



UK Carbon Code of Conduct Annual Report 2023

Introduction

The UK Carbon Code of Conduct (UKCCC) is committed to driving the UK's transition to a low-carbon economy by ensuring the integrity and success of carbon credit projects. The mission of the UKCCC is to deliver measurable climate benefits through robust, transparent, and sustainable carbon crediting mechanisms that align with the UK's Net Zero goals.

The code has continued its development and in 2023 appointed its first Advisory and Scientific boards. At present the entire management team work pro bono and the executive board expect to hire the first full time employees of the UKCCC in Q2 2024.

As the UK's only code that takes a holistic approach to project development and the need to achieve Net Zero prior to selling credits it is vital that the work continues to develop and deploy the code at scale in order to amplify the benefits that UKCCC projects deliver.

The first full accounts were submitted for the year end to July 31st 2023 to Companies House and show a very small profit of circa £2,000. The aim of the UKCCC as a community interest company is to make profits but to continually reinvest them into the development of the code and its systems and processes.

2023 has been a whirlwind, exciting, challenging, frustrating and incredibly satisfying and we expect 2024 to deliver much, much more of the same.

Doug Wanstall

UKCCC CEO

1. Aims and Strategic Objectives

The UKCCC's aims to:

- **Support and Scale Carbon Sequestration and Emission Reduction Projects:** By promoting high-integrity carbon credit projects, the UKCCC helps reduce greenhouse gas emissions and remove atmospheric carbon, supporting the UK's climate targets.



- **Ensure Environmental and Social Integrity:** All projects under the UKCCC adhere to rigorous environmental and social standards, ensuring that they provide co-benefits such as biodiversity protection and community development.
- **Build Market Trust and Transparency:** By implementing strict protocols for measuring, reporting, and verifying (MRV) emissions reductions, the UKCCC ensures that all carbon credits are credible and transparent.

In 2023, the UKCCC focused on expanding nature-based solutions, developing innovative carbon capture projects, and strengthening partnerships to enhance project implementation and market impact.

2. Major Projects and Initiatives

A. Nature-Based Solutions (NBS)

- **Woodland Planting Projects:** In 2023, the UKCCC supported a number of woodland projects, covering approximately 1500 hectares and sequestering an estimated 4,500 metric tonnes of CO₂. These projects included native species afforestation, agroforestry, and sustainable timber production.
- **Peatland Restoration:** The UKCCC is actively involved in the development of a number of peatland restoration projects across the UK.
- **Wetland Creation:** Three major wetland projects were launched in inland areas, focusing on restoring freshwater wetlands.

B. Carbon Capture and Storage (CCS) Initiatives

- **Enhanced Rock Weathering:** in 2023, the UKCCC working in conjunction with the University of Kent and support from Growing Kent and Medway started to design an MRV protocol for the use of enhanced rock weathering within its projects going forward.
- **Biochar Production:** the first biochar project were validated, using agricultural waste to create biochar for soil application. Through 2024 these will go through the approval process and will remove significant atmospheric CO₂ while improving soil fertility for local farmers.

C. Market Development and Governance Initiatives

- **Measure-Report-Verify (MRV) Protocols:** In 2023, the UKCCC launched and updated its MRV protocols, incorporating advanced remote sensing technologies for more



accurate project monitoring and reporting. These updates enhanced transparency and strengthened stakeholder confidence.

- **Carbon Registry and Trading Platform:** The UKCCC initiated the development of a UK-specific carbon credit registry and trading platform, set to launch in 2024, which will provide a centralized system for tracking, trading, and verifying UKCCC-certified credits.
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3. Financial Overview (Calendar year 2023)

A. Revenue Sources

- **Carbon Credit Sales fees:**
 - Carbon credits were sold to a range of buyers, including corporations and individuals committed to offsetting their carbon footprints. The growing demand reflects confidence in the UKCCC's robust certification process.
- **Project approval fees: £22,500**
- **Government Grants: £0**
 - No Grants were received from UK government departments in 2023 but we expect to receive grants in 2024 supporting nature-based solutions, community development, and innovation in carbon capture technologies.
- **Private Sector Partnerships and Donations and Director loans: £175,000**
 - Contributions came from private foundations, businesses, and philanthropic organizations interested in supporting sustainable development and climate resilience in the UK.

B. Expenses

- **Research and Development: £31,000**
 - Investment in R&D to support pilot projects, including enhanced rock weathering and carbon capture technologies, and the development of new MRV tools.
- **Administration and Operations: £122,000**
 - Operational costs included staffing, project management, outreach activities, and maintaining the UKCCC's operational infrastructure.
- **Market Development and Governance: £34,540**
 - Costs related to the development of the carbon registry, MRV protocols, and stakeholder engagement initiatives.

Total Expenses: £187,540



4. Key Achievements in 2023

- **Certified Over 25,000 Metric Tonnes of CO₂ removed or Reduced:** UKCCC projects successfully reduced or removed over 25,000 tonnes of CO₂, contributing significantly to the UK's interim climate goals.
- **Expanded Nature-Based Solutions Portfolio:** Increased the scope and scale of nature-based solutions.
- **Enhanced Stakeholder Engagement:** Engaged with over 300 stakeholders, including local communities, businesses, and government entities, to build support and understanding of the UKCCC's mission.

5. Challenges and Opportunities

Challenges

- **Market Volatility:** Fluctuations in carbon credit sales volumes affected revenue stability, highlighting the need for diversified revenue sources and financial resilience.

Opportunities

- **Growing Demand for High-Quality Credits:** The demand for carbon credits that meet stringent environmental and social criteria continues to rise, positioning the UKCCC for future growth.
- **Innovation in Carbon Capture Technologies:** Emerging technologies, such as enhanced weathering and biochar, present new avenues for the UKCCC to expand its impact and strengthen the UK's carbon market.
- **Global Partnerships:** Increasing interest from international stakeholders opens opportunities for collaboration, particularly with developing countries, in implementing and scaling carbon projects.

6. Future Outlook

In 2024, the UKCCC aims to:



- **Launch the UK Carbon Registry and Trading Platform** to provide a centralized, transparent system for trading UKCCC-certified credits.
- **Expand Project Portfolios** to include more urban greening and agroforestry projects, focusing on both rural and urban landscapes.
- **Obtain external funding** to help pay for the expansion and deployment of the UKCCC at scale
- **Expand the Advisory and Scientific Boards**
- **Submit an application to the ICVCM for assessment**
- **Enhance Community Engagement** by launching capacity-building programs for local communities involved in carbon credit projects.