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**Response to: UK Green Taxonomy consultation**

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**About Uniper**

Düsseldorf-based Uniper is a European energy company with global reach and activities in more than 40 countries. With approximately 8,000 employees, the company makes an important contribution to security of supply in Europe, particularly in its core markets of Germany, the UK, Sweden and the Netherlands.

Uniper's operations encompass power generation in Europe, global energy trading, and a broad gas portfolio. Uniper procures gas—including liquefied natural gas (LNG)—and other energy sources on global markets. The company owns and operates gas storage facilities with a total capacity of more than 7 billion cubic meters.

Uniper intends to be completely carbon-neutral by 2040. Uniper aims for its installed power generating capacity to be more than 80% zero-carbon by the early 2030s. To achieve this, the company is transforming its power plants and facilities and investing in flexible, dispatchable power generating units. Uniper is already one of Europe's largest operators of hydropower plants and is helping further expand solar and wind power, which are essential for a more sustainable and secure future. The company is progressively expanding its gas portfolio to include green gases like hydrogen and biomethane and aims to convert to these gases over the long term.

Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonization journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

In the UK, Uniper owns and operates a flexible generation portfolio of power stations and a fast-cycle gas storage facility.

## Consultation Response

We have set out below our answers to the consultation questions. Our views in summary:

- We agree that a UK Taxonomy can support stimulating transition investment, subject to its design. It is important, however, that costs associated with monitoring, reporting and verification are reasonable and proportionate.
- A UK Green Taxonomy should align with the EU Taxonomy wherever possible. While the EU Taxonomy presents certain complexities and limitations, significant deviations from it would add to the already high administrative costs faced by reporting entities, potentially outweighing the benefits of a UK Green Taxonomy.
- Alignment with the EU Taxonomy will support international interoperability, simplify the adoption process and minimise regulatory burdens and compliance costs for UK plc.

### *Our views in full:*

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

A UK Green Taxonomy could be valuable in establishing a common framework for defining what constitutes 'green' investment. This could help direct capital towards sustainable projects, encourage best practices and unlock transition finance.

There is no single existing government policy suitable to meet the objectives set out in the consultation. While certain green finance instruments could meet some of the government's objectives, an activity-level standard and a distinct taxonomy framework would give a more accurate and complete picture of complex portfolios.

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

All use cases set out in the consultation could support government goals and objectives, with use case 1 and 2 providing the most benefit to us.

In addition to the list set out in paragraph 2.2, a UK taxonomy could also be used for regulatory compliance and disclosure requirements (i.e. under the Sustainability Disclosure Requirements).

Working with industry, the role for government is to set out clear standards and a framework as well as overseeing and facilitating a regular review against the EU Taxonomy.

**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.**

Yes, a UK Taxonomy can help unlock and stimulate transition investment by setting sustainability standards and providing clarity and certainty to investors, subject to its design and the administrative costs associated with reporting.

As discussed under Question 6, international interoperability must be a priority for an emerging UK Taxonomy. While the EU Taxonomy presents certain complexities and limitations, reporting entities have invested heavily into adapting their monitoring, reporting and verification practices to it. Any major divergence from the format of the EU Taxonomy could result in additional and unnecessary regulatory burden and compliance costs, potentially impacting UK competitiveness and outweighing the benefits of a green taxonomy.

An important feature of the EU approach is the introduction of 'transitional' and 'enabling' activities. Transitional economic activities – as defined in the EU Taxonomy – 'cannot yet be replaced by technologically and economically feasible low-carbon alternatives but support the transition to a climate-neutral economy'<sup>1</sup>. Enabling economic activities, on the other hand, are defined as activities that do not contribute to climate change mitigation directly but 'play a crucial role in the decarbonisation of the economy by directly enabling other activities to be carried out at a low carbon level of environmental performance'<sup>2</sup>.

By aligning with the EU Taxonomy and introducing these concepts, the UK will stimulate transitional finance into projects that have GHG emission levels corresponding to the best practices in the sector.

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<sup>1</sup> [Official Journal of the European Union \(2021\) COMMISSION DELEGATED REGULATION \(EU\) 2021/2139](#)

<sup>2</sup> [Official Journal of the European Union \(2021\) COMMISSION DELEGATED REGULATION \(EU\) 2021/2139](#)

**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?**

The UK Taxonomy will need to be reviewed and evaluated on a regular basis, with key performance indicators (KPI) aligning with the EU Taxonomy.

**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?**

Uniper's capital allocation process and strategic and financial decision gates use different hurdle rates for 'green' and 'non-green' projects. 'Green' projects have lower hurdle rates, meaning that 'non-green' projects must deliver higher returns to match their value. To meet the 'green' hurdle rate, projects are evaluated based on EU Taxonomy eligibility criteria and their potential to become EU Taxonomy aligned.

**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.**

A UK Green Taxonomy should align with the EU Taxonomy wherever possible. Significant deviation from the format, structure, scope and DNSH criteria of the EU Taxonomy will result in additional and unnecessary regulatory burden and compliance costs. However, certain elements, including thresholds, may need to be adjusted to be in line with the wider UK strategy and policy framework.

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

It is key that a UK taxonomy is designed to be simple to adopt and implement. Gaining a clear and in-depth understanding of some of the abstract reporting requirements of the EU taxonomy has been challenging and highly resource-intensive, often resulting in unnecessary administrative burdens for industry. With the manual nature of the data collection and reporting processes, the assessment requires 3 to 5 people in the core team in addition to the time required by the supplying departments. The cost associated with reporting under a UK Green Taxonomy should be reasonable and proportionate.

In an effort to boosting competitiveness, reduce administrative burdens and enhance flexibility, the European Commission has recently committed to extensively simplifying sustainable finance reporting, sustainability due diligence and the EU Taxonomy<sup>3</sup>. The first 'Simplification Omnibus proposal' is expected to be launched in early 2025. To enhance international interoperability and match the EU's ambition for competitiveness, a UK Green Taxonomy should mirror the EU approach for simplification wherever possible and appropriate. As discussed under Question 3, this should include the introduction of 'transitional' and 'enabling' activities.

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

While Uniper does not take a view on whether additional sectors should be covered under a UK Taxonomy, maintaining level playing field across industries is critical.

<sup>3</sup> [European Commission \(2025\) A Competitiveness Compass for the EU](#)

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

EU Taxonomy Objective 1 – ‘Climate mitigation’ and Objective 2 – ‘Climate adaptation’ must be prioritised given their direct linkage to GHG emissions. While additional environmental objectives should also be added in the long term to enhance interoperability with the EU Taxonomy, disclosure requirements for Objectives 3 to 6 should only be made mandatory in due course.

This would follow the phased approach of the EU Taxonomy, allowing reporting companies to familiarise themselves with all technical screening criteria and set up appropriate monitoring and reporting controls.

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

In line with the EU Taxonomy, turnover, capital expenditure (CaPEX) and operating expenditure (OpEx) should be used to demonstrate alignment with a UK Taxonomy.

To avoid increasing and unnecessary administrative burden, metrics used for Technical Screening Criteria (TSC) should be clearly defined, unambiguous and aligned with the EU Taxonomy.

**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)**

To maximise the benefits of a UK Green Taxonomy, international interoperability and simple adoptability should be prioritised. It is important that costs associated with monitoring, reporting and verification are reasonable and proportionate.

Other important design features include

- alignment with the EU taxonomy wherever possible,
- alignment with existing green finance instruments in the UK,
- alignment with existing and emerging UK policies and regulatory frameworks,
- recognition of ‘enabling’ and ‘transitional’ activities and
- clearly defined and unambiguous definitions, metrics, thresholds.

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

Uniper supports the principle of ‘Do No Significant Harm’ (DNSH) as long as all definitions and criteria align with the EU Taxonomy. As discussed under Question 9, disclosure for Objective 1 – ‘Climate mitigation’ and Objective 2 – ‘Climate adaptation’ should be prioritised, with government taking a phased approach and adopting a DNSH principle in due course. Companies should also be able to disclose the extent to which they meet DNSH criteria, providing more accurate and complete picture of their portfolio.

**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?**
- b. Would this pose any practical challenges to users of a UK Taxonomy?**
- c. Would this timeframe be appropriate for transition plans?**

Yes. With the European Commission currently working on optimising and simplifying the EU taxonomy, additional flexibility needs to be built into a UK Taxonomy to adopt future changes swiftly and efficiently. It is also important that changes to a UK Taxonomy are communicated in advance to allow reporting entities to gather necessary data and adapt their monitoring and reporting practices accordingly. Unanticipated changes to GHG emission threshold and technical screening criteria, for example, could disincentivise long terms investments.

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

While Uniper does not take a view on specific governance and oversight arrangements, we agree in principle that a form of joint industry and government initiative to set up and maintain the taxonomy would be beneficial and enhance the UK Taxonomy's credibility.