

10 October 2025

Andrew RT Davies MS
Chair of the Economy, Trade and Rural Affairs Committee
Senedd Cymru
Cardiff Bay
CF99 1SN

Dear Mr Davies,

I am writing to request a meeting to discuss an issue of growing importance for British Steel and for Wales's wider industrial base.

As you know, British Steel has long been a cornerstone of the UK's manufacturing capability and a vital contributor to communities and supply chains across Wales and beyond. We are proud of our role in supporting jobs, investment and the materials that underpin national infrastructure. However, we are increasingly concerned that the current policy and procurement landscape in Wales is unintentionally working against those objectives.

As new frameworks on embodied carbon and procurement evolve, UK-produced steel – particularly blast furnace steel – is finding it harder to compete for major construction and infrastructure projects, even where it remains the most resilient and strategically aligned option. We recognise and support the Welsh Government's ambition to lead on net zero construction and embodied carbon standards, as set out in the Net Zero Strategic Plan and related policies. However, in practice, the system for assessing carbon and supply chains often focuses too narrowly on headline figures, without taking account of lifetime emissions, supply chain resilience, or the wider value of supporting domestic production.

We are already seeing this play out in practice. Under the Sustainable Communities for Learning programme, the funding criteria for 2025 set a threshold of 600kg of CO₂ per m², following the UK Green Building Council methodology. This effectively disqualifies British-made blast furnace steel from supply, despite its strategic importance and the jobs and communities it supports. As a direct result, the major school-building programme delivered in Wales over the past two years has relied almost entirely on imported steel, at the expense of UK producers.

This has caused significant commercial harm to Welsh businesses in our supply chain, most notably Dyfed Steel in Llanelli – our largest customer in Wales – which has lost major orders to distributors of imported steel. Dyfed Steel has previously raised this issue directly with its Senedd constituency member in January 2025.

These developments raise important questions for Wales's industrial strategy and the coherence of its net zero policies. Public procurement should be a lever for strengthening the economy, supporting skilled employment and securing resilient supply chains. Instead, the current approach risks channelling taxpayer-funded projects towards low-carbon imports and away from UK producers who support jobs, livelihoods and communities across the country.

British Steel shares the same long-term goal as government – to deliver low-carbon, sustainable steel production in the UK. The challenge is ensuring that policy and procurement support that transition, rather than undermining it.

We would welcome the opportunity to brief you and the Committee in more detail, and to discuss how future scrutiny and policy development might help ensure that public investment continues to support Welsh industry, British manufacturing and the transition to net zero.

Yours sincerely,



BUILDING **STRONGER** FUTURES

A handwritten signature in black ink that reads 'L Coulson'.

Lisa Coulson

Chief Commercial Officer
British Steel