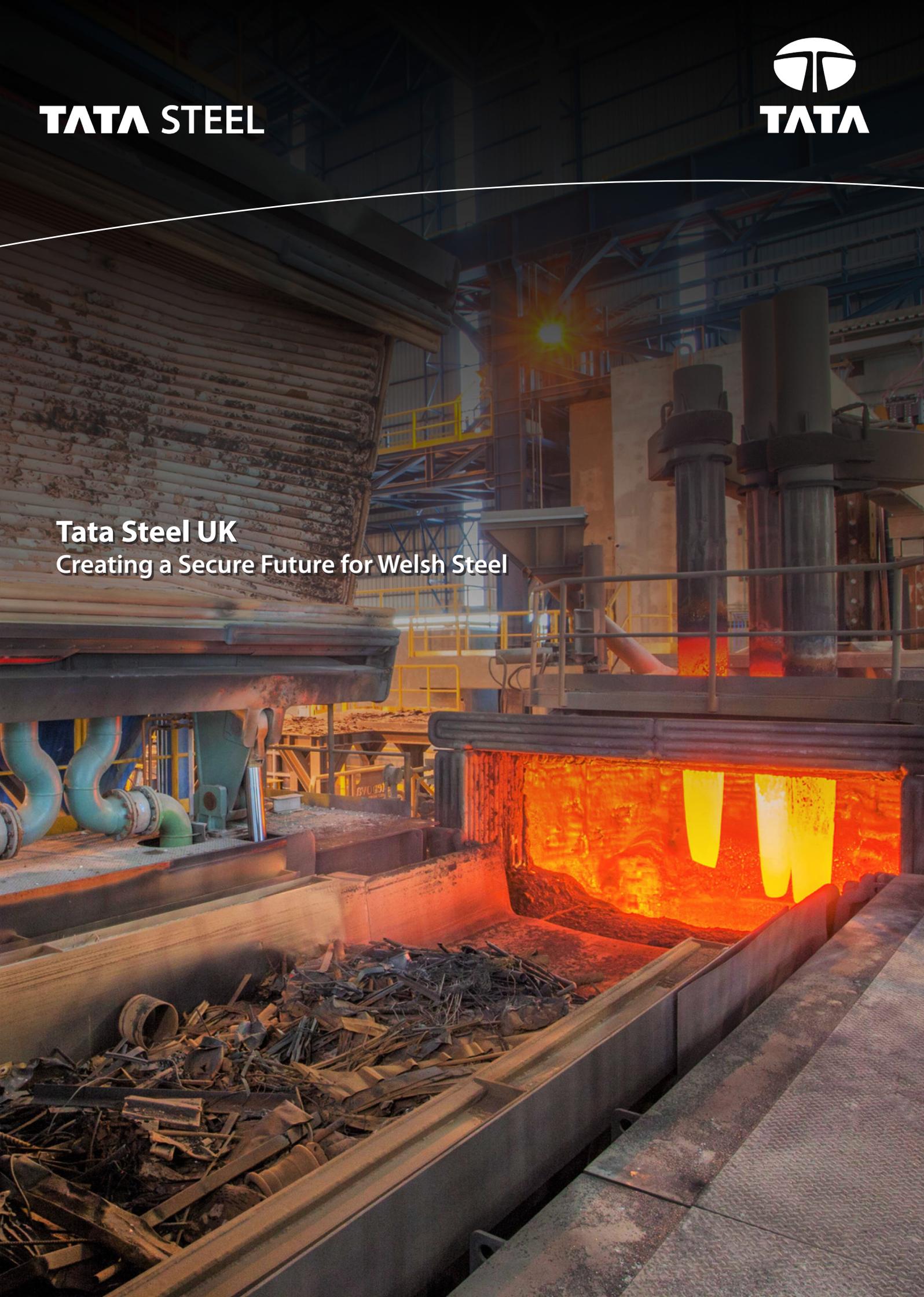


TATA STEEL



Tata Steel UK
Creating a Secure Future for Welsh Steel



A MESSAGE FROM OUR CEO

Tata Steel UK's transition to Electric Arc Furnace (EAF) steelmaking is the largest investment in the UK steel industry for decades – cutting emissions by 90%, safeguarding domestic production, and protecting thousands of skilled jobs across Wales and the UK.

Since 2007, Tata Steel has invested more than £6.3 billion in its UK operations. In 2024, we committed to a £1.25 billion transformation of our Port Talbot site, backed by £500 million from the UK Government.

Our strategic investment places Wales at the heart of EAF steelmaking in Europe and ensures that we harness our own indigenous resources for the future.

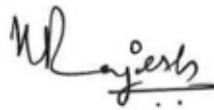
Of the 10-11 million tonnes of scrap steel generated annually in the UK, approximately 80% is currently exported. By redirecting some of this valuable domestic resource toward EAF steelmaking, we will reduce our reliance on imported coal and iron ore, strengthen our economic resilience, and reinforce national security in an increasingly challenging world.

Policymakers and industry share the same ambition: a competitive, sustainable UK steel sector. With the right policy conditions in place, Tata Steel UK stands ready to invest in people, technology, and innovation – securing long-term prosperity for communities and for Wales.

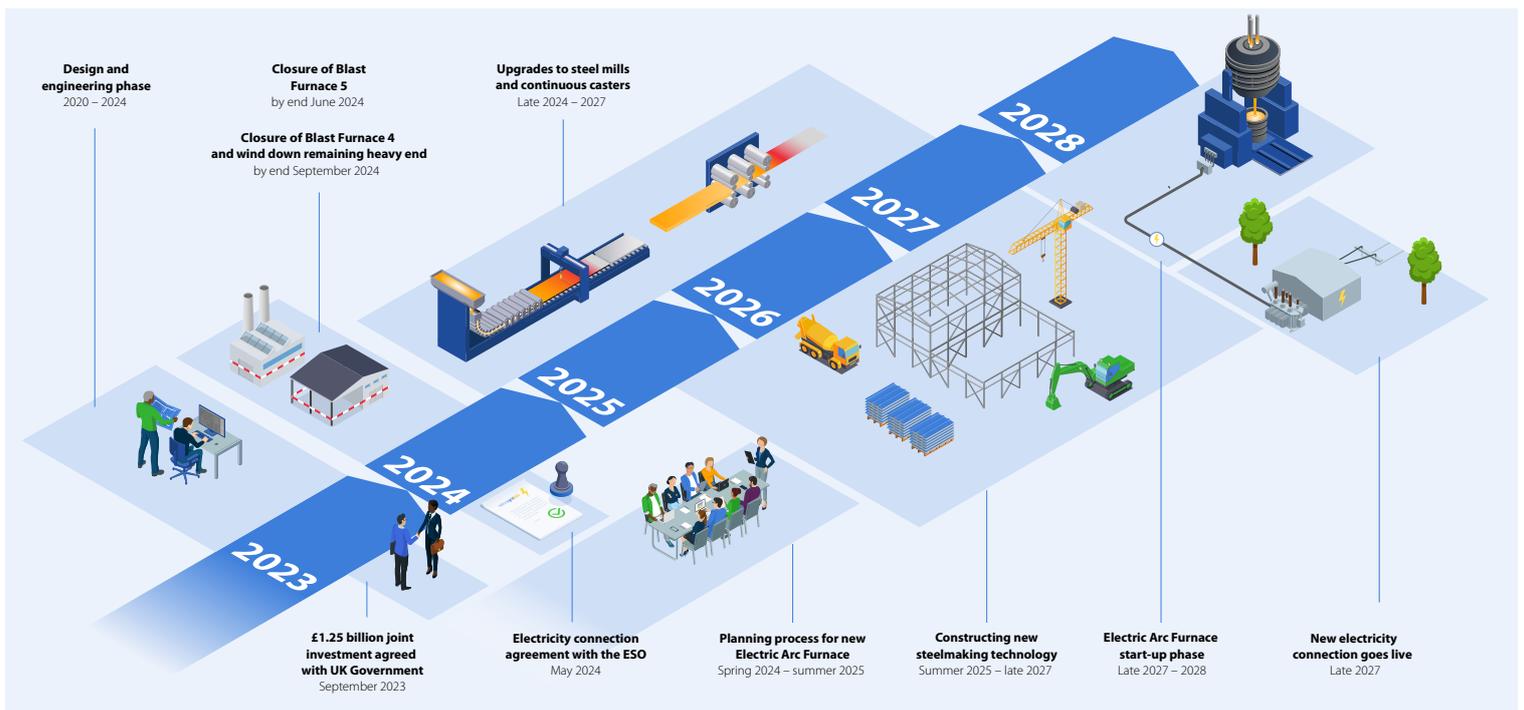
A stronger Britain depends on a strong British industrial base and Wales can be at the heart of that. Success for steel means a sector able to compete, invest and grow on fair terms – sustaining skilled jobs, driving innovation and anchoring manufacturing across the UK.

With a clear policy framework and a shared commitment between industry and the UK and Welsh governments, Wales can rebuild industrial strength, secure regional prosperity and lead in the technologies of modern steelmaking.

Rajesh Nair, CEO of Tata Steel UK




KEY PROJECT MILESTONES



TATA STEEL UK: OUR SITES

SURAHAMMARS BRUK, SWEDEN
Electrical steels

THE HENRY ROYCE INSTITUTE

Research and Development

LISBURN

Processing

SHOTTON

Galvanised and organic-coated steels; panel systems

SHAPFELL

Lime manufacturing

HARTLEPOOL

Pipes and tubes

SHEFFIELD

Sustainability and Environment

CORBY

Tubes

TROSTRE

Packaging steels

IMPERIAL COLLEGE

Research and Development

PORT TALBOT

Hot and cold rolling;
EAF online 2027

UNIVERSITY OF WARWICK

Research and Development

LLANWERN

Cold rolled and galvanised steels

ROUND OAK, DUDLEY

Distribution

CAERPHILLY

Steel for houses

WEDNESFIELD

Processing and distribution

Tata Steel in the UK also includes facilities in France, Germany and Norway, and sales offices across the world:

Europe	Spain, Italy, France & Romania
Americas	USA, Mexico & Brazil
Middle East	Turkey & United Arab Emirates
Asia	India & China

OUR ASKS OF THE NEXT WELSH GOVERNMENT

1. Training and skills

The skills needs of the steel industry are evolving rapidly as it moves to more sustainable production and technologies. Meeting these needs requires a strong talent pipeline, and a coordinated government–industry approach. The sector faces:

- **Insufficient long term planning:** Uncertainty around energy costs, trade protection measures, and future demand makes it difficult for businesses to plan and invest for the future. A clear UK Steel Strategy, supported by Welsh Government, would create stability, enabling secure careers and helping to attract new talent.
- **Shortages in key STEM roles:** Wales and the UK already faces gaps in civil, mechanical and electrical engineering roles. These shortages will intensify as major decarbonisation and infrastructure projects come online, unless stronger action is taken to promote STEM subjects and technical careers.
- **Funding and access inconsistencies:** Welsh Government should simplifying and align academic funding structures. For example, level 7 funded courses are available in England but not in Wales, creating unnecessary inconsistencies.

The next Welsh Government should support growth in the following areas to support Wales' steel and advanced manufacturing industries as they continue to compete in an increasingly global environment:

- **Advanced digital and IT skills:** As we adopt more automated processes, expertise in programming, cybersecurity and operational technology will be vital. Protecting critical systems from cyber threats will become increasingly important.
- **Data analytics:** The ability to harness and analyse data will underpin everything from asset management to process optimisation and innovation.
- **Virtual reality and artificial intelligence:** These technologies will play a growing role in simulation, troubleshooting and safety training –helping us model complex scenarios and improve performance.

The next Welsh Government should commit to undertaking a skills audit, aligned to existing and future opportunities across Wales' supply chain, and develop the future talent pipeline for advanced manufacturing, to ensure our industries have access to the right skills for the future.

2. Research and innovation

Tata Steel has created a separate subsidiary - Tata Steel Research and Innovation Limited (TSRIL), with an annual spend of £5 million.

TSRIL has already set in place strong partnerships with University of Warwick, University of Cambridge, Swansea University, the Henry Royce Institute, and Imperial College London, with a focus on PhD studentships, sponsored projects and partnerships.

Since 2024, Tata Steel has also committed £20 million to two Centres of Innovation at Imperial College London and the Henry Royce Institute.

To support the development of this work, the UK and Wales need a more coordinated R&I strategy focused on national industrial challenges, reduced duplication, and support for commercial-scale deployment. Key challenges for the next Welsh Government include:

- **Levels of R&D funding:** In the steel industry, the commercialisation of any R&I activity involves substantial and sustained funding, but current funding levels are significantly below what is required, and considerably lower than that available in other countries.
- **Lack of infrastructure for pilot facilities:** Pilot and laboratory scale equipment is currently not widely available in Wales. Better availability of incubator programmes to pilot support for new industrial processes would encourage a more dynamic, collaborative and commercial system.
- **Administrative burden:** The administrative and paperwork requirements to draw down R&I funding are overly burdensome. The Steel Strategy provides an opportunity to review and streamline the current framework.

The next Welsh Government should build on Wales' existing R&I capability, to support the development of adequate funding and infrastructure for up-scaling pilot facilities, while streamlining application and funding processes to ensure we have a system best suited to the future needs of advanced manufacturing in Wales.

3. Public Procurement

The UK steel industry now only supplies one third of the UK's overall semi-finished steel demand and, in recent years, we have seen a significant weakening of demand in key markets such as construction and automotive.

Almost every aspect of the UK's economic future is steel-intensive. Recent UK Government data estimates that 7.7 million tonnes of steel will be required for major public infrastructure projects over the next decade¹.

More specifically, a report by LumenEE shows that the UK's offshore wind pipeline will require up to 25 million tonnes of steel by 2050, a potential value of £21 billion to the UK steel market over the coming decades².

Tata Steel UK welcomes the Welsh Government's Welsh Procurement Policy Note (WPPN) and new steel reporting requirements from April 2026. This will apply to projects with a value of more than £3 million and promote sustainable procurement and early engagement with UK Steel producers to strengthen domestic supply chains.

However, greater measures are needed for Wales to become a UK-leader in procurement policy.

The WPPN should go further, with consideration given to hard targets of 30 percent local content for domestically made, low-carbon-footprint steel in public projects, irrespective of value. This should apply to house-building, infrastructure and energy developments, Contract for Difference backed projects and Nationally Significant Infrastructure Projects strengthening national resilience and security of supply.

In parallel, further incentives are needed for the private sector to utilise domestic manufacturing supply chains and to maximise the wider economic and industrial benefits of a strong UK steel sector.

Welsh Government should set out a clear procurement plan that mandates local content targets for public projects. This will give industry the confidence to invest and help rebuild domestic demand.

4. Land Development and Inward Investment

Wales has an opportunity to become a UK leader in infrastructure delivery, renewable energy generation and high value job creation.

Transformational anchor projects, most notably Tata Steel UK's transition to EAF steelmaking and the emergence of Floating Offshore Wind in the Celtic Sea, have the potential to reshape the Welsh industrial landscape and drive a new era of economic growth.

However, the pace and scale of development remain constrained by infrastructure, regulatory and financial barriers. Overcoming these challenges will require close partnership between industry, developers and the next Welsh Government.

To ensure Wales captures the full economic and employment benefits of green industrial transition, Tata Steel UK urges the next Welsh Government to:

- Work with the UK Government to secure timely grid connections for strategic industrial development sites.

- Publish a clear long term grid capacity plan for Wales aligned to industrial and renewable energy priorities.
- Establish a coordinated regulatory pathway for large, complex industrial and brownfield sites.
- Expand funding for remediation, demolition and enabling works on strategic industrial land.
- Explore shared risk models to help de-risk upfront capital requirements.
- Support blended finance models, combining grants, loans and guarantees, to unlock private investment.

Welsh Government, alongside the UK Government, must take steps to overcome the significant barriers to land development and inward investment in Wales. Priority should be given to addressing power connectivity, which continues to hold Wales back against other parts of the UK and globally.

5. Creating a Competitive Business Environment

Tata Steel UK continues to navigate a challenging operating environment, including high wholesale energy costs, weak domestic demand and significant global overcapacity of steel.

We require a competitive policy landscape to support the £1.25 billion investment in the Port Talbot site, and the next Welsh Government has an important role to play in this when considering the existing business rates system.

Tata Steel UK welcomes the Welsh Government's commitment to a phased approach to business rates revaluation from April 2026, but urge the next Welsh Government to consider implementing relief on investment in green technologies, particularly those in foundation industries such as steel.

Consideration should be given to decarbonisation and investments in the rateable value of assets. This would follow the Improvement Relief (Wales) scheme currently in place, and provide further incentives for investment across Wales, particularly in heavy industry and advanced manufacturing, to move towards more sustainable operations.

Work should also be done, in conjunction with the UK Government, to review existing legislation on business rates, which contain outdated definitions of what is rateable and are poorly suited to digital and advanced technologies.

The next Welsh Government should give consideration to providing business rates relief on investments to decarbonise heavy industry. Such a move will create confidence, certainty and incentivise investment.