

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

SUBMISSION FROM BT SCOTLAND

DRAFT CLIMATE CHANGE PLAN (RPP3)

Introduction

1. BT Scotland welcomes the opportunity to respond to the Scottish Government's Draft Climate Change Plan, the third report on proposals and policies (RPP3) for meeting Scotland's annual greenhouse gas emissions targets. Our response seeks to outline BT's existing commitment to tackling climate change and highlight how information and communications technology can drive climate action.
2. Climate change is a global challenge that demands a concerted effort from people, governments and organisations around the world. Businesses have an important role to play and we want to play ours. We support policies and partnerships that will help to create a low-carbon economy.
3. We called for ambitious global action on climate change in the run-up to the United Nations Conference of the Parties (COP21) held in Paris in December 2015, and we welcome the historic deal agreed by world leaders. Our focus was on the role of ICT in helping countries cut carbon emissions, and grow their economies at the same time. We also promoted the use of renewable energy.
4. A recent report from BT – "[The Role for ICT in Reducing Carbon Emissions in the UK](#)" - highlights a pathway to meeting both the UK and Scottish Government's carbon reduction targets and provides help towards the commitments made at the COP21 Paris Agreement, through ICT-driven solutions¹.
5. Overall, BT welcomes the Scottish Government's progress to date in cutting emissions and supports the proposals and policies within the Draft Climate Change Plan (RPP3).
6. In an [open letter](#) to the Prime Minister published in January, BT along with more than 80 leading companies united in a call on the UK Government to demonstrate its commitment to delivering the UN Sustainable Development Goals.
7. In terms of highlighting opportunities to secure wider benefits, we have summarised progress to date in BT's climate action journey.

BT's Environmental Sustainability Journey

8. BT's environmental sustainability journey started back in 1992 when we first began to measure our corporate carbon footprint and set our first reduction target. We have since then continued our focus on carbon reduction and set a goal to cut our carbon emissions intensity by 80% by 2020 against a 1996/97 baseline – a goal we achieved ahead of time last year.

¹ The report outlines the increasing role of ICT in reducing carbon emissions and increasing energy efficiency, including virtualising services through cloud, connected transportation and smart manufacturing.

9. In 2012, we became the first company in the world to publish a footprint for the complex ICT services we were providing to the London 2012 Olympic and Paralympic Games.
10. But our focus has not only been on carbon footprinting – we have also looked at how we can drive sustainability innovation and improvement in our supply chain. Hence, we launched the BT Better Future Supplier Forum in 2012 – an initiative to share best practice on sustainability, for example in terms of product design and the circular economy.
11. And we have developed a web-based version to scale it and which our suppliers are now rolling out to their suppliers. The web-based tool has allowed us to reach out not only to large corporates, but also to SMEs.
12. We were Net Positive already back in 2013 when we launched an ambition to go even further and aim to help our customers cut their carbon emissions by at least three times the end-to-end carbon impact of our business by 2020.
13. No one organisation or government can solve the challenges we face to combat climate change. Collaboration has been key to BT since day one which is why we have always open sourced our thinking and methodologies to stimulate debate and the sharing of best practice.
14. Here are three principles that have worked for us.
 - **Meaningful goals:** Setting meaningful goals is key. We have been using science based targets to provide guidance on our goals and we have had a programme in place to drive continuous energy reduction in our operations. Last year was the seventh consecutive year of energy reduction for us as we have been able to decouple energy consumption and increase in network traffic.
 - **Going 100%:** Using renewable energy has a big impact and drives the creation of a global market for renewable energy. At BT we had been using 100% renewable energy in the UK since 2012. We acquired EE in 2016 and that has meant that we are now working on seeing how that part of our business can also become 100% renewable. Our ambition is to use 100% renewable energy world-wide by 2020 where markets allows. We are also engaging with our suppliers to encourage them to purchase renewable energy.
 - **Thinking holistically and collaborating with others:** Measuring our end-to-end carbon impact and using the Sustainable Development Goals as a framework encourages collaboration, helps effective planning and demonstrates the difference we make to the world. The collective voice of leading businesses through initiatives such as Aldersgate Group, the Corporate Leaders Group, We Mean Business, RE100, and WBCSD has helped us make progress faster, scale ambition and inspire others to take action.

Renewables

15. Climate change is one of the greatest global challenges of our time. However, BT's determination to cut its footprint is helping to make a difference.
16. BT met its 2020 ambition to shrink its worldwide carbon emission intensity by 80 per cent from 1996/97 levels four years early in 2015/16. The company also has an ambition to help its customers reduce their carbon emissions by at least three times its own end-to-end carbon impact by 2020.
17. In line with this, BT has announced it aims to purchase 100 per cent renewable energy across the globe by 2020 where markets allow. This follows from BT's 2012 commitment to buy 100 per cent renewable electricity in the UK (this was prior to acquiring EE and we are now looking at how EE can also begin purchasing 100% renewable energy in the UK) and becoming a founding member of the RE100 renewables group. Thanks to a combination of tenacity, innovation and an appetite for forging ground-breaking green energy deals, the 100 per cent target is close to being realised.
18. BT is one of the UK's biggest consumers of electricity. Now combined with EE, it uses around one per cent of the UK's energy to power its national networks, data centres and office.
19. BT is a green energy pioneer and we have been purchasing 100 per cent renewable energy in the UK since 2012. By 2020 we plan to be purchasing 100 per cent renewable electricity worldwide, so soon all of our power will come from sources such as sunlight, wind, rain, tides, waves and geothermal heat wherever we operate across the globe – where markets allow.
20. BT purchases its UK renewable energy from npower and as part of BT's contract, npower gives BT clear visibility of the carbon impact of the electricity it purchases. It provides the company with an A-G rated electricity source label which certifies that all energy bought is A-certified (A has the lowest carbon content while G has the highest).
21. Over the years BT has explored a number of options for increasing renewable power use within its operations. In a series of deals worth £440 million, BT secured 15 years of energy output from three UK wind farms including Fallago Rig in the Scottish Borders. BT buys 50 per cent of the electricity generated from the Fallago Rig wind farm matching the company's needs in Scotland.
22. These agreements are a vote of confidence in UK and Scottish renewable energy. They not only support BT's environmental ambitions, but they give the company long terms price certainty.

Sharing the knowledge

23. Although BT is now getting closer to the 100 per cent renewable milestone, the company still has plenty of work to do overcoming challenges and sharing the knowledge to help others do the same. We've also got to keep working to encourage government to create more stable frameworks for renewable policy and certification. And we continue to apply pressure on policymakers to create

cleaner incentives for companies to purchase renewable energy and stimulate demand.

Conclusion

24. BT Scotland believes that the Scottish Government is correct to be ambitious in setting its climate change targets. BT's own experience in making significant emission reduction shows that it can be achieved but a strategic plan and approach are required.
25. BT is rising to the challenge of climate change because we believe that the scientific evidence is irrefutable and that reducing carbon emissions is the right thing to do. But aside from the moral argument, there is an inescapable commercial case for reducing our energy consumptions and our carbon emissions.
26. Our experience has proved that not only can we make significant savings from being more efficient; not only is there a significant market for the products and services that we sell to others to help them reduce their carbon emissions; but that we have also developed a more agile, efficient and productive workforce as a result.
27. We believe ICT has great potential to help Scotland meet its challenging targets in emissions reduction and urge the Scottish Government to make sure ICT is incorporated as a central strand of its climate change strategy. The ICT industry has been at the forefront of innovation for the past three decades. We have the opportunity now to make it the forefront of the global battle against climate change, and help Scotland and the UK reach its targets.

BT Scotland,
8 February 2017