TFT

2026

Shifting sands

The global trends impacting sustainable procurement across UK construction supply chains, and industry actions needed to combat them

ASBP The Alliance for Sustainable Building Products

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After a turbulent 2025 – 2026, we need to assess the supply chain trends and emerging requirements that are set to influence UK construction moving forward.

With less than four years to go before short-term 2030 climate targets, there is an urgent need for action.

Globally, we are off target on climate action, despite progress in key areas [1].

The solutions we need to dramatically reduce impacts of the built environment are here, now, and supply chain procurement actions have the potential to adopt at scale, helping to manage organisational risk.

This paper explores the changing landscape of material supply chains, and the ways in which construction firms must adapt their processes to ensure sustainable, ethical and dependable supplies of crucial resources.

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Figure 1. UN Environmental Programme – Emissions Gap Report 2025 [1]

The UK's rising import dependence

Several core construction inputs already have high or rising import reliance, leaving supply chains exposed. As unrest in the Middle East intensifies, concerns around material availability, energy prices and transport costs increase. As these risks escalate, sourcing compliant materials with clear sustainable provenance becomes increasingly more complex.

This is even before human rights issues are overlaid on global supply chains, where forced labour, child exploitation, poor working conditions and modern slavery are not visible at the point of procurement. Widely used construction materials with high UK import reliance are summarised below.

Steel

The UK is increasingly reliant on imported steel. In 2020, domestically produced steel met around half of national demand. Since then, imports have increased year-on-year—rising to 55% in 2022, 60% in 2023, and reaching 70% in 2024. The sharpest growth has come from outside the EU, particularly India, Vietnam, China and Turkey, where producers often operate with cheaper energy, less stringent environmental standards, and substantial state support [2], [3].

Aluminium

The UK also relies heavily on imported aluminium, with imports accounting for around 60% of supply, with 20% coming from China and Turkey the next largest source at 16%, increasing exposure to global market volatility [4].

Copper

Copper is essential to the global energy transition, and a key material in the built environment, used in electrical wiring, plumbing systems, roofing, and cladding. Global supply is highly concentrated, meaning that escalation in trade tensions involving China could affect supply for other markets, including the UK, which sources large proportions from Chile and Peru [5].

The UK Government's Vision 2035 Critical Minerals Strategy aims to secure resources for industrial growth sectors and anticipates demand for copper will surge by 2035 [6]. In the US, copper has been added to the critical minerals list and is considered essential to national security and the economy [7].

In 2025, **copper prices increased by over 30%**, driven by tariffs and strong demand from the renewable energy and electric vehicle sectors.

Costs are likely to remain high as demand continues to rise; impacts relating to global

conflicts hit production and distribution, and production constraints continue [8, 9]. Longer-term forecasts estimate a 30% supply deficit by 2035, suggesting significant supply chain impacts across electrification and energy transition projects, likely to impact global trade and government policy [8].

Timber

The UK imports **80%** of its timber, the second-largest net importer in the world. Timber also shows the sharpest import-linked price increase in recent data, with nearly a 12% rise for imported sawn and planed wood from 2024 to 2025 [10]. While sawn softwood and hardwood are mainly imported from the EU, plywood presents a higher risk. The UK produces no domestic plywood; only 16% of imports arrive from the EU, with the majority sourced from higher-risk regions such as China and Brazil [11]. Because each sheet may contain 10–15 different veneer layers, full provenance becomes technically and administratively difficult. technically and administratively difficult.

Cement and concrete

Concrete is mostly produced domestically, but import risk sits upstream in cement. Domestic cement capacity has been falling while imports rise. Cement imports to the UK have almost tripled over the past 20 years, rising from 12% in 2008 to **32%** in 2024 [12].

China remains the dominant producer of cement products, producing around 2 billion tonnes in 2024, equivalent to around half of global market, followed by India, Vietnam, the United States and Turkey [13, 14]. Similar to steel and timber, this raises concerns around quality, working conditions, carbon reduction trajectory, and availability affected by global demands and trade tensions.

Plastics

Plastics may not always appear on priority lists, but they are embedded across polymer-heavy systems used in mechanical, electrical and plumbing (MEP) and fit-out, including pipes, fittings, membranes, insulation, and fittings and fixtures. The British Plastics Federation notes that plastics are among the UK's top ten imports and exports, and the UK imported circa **£15bn** (2025) of plastics materials, products, and machinery, up from **£13bn** in 2017, making the sector sensitive to trade friction, petrochemical supply shocks, and shipping delays [15, 16].

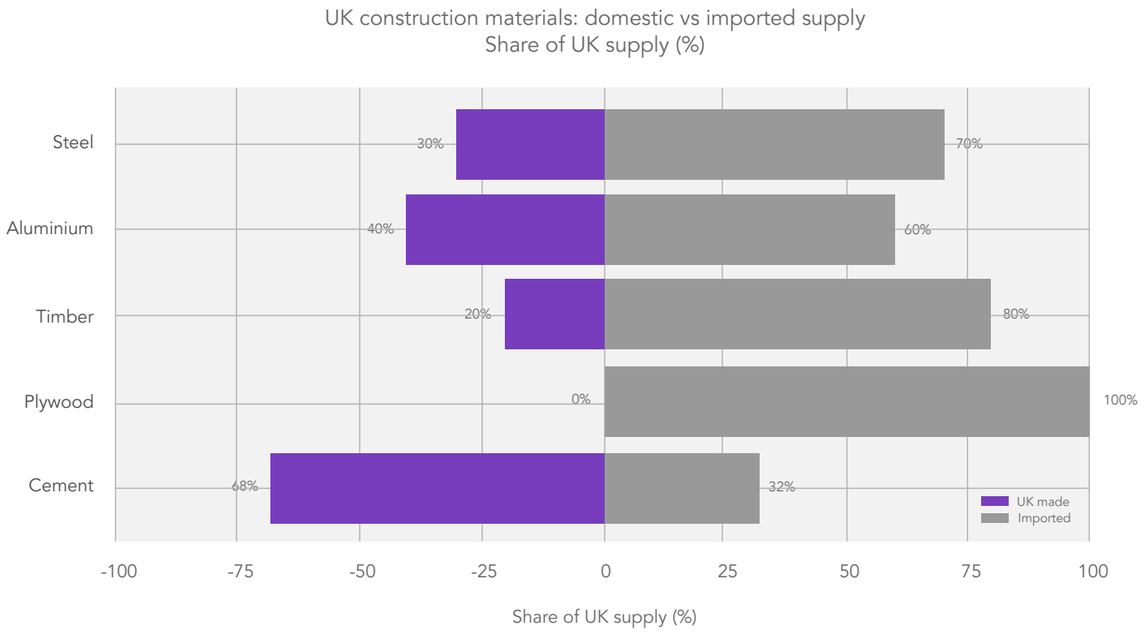

Figure 2. UK construction material supply chains: domestic and imported reliance [2], [4], [10], [11], [12]

Policy changes affecting the UK supply chain

Recent policy and regulatory changes are driving significant impacts to global supply chains. These changes include import duties, tariffs, conflicts, UK steel and human rights, with all expected to impact construction procurement in 2026.

CBAM

The Carbon Border Adjustment Mechanism (CBAM) is an import duty for carbon-intensive materials, designed to address low-cost high-carbon goods produced in regions with weaker policy on carbon emissions.

CBAM came into force 1st January 2026 in the EU, after a 14 month transition period. Pricing is related to the existing EU Emissions Trading Scheme and importers will eventually need to pay for CBAM certificates that address the higher emissions of goods [17].

The UK has a parallel CBAM scheme with planned implementation 1 January 2027 [18].

Construction materials directly impacted are aluminium, cement, iron and steel. Hydrogen is also covered by CBAM and has the potential to impact projects, if site uptake of hydrogen increases in the future.

CBAM regulations are designed to offset the higher production costs faced by companies in jurisdictions with stricter carbon and environmental rules. By applying a carbon-related charge to imported goods, the mechanism raises the cost of materials coming from countries with less stringent regulations, helping to level the competitive playing field and to incentivise carbon reduction for imported materials. [19, 20].

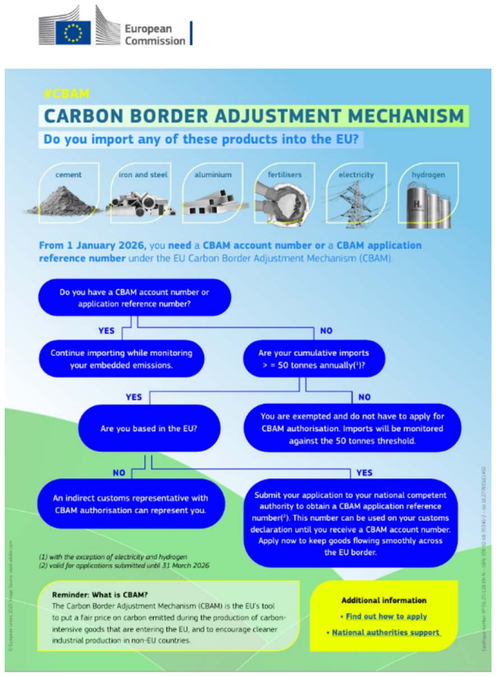

Figure 3. Graphic outlining the CBAM mechanism, published by the European Commission [14]

Global tariffs and conflict flashpoints

US tariff policy dominated media coverage in early 2026, replaced more recently by the outbreak of conflict in the Middle East. The situation is evolving rapidly, and the only certainty is that further change is coming. The conflict with Iran is expected to create a short term shock to global energy and fuel prices which, if prolonged, could trigger a wider supply shock with both direct and indirect impacts on construction materials.

Material flows and supply chains are already beginning to adjust, as markets and traders respond to tariff disruptions. UK markets may become increasingly vulnerable to cheap material imports, while global trade countermeasures could drive further price increases.

As the conflict and trade restrictions in the Strait of Hormuz continue, energy price volatility will place additional pressure on construction materials and supply chains.

High energy demand products—particularly steel, copper, and aluminium—are likely to experience significant cost increases. Rising fuel and feedstock costs for plastics, along with higher transport and shipping costs, will also have a substantial impact on the availability and pricing of construction materials. Delays and re-routing of shipping will affect delivery timescales, likely leading to construction programme impacts and cost overruns in projects.

UK steel strategy

The UK Government published its Steel Strategy in March 2026, influenced heavily by the placing of British Steel into special measures in 2025, and ahead of anticipated full nationalisation of the company [21, 22]. The strategy aims to stabilise the sector and increase domestic production, targeting 40–50% of UK demand, up from around 30% in 2024 [23].

The strategy is supported by Public Procurement Notice 022: Procuring steel in government contracts, which establishes a clear preference for UK sourcing in public procurement, where appropriate and justified [24]. There is potential for procurement policy to strengthen over time as part of wider industrial policy.

Planned investment, from both the public and private sectors, in electric arc furnace (EAF) capacity is expected to support a shift towards lower-carbon, UK-produced steel over time. Near term reliance on blast furnace production will continue, while new capacity is developed. This may increase embodied carbon on some publicly procured projects, particularly where lower-carbon EAF steel might previously have been sourced from the EU.

Overall, the strategy sets a long-term direction for a more resilient UK steel sector, but with near-term trade-offs, as supply chains adjust and global market pressures persist.

Rising fuel and feedstock costs for plastics, along with higher transport and shipping costs, will also have a substantial impact on the availability and pricing of construction materials.

Human rights

Strengthening UK policy on modern slavery and an increased focus on human rights through corporate reporting and disclosures relating to Environment, Social and Governance (ESG), require an increased focus on in construction.

Construction organisations should strengthen corporate policies by identifying high-risk products and categories. Organisations should collect additional information on labour and working conditions in existing supply chains.

These activities present tangible and actionable checks that companies can introduce to improve visibility and reduce modern slavery risk in supply chains [25]. Below is a non-exhaustive list of materials used in UK construction that present a particularly high risk of modern slavery within their supply chains.

Key products used in construction with human rights sourcing risks

Priority materials/ minerals	Common construction uses	Human rights risk areas	Status/action required	Further information
Copper	*Plumbing, heating systems, electrical wiring, roofing, gutters, cladding, low-carbon infrastructure*	*Child labour, conflict-affected sourcing, unsafe artisanal mining, weak traceability*	*High risk. Demand is increasing through electrification and renewable infrastructure. Require origin data, smelter/refiner details and OECD-aligned due diligence*	*DRC copper supply chains should be screened where sourcing may pass through conflict-affected or high-risk areas [26]*
Cobalt, nickel and zinc	*Batteries, energy storage, electronic devices, stainless steel, galvanised steel, roofing and coatings*	*Child labour, forced labour, hazardous mining, poor worker conditions*	*Very high for cobalt; high for nickel; medium/high for zinc depending on origin. Require mine/refiner disclosure and labour-condition checks*	*DRC cobalt, Indonesian nickel and Bolivian zinc have all been associated with labour-rights concerns in high-risk supply chains [26]*
Polysilicon	*Solar panels, building-integrated Photovoltaic (PV) panels, renewable-energy systems*	*Forced labour risk in polysilicon refining and PV manufacturing; high carbon intensity where production is coal-powered*	*Very high risk. The Future Homes Standard will require most residential buildings to include on-site renewable electricity generation from 2028, with government expecting most of this to be solar. This is likely to increase PV demand and related sourcing risk [27]*	*Xinjiang Uyghur Autonomous Region (XUAR) in China is a key concern: it has been reported to produce around 35% of global solar-industry silicon, with allegations of forced labour and coal-powered production [28]*
Sand and natural stone	*Concrete, mortar, asphalt, glass, paving, façades, cladding, flooring, landscaping stone*	*Bonded labour, child labour, unsafe quarrying, silicosis, illegal extraction, weak traceability*	*High risk for imported stone; emerging risk for sand. Require quarry of origin, supplier audits, worker-safety evidence and chain-of-custody records*	*Around 70–80% of stone used annually in the UK is imported, mainly for hard landscaping and architectural stone, while local quarries supply most lower-value aggregates for roads and bulk construction [29]. India is the largest source, exporting about 280,000 tonnes each year from Rajasthan, under alleged bonded- and child-labour conditions [30]*
Timber	*Structural timber, CLT, glulam, plywood, OSB, doors, flooring, cladding, formwork*	*Illegal logging, forced labour, sanctions evasion, weak certification controls*	*High risk but regulated. Require species, harvest country, chain-of-custody certification, sanctions screening and, for higher-risk products, origin testing*	*A chemical fingerprinting study [31] found that 46% of certified timber products had incorrect provenance claims. The findings raised concern that sanctioned Russian and Belarusian timber may be entering UK/EU supply chains through relabelling or laundering routes*

Industry actions

Sustainability requirements can no longer be managed in isolation from commercial decision-making. Supply chains need to be reconfigured to reflect that high import reliance is now structural. This requires more deliberate sourcing strategies, stronger long-term supplier relationships and contingency planning for materials with long lead times or limited substitutability. The priority for 2026 is the consistent application of existing tools and approaches across portfolios, industry must avoid duplication through the creation of new frameworks or commitments.

For carbon-intensive materials like steel, aluminium, and cement, the immediate priority is managing their import risk. As carbon pricing mechanisms such as CBAM take effect, embodied carbon will increasingly translate into direct financial cost. Procurement should be guided by product specific data, production emissions and supplier decarbonisation plans, while reducing absolute demand through design optimisation and specifications will be critical.

Copper warrants particular attention as both a key construction input and a globally critical material. Construction organisations need to better understand where copper sits within their projects, particularly within MEP systems and imported electrical components. Reducing material intensity through design standardisation and modularisation, alongside increased use of recycled copper, will be increasingly important in managing both cost and availability.

Timber remains another area of heightened exposure, given UK import reliance and the complexity of certain engineered products. Differentiating between timber products rather than treating the category as a single risk is recommended. Plywood, for example, presents a higher-risk profile due to a reliance on non-EU supply and the difficulty of tracing layered products. Greater attention to provenance, legality and deforestation is required.

Plastics, which are embedded across mechanical, electrical, plumbing and fit-out systems, should also be brought into core supply risk assessments rather than addressed reactively due to their sensitivity to shipping disruption.

Alongside these material-specific issues, human rights risks increasingly overlap with import dependence and upstream extraction and processing. Construction organisations should focus on high-risk products and materials, or geographies with high levels of human rights violations. Targeted approaches that combine supplier engagement, certification schemes and escalation where risk is highest are an effective strategy.

The impact of the Iran war on supply and pricing

The recent outbreak of war with Iran and escalation in the Middle East is rapidly evolving and altering material flows. The conflict will bring a short-term shock to energy and fuel prices which if prolonged could lead to a supply shock. Energy-intensive products are exceptionally exposed, with steel prices already experiencing cost increases alongside upward pressures on copper, aluminium, and the fuel and feed stock costs for plastics.

The outlook for 2026 is challenging, with the April purchasing managers' index for construction activity suggesting a drop in demand and significant increases to input costs (which includes raw materials, energy and labour), some of the steepest increases since the survey began in 1997 [32].

Navigating the risks in 2026-27

With a challenging outlook ahead, construction organisations need to take a more targeted approach to strengthening their material supply chains.

Prioritise action on a smaller number of high-risk materials first

Strengthen supplier engagement where it matters most

Embed carbon and supply chain risk into everyday commercial decisions

Review regularly to monitor rapidly changing global and domestic issue

Evaluate circular construction opportunities that help to de-risk the supply chain and reduce carbon impacts

Timber shows the sharpest import-linked price increase (12%) in the 12 months to November 2025.

Other resources

For construction organisations looking to identify and act on supply chain risks, the following publications provide guidance, tools and data to inform approaches:

- ***UK Green Building Council guide on engaging the supply chain*: *Engaging the Supply Chain:* *A Practical Guide to Delivering Sustainability Outcomes | UKGBC***
- ***Supply Chain Sustainability School guidance on mapping supply chains:*** *https://learn.supplychainschool.co.uk/local/resourcelib/catalogitem.php?id=11255*
- ***World Economic Forum Global Risks Report 2025:*** *Global Risks Report 2025 | World Economic Forum*

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