

Nuclear Industry Association Response to HM Treasury's 'UK Green Taxonomy' consultation

The Nuclear Industry Association (NIA) welcomes the opportunity to respond to HM Treasury's 'UK Green Taxonomy' consultation.

The NIA is the trade association and representative body for the civil nuclear industry in the UK. We represent more than 300 companies operating across all aspects of the nuclear fuel cycle, including the current and prospective operators of nuclear power stations, international designers, and vendors of nuclear power stations, and those engaged in decommissioning, waste management and nuclear liabilities management. Members also include nuclear equipment suppliers, engineering and construction firms, nuclear research organisations, and legal, financial and consultancy companies.

Due to the diversity of our membership, our views in this submission will cover high-level, industrywide matters. Our members may choose to make their own detailed submissions.

Executive Summary

We support the development of a UK Green Taxonomy to promote market integrity and mobilise capital into sectors critical for the green transition. We strongly welcome the government's proposal to classify nuclear as green in any future UK Green Taxonomy.

We have spoken with many leading lending banks, who have observed that UK policy on nuclear financing requires greater alignment with the Government's energy policies which commit to increasing nuclear power deployment. There is growing interest across the private market in financing nuclear power projects, with investors being drawn to the prospect of diversifying their portfolios of sustainable infrastructure projects.

Nuclear energy is a clean, sustainable energy source and is integral to the green transition. It is estimated that the current fleet has reduced the UK's carbon emissions by 1.1 billion tons CO₂ eq. between 1976 and 2024. This is equivalent to over 16 years of UK car emissions.¹

- According to the United Nations Economic Commission for Europe (UNECE), nuclear has the lowest land use, lowest ecosystem impact and the lowest lifecycle carbon of all generating technologies at 5.1-6,4g CO₂/kWh.²
- Nuclear also has the lowest use of critical minerals according to the International Energy Agency.³

¹EDF (2025) *Economic Impact of EDF's Nuclear Fleet from 1976 to 2024*. Available at <https://www.edfenergy.com/sites/default/files/2025-01/Economic-impact-EDF-nuclear-fleet.pdf>

² United Nations Economic Commission for Europe (2022) *Carbon Neutrality in the UNECE Region: Integrated Life-cycle Assessment of Electricity Sources*. Available at https://unece.org/sites/default/files/2022-04/LCA_3_FINAL%20March%202022.pdf

³ International Energy Agency (2021) *The Role of Critical Minerals in Clean Energy*. Available at <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/mineral-requirements-for-clean-energy-transitions>

- The nuclear industry is the only energy sector in the UK that pays for and keeps an inventory of its waste. New build projects cannot commence plant construction until funded decommissioning programmes and plans for waste storage and final disposal have been laid.

The nuclear sector also contributes a range of benefits to the UK economy: generating £6.1 billion in GDP, supporting tens of thousands of jobs, and generating a substantial stream of £4.5 billion in tax revenues for the Exchequer each year.⁴

- The civil nuclear sector is estimated to have a GVA multiplier of 2.6. So, for every £1 million it directly contributed to UK GDP, it supports another £1.6 million elsewhere in the economy through its expenditure.⁵

Assessing Taxonomy use cases

1. 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?

- i. We believe that a UK Taxonomy would be complementary to existing government policy interventions such as sustainability disclosures and transition planning, providing a mechanism to clearly and consistently classify green economic activities to support the UK's decarbonisation and clean energy goals.
- ii. A taxonomy would also offer investors a regulatory parameter to guide them on which low-carbon technologies are deemed as sustainable investments by Government. This is particularly important for nuclear technologies given there is no scientific basis for why they should be treated differently to other sustainable technologies.⁶
- iii. Establishing a UK Taxonomy would also improve the competitiveness of the UK as a green investment destination, with clear rules that are aligned with internationally recognised standards.

⁴Nuclear Industry Association (2023) *Delivering Value: The Economic Impact of The Civil Nuclear Industry*. Available at <https://www.oxfordeconomics.com/resource/delivering-value-the-economic-impact-of-the-civil-nuclear-industry/#:~:text=We%20find%20it%20supports%20an,clusters%20of%20civil%20nuclear%20activities>

⁵ Nuclear Industry Association (2023) *Delivering Value: The Economic Impact of The Civil Nuclear Industry*. Available at <https://www.oxfordeconomics.com/resource/delivering-value-the-economic-impact-of-the-civil-nuclear-industry/#:~:text=We%20find%20it%20supports%20an,clusters%20of%20civil%20nuclear%20activities>

⁶ Joint Research Centre (2021) *Technical assessment of nuclear energy with respect to the 'do no significant harm' criteria of Regulation (EU) 2020/852 ('Taxonomy Regulation')*. Available at <https://publications.jrc.ec.europa.eu/repository/handle/JRC125953>

a) Are there other existing or alternative government policies which would better meet these objectives or the needs of stakeholders?

- i. In addition to a UK Taxonomy, we would encourage Government to reconsider the exclusion of nuclear from its Green Financing Framework.
 - Government excluded nuclear from the Framework on the basis that “many sustainable investors have exclusionary criteria in place around nuclear energy”.⁷
 - Since then, green bonds worth over USD 5 billion have been issued for nuclear, illustrating that sustainable investors have a strong interest in the sector.⁸

b) How can activity-level standards or data support decision making and complement other government sustainable finance policies and the use of entity-level data (e.g. as provided by ISSB disclosures or transition plans)?

- i. No comment.

2. 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.

a. What are respondents’ views on the benefits of the proposed use case (paragraph 2.2)

- i. We support the proposed use cases listed in paragraph 2.2.
 - We would support the use of the Taxonomy as a tool for appraising green bonds and supporting investor decision making. This would improve consistency and comparability in the green bond market.
 - Investors and financial institutions have found the EU Taxonomy to be a valuable method for evaluating Green Bonds.⁹
 - In the EU, green bonds have been aligned to the EU Taxonomy to improve consistency and comparability in the green bond

⁷ HM Treasury (2021) *UK Government Green Financing Framework*. Available at https://assets.publishing.service.gov.uk/media/60f008d78fa8f50c7f08ae6e/20210630_UK_Government_Green_Financing_Framework.pdf

⁸ International Energy Agency (2025) *The Path to a New Era for Nuclear Energy*. Available at <https://iea.blob.core.windows.net/assets/21947d24-cbe3-4fbe-a5b7-5c94de5c60f2/ThePathtoaNewEraforNuclearEnergy.pdf>

⁹ Department for Business & Trade (2024) *The EU Taxonomy Framework: Research on the Impact on Companies*. Available at <https://assets.publishing.service.gov.uk/media/673b32c6abe1d74ea7dade98/the-eu-taxonomy-framework-research-on-the-impact-on-companies.pdf>

market.¹⁰ This alignment has made nuclear projects in Europe eligible for green bonds.

- Since 2021, green bonds valued at €4 billion have been issued in France and €600 million has been issued for nuclear projects in Finland.^{11 12}

b. Are there any other use cases respondents have identified?

c. How does each use case identified link to the stated goals?

d. Under these or other use cases, which types of organisations could benefit from a UK Taxonomy?

- A UK Taxonomy would benefit the civil nuclear sector in particular as the sustainability credentials of nuclear have been questioned in the past, despite strong scientific evidence proving green credentials.
- A UK Taxonomy would've helped with raising private capital for Sizewell C and will support in doing so with future nuclear projects.

e. For each use case identified, do respondents have any concerns or views on the practical challenges?

- No comment.

f. 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)?

- No comment.

3. 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.

- A UK Taxonomy would support the Government's existing policies around sustainable finance by providing a mechanism to clearly classify activities to support the green transition.

¹⁰ European Council (2023) *European Green Bonds: Council Adopts New Regulation to Promote Sustainable Finance*. Available at <https://www.consilium.europa.eu/en/press/press-releases/2023/10/24/european-green-bonds-council-adopts-new-regulation-to-promote-sustainable-finance/>

¹¹ International Atomic Energy Agency (2024) *New IAEA Report on Climate Change and Nuclear Power Focuses on Financing*. Available at <https://www.iaea.org/newscenter/news/new-iaea-report-on-climate-change-and-nuclear-power-focuses-on-financing#:~:text=In%20the%20EU%2C%20the%20first,loans%20between%202022%20and%202024.>

¹² Nuclear Engineering International (2024) *TVO issues €600M green bond to finance nuclear power and waste management*. Available at <https://www.neimagazine.com/news/tvo-issues-e600m-green-bond-to-finance-nuclear-power-and-waste-management/>

- 4. 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?**
- i. No comment.

Key design questions

- 5. 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?**
- i. No comment.
- 6. 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.**
- i. We would encourage Government to align the UK Taxonomy with the EU Taxonomy for the purposes of system harmonisation and to simplify the reporting process for companies operating in both jurisdictions.
- 7. Are there any lessons learned, or best practice from other jurisdictional taxonomies that a potential UK Taxonomy could be informed by?**
- i. We would support high level alignment between a UK Taxonomy and the EU Taxonomy; however, Government should review and learn from mistakes made by the EU in their Taxonomy by creating a level playing field for the assessment of all energy technologies.
 - ii. A report by the European Commission's Joint Research Centre did not reveal any science-based evidence that nuclear energy does more harm to human health or to the environment than other electricity production technologies included in the EU Taxonomy.¹³ Despite this, the EU additional conditions have been attached to nuclear in the EU Taxonomy.
 - iii. The EU's current approach to the application of the technical screening criteria for economic activities is unnecessary complex and we would encourage Government to avoid replicating this.
 - The EU Taxonomy includes specific criteria which blocks investment in nuclear power plants outside of the EU bloc from being Taxonomy compliant. This should not be replicated in a UK Taxonomy.

¹³ Joint Research Centre (2021) *Technical assessment of nuclear energy with respect to the 'do no significant harm' criteria of Regulation (EU) 2020/852 ('Taxonomy Regulation')*. Available at: <https://publications.jrc.ec.europa.eu/repository/handle/JRC125953>

- ii. We would also support a UK Taxonomy being inclusive of the whole nuclear sector, including the nuclear fuel supply chain.

8. What is the preferred scope of a UK Taxonomy in terms of sectors?

- i. We would encourage the UK Taxonomy to cover the energy sector, including the civil nuclear sector, to help mobilise capital into clean energy projects.

9. What environmental objectives should a UK taxonomy focus on (examples listed in paragraph 3.3)? How should these be prioritised?

- i. We agree that the environmental objectives listed in paragraph 3 should be used in a UK Taxonomy. By assessing economic activities against these objectives, the UK Taxonomy would be well aligned with the EU Taxonomy.

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

- i. We would encourage Government to align metrics in a UK Taxonomy with those detailed within the existing EU Taxonomy for consistency purposes.

11. 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)

- i. We would encourage the Government to continue engagement with the investment community to determine key design features and characteristics to maximise the potential of a UK Taxonomy.

12. What are respondents' views on how to incorporate a Do No Significant Harm principle, and how this could work?

- i. We would support high level alignment with how the Do No Significant Harm principle is incorporated in the EU Taxonomy, however, Government should consider reducing complexities where feasible and appropriate.

13. It is likely a UK Taxonomy would need regular updates, potentially as often as every three years.

a. Do you agree with this regularity?

- i. We would support regular updates to the UK Taxonomy to ensure optimal functionality.

b. Would this pose any practical challenges to users of a UK Taxonomy?

- i. No comment.

c. Would this timeframe be appropriate for transition plans?

- i. No comment.

14. What governance and oversight arrangements should be put in place for ongoing maintenance and updates to accompany a UK Taxonomy?

- i. We would encourage Government to review proposals for the inclusion of new activities on a rolling basis.

Further Information

The NIA is happy to provide more context, or any clarifications desired on the content of our response and to ask our members where appropriate for additional information that may be useful.

Please contact Elisabeth Roden, Policy Analyst for the Nuclear Industry Association, at elisabeth.roden@niauk.org to do this.