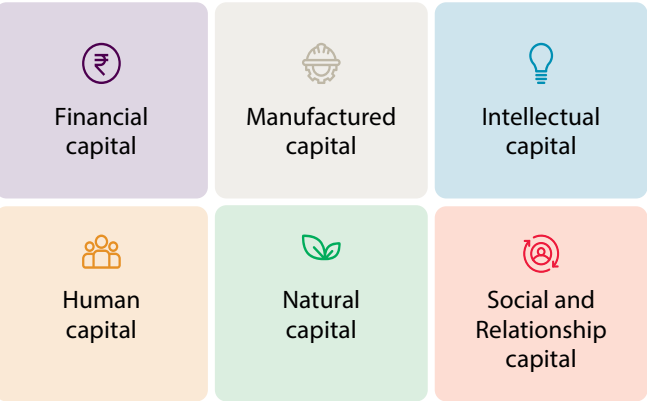
The Report presents an overview of our business and associated activities that help in long-term value creation. Report content and presentation is based on issues material to Tata Steel and its stakeholders. Material issues are gathered from multiple channels and forums of engagement across the organisation and from external stakeholders. In FY 2018-19, Tata Steel updated its Environmental, Social and Governance (ESG) material issues and incorporated them in its long-term plans.



Contributing to UN Global Goals



Our capitals



Management responsibility

To optimise governance oversight, risk management and controls, the contents of this Report have been reviewed by the senior executives of the Company, including the Chief Executive Officer and Managing Director; Executive Director and Chief Financial Officer; Vice President (Safety, Health and Sustainability); and the Company Secretary and Chief Legal Officer (Corporate and Compliance).

Independent assurance

Assurance on financial statements has been provided by independent auditors Price Waterhouse & Co. Chartered Accountants LLP and on non-financial statements by Ernst & Young Associates LLP. The certificate issued by Ernst & Young Associates LLP is available on our website at www.tatasteel.com or can be accessed at <https://bit.ly/3ppjwr3>

Forward-looking statements

Certain statements in the Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations.

Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operational or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SUMMARY FY 2020-21

A year of resilience

The first half of the financial year witnessed disruptions caused by the pandemic. However, the domestic steel demand improved from the second half with favourable policies, increased government spending and relaxed movement norms. We managed to deliver broad-based, market-leading volume growth supported by our agile business model.

Tata Steel (Standalone)	Tata Steel (India)	Tata Steel (Consolidated)
Crude Steel Production (MnT)		
12.19 ↓7%	16.92 ↓7%	28.54 ↓7%
Deliveries (MnT)		
12.36 0%	17.31 ↑2%	28.50 ↓1%
Turnover (₹ crore)		
64,869 ↑7%	91,037 ↑11%	1,56,294 ↑5%
Reported EBITDA (₹ crore)		
21,952 ↑45%	28,587 ↑62%	30,892 ↑71%

We achieved highest-ever India deliveries as well as consolidated EBITDA during FY 2020-21.

Tata Steel (Standalone)	Tata Steel (India)	Tata Steel (Consolidated)
Reported EBITDA per tonne (₹)		
17,764 ↑45%	16,515 ↑59%	10,838 ↑73%
Reported profit-after-tax (₹ crore)		
13,607 ↑102%	16,695 ↑198%	8,190 ↑599%
Cash generated from operations – before tax (₹ crore)		
29,729 ↑95%	39,612 ↑135%	45,031 ↑102%
<p>Tata Steel (India) – Tata Steel standalone + Tata Steel BSL Limited (TSBSL) + Tata Steel Long Products Limited (TSLP)</p> <p>Tata Steel (Consolidated) – Tata Steel India + Tata Steel Europe + Tata Steel South-East Asia + Rest of the World</p> <p>Numbers pertain to FY 2020-21. The percentage increase/decrease is compared to FY 2019-20</p>		

Our new initiatives

In a year like no other, we delivered robust performance and continued to consolidate our industry leadership in India. The pandemic-induced challenges notwithstanding, we increased our deliveries, introduced new and value-added products and strengthened our health and safety standards.

Committed towards health and safety



Health

- » Rapidly augmented COVID-19 testing capability to 1,000 tests per day; undertaking RT-PCR and RAT tests across operating locations
- » 56% high risk cases transformed to moderate or low risk cases in FY 2020-21 related to lifestyle diseases

Safety

- » Trained 13,000+ workforce on various safety standards at Safety Leadership Development Centre in FY 2020-21
- » Reduced red-risk incidents by 61% Y-o-Y
- » Installed 89 additional cameras at the Jamshedpur plant to enable remote operations

Progress on new businesses



Aashiyana

Our online home building platform offering Tata Steel's entire product range generated a revenue of ₹726 crore in FY 2020-21, an increase of 130% Y-o-Y



New Materials Business

- » Enhanced manufacturing capacity of composites business
- » Onboarded six manufacturing and supply partners with a focus on asset-light model
- » Registered trademarks for graphene-enriched fabrics 'FABOUR' and graphene-coating solutions 'WONDRA'



Steel Recycling Business

- » Completed shredder erection
- » Launched brands for Ferrous Scrap: Tata FerroBaled® and Tata FerroShred® – first in the world
- » Launched first-of-its-kind app FerroHaat™ to build a digital supply chain for scrap



Services and Solutions

- » Tata Pravesha achieved best-ever yearly performance with 80,000+ installations
- » Nest-In completed first major G+1 project through Light Gauge Steel Frame construction

COMBATING COVID-19

Combating the pandemic with the nation

The unprecedented health crisis triggered by the COVID-19 pandemic not only posed significant threat to human life, but also impacted livelihood.

As the containment measures brought economic activities to a halt, socio-economic fallout was significant. At Tata Steel, we rolled out multi-pronged programmes to ensure the health and safety of all stakeholders, while boosting healthcare infrastructure and providing immediate relief to the community.



Supporting the community

During the first wave of COVID-19, the Tata Steel Foundation (TSF) undertook a 10-point #CombatCovid19 programme, reaching out to more than 10.5 lakh people across India.

The programme was recalibrated in early 2021 and has reached over 4.5 lakh people since. The basic objectives remain:

- » Enhancing public health systems capacity for communities
- » Meeting deficits of material, information and well-being
- » Creating economic and other opportunities to address sociological impacts of the pandemic

The primary emphasis in 2021 has been on expeditiously closing gaps in key consumables and equipment available with public health systems that serve communities in remote areas of Jharkhand and Odisha. These include ~50,000 home isolation kits, 3,78,000 testing kits, 10 ventilators and oxygen concentrators, while more than 6,000 oximeters and 2,000 thermal scanners have been provided to frontline health workers to aid effective early detection.

Vaccination remains one of the primary goals as well as challenges. Sensing the need to increase awareness around vaccination, as well as drive

large-scale vaccination, we adopted a three-pronged approach to bring communities in and around our operational areas on board. Our digital campaign, #ApnoKiSuno, focussed towards effective behavioural change communication through crowd-sourced videos from Village Heads on critical issues relating to vaccination. These videos helped secure 10,000+ registrations.

We are also helping people register online for COVID-19 vaccination. What began as an initiative in Odisha and Jharkhand has now turned into a nationwide campaign, reaching out to ~40,000 people through our

Reached out to

10.5 lakh

lives during the first wave

6,000+

hours of volunteering

#DigitalBridges programme.

Moreover, it also helps reduce crowding in facilities that provide public services. Along with Tata Main Hospital, Jamshedpur and the state government, we are facilitating vaccination at seven centres in the city.

Our employee volunteering initiative, #FarRishta, has been activated to lend a helping hand at major vaccination centres in Jamshedpur. Till date, ~45,000 people have been reached out across seven states through more than 6,000 hours of volunteering.

Other initiatives under the #CombatCovid19 programme



#ThoughtforFood

Worked with the District Administration to provide warm wholesome meals to 50,000 families a day in the worst-affected settlements and slums in Jamshedpur



#StitchinTime

Engaged with communities to make 50,000 three-ply cloth masks for frontline health workers in need of Personal Protective Equipment



#CashforWork

Helping increase the average income of 1,000 households by promoting kitchen gardens, linking farm produce to markets, making bags from newspapers and creating art and textile designs



#HopeSprings

Designed modules with trained psychiatrists and happiness practitioners to pre-emptively address any trauma faced by migrant labour brought upon due to the pandemic

#FriendinNeed

Created a Suicide Prevention Centre with a team of dedicated volunteers, extending emotional support during the pandemic



Supporting our team members

We set up a 24x7 COVID-19 helpline for employees across locations to disseminate accurate and quick information, including those related to HR and medical.

Speak Up, a Coronavirus Guidelines Violation Reporting Helpline, was created and used extensively for reporting any violations of quarantine rules. For employees who lost their lives to COVID-19, we have extended our social security schemes to the family, including medical benefits; this policy covers both frontline employees and shop floor workers.

The pandemic also invalidated the traditional thinking of productivity being contingent on fixed hours of work within an office environment and bust many myths around remote working. We implemented an Agile Working Model in November 2020. Flexible working provided employees

the freedom to select work locations of their choice and helped them make decisions pertaining to their personal life to enable better work-life balance.

The new policies have encouraged a trust-based, outcome-driven culture as well as helped attract and retain the best talent available. Having invested in our digital platforms for improved connectivity, we could seamlessly implement the model to ensure continuity of work for employees in their respective environment, presenting more opportunities for them.

COVID-19 (CONTD.)



Medical support

We have set up health infrastructure at all our manufacturing and mining locations across Jharkhand and Odisha to ensure the health and well-being of our people and communities.



We coordinated with state governments and local administration to establish COVID Care facilities at all our operating locations.

The 1,000-bed Tata Main Hospital (TMH) at Jamshedpur in Jharkhand has 450 oxygen beds and 78 ventilator beds dedicated for COVID care. In addition, 100 oxygen beds have been provided to two subsidiary company hospitals and a 150-bed COVID care. Centre has been set up for asymptomatic patients and those showing mild symptoms.

In Odisha, the Tata Medica Super Specialty Hospital in Kalinganagar has 120 beds with provision of oxygen and ventilators dedicated to COVID Care, including a 15-bed ICU facility. Along with the Odisha Government and district administration, the NC Autonomous College at Jajpur has been converted into a 200-bed COVID Care Centre. At the Tata Steel BSL plant in Dhenkanal, a 200-bed COVID Care facility has been set up with oxygen supply and equipped with oxygen concentrators.

COVID Care facilities have also been set up at different locations. A total of 631 beds have been set up across our operational areas in Jharia, West Bokaro, Noamundi in Jharkhand as well as Joda and Gopalpur in Odisha.

We are establishing 1,500-bed COVID hospitals (facilities with oxygenated-beds) at all our manufacturing locations to augment the existing healthcare infrastructure.



Liquid medical oxygen

The second wave of the COVID-19 pandemic saw an increase in demand for oxygen for medical use. We are collaborating with all stakeholders to optimise the LMO supply chain.

55,000 tonne

Liquid medical oxygen supplied till May 2021

We have been collaborating with the central and state governments to augment the supply chain of Liquid Medical Oxygen (LMO) in the country. Under guidance from the Steel Ministry, we have been supplying LMO from our steel plants at Jamshedpur in Jharkhand and Kalinganagar and Dhenkanal in Odisha.

Regular route optimisation exercises combining different modes of transportation such as roadways, rail and air transport have resulted in improvement of turnaround time of oxygen tankers and optimisation of the entire LMO supply chain. Further, a series

of initiatives involving technological process improvements at oxygen generating plants have led to an over eight-fold increase in LMO supplies from our plants from March to May 2021.

While there have been collaborative efforts from the Central Government, state governments and steel companies to manage the supply chain of LMO in the country, we have taken a proactive approach to set up large-scale COVID Care facilities with oxygenated beds close to our steel plants to enable usage of oxygen near its production source and reduce time taken for transportation of LMO to the extent possible.



Building on our core strengths

At Tata Steel, profitable growth remains the bedrock of sustainability. In a year like no other, we delivered a robust performance by leveraging our core strengths, which also validates our roadmap. Our strong free cash flows from operations enabled us to deleverage and accelerate capital deployment in immediately growth-accretive projects.

Our operational capacity in India (MnTPA)

Present

19.6

Target capacity by 2030

35-40

Poised to double our India
capacity within a decade

The Kelpies, Falkirk, Scotland

The Kelpies are two monumental steel sculptures of horses' heads. Visually stunning and standing up to 30 metres high, they represent a truly remarkable feat of engineering.

For its strength and versatility, more than 300 tonne of Tata Steel's Celsius 355 hot-finished Structural Hollow Section was provided to create the complex frames that form the dramatic internal structure and were crucial factors in bringing The Kelpies 'to life'.

Sure, we make steel.
But #WeAlsoMakeTomorrow

ABOUT TATA STEEL

Corporate portrait	14
Integrated operations	16
Product portfolio and geographic operations	18
Introducing our capitals	20
Business model	22
Value creation imperatives	24

CORPORATE PORTRAIT

Forging our resolve to be future-ready

As one of the world’s most geographically diversified steel producers, Tata Steel strives to be the global steel industry benchmark for value creation, corporate citizenship and business ethics. Through our completely integrated operations in India, we cater to a wide array of industries with an unparalleled focus on innovation and cutting-edge technologies. Together, with our stakeholders, we are building a sustainable enterprise that’s capable of standing the test of time.

Operations Integrated from mining to finished steel Page 16	Products Diverse product range across segments Page 18	Presence Wide presence across the country Page 19
--	---	--

At Tata Steel, we leverage our innovation capabilities, technology leadership and focus on sustainability to create long-term value.

- INNOVATION**
Creating solutions that make a positive difference to the society with patents, new products and materials and developing in-house technologies.
- TECHNOLOGY**
Technology leadership is a strategic enabler to achieve sustainable differentiation and create innovative businesses.
- SUSTAINABILITY**
Remaining committed to conserving natural resources while ensuring sustainable growth and fostering strong relationships with communities.



Vision

We aspire to be the global steel industry benchmark for Value Creation and Corporate Citizenship.

- We make a difference through:
- OUR PEOPLE**
- OUR OFFERINGS**
- OUR INNOVATIVE APPROACH**
- OUR CONDUCT**
- OUR POLICIES**

Mission

Consistent with the vision and values of the founder Jamsetji Tata, Tata Steel strives to strengthen India’s industrial base through effective utilisation of staff and materials. The means envisaged to achieve this are cutting-edge technology and high productivity, consistent with modern management practices.

Tata Steel recognises that while honesty and integrity are essential ingredients of a strong and stable enterprise, profitability provides the main spark for economic activity. Overall, the Company seeks to scale the heights of excellence in all it does in an atmosphere free from fear, and thereby reaffirms its faith in democratic values.

Values

- INTEGRITY**
We will be fair, honest, transparent and ethical in our conduct; everything we do must stand the test of public scrutiny.
- EXCELLENCE**
We will be passionate about achieving the highest standards of quality, always promoting meritocracy.
- UNITY**
We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.
- RESPONSIBILITY**
We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.
- PIONEERING**
We will be bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.

Bogibeel Bridge, Assam, India

Spanning 4.94 km across the Brahmaputra, the Bogibeel bridge – India’s longest rail-cum-road bridge—shortens travel time for no less than 5 million people in Assam.

Over 75% of the rebars used in the fully welded steel-concrete composite girders are Tata Tiscon SD, capable of taking heavy loads and withstanding severe earthquakes. Helping bridge the gap between today and tomorrow.

Sure, we make steel.
But #WeAlsoMakeTomorrow.

INTEGRATED OPERATIONS

Inbuilt excellence for tomorrow and beyond

Our fully integrated operations – from mining to finished steel production – enables us to deliver superior value proposition. We invest continuously in process efficiency and state-of-the-art technology with a relentless focus on innovation.

MANUFACTURING FACILITIES IN INDIA



Jamshedpur

The Jamshedpur plant is our flagship facility and is among the first steel plants in Asia. It is also the only facility in India to produce steel at the same site continuously for over 100 years. Our sustainable growth has been driven by operational excellence and culture of continuous improvement.

In FY 2019-20, Tata Steel's subsidiary, Tata Steel Long Products Limited, (TSLP) acquired the steel business of Usha Martin Limited with specialised ~1 MnTPA alloy-based manufacturing capacity in long products, at Jamshedpur.

11 MnTPA*

Installed capacity



Kalinganagar

Commissioned in 2016, the Kalinganagar plant attained production levels at its rated capacity of 3 MnTPA in less than two years. A capacity expansion to 8 MnTPA (Phase II) is currently underway, which will augment our product portfolio with new value-added products while driving operational efficiency.

3 MnTPA

Installed capacity



Dhenkanal

Tata Steel BSL's plant in Dhenkanal is one of India's largest integrated steel mills equipped with steelmaking and finishing facilities, with downstream operations at Sahibabad (Uttar Pradesh), Khopoli (Maharashtra) and Hosur (Tamil Nadu).

5.6 MnTPA

Installed capacity

*includes Steel Works, Jamshedpur (Tata Steel) and plant at Gamharia (TSLP)

RAW MATERIALS

The making of steel involves complex metallurgical processes and technological expertise of the highest degree. We source most of our required raw materials from our captive mines, which provide supply security and enable us to keep costs low as well as drive resource efficiencies.



With over a century of experience, we strive to uphold responsible mining practices



Coal

- Sourced from two mine groups: Jharia Group and West Bokaro Group
- Jharia has a leasehold area of 5,500 acres across two colliery groups (Jamadoba and Sijua), five operating underground collieries and washing capacity of 3 MnTPA
- West Bokaro has a leasehold area of 4,300 acres, with two opencast sites, a coal washing and processing capacity of 6.5 MnTPA, and dispatch circuit and loading station of 7 MnTPA

9.5 MnTPA

Coal washing and processing capacity



Iron Ore

- Sourced from the captive mines of Noamundi in Jharkhand and Joda, Katamati and Khondbond in Odisha
- Jamshedpur and Kalinganagar procure 100% of their iron ore requirements from captive mines

100%

Captive iron ore sourcing



Ferro Alloys

- Supplied by the Ferro Alloys and Minerals Division (FAMD)
- Minerals sourced from manganese ore reserves of Odisha
- India's leading manganese alloy producer