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Sustainable Finance: Encouraging investment in all low-carbon technologies

The European Atomic Forum (FORATOM) is the Brussels-based trade association for the nuclear energy industry in Europe. The membership of FORATOM is made up of 15 national nuclear associations and through these associations, FORATOM represents nearly 800 European companies working in the industry and supporting around 800,000 jobs.

FORATOM very much welcomes the goal of the Sustainable Finance Initiative to be closely aligned with national and international climate-related policies. In its “A Clean Planet for All” communication, the European Commission confirmed that nuclear will form the backbone of a carbon-free European power system, together with renewables. The latest Intergovernmental Panel on Climate Change (IPCC) report ([Global Warming of 1.5°C](#)) also recognises that nuclear power has an important role to play if the world is to keep global warming to below 1.5 degrees. Reports published by the International Atomic Energy Agency (IAEA)¹ or the Joint Research Center (JRC)² also confirm the role of nuclear energy in the fight against global warming.

FORATOM believes that the Sustainable Finance Initiative should refer to low-carbon technologies as a whole - rather than just renewables as currently the case. This will bring it in line with the Commission’s belief that Europe’s 2050 carbon-free power system will be composed of two low-carbon sources: renewables and nuclear. It will also ensure that future potential low-carbon breakthrough technologies (other than renewables) are not excluded from this initiative.

Furthermore, this initiative should not aim to exclude a particular technology without providing a valid justification. In order to identify whether an energy source is sustainable or not, it is important evaluate each source on the basis of objective criteria and using a whole life-cycle approach. In our opinion, the following criteria should be considered:

- Impact on CO2 emissions
- Impact on air pollution
- Impact on water
- Impact on raw materials (volume of raw materials required, presence of responsible sourcing schemes, social responsibility and traceability of origin in front end activities)
- Waste generation and prevention (volume, toxicity, traceability, responsibility in back-end treatment / disposal)
- Impact on land use
- Impact on habitats and biodiversity

¹ [Climate Change and Nuclear Power](#), IAEA, 2018

² [Global Energy and Climate Outlook 2017](#): How climate policies improve air quality. Global energy trends and ancillary benefits of the Paris Agreement, Joint Research Center/ European Commission, JRC Science for Policy Report, 2017

The Sustainable Finance initiative should maintain the principle of technological neutrality and encourage long-term investments in technologies capable of decarbonising Europe's economy. To do so, it must recognise and include all low-carbon technologies, rather than focusing only on renewables. This will:

- Facilitate a level playing field between different low-carbon technologies
- Encourage the deployment of flexible and dispatchable low-carbon technologies, like nuclear, to help back-up variable renewables – thereby maintaining reliability and resilience of the future energy system
- Ensure the inclusion of any future breakthrough low-carbon technologies capable of helping Europe achieve its decarbonisation targets