

Tata Steel and the UK Government jointly agree on a proposal for the largest investment in the UK Steel Industry for decades

~ The proposal lays the decarbonisation pathway towards globally competitive and sustainable steel making in Port Talbot, UK ~

Mumbai, September 15, 2023: Commenting on the announcement, **Tata Group Chairman N Chandrasekaran said:** *“The agreement with the UK Government is a defining moment for the future of the Steel Industry and indeed the industrial value chain in the UK. It has been an absolute pleasure to work with His Majesty’s Government and the Honourable Prime Minister Rishi Sunak in developing the proposed transition pathway for the future of sustainable steelmaking in the UK. The proposed investment will preserve significant employment and presents a great opportunity for the development of a green technology-based industrial ecosystem in South Wales. We look forward to working with our stakeholders on these proposals in a responsible manner.”*

Tata Steel’s Chief Executive Officer and Managing Director, T V Narendran said: *“Tata Steel UK has been facing significant challenges due to the heavy end facilities approaching their end of life. The proposed project with one of the largest investments in the UK Steel Industry in recent decades, provides an opportunity for an optimal outcome for all stakeholders. We will undertake a meaningful consultation with the Unions on the proposed transition pathway in the context of future risk and opportunities for Tata Steel UK. With the support of the UK Government and dedicated efforts of the employees of Tata Steel UK along with all stakeholders, we will work to transform Tata Steel UK into a green, modern future ready business.”*

1. Tata Steel and the UK government announce a joint agreement on a proposal to invest in state-of-the-art Electric Arc Furnace steelmaking at the Port Talbot site with a 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 finalisation of detailed terms & conditions.
2. The project would bolster UK’s steel security and would be the first major step towards decarbonisation of the local steel industry, reducing direct emissions by 50 million tonnes over a decade. With a high degree of circularity, it would leverage strategic, domestically available scrap steel and promote local value addition within the UK.
3. The proposed project would ensure continuity of steel making in Port Talbot after the transition, and transform Tata Steel UK into a sustainable, capital-efficient and profitable business. With UK Government support, the project has a robust investment case.
4. Tata Steel UK will soon commence consultation on the proposal and the transition period including potential deep restructuring for the carbon-intensive, unsustainable iron and steelmaking facilities at Port Talbot, where many of the existing ‘heavy end’ assets —such as blast furnaces and coke ovens— are reaching the end of their operational life.

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5. The proposed project would also involve Tata Steel's Balance Sheet being restructured with potential elimination of the current cash losses in the UK operations and non-cash impairment of legacy investments.
6. During the transition period and project phase, Tata Steel UK would work intensively to ensure uninterrupted and reliable supply of products to fulfill customer and market commitments including through import of additional steel substrate from stable supply chains to feed its downstream units.
7. Further to the investment proposal, as part of Tata Steel's commitment to advance global research and innovation in materials science for a sustainable future, the Company today also announced its intention to invest approximately £20 million over 4 years to set up two additional Centers of Innovation & Technology in the UK at the Henry Royce Institute at Manchester (for advanced materials research) and at Imperial College London (for research in Sustainable Design & Manufacturing).

Notes for the Editors:

1. Tata Steel UK had completed an important part of its financial de-risking earlier this year after the completion of the 100% insurance buy-in of the British Steel Pension Scheme securing a stable and assured outcome for all scheme members, after an earlier restructuring in 2017-18.
2. The proposed investment would reduce the Port Talbot site's carbon emissions by around 5 million tonnes a year.
3. The project remains subject to all relevant information and consultation processes before decisions are made. Subject to informing and consulting, it is proposed that this new investment project could be operational within 36 months of the receipt of relevant regulatory and planning approvals.
4. Tata Steel will work to finalise the terms of the grant funding agreement with the UK Government and engage with the Welsh Government to seek requisite approvals and permits for the proposed project. The company will disclose any detailed transition and restructuring plans, in due course, subject to the outcome of all applicable consultation processes.
5. Tata Steel will set up 2 Centres for Innovation at the Henry Royce Institute in Manchester and at the Imperial College, London. It will work with the UK government and associated public bodies to supplement the research funding. Tata Steel already operates a research and development centre at the University of Warwick (co-located with Jaguar Land Rover's automotive research centre and the Advanced Steel Research Centre) and also works closely with the Steel and Metals Institute at Swansea University.

Disclaimer

Statements in this press release describing the Company's performance may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/ or other incidental factors.

For queries and information

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About Tata Steel

- Tata Steel group is among the top global steel companies with an annual crude steel capacity of 35 million tonnes per annum.
- It is one of the world's most geographically diversified steel producers, with operations and commercial presence across the world.
- The group recorded a consolidated turnover of ~US\$30.3 billion in the financial year ending March 31, 2023.
- A Great Place to Work-Certified™ organisation, Tata Steel Limited, together with its subsidiaries, associates, and joint ventures, is spread across five continents with an employee base of over 77,000.
- Tata Steel has announced its major sustainability objectives including Net Zero Carbon by 2045, Net Zero Water consumption by 2030, improving Ambient Air Quality and No Net loss in Biodiversity by 2030.
- The Company has been on a multi-year digital-enabled business transformation journey intending to be the leader in 'Digital Steel making by 2025'. The Company has received the World Economic Forum's Global Lighthouse recognition for its Jamshedpur, Kalinganagar and IJmuiden Plants.
- Tata Steel aspires to have 25% diverse workforce by 2025. The Company has been recognised with the World Economic Forum's Global Diversity Equity & Inclusion Lighthouse 2023.
- The Company has been a part of the DJSI Emerging Markets Index since 2012 and has been consistently ranked amongst top 10 steel companies in the DJSI Corporate Sustainability Assessment since 2016.
- Tata Steel's Jamshedpur Plant is India's first site to receive ResponsibleSteel™ Certification.
- Received Prime Minister's Trophy for the best performing integrated steel plant for 2016-17, 2023 Steel Sustainability Champion recognition from worldsteel for six years in a row, 2022 'Supplier Engagement Leader' recognition by CDP, Top performer in Iron and Steel sector in Dun & Bradstreet's India's top 500 companies 2022, Ranked as the 2023 most valuable Mining and Metals brand in India by Brand Finance, and 'Most Ethical Company' award 2021 from Ethisphere Institute.
- Received 2022 ERM Global Award of Distinction, 'Masters of Risk' - Metals & Mining Sector recognition at The India Risk Management Awards for the seventh consecutive year, and Award for Excellence in Financial Reporting FY20 from ICAI, among several others.

Photographs: [Management and Plant facilities](#) | **Logos:** [Files and usage guidelines](#)

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