

Open consultation

## UK Green Taxonomy

From:

[HM Treasury](#)

<https://www.gov.uk/government/consultations/uk-green-taxonomy>

### Summary

This consultation seeks to gather views on the value case for a UK Green Taxonomy as part of the UK's wider sustainable finance framework.

This consultation closes at

**11:59pm on 6 February 2025**

1. In what capacity are you responding to this consultation?

- A business
- An individual
- A representative body

2. Please enter details of the business or body you represent

World Nuclear Association

3. To what extent, within the wider context of government policy, including sustainability disclosures, transition planning, transition finance and market practices, is a UK Taxonomy distinctly valuable in supporting the goals of channelling capital and preventing greenwashing?

The United Kingdom is widely recognized as a leader in climate policy. Its policies influence and inform those adopted in other countries. Whilst perhaps complementary to existing government policy, a science-based UK taxonomy will be of considerable value; it will provide clarity to industry, policymakers, financiers and others in the UK and abroad.

The criteria for a taxonomy should be science-based and measurable to maximize environmental benefits and ensure that capital investments are channelled effectively. Exclusion of beneficial technologies can be as counterproductive as the greenwashing of harmful technologies. On nuclear energy specifically, HMG has the opportunity to use its moral authority to take a leadership position by unequivocally and explicitly defining nuclear energy as 'green'. There is clear political consensus in the UK; HMG and

its Official Opposition recognize the essential role nuclear will need to play in a sustainable energy future.

4. Are there other existing or alternative government policies which would better meet these objectives or the needs of stakeholders? **(Optional)**

5. How can activity-level standards or data support decision making and complement other government sustainable finance policies and the use of entity-level data? **(Optional)**

6. How could the success of a UK Taxonomy be evaluated? What measurable key performance indicators could show that a UK Taxonomy is achieving its goals? **(Optional)**

7. What are the specific use cases for a UK Taxonomy which would contribute to the stated goals? This could include through voluntary use cases or through links to government policy and regulation.

8. What are respondents' views on the benefits of the proposed use cases? **(Optional)**

9. Are there any other use cases respondents have identified? **(Optional)**

10. How does each use case identified link to the stated goals? **(Optional)**

11. Under these or other use cases, which types of organisations could benefit from a UK taxonomy? **(Optional)**

12. For each use case identified, do respondents have any concerns or views on the practical challenges? **(Optional)**

13. What is the role for government within each use case identified, if any (i.e. to provide oversight, responsible for ongoing maintenance, implement legislation, including disclosure requirements)? **(Optional)**

14. Is a UK Taxonomy a useful tool in supporting the allocation of transition finance alongside transition planning? If so, explain how, with reference to any specific design features which can facilitate this. **(Optional)**

15. There are already several sustainable taxonomies in operation in other jurisdictions that UK based companies may interact with. How do respondents currently use different taxonomies (both jurisdictional and internal/market-led) to inform decision making? **(Optional)**

16. In which areas of the design of a UK Taxonomy would interoperability with these existing taxonomies be most helpful? These could include format, structure and naming, or thresholds and metrics. **(Optional)**

It is often asserted that “interoperability” between taxonomies is a desirable outcome. But for a national taxonomy to achieve its aims, it should align first and foremost with domestic realities, priorities and existing policy. Ultimately, each country must consider differences in climate, geography, resource endowment, as well as economic and security conditions, and define the objectives of its taxonomy accordingly.

**17. Are there any lessons learned, or best practice from other jurisdictional taxonomies that a potential UK Taxonomy could be informed by? (Optional)**

Defining and classifying investments and activities as sustainable has proved to be a political exercise in other jurisdictions. The UK government should therefore set out clear goals/criteria for its taxonomy that are measurable, science based and consistent with existing policy.

The inclusion or exclusion of activities in taxonomies can be an important driver of public and private investment. For nuclear, the evidence of this is clear. Canada in November 2023 became the first sovereign borrower to add nuclear to its green bond framework, citing the European Union’s taxonomy in its decision. Across the world, many utilities are now raising private capital for projects through the issuance of green bonds, including: Nucleoeléctrica Argentina SA, Argentina; Bruce Power and Ontario Power Generation, Canada; Teollisuuden Voima Oy, Finland; EDF, France; State Development Corporation VEB, Russia; Kyushu Electric Power Co., Japan; Constellation, USA; and ENEC, UAE.

**18. What is the preferred scope of a UK Taxonomy in terms of sectors? (Optional)**

**19. What environmental objectives should a UK Taxonomy focus on (examples listed above)? How should these be prioritised? (Optional)**

The consultation states that the purpose of developing a taxonomy is “...to facilitate an increase in sustainable development...” It is important therefore that it considers the balancing of social and economic factors, as well as environmental objectives.

In terms of environmental objectives, HMG has identified reducing carbon emissions from the country’s energy sector and protecting nature as its key policies. For energy technologies the UK taxonomy should therefore consider:

- lifecycle greenhouse gas emissions
- measurable ecosystem impacts including: resource use; land use; water use; particulate emissions; eutrophication; ecotoxicity; acidification etc.

In 2021 the United Nations Economic Commission for Europe published an integrated life cycle assessment (LCA) that considers the “cradle-to-grave” environmental impact of different electricity generation options. It concluded that the environmental impacts of generating electricity from nuclear are among the lowest of all electricity generation options, and lower than all types of solar and wind.

20. When developing these objectives, what are the key metrics which could be used for companies to demonstrate alignment with a UK Taxonomy? **(Optional)**

21. What are the key design features and characteristics which would maximise the potential of a UK Taxonomy to contribute to the stated goals? Please consider usability both for investors and those seeking investment. This may include but not be limited to the level of detail in the criteria and the type of threshold (e.g. quantitative, qualitative, legislative) **(Optional)**

The potential of a UK Taxonomy will be maximized if any list of approved activities is as comprehensive as possible, including all valid options that could contribute to meeting the objective of the taxonomy. Failure to do so will disincentivize investment and constrain the potential to achieve the government's goals.

Some taxonomies create a list of excluded economic activities (i.e. unsustainable activities), whilst list others list included activities. Generally, taxonomies do not aim to be comprehensive from the initial date of implementation, and so some activities are omitted.

It is important that the taxonomy does not omit valid options as this would disincentivise investment and constrain its potential to achieve the government's goals.

22. What are respondents' views on how to incorporate a Do No Significant Harm principle, and how this could work? **(Optional)**

The Do No Significant Harm (DNSH) principle is a well-intentioned but flawed concept.

There is no technology that is fully without risk to people or the environment. For example, whilst low-carbon sources of energy such as nuclear, hydro, wind and solar do not emit carbon dioxide at the point of use, they are responsible for emissions and waste during construction, manufacturing and decommissioning. As such, it is important that the thresholds of any DNSH principle are set carefully to avoid disincentivising beneficial activities. Ultimately, any energy technology's compatibility with sustainable development objectives must be assessed in relative terms – in the light of the alternatives.

If incorporated, and as is the case for the taxonomy more broadly, the criteria used for a DNSH principle should be measurable and science based. The International Organization for Standardization (ISO) standards for Life Cycle Assessment (LCA) in ISO 14040 and ISO 14044 provide an obvious basis for an objective assessment. These standards describe the methodology for assessing a product or activity's environmental impacts, positive and negative, through its life cycle. When used consistently LCA provides a true basis for comparison and assessment of alternatives.

23. It is likely a UK Taxonomy would need regular updates, potentially as often as every three years. Do you agree with this regularity? **(Optional)**

24. Would this pose any practical challenges to users of a UK Taxonomy? **(Optional)**

25. Would this timeframe be appropriate for transition plans? **(Optional)**

26. What governance and oversight arrangements should be put in place for ongoing maintenance and updates to accompany a UK Taxonomy? **(Optional)**