

## Written evidence submitted by Unite the union Scotland (RES0005)

**Unite the Union Scotland represents around 140,000 working people and their families throughout Scotland. Unite is the UK's largest general trade union with 1.4 million members in a range of industries including transport, construction, financial services, manufacturing, print and media, the voluntary and non-profit sectors, social care, education, local government and the NHS.**

### Summary

Unite recognises the importance of addressing the climate crisis, providing energy security and delivering a sustainable environment however this must be done in conjunction with supporting communities and providing decent well paid work.

Scotland's renewables manufacturing sector is in need of greater financial support from the Scottish and UK government's if we want to compete with the rest of the world in this fast moving and lucrative sector.

Rapid and radical change is necessary to capitalise on the potential for a successful renewable energy industry in Scotland and trade unions must be central to delivering that.

This will require an economy that builds on decent jobs, fair pay and supports local communities and with that an integrated industrial strategy to underpin a social and industrial transformation towards a sustainable future.

Trade unions must be involved in any discussions about how to transition, with workers central to the debate.

Both the UK and Scottish Government's must ensure that workers are up-skilled or re-skilled and transitioned to new sustainable, unionised local jobs which will provide fair pay and decent jobs to support them, their families and wider communities. The transition to, and benefits from, renewables must be for everyone.

Unite is redoubling its efforts to secure a just transition to a low carbon world that ensures that workers and their communities are treated fairly, protected in the event of plant closures and are central to the debate on alternative high quality jobs in their communities.

In addition, Unite will continue to campaign for:

- Investment in renewable and low-carbon energy
- Government and industry support for all our industries in the transition from old to new technologies, including energy, manufacturing and transport
- New build homes to be fully energy efficient
- Appropriate incentives to improve home and business insulation
- A sustainable, affordable and accessible integrated public transport system
- Businesses to audit their energy use to be as efficient as possible

- Support for trade union representatives to promote energy efficient workplaces and tackle the climate crisis.

This together with sustainable investment in jobs and skills, investment in green technology research and development, procurement weighting to include environmental impact as a key indicator would all contribute towards a real change in reaching targets set on carbon emissions.

### 1) Scotland's renewable energy targets

-How effective has the setting of targets been in achieving 'net zero' emissions by 2050 (UK Government) and 2045 (Scottish Government)?

The question should not be focused on the setting of targets but in how the targets will be achieved. Some of the methods used to achieve the targets are wholly inappropriate and actually offset any gains that may come from renewable energy. The UK Government has used Contracts for Difference (CfD) and awarded contracts to build offshore wind farms in Scotland to companies located half way around the world. These turbines could and should have been built in Scotland. The energy generation from the completed turbine is offset by the energy consumed in transporting these turbines around the globe. Furthermore the treatment of workers employed in some projects is well below what is expected in a country that claims to uphold fair work. Energy companies that have been awarded contracts have employed workers on very low pay, poor terms and conditions and have shown to have an appalling safety record in the race to achieve ever greater profits. The drive to meet the targets has meant that standards have fallen and common sense ignored.

-What lessons can or have been learned from setting net zero targets?

Setting the targets is a method to spur-on action, but parameters on targets and how these goals can be met is less evident. There appears to be little if any criteria to ensure that the UK and/or the Scottish economy will benefit economically from these contracts which could then allow for more investment towards achieving the ultimate goal. Such as local content clauses. This is an opportunity missed. Allowing a straight, no limits race to the bottom simply to state you are on course to meet a target, has cost jobs and lives.

Unite would argue that instead targets must include commitments on delivering net zero that includes commitments on decent and sustainable jobs and local community benefits.

As the UK and other countries around the world battle to recover from the Covid-19 pandemic, and the UK faces considerable economic and social changes post Brexit, the challenge to reduce carbon emissions may fall as priority. To avoid this Unite would wish to ensure that the inclusion of statistics on job creation, apprenticeships, community benefits are regularly published to encourage a faster and more sustainable rate of change.

Unite would also like to see the industry and both Governments adopt targets on job creation, updates on the level of skills available in the UK, levels of investment in training and further education and also the scale of the UK manufacturing involvement in the

industry. Monitoring these targets will help to keep the progress towards a just transition on track.

-To what extent does the UK Government's latest white paper – [Powering our net-zero future](#) – ensure that renewable energy targets will be met in the UK.

Clearly with the best will in the world there is not enough investment into the renewable energy sector to drive the change needed to ensure that targets will be met within the timescale identified. The Energy Transitions Commission believe that it will only be possible to replace around 40% of the fossil fuels using Green hydrogen others have suggested up to 66% globally and they believe we will require the balance from Blue hydrogen (splitting natural gas into CO<sub>2</sub> and hydrogen with the CO<sub>2</sub> pumped into a Carbon Capture, Utilisation and Storage (CCUS) network.

Research by Goldman Sachs has estimated that green hydrogen could meet up to a quarter of the world's energy needs by 2050, and represent a viable alternative to fossil fuels and batteries.<sup>1</sup>

There are a rainbow of colours used in order to delineate between the various ways in which hydrogen, a colourless odourless gas, is produced. Some methods leave behind a lot of pollutants in the hydrogen which is why a tonne of Grey or Blue hydrogen carries 120 GJ while a tonne of Green hydrogen carries 140 GJ. Amongst the pollutants in Grey or Blue hydrogen is Carbon Monoxide with even high levels of this gas in Black or Brown hydrogen which obviously means that using a fossil fuel as a source of the hydrogen results in some carbon still reaching the atmosphere.

A recent development is turquoise hydrogen which also uses methane (natural gas) as a feedstock, but the process is driven by heat produced with electricity rather than through the combustion of fossil fuels and this cracks the hydrogen into carbon powder and hydrogen.

To put this simply, Unite would not support the pursuit of Black or Brown Hydrogen which are derived from gasified coal, lignite and oil based products. We also need to stop the production of Grey hydrogen and capture all the CO<sub>2</sub> so that the Grey hydrogen plant becomes Blue or we are simply moving the emissions from the industrial process or the vehicle to the chemical plant. Nor should we start fracking for White hydrogen (natural deposits of the gas) despite how valuable the gas will become.

We note the Scottish Government has stated that the economic impact from hydrogen has the potential to be worth up to £25 billion a year to the Scottish economy by 2045 with an ambition to generate 5GW of renewable and low-carbon hydrogen by 2030 – enough to power the equivalent of 1.8 million homes.<sup>2</sup>

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<sup>1</sup> <https://www.goldmansachs.com/insights/pages/gs-research/green-hydrogen/report.pdf>

<sup>2</sup> <https://www.gov.scot/news/building-a-new-energy-sector/>

Whilst there can be further savings made in energy demand through the use of air or ground sourced heat pumps, better insulation, home generation etc, at a domestic level there is also the expected expansion of the population and expected increase in energy consumption to consider. Using the predictions from Macrotrends<sup>3</sup> the population could reach 74 million living in the UK by 2050 compared to the 68.2 million living in the UK today. The average age profile shows that the majority of the population of the UK is now over 50, and by 2035 these individuals will be considering or entering retirement. Research from the United States highlights the fact that ageing households have higher energy demands.<sup>4</sup> This together with Scotland's colder climate compared with the rest of the UK is likely to increase demand for energy over time.

However if the UK is to replace fossil fuels with Green hydrogen produced through electrolyzers, and supply only from renewable energy and nuclear, based on 2019 figures, if all the power required was to derive from offshore wind alone, it will require around 35 times the current offshore wind generational capacity. It is clear that there is a considerable way to go if we are to achieve this.

According to the UK Government: Low carbon hydrogen will be vital for meeting our legally binding commitment to achieving net zero by 2050, with potential to help decarbonise vital UK industry sectors and provide flexible deployment across heat, power and transport.

Working with industry, the UK is aiming for 5GW of low carbon hydrogen production capacity by 2030. As we progress towards this ambition, we would hope to see around 1GW of hydrogen production capacity by 2025.<sup>5</sup>

However while supportive of the technology, the Scottish Government is not yet involved in harnessing the potential of low carbon hydrogen in any meaningful way, which appears to be a necessary addition to the energy mix if we are to reach the climate change targets set.

Unite will watch with interest to see if commitments materialise, as ambitions for carbon capture and storage have failed to come to fruition in any significant way despite the technology being around for more than two decades.

## 2) Renewable energy sources

-What variables have contributed toward wind energy providing more energy to the grid than any other renewable source?

Put simply the cost of new offshore wind farms. Where once there was a dash for gas as it was the cheapest way to produce electricity now with government support through Contract for Difference, the cost has plummeted. The problem as stated is the fact that safety standards, pay and conditions have also plummeted with few jobs being created in Scotland until the maintenance phase of the projects.

<sup>3</sup> <https://www.macrotrends.net/countries/GBR/united-kingdom/population>

<sup>4</sup> <https://news.harvard.edu/gazette/story/2019/06/harvard-research-shows-energy-use-climbs-with-age-and-temperature/>

<sup>5</sup> <https://questions-statements.parliament.uk/written-questions/detail/2021-04-15/181347/>

### -Why does marine energy account for such a small proportion of the total energy output of renewables in Scotland?

Unite understands that this could be due to the fact that wave and subsurface turbines have faced issues regarding the relative outputs of the devices combined with the case of subsea turbines as well as issues around the population of fish, plant life and large mammals. It has been shown that fish and other ocean mammals do not investigate models in tanks but do so in real life. Coastal wave generators had displayed huge potential until it was found that the intakes could be filled with sand. Additionally wave generation requires large floating barrages which can easily be destroyed in heavy seas. Consequently they have not produced much in the way of interest from possible inventors.

### -What is being done to develop and research other forms of renewable energy in Scotland such as wave/tidal energy and carbon capture usage and storage (CCUS) energy or others?

Given Scotland position geographically there should be considerable opportunities to exploit its wind and tidal wave energy capacity. However we have failed to do so. Indeed given the right investment Scotland by all accounts, has the potential to be a net exporter of renewables energy. Instead what we have witnessed is the import of the infrastructure required to generate electricity from wind, and wave/tidal and the export overseas of the technical skills and intellectual property required due to a lack of investment available within the UK to harness the capacity.

Tidal works if there is a sizeable difference between high and low tide in an expanse of water. The problem with tidal barrages is that they are relatively expensive to build, they will block shipping so a way through needs to be allowed for if there is a port upstream and the barrier will mean that the silt from the river run offs will not wash away as before. The holding back of the water caused by the barrage therefore causes an ecological change that could damage fish spawning grounds and nurseries. The turbines can also become fouled by plant matter and whilst anti fouling paints are available they tend to be toxic to both fish and the plants. Other than that tidal barriers can create jobs especially in the subsea turbine manufacture and construction. None the less they are also very expensive per KWh compared to wind. The benefit of tidal is that unlike most renewable energy it is predictable where it can handle the two tidal surges per day both for the incoming and outgoing tides. As the tide does not peak at the same time around the coast, it is therefore possible to provide a base load supply from tidal energy.

Given the high cost, delays due to studies of the ecosystem, modelling etc. the idea has not taken off. With wind turbines you can now obtain a floating 7MW turbine and move it to wherever it is needed including deep water without these concerns.

### 3) Employment in renewable energy sector

The UK is in chronic need of massive public investment to create good, green jobs for full employment. If the UK is to reach the climate change targets it has set itself, we cannot wait for private sector investment before work starts in earnest.

We desperately need to create good, secure jobs in every local community and transform our whole economy into one that is sustainable. Unite has published its 'Plan for Jobs'<sup>6</sup> that gives seven examples for manufacturing that are ready to go now and can be a starting point. These include investing in the roll out of high speed broadband, building mega-factories as part of transitioning to electric vehicles, increasing our offshore wind capacity as part of a large-scale expansion of renewable and zero carbon energy generation. Retrofitting all of our homes and building many more council and genuinely affordable homes which will create construction jobs in every area and help address our housing crisis – as would expanding, upgrading and transforming our public transport system. Mass unemployment from this pandemic is not inevitable – and in addressing the jobs challenge we can also meet our climate obligations. The TUC produced analysis in June 2020 showing how we can create 1.24 million jobs in green infrastructure. It has never been clearer what this country needs<sup>7</sup> – we just need the government to act now.

Unite recognises the finite resources of oil and gas and the need for a just transition away from fossil fuels. However we do not at this stage, observe any meaningful attempt to create employment of a similar scale or capacity, including equivalent pay or skill levels in the renewables energy sector, for our members in the oil and gas industry to transfer to at this time.

In 2010 the Scottish Government said there was a potential for 130,000 jobs (Scottish Government, [A low carbon economic strategy for Scotland](#), November 2010, p.10) in the low carbon renewable energy sector.

Despite the Scottish Governments talk of fair work, evidence suggest that there is an unacceptably high level of migrant labour employed on low pay and poor conditions across the renewables industry. This impacts, not only on other workers, but on safety and human rights as local workers' wages are being driven down to compete. The evidence also shows large construction firms bringing in hired crew from elsewhere rather than employing skilled local workers. In most instances the hired crew are non-union.

In reality these contracts should be awarded more fairly to companies that seek to drive up standards of pay, training and health and safety through collective bargaining. Increasing skills, providing local content clauses, employing apprentices are also key demands Unite would expect to see in the awarding process, building a brighter future and leading to economic benefits for all.

-What policy decisions do the UK and Scottish Governments need to make to increase the number of jobs in the renewable energy sector?

The UK and Scottish Governments must actively support a 'just transition' in order to achieve net zero emissions. The central part in delivering this objective will be to ensure that jobs are directly created in the UK through a coherent and co-ordinated industrial agenda with a green skills strategy at its core.

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<sup>6</sup> [https://www.unitetheunion.org/media/3659/9358\\_plan-for-green\\_a4\\_6-4.pdf](https://www.unitetheunion.org/media/3659/9358_plan-for-green_a4_6-4.pdf) (Page 4&5)

<sup>7</sup> <https://www.tuc.org.uk/research-analysis/reports/rebuilding-after-recession-plan-jobs>

Considerable work requires to be done to allow transferability from oil and gas to renewables for workers and their skills. Many of the skills attained by our members in the offshore sector could be transferable given the training. A recent report commissioned by the STUC - 'Green Jobs in Scotland'<sup>8</sup> - estimates that with the right policies and funding in place, Scotland could see job creation in the region of 156,000 - 367,000 jobs.

The STUC report also highlights research by Arup for Scottish Enterprise, which points to *“direct crossover of skills from oil and gas industry supply chain to geothermal, wind and tidal energy, water and wastewater services, and flood management.”*

Yet we are failing to capitalise on this.

The Bifab yards in Fife and Arnish on Isle of Lewis were involved in the manufacture of steel fabrication for the renewables sector. The business was uniquely placed to bid for work in the Neart na Gaoithe Wind farm project but failed initially to win a contract despite a £52 million loan by the Scottish Government. The business was put into administration and has only recently been bought back out of administration InfraStrata which already owns Harland and Wolff in Belfast. It is hoped the yards can win contracts for offshore wind projects and shipbuilding under its new ownership.

CS Wind was a financially successful business and the only UK facility involved in manufacturing onshore and offshore wind towers. The site has received £3m in taxpayer-funded grants from the Scottish Government's economic and community development agency Highlands and Islands Enterprise (HIE). The business had contracts in its books, however was brought to its knees and has all but closed as a result of the failure of the company to invest in the site to keep it open. There is an ongoing interim interdict stopping the removal of assets from the site. Unite believes that the company has withdrawn support for the site as public subsidies have dried up. An online search would show that the company that owns the site in Machrahanish in the Kintyre Peninsula carried out an almost identical closure exercise of another company it owned in Canada.<sup>9</sup>

In Canada however local content clauses were written into the contract and local workers and communities benefitted during the period the site was open. The uncertainty surrounding the site in Argyll is hampering opportunities to bid for contracts that could keep work coming to the site and the site remaining open.

The STUC Green Jobs for Scotland report argues for *“...a strong level of public sector investment and participation in decarbonising sectors throughout, as a way to both decarbonise at the necessary pace, and to maximise job creation and the application of Fair Work standards.”*<sup>10</sup>

It also goes on to highlight that... *“Countries that implement more deliberate industrial strategies for decarbonisation, including public investment and/or local content rules, - for example Denmark, France, Turkey, and Taiwan in relation to renewable energy - appear to be more successful at ensuring local job creation.”*

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<sup>8</sup> [http://www.stuc.org.uk/files/Policy/STUC\\_Green\\_Jobs.pdf](http://www.stuc.org.uk/files/Policy/STUC_Green_Jobs.pdf)

<sup>9</sup> <https://windsorstar.com/news/local-news/cs-wind-stops-producing-wind-turbines-in-windsor>

<sup>10</sup> STUC Green Jobs for Scotland *ibid.*

Concerns have been repeatedly raised that employment in renewable energy - primarily in offshore and onshore wind and solar sectors - has been below standard. Jobs tend not to be unionised, and there have been reports of large multinational energy utilities like EDF trying to avoid unionisation of their (new) renewables divisions, despite union recognition across the rest of the company. The wind power Sector Deal created by the UK Government excludes any provision for trade unions. This adds to significant Health & Safety concerns with wind power, repeated violations, and recent deaths amongst onshore wind workers.<sup>11</sup>

A change to the Contract for Difference is necessary to force manufacture of the turbines locally and for the introduction of legally binding minimum terms and conditions and safety standards to end the race to the bottom that has cost so many lives. Contracts for Difference should be used to raise standards and ensure companies adhere to laws on Health and Safety and workers rights.

Unite responded to the UK Government consultation on Contracts for Difference. In the Unite response we stated:

*“Unite appreciates that the CfD process is a reserved issue but as we have repeatedly pointed out there are many levers at the Scottish Government’s disposal so to simply blame the lack of outcomes on the process being devolved is deliberately misleading and disingenuous. There are powers relating to planning, renewables energy, procurement, the Crown Estate and Marine Scotland which together could and should have exercised greater leverage in the contractual process as acknowledged by the Scottish Government in May 2019.”<sup>12</sup>*

The Contracts for Difference (CfD) scheme is the main mechanism for supporting low-carbon electricity generation. The scheme is designed to incentivise investment in renewable energy by effectively guaranteeing prices for renewable energy suppliers. The process has substantial shortcomings and reform of the CfD arrangements is absolutely necessary in order to help improve the outlook for supply chain firms throughout the UK.

The UK Government should work with trade unions, industry and the devolved administrations to develop a robust UK supply chain plan for onshore and offshore wind, which delivers tangible benefits for the domestic jobs market which is common in other areas of major energy infrastructure procurement.”

-How effective has the renewable energy sector been in producing careers for Scottish people?

More could be done especially if a just transition policy was introduced to provide a pathway for transition from the oil and gas sector in particular into renewables. A number of skills are transferable for example engineers are required to convert buses to zero carbon as part of Low Emission Zone initiative included within the Transport Bill (Scotland). More should be done to increase apprenticeships in the renewables sector. However when young workers see renewables energy companies cutting jobs or closing completely or bus companies such as Alexander Dennis that manufacture ‘green buses’ cutting jobs, then the urge to consider entering the ‘green industries’ may affect that decision.

<sup>11</sup> <https://www.ioshmagazine.com/windfarm-safety-criticised-after-two-workers-killed-fortnight>

<sup>12</sup> <https://www.gov.scot/news/offshore-wind-summit-commits-to-way-forward/>

-What UK and Scottish Government support would facilitate the growth of jobs in this sector?

A long term focus and significant financial assistance is required to ensure renewables are a career of choice and that jobs are sustainable. While both Governments ramp up the rhetoric, in reality much more needs to be done and at a faster pace. A sustainable and successful renewables sector cannot wait for private sector investment. Both Governments need to step in now.

-What do the UK and Scottish Governments need to do to achieve a 'just transition' for workers in the oil and gas industry to successfully redeploy to the renewable sector or other sectors?

Employment in Scotland's wider low-carbon and renewable energy economy (LCRE) flat-lined between 2014 and 2018. Despite past promises of 130,000 jobs by 2020, direct employment in 2018 was 23,100, down from 23,400 in 2014, with nearly 10% of those in nuclear power.

Moreover, following a series of Freedom of Information Requests by Unite Scotland to the Crown Estate, Marine Scotland and the Scottish Government, the offshore wind farm 'job revolution' created just 6% of the 28,000 direct jobs predicted by this year. Official estimates state that there were just 1,700 full-time jobs in the offshore wind sector in Scotland, a fraction of the numbers projected by [Scottish Government Ministers](#) by 2020<sup>13</sup>. There has been minimal green and low-carbon manufacturing jobs directly created in Scotland. Instead, taxpayers are subsidising foreign firms to produce green energy which is supplied to Scottish homes at inflated prices and the work is being done thousands of miles away and shipped back to Scotland on carbon-emitting container ships. Therefore, while the CfD is important, measures relating to infrastructure investment, democratic public ownership, employment legislation, skills, and borrowing powers for devolved institutions will need to be pursued if Government objectives are to be fully met.

A just transition not only has to service the transition into renewables but also into construction roles, the roll out of ground and air source heat pumps to replace gas boilers, better insulated properties, the production of wind turbines and components, the production of Green hydrogen, investment in 'green' transport, the offshore storage of CO<sub>2</sub> in disused gas and oil wells. The list goes on.

#### 4) Intergovernmental relations

-How effective have the Scottish and UK Governments been in harnessing Scotland's renewable energy potential?

Unite does not believe that intergovernmental relations are at the point of making real changes in harnessing the renewable energy potential for Scotland. The Scottish Government unfortunately cites the failure to have full autonomy over all decision making related to energy as a reason for not progressing with some key industrial decisions, as energy is a reserved issue. However we are aware that the sea-bed in Scotland is controlled by the Crown Estate which the Scottish Government has authority over. The Crown Estate

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<sup>13</sup> 'A Low Carbon Economic Strategy for Scotland' (Scottish Government, 2010): [URL](#)

issue licences to drill into the sea-bed. Most offshore wind farms require access to the seabed and yet Scotland has not capitalised on contracts such as the Beatrice, Seagreen or Neart na Gaoithe offshore Wind Farms to secure jobs or benefits for the local community to the extent possible. Similarly there are competencies under Marine Scotland that are devolved. These too could have been used to ensure economic benefits for Scotland when awarding these contracts.

-How effective has consultation between the two Governments been on the development and design of renewable policies?

There have been few, if any, discussions between both government's and trade unions with regards to opportunities for the development or design of policies that could impact upon our members within the oil and gas sector specifically. As the Scottish Government is keen for a 'just transition' it would appear that such discussions should have been taking place to ensure workers have the skills to transition into the renewables industry.

-What discussions took place between the Scottish and UK Governments in preparing the Energy White Paper?

Don't know.

-How will the Energy White Paper affect the renewable energy sector in Scotland?

The energy white paper calls for a Build Back Better (BBB) approach including the roll out of more hydrogen production, Small Modular nuclear Reactor (SMR) facilities and more renewables in the drive to be net zero by 2050. As the Scottish government is opposed to nuclear energy the SMR's will not be built in Scotland.

The Scottish Government has however confirmed its support for hydrogen production as a way to meet targets on climate change and there is the potential for significant quantities of zero-carbon hydrogen produced through electrolysis, to be used to power transport (HGVs, ferries, trains), heavy industry, some heat, and storage for electricity to cope with renewables intermittency. However at this stage there has been little by way of development or investment.

Unite would urge the Scottish Government to put in place the infrastructure and funding for R&D for hydrogen electrolysis, tidal stream and wave energy; to upgrade ports and shipyards for the offshore wind supply chain; and build manufacturing facilities for offshore (including floating) wind turbines. This would ensure Scotland has the capacity now and in the future to capitalise on the demand for renewable energy to meet targets.

-How can the UK and Scottish Governments work together effectively to achieve their respective targets of net zero by 2050/2045?

There has to be a real sea change by both the Scottish and UK Government's in their outlook towards renewable energy manufacture and production. This must involve UK companies being awarded contracts employing UK workers. It makes little sense to talk about net zero targets when contracts for renewable energy infrastructure is manufactured thousands of

miles from where it will be situated and transported around the world on cargo ships that are emitting carbon.

Scottish companies producing the components required for our renewables industry are being denied contracts to manufacture and deliver within Scotland which would contribute to lowering transport emissions. Unite believes that the environmental impact of procurement should be weighted highly within the procurement process and in the awarding of contracts.

Further Unite would like to see the UK manufacturing supply chain given increased access and a greater allocation when it comes to the procurement of new equipment rather than rely on imports. Unite believes that if a UK supplier was identified prior to the award of a contract to supply goods (turbines for example) then the volume of freight transport emissions will also be significantly reduced.

It is unacceptable to award contracts to companies that have not undergone significant background checks on their fair work practices, trade union engagement and tax status including the supply chain.

Additionally an increase in the volume of UK manufacturing will also assist the UK economy in its recovery post Covid-19, post Brexit, post the net zero 2050 target and on into a carbon negative future.

While the manufacture of the infrastructure required for the renewables sector is vital we must be cautious about the potential to exploit communities and workers as well as tax payers in the rush to obtain climate change targets. Unite would wish to ensure that the proposals for greenports deliver for workers, communities and the economy. Unite has genuine concern around the introduction of greenports in Scotland. Unite believes that any area identified as a Greenport/Freeport Area could be seen as potential sites for companies to exploit the benefits for themselves and their shareholders without guarantees on jobs, pay, working conditions and local content clauses.

Unite's fear is that greenports will be used to exploit workers with companies benefitting from low tax rates and tariffs, undercutting indigenous/local companies while not passing any of the profits on to the workforce or local community.

Unite does not believe that the Scottish Government's commitment to the Business pledge within greenports is enough to guarantee standards would be raised. Under the proposals greenport operators and businesses will be required to commit to no 'inappropriate' use of zero hours contracts; they will be expected to ensure an effective voice for employees such as through trade union recognition and invest in workforce development; and to show how they will tackle the gender pay gap and create a more diverse and inclusive workplace in their business; and would expect them to become part of the Business Pledge network.<sup>14</sup>

The Scottish Government's Business Pledge was launched in May 2015 and as of 31 January 2020 just 722 business had signed up to the Pledge in total, representing 0.4% of Scotland's registered business base.<sup>15</sup>

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<sup>14</sup> <https://blogs.gov.scot/scotlands-economy/2021/02/24/green-ports-scotlands-focus-on-fair-work-first-and-net-zero/>

<sup>15</sup> <https://scottishbusinesspledge.scot/news/scottish-business-pledge-statistical-overview-september-january->

Unite does not believe that the Business Pledge will provide real guarantees on jobs, contracts or workers voice, rather the Pledge provides loopholes and opt-outs which rogue employers will seek to exploit.

*May 2021*