



UK CARBON CODE OF CONDUCT



HIGH-INTEGRITY CARBON CREDIT STANDARD

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**UK CARBON CODE OF CONDUCT (UKCCC) GREENHOUSE GAS EMISSIONS
REDUCTIONS, REMOVALS (GGR+) CREDIT REQUIREMENTS 11/10/22**

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OUR VISION

Remove atmospheric carbon at scale through the restoration of natural systems, contributing to climate change reversal and biodiversity increase.

OUR MISSION

To ensure carbon removal and biodiversity projects, and their related credits are of the highest integrity standards and provide environmental and social good through nature restoration.

CONTEXT

The UKCCC is unique in that it enables a whole landholding to be entered into a single project. The aim is to ensure the project examines all opportunities to continually reduce absolute emissions, and all opportunities to increase nature-based carbon removals through a range of land management changes and interventions.

UKCCC projects are unique and set apart in the voluntary carbon market as they insist upon a landholding and all its enterprises reaching a Net Zero status.

The UKCCC standard (The Standard) redefines the definition of high-integrity carbon credits.

The Standard allows the use of all natural capital to be used as part of the project's total carbon removals, and insists that all emissions are calculated within the project boundary and scope.

Only once a project has gone beyond Net Zero can it sell credits and therefore accurate measurements are essential. The UKCCC project process goes beyond the need for conservative estimates as the standard insists on measured not modelled scenario planning.

The Standard has set out to be the principal standard by which all UK nature-based carbon credit issuing projects can be approved and verified. It sets out to develop the code rapidly in line with consultation with UKCCC members and other interested parties, and adopt technology to improve the validation, approval and verification process efficiency. The Standard sets out to 'learn by doing' and to continually improve whilst taking immediate and pragmatic climate action in line with international goals.

The Standard is aligned with internationally agreed standards, in particular:

- [ICVCM Core Carbon Principles](#)
- [Science-Based Targets Initiative–Forest, Land and Agriculture \(SBTi FLAG\)](#)
- [Greenhouse Gas Protocol \(Land Sector Removals Guidance\)](#)
- [Oxford Principles for Net Zero Aligned Carbon Offsetting](#)
- [UN Sustainable Development Goals](#)

It can be used to generate internationally comparable statistics for the:

- [Nationally Determined Contributions \(NDC\) under the 2015 Paris Climate Agreement](#)
- [System of Environmental Economic Accounting \(SEEA\)](#)

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1. EFFECTIVE DATE, SCOPE AND APPLICABILITY

1.1 EFFECTIVE DATE

- 1.1.1 The UKCCC High-integrity Carbon Credit Standard (The Standard) is effective for all projects seeking UKCCC approval as of 1st March 2020.

1.2 THE STANDARD SCOPE

- 1.2.1 The Standard set out in this document applies to all project developers, Validation and Verification Bodies, and the projects for which UKCCC Validation, Approval and Verification is sought. It also represents the requirements against which the UKCCC Commissioners shall approve, monitor and verify projects.
- 1.2.2 The UKCCC is operated by a board of directors and Advisory Board, made up predominantly of member organisation representatives. Other board members can be appointed to fill in any knowledge gaps that may be identified. Advisory Board members are to meet no less than every quarter and shall consist of no less than seven members. A quorum is achieved when four or more members are present. All Advisory Board members have equal voting rights, except in the event of deadlock where the chairperson shall have the casting vote.
- 1.2.3 All project developers shall be approved by the UKCCC Commissioner, and no projects can be forwarded for approval by the UKCCC by non-approved bodies. All project developers shall become members of the UKCCC, and accept the [UKCCC Terms of Business](#), as per the [Fee Schedule](#).
- 1.2.4 The UKCCC is a Community Interest Company (CIC number 14208963) and shall act in the best interests of The Standard, fulfilling its Vision and Mission, and ensuring the 10 Core Carbon Principles are upheld, namely:

GOVERNANCE

- 1.2.4.1 Effective governance
- 1.2.4.2 Tracking
- 1.2.4.3 Transparency
- 1.2.4.4 Robust independent third-party validation and verification

EMISSIONS IMPACT

- 1.2.4.5 Additionality
- 1.2.4.6 Permanence
- 1.2.4.7 Robust quantification of emission reductions and removals
- 1.2.4.8 No double counting

SUSTAINABLE DEVELOPMENT

- 1.2.4.9 Sustainable development benefits and safeguards
 - 1.2.4.10 Contribution to net zero transition
- 1.2.5 The Standard sets out to align with and exceed the requirements of the ICVCM, SBTi and Oxford Offsetting Principles, and the BSI when available.
- 1.2.6 The Standard shall be applied as per the relevant sections contained within this document and those associated or referenced.
- 1.2.7 From time to time, UKCCC may issue updates, changes, clarifications or corrections to The Standard. These shall be published to the UKCCC website and notified to all current project developers and hosts. UKCCC provides notice of all such changes and specific dates for implementation. The UKCCC will update approved project developers of any



updates, and it is the responsibility of the project developer to implement any necessary changes within a reasonable timeframe.

- 1.2.8 UKCCC members may submit suggested updates, edits, changes or additions to The Standard by sending an email to info@ukcarboncode.org. Such requests shall be considered as per The Standard's version cycle which is included in the [Governance Structure and Rules](#). This which is managed by the UKCCC Advisory Board. UKCCC reserves the right to accept or reject such submissions at its own discretion.
- 1.2.9 Where other codes or standards already exist within a project boundary (e.g. Woodland Carbon Code, Peatland Carbon Code, ISO 14064-2), The Standard will consider if these can co-exist. Evidence must be supplied by the project developer to demonstrate conformity to The Standard.
 - 1.2.9.1 The project developer is to provide The Standard with sufficient evidence to ensure no double counting of emissions or removals.
 - 1.2.9.2 In these circumstances an [Interested Parties' Consultation](#) must be completed by the project developer and submitted to The Standard for consideration.
- 1.2.10 The Standard does not recognise, nor will it certify REDD+ or any other emission avoidance projects. The UKCCC will only approve projects and issue credits from carbon dioxide removal projects where a clear, measured reduction or removal can be demonstrated.
 - 1.2.10.1 For the avoidance of doubt, The Standard treats peatland restoration as an emissions' reduction project.

1.3 APPLICABILITY

- 1.3.1 All projects shall apply The Standard's requirements including associated documentation. All projects shall ensure the ten [Core Carbon Principles](#) are met.
- 1.3.2 UKCCC high-integrity carbon credits may not be issued where there is a local or national obligation to carry out the proposed activity.
- 1.3.3 One UKCCC high-integrity carbon credit is equivalent to one tonne of carbon dioxide equivalent (CO₂e) removed from the atmosphere, or one tonne of CO₂e emission reduction.
- 1.3.4 Crediting periods are a minimum of five years in length, being the period between project approval and formal verification. All projects will cover a minimum of eight verification cycles and therefore 40 years in length. All projects are required to recalculate the baselines at the end of each verification cycle. The verification baselines become the new baseline for the next verification cycle. Each five year verification cycle starts with baselines (or baseline updates).
- 1.3.5 Each five year verification cycle starts with baselines (or baseline updates). Before the first year anniversary of each cycle, and in the four intervening years, an annual verification and monitoring visit must take place by a representative of the project developer and a UKCCC approved Validation and Verification Body (VVB).
- 1.3.6 It is the project developer's responsibility to check with the project host and guarantee that no other activity has taken place within the project boundary that may lead to a double issuance or double counting of carbon credits. Any incidence of double counting or issuance shall lead to immediate project suspension, and an investigation shall be conducted at the expense of the project developer. If double counting or issuance is proven, the project may have its approved status permanently removed and any issued credits to date removed from the UKCCC Registry.
- 1.3.7 Once a project is approved, credits are only issued onto the appointed UKCCC Registry at the anniversary of project approval, and only after the annual monitoring and verification report has been approved by the UKCCC Commissioner, and the annual buffer applied. All credits



must be traded and retired through the Registry, paying the associated fee in accordance with the [UKCCC Fee Structure](#). Any credits found to be traded outside of the Registry shall be permanently deleted from the Register.

- 1.3.8 All projects shall also apply the [Approved Land Use Activities](#) and relevant [Approved Land Use MRV Protocols](#) related to the project type. If no Land Use Activity requirements exist for the proposed project type, then the requirements in this document apply.
- 1.3.9 The Standard may adopt third party MRV protocols. Project developers may submit new MRV protocols to the UKCCC for consideration. They must not be used until approved.

1.4 APPROVED PROJECT SCOPE

- 1.4.1 The project's scope shall be defined between the project host and project developer at the outset. This will define the project boundary and must include all activities under the control of the project host. All land (farmed and natural capital), and all emissions within the project boundary must be measured and recorded.
- 1.4.2 The project developer must work with the project host to ascertain their net CO₂e position as part of the project planning process.
 - 1.4.2.1 The MRV protocol lists the approved carbon calculators. Calculators only gain approval if they can reference their data sources and methodology, which is publicly available and subject to peer review. All approved calculators shall use the latest [GHG Protocol IPCC Global Warming Potential \(GWP\)](#) values relative to CO₂e as the basis of their calculations.
 - 1.4.2.2 All data must be entered by a third-party carbon auditor engaged to ensure that the result is an accurate reflection of the project's activities.
 - 1.4.2.3 Total emissions are reported by Scope 1, 2 and 3 and all Green House Gas emissions as per the GHG Protocol IPCC Global Warming Potential (GWP) values document.
 - 1.4.2.4 Using the same calculator, total removals are calculated from the natural capital baselines described in the Approved Land Use MRV Protocols, and reported by CO₂e.
 - 1.4.2.5 The difference between total emissions and total removals is the project's net emissions position. This carbon balance establishes the project's Net Zero position.
 - 1.4.2.6 The UKCCC certifies this position and then issues a Net Zero Journey mark following each of the project's annual monitoring and verification visits.
 - 1.4.2.7 Credits are only issued to the UKCCC Registry once the project and all its activities are certified beyond CO₂e Net Zero.
 - 1.4.2.8 Once the net emissions have been calculated the project host and developer must create an emissions' reduction and carbon removal improvement plan. The plan shall demonstrate a continued reduction in emissions and increasing removals, and a clear strategy of how these will be achieved.
- 1.4.3 All UKCCC projects shall have detailed boundary and activity maps, and baseline data as per the requirements of the Approved Land Use MRV Protocols. These shall be submitted as part of the project development process. All approved project documentation is made publicly available via the UKCCC Registry.

2. APPROVAL TYPES

This section provides an overview of the types of UKCCC approval outcomes and should be read in conjunction with the [Claims Guidelines](#) provides further guidance as to the application and communication around UKCCC high-integrity carbon credits approval.

2.1 APPROVED PROJECT DESIGN

- 2.1.1 UKCCC Approved status is achieved by successfully undergoing project approval which means:
- 2.1.1.1 Signed and submitted [UKCCC Terms of Business](#).
 - 2.1.1.2 Paid the appropriate fee.
 - 2.1.1.2.1 The Project Development Document (PDD) has been completed in full and has met The Standard and has been validated by an approved VVB.
 - 2.1.1.2.2 [Interested Parties Consultation](#) has been completed, and the project is set to deliver at least three [UN Sustainable Development Goals \(SDG\)](#), one of which must be SDG 13 Climate Action. One of the other two SDGs must focus on biodiversity recovery requirements.
 - 2.1.1.2.3 The project developer must complete an annual monitoring and verification plan.
 - 2.1.1.2.4 The project making changes to the registered project design may request retroactive approval for the design change component for a maximum of two years prior to the date of design change approval.
 - 2.1.1.2.5 The project may consider the retroactive period for performance approval of certified high-integrity carbon credits. The maximum period for retroactive approval is three years prior to the date of project design approval unless otherwise stated in a specific MRV protocol or product requirements. It can often be up to four years when relying on historic soil test results, accompanied by proof that a distinct change in management has taken place and the additionality test proven.
 - 2.1.1.2.6 The approval process includes a site visit by a UKCCC Commissioner who assesses the up-front design and monitoring plan for a project against applicable requirements.
 - 2.1.1.2.7 A UKCCC Commissioner is appointed to the project developer. A UKCCC Commissioner shall be selected from the list of UKCCC Commissioners eligible for the project type and route proposed. The UKCCC Commissioner appointment shall include responding to any clarifications, queries, non-conformances raised by UKCCC during design approval and validation review.
 - 2.1.1.2.8 The project shall achieve approved status which is defined as the date of submission of validation report by the UKCCC Commissioner.
 - 2.1.1.2.9 The approval process ends when the UKCCC Commissioner has submitted a final approval report with no open non-conformances, in the opinion of the UKCCC Commissioner.
 - 2.1.2 The final verification process shall be completed within 20 working days of the successful approval of the project. The UKCCC Commissioner issues a Certificate and Journeymark to the project host. If applicable, credits are issued to the UKCCC Registry.
 - 2.1.3 The project host shall open an account on the UKCCC Registry and make available the project information which includes:
 - 2.1.3.1 Project Documentation, inc. Project Development Document, Monitoring and Reporting Plan, Reports, supporting documentation and the UKCCC Commissioner's Approval and Verification Reports.
 - 2.1.3.2 Figures above one thousand shall be formatted with a comma (for example 1,000,000), and decimals will be separated by a point (for example 1.35).
 - 2.1.3.3 Pictures, graphs, tables and supporting documents within Project Documentation shall be clearly marked with the unique project number.
 - 2.1.3.4 Dates shall be included in the following format: DD/MM/YYYY



- 2.1.3.5 Maps and all related geospatial data shall be provided in shapefile format to the UKCCC Registry provider. All data must contain relevant metadata to include as a minimum:
- 2.1.3.6 Project name
- 2.1.3.7 Project ID
- 2.1.3.8 Legend
- 2.1.3.9 Published date
- 2.1.3.10 Scale
- 2.1.3.11 GPS coordinate system, e.g. WGS 84
- 2.1.3.12 Source

- 2.1.4 All project hosts shall give their permission for their project data and information to be made publicly available via the UKCCC Registry. Any data that the project host wishes to expressly withhold from the public domain shall be approved by the UKCCC Commissioner. All data shall be held by the UKCCC in line with [International Data Protection Principles](#).
- 2.1.5 The project developer, along with the project host, will ensure that the project meets the Core Carbon Principles contextualised as:

GOVERNANCE

- 2.1.5.1 Effective governance – means that the project host has passed the [Know Your Client and Anti-Money Laundering Policies](#) process and has successfully completed the Project Development Document.
- 2.1.5.2 Tracking – all credits issued are placed on the UKCCC Registry.
- 2.1.5.3 Transparency – all project data is linked to the UKCCC Registry.
- 2.1.5.4 Robust independent third-party validation and verification – the project has undergone complete project development and approval process.

EMISSIONS IMPACT

- 2.1.5.5 Additionality - defined as the increase in carbon removal into soils, biomass and natural habitats through a managed change in land use activity, with the change in activity financed by the issuance of UKCCC high-integrity carbon credits.
- 2.1.5.6 Permanence - defined as the length of time that the increase in carbon levels is held in soils, biomass and natural habitats. Permanence is defined as a minimum of 40 years, accepting that there will be a degree of natural flux. The long-term trend is to increase carbon removal.
- 2.1.5.7 Robust quantification of emission reductions and removals – third party, robust and accurate emission and removal calculation and transparent reporting.
- 2.1.5.8 No double counting – the project host and project developer must ensure that there are no other carbon crediting systems operating within the same project boundary.

SUSTAINABLE DEVELOPMENT

- 2.1.5.9 Sustainable development benefits and safeguards – delivery of three SDG actions confirmed.
- 2.1.5.10 Contribution to Net Zero transition – project host is certified Net Zero.
- 2.1.6 The Project Development Document (and Impact Assessment) and the Annual Monitoring Plan have been validated by the UKCCC Commissioner or an approved VVB to meet The Standard.
- 2.1.7 It does not mean or imply that any impacts have been realised or will be realised.



- 2.1.8 To certify that impacts have been realised, a project shall undergo annual monitoring and verification by the UKCCC, and full verification every five years by an approved VVB. These shall be laid out in the Annual Monitoring Plan.

2.2 ONGOING PROJECT APPROVAL

- 2.2.1 Project approval is maintained following successful annual monitoring and verification visit and completion of the report.
- 2.2.1.1 The project and its certified SDG Impacts have been validated and verified as required by the UKCCC Commissioner and the submitted project documentation has been validated by the appointed external verifier (VBB).
- 2.2.1.2 The project is also able to promote its claims in accordance with the UKCCC high-integrity carbon credits [Claims Guidelines](#).
- 2.2.2 Failure to provide annual monitoring reports as required shall result in the delisting of the project.
- 2.2.3 All projects from Listed status and beyond, including UKCCC high-integrity carbon credits are captured on the UKCCC Registry.
- 2.2.4 All approved projects are entered onto the UKCCC single source of truth map. This map is publicly available online and shall show outline data from each project.

2.3 LAND USE and ACTIVITY, HIGH-INTEGRITY CARBON CREDITS and UNCERTAINTY DISCOUNT FACTOR

- 2.3.1 The project developer and project host may consider any number or combination of project types, provided that:
- 2.3.1.1 All requirements in this document and in the applicable UKCCC approved MRV protocols are fully met.
- 2.3.1.2 The activity is not deemed ineligible by The Standard as per the [Approved Land Use Activities](#).
- 2.3.1.3 All necessary legal [UKCCC Terms of Business](#) are fully executed and complied with.
- 2.3.2 Project developers, project hosts and funders/buyers of high-integrity carbon credit shall adhere to the [Claims Guidelines](#) as appropriate to the status of the project. This defines and directs the use of claims made in relation to UKCCC approval.
- 2.3.3 It is possible to change the project design after Design Approval to include more UKCCC approved land use activities as part of the project.
- 2.3.4 High-integrity carbon credit can be issued for historic soil CO₂e removal where the project host has made a conscious move towards climate smart practices and has the necessary baseline data to prove additionality. This can include locally relevant data, although the UKCCC reserves the right to apply an uncertainty discount factor as per the appropriate UKCCC methodology.
- 2.3.5 It is incumbent on the UKCCC Commissioner to establish the necessary uncertainty discount factor to be applied to all projects. The UKCCC Commissioner reserves the right to increase or decrease the factor where it feels appropriate. This will include failure to renew for the following verification cycle.
- 2.3.6 The uncertainty discount factor shall be applied to all projects, but the factor may vary between [Approved Land Use Activities](#) within a project, dependant on risk. The discounted high-integrity carbon credits shall be held in the UKCCC Registry in the projects host's account and shall be released upon successful five-year verification cycles.



- 2.3.7 In all events 3% of all approved, issued and verified high-integrity carbon credits are held within the UKCCC National Reserve.
- 2.3.8 The permanently held buffer shall be used by the UKCCC in event of a removal or reduction reversal where a project has experienced an issue beyond its control and have made an application to the UKCCC. The UKCCC Commissioner shall decide at their sole discretion.

3. GENERAL ELIGIBILITY CRITERIA

The following General Eligibility Criteria applies to all projects seeking UKCCC approval:

- 3.1.1 **Types of Projects:** Eligible projects shall include physical action/implementation on the ground. Pre-identified eligible project types are identified in the [Approved Land Use Activities](#).
- 3.1.2 **The UKCCC will not approve any project that seeks to create carbon credits from the prevention of forest, wetland and other habitats destruction.** The UKCCC policy statement states that all forest, wetland and other habitats within a project boundary shall be protected for the life of the project.
- 3.1.3 **Location of Project:** Projects may be located in any part of the UK and British Isles or beyond with approval from the UKCCC Commissioner.
- 3.1.4 **Project Area, Project Boundary and Scale:** The project area and project boundary shall be defined. Projects may be developed at any scale, although certain rules, requirements and limitations may apply under specific [Approved Land Use Activities](#).

To avoid double-counting, the project shall not be included in any other voluntary or compliance standards programme unless approved by UKCCC (for example, through dual approval).

If the project area overlaps with that of another UKCCC or other voluntary or standard compliance programme of a similar nature, the project developer shall demonstrate that there is no double-counting of impacts at the project planning stage. This shall be shown on the project's boundary map.

The UKCCC Commissioner reserves the right to ask for further project boundary detail should two or more projects share boundaries.
- 3.1.5 **Host Country Requirements:** Projects shall follow the applicable host country's legal, environmental, ecological and social regulations. It is noted that the UK is separated into independent nations and self-governing regions that hold different devolved powers. No credits shall be issued on a project activity where there is a national, legal obligation to carry out that land use.
- 3.1.6 **Contact Details:** As part of the project documentation, the project developer shall provide name and contact details of the project host, and, in case of an organisation:
 - 3.1.6.1 The legal registration details and
 - 3.1.6.2 Documentation by the governing jurisdiction that proves that the entity is in good standing (defined as being a legal or other appropriate entity registered in or allowed to operate within the UK and with no evidence of insolvency or legal/criminal notices placed against it or any of its directors).
 - 3.1.6.3 UKCCC retains the right (at its sole discretion) to refuse the use of The Standard where reputational concerns are highlighted.
- 3.1.7 **Legal Ownership:** Full and uncontested legal ownership of any high-integrity carbon credits that are generated under UKCCC approval shall be demonstrated. UKCCC high-integrity carbon credits shall only be issued on and be sold via the UKCCC Registry.



Note that for certain project types, there is a requirement for full and uncontested legal land title/tenure to be demonstrated. These are contained within specific activity or high-integrity carbon credits' requirements. All projects shall immediately report to UKCCC any land title/tenure changes or disputes arising.

Other Rights: As well as legal title and ownership, the project developer shall also demonstrate where required uncontested legal rights and/or permissions concerning changes in the use of other resources required to service the project (*for example, access rights, water rights etc.*). Any known disputes or contested rights must be declared immediately to UKCCC by the project developer and resolved before further project implementation.

4. ELIGIBILITY PROJECT REQUIREMENTS

To achieve UKCCC approval all projects shall contribute to the [Vision and Mission](#) of UKCCC, and meet the ten [Core Carbon Principles](#) explicitly applied through the following eligibility project requirements:

4.1 Financial additionality

The project must conduct a detailed [financial additionality](#) test and prove that the project would not have happened without the issuance and sale of high-integrity carbon credits.

4.2 Contribution to Climate Action

- 4.2.1 Projects shall be of a type pre-identified as eligible and shall submit to the UKCCC Commissioner to approve eligibility.
- 4.2.2 Project Development Documents shall define the project scope and baseline.
- 4.2.3 Projects shall contribute positively to climate change reversal.
- 4.2.4 By successfully following these requirements and procedures:
 - 4.2.4.1 The project is demonstrated to be of an eligible type under UKCCC and has sought and obtained approval from UKCCC to proceed as a new project type.
 - 4.2.4.2 The project demonstrates its proposed contribution to the Sustainable Development Goals, meaning at least an impact on SDG 13 plus two other SDGs one of which must have a positive impact on local biodiversity within the project boundary.
 - 4.2.4.3 The project has reached Net Zero across all activities within the project boundary. The project has developed emission reduction and carbon removal plans to continually increase the net carbon removal.
 - 4.2.4.4 The project has introduced additional activities to increase carbon removal in line with the [Approved Land Use Activities](#) requirements, these can be added to at any time during the life of the project.
 - 4.2.4.5 The project includes the above points in its Project Development Document, including the Annual Monitoring and Verification plan.

4.3 Eligible Project Types

- 4.3.1 A project type is automatically eligible for UKCCC approval if there are [Approved Land Use Activities](#) Requirements and/or [Approved Land Use MRV Protocols](#) associated with it.
- 4.3.2 For project types that are not automatically eligible, a project developer may submit to UKCCC for approval. This shall be done, at a minimum, as part of the project planning stage, though it is recommended to engage with The UKCCC Commissioner earlier to establish the criteria and requirements for approval.



- 4.3.3 Project types applying for UKCCC approval are referred to the UKCCC [Vision and Mission](#). The project developer shall demonstrate how the project would contribute to these and how the UKCCC requirements would be met in their application for approval.
- 4.3.4 In reviewing a new project type for approval, UKCCC may establish new requirements to be met by the project to achieve design approval and ongoing approved project status. Where required, UKCCC shall engage expert peer reviewers to establish these requirements at the project developer's expense.
- 4.3.5 UKCCC does not support project types associated with geoengineering or energy generated from fossil fuel or nuclear, fossil fuel switch, or any project that supports enhances or prolongs such energy generation.

4.4 Project Baseline and Aims

- 4.4.1 The project shall define both the baseline and project aims. These are defined as follows:
- 4.4.1.1 **Baseline:** The baseline is defined as the reasonable, conservative scenario that would exist at the project start date.
- 4.4.1.2 **Project Aims:** The project aim is defined as the improvements that will exist once the project is implemented and operational.
- 4.4.2 The defined baseline and project aims shall be included in the project documentation and used to inform the other principles outlined in this section.
- 4.4.3 For projects seeking high-integrity carbon credits, UKCCC rules allow for the consideration of several potential design scenarios in the project documentation. All aspects of each potential scenario must be discussed in a satisfactory way. For example, additionality shall be demonstrated for each one of the potential scenarios, and Interested Parties inputs must be gathered for each potential scenario. Other relevant aspects include the scale of the project, the validity/applicability of the applied MRV protocol, and the assessment of sustainable development criteria, including the Protection and Preservation Principles Assessment which is embedded with the Project Development Document. The UKCCC Commissioner must validate all potential scenarios, and the actual scenario must be chosen before project approval is sought.

4.5 Contribution to Sustainable Development

- 4.5.1 All projects shall demonstrate a clear, direct and demonstrable contribution to sustainable development, defined as making positive impacts on at least three Sustainable Development Goals (SDGs), one of which must be SDG 13 (defined herein as Emissions Reductions or Removals and/or Adaptation to Climate Change). These are referred to as SDG Impacts. For guidance, refer to [the UKCCC Contextualised Sustainable Development Goals](#) document.
- 4.5.2 SDG impacts shall be a primary effect; an intentional, direct effect of the project, and shall not be 'one-off.' These positive impacts are considered against the [United Nations UKCCC Contextualised Sustainable Development Goals \(SDGs\)](#).
- 4.5.3 The project shall identify the potential SDG impacts provided by the project by comparing the project aim to the baseline (note that multiple baseline scenarios may be relevant depending on the SDG impacts and/or methodologies followed). The SDG impacts shall be demonstrated as making a positive effect beyond what would reasonably be expected to occur at the baseline.
- 4.5.4 The project shall identify the relevant monitoring indicators and/or monitoring parameters and define the monitoring approach in the Project Development Document to inform future annual monitoring and verification reports.



- 4.5.5 Projects shall seek Expert Interested party opinion and recommendations for certain SDG Impacts. Those SDGs requiring Expert Interested party opinion are pre-identified in specific Activity Requirements, though UKCCC reserves the right to require an Expert Interested party comment or an adjustment of the SDG Impact claimed to safeguard credibility. For new project types, these shall be decided upon by UKCCC prior to or during project planning. When Expert Interested party opinion and recommendation is required, the Project developer shall demonstrate that the Expert Interested party has confirmed that the impact is real and that any recommendations have been considered and incorporated into the project design.

4.6 Protection and Preservation Principles

Projects shall conduct a Protection and Preservation Principles Assessment which is embedded with the PDD.

- 4.6.1 By successfully following these requirements and procedures:
- 4.6.1.1 The project completes a Protection and Preservation Principles Assessment as per the PDD to define the relevance of the different requirements to the project (note, further guidance is also provided in specific Activity Requirements).
 - 4.6.1.2 The project demonstrates how all relevant requirements are met.
 - 4.6.1.3 The project includes the above points in the Project Development Document, including the Annual Monitoring and Verification plan.

4.7 Protection and Preservation Principles Assessment

- 4.7.1 The Protection and Preservation Principles are referred to in the Project Development Document. For most UK-based single project hosts, the Project Development Document's Protection and Preservation Principles Assessment responses will suffice.
- 4.7.2 Referring to the UKCCC Protection and Preservation Principles and Requirements document all projects shall undertake an upfront assessment against the UKCCC Protection and Preservation Principles and implement their project in accordance with the stated requirements. The assessment shall apply to the project aim, although assessment questions and requirements involve a comparison to the baseline and/or the implementation of decommissioning phases of a project.
- 4.7.3 A number of Protection and Preservation Principles require the opinion and recommendations of an Expert Interested party. These are pre-identified in the PDD and The Standard.
- 4.7.4 The Protection and Preservation Principles Assessment and evidence of conformity to the associated Requirements shall be included in the Project Development Document, including the proposed monitoring parameters in the Annual Monitoring and Verification Plan. The Annual Monitoring and Verification Plan shall capture any parameters that are required to be monitored and reported upon and/or reassessed in the future, in line with the Protection and Preservation Principles and Guidelines. This shall be used to inform the ongoing Monitoring Reports and annual monitoring, and five-yearly full verification.
- 4.7.5 The Annual and Verification Report shall include reporting on Protection and Preservation Principles and the associated monitoring parameters, as applicable.

4.8 Interested Party Inclusivity

Projects shall identify and engage Relevant Interested parties and seek their input where necessary in the design, planning and implementation of the project. Project design shall



reflect the views and inputs of interested parties, and ongoing feedback shall be sought, captured and acted upon throughout the life of the project.

- 4.8.1 For most UK-based single host projects, the Project Development Document's Interested Parties Consultation responses will suffice.
- 4.8.2 By successfully following these requirements and procedures:
 - 4.8.2.1 The project demonstrates how it has identified, engaged and consulted with relevant interested parties.
 - 4.8.2.2 The project demonstrates the records of the consultation and how the outcomes of the consultation have positively influenced the project design and implementation.
 - 4.8.2.3 The project demonstrates that Interested party concerns have been addressed, and any disputes have been resolved.
 - 4.8.2.4 The project demonstrates that an appropriate system for the ongoing capture, recording and responding to Interested party concerns is developed.
 - 4.8.2.5 The project includes the above points in the Project Development Document, including the Annual Monitoring and Verification report.

4.9 Interested Party Consultation and Engagement

- 4.9.1 Interested Party Consultation and Engagement are referred to in the Project Development Document. For most UK-based single project hosts, the Project Development Document's Interested Party Consultation and Engagement responses will suffice.
- 4.9.2 All Projects shall conduct an Interested Party Consultation and an ongoing engagement process. The Interested Party Consultation shall be conducted in accordance with the requirements outlined in this section and UKCCC Interested Party Consultation and Engagement Requirements.
- 4.9.3 The Interested Party Consultation shall ensure that all laws, byelaws and rights over the project area have been adhered to. When projects include habitat creation as part of a Biodiversity Net Gain (BNG) scheme then relevant local NGOs should be consulted.
- 4.9.4 The Project developer shall identify and inform all relevant (local, affected and interested) interested parties, including relevant local and national authorities, the UKCCC Commissioner and all UKCCC NGO supporters who may be relevant or have a vested interest in the design of the project.
- 4.9.5 The Interested Party Consultation shall be conducted prior to the start date of the project. If the consultation is conducted after the start date, the project developer shall provide further explanation of how comments received during the consultation are taken into account.
- 4.9.6 The project developer shall share the information on the project's objective, scale and duration, contribution to sustainable development and compliance with safeguards to ensure that interested parties are actively involved in the project from the beginning, thus enabling interested parties the opportunity to influence the project design and implementation.
- 4.9.7 Expert Interested parties, where their input is required are not necessarily required to attend face-to-face consultation meetings but must be provided with sufficient information to form opinions and recommendations concerning the project. Unedited written feedback from Expert Interested party(s) and evidence as to how the feedback has been addressed and incorporated into the Project design shall be provided for approval.
- 4.9.8 Where the UKCCC Commissioner deems it necessary, further queries shall be raised with the Expert Interested party, who shall be retained by the project developer accordingly.



- 4.9.9 The project shall have a formal input, feedback and grievance mechanism in place, and the grievance mechanism shall be discussed during the Interested Party Consultations as per Interested Party Consultation and Engagement Requirements.
- 4.9.10 The project shall prepare the Interested party consultation report of the consultation process, including consultation feedback and how this was incorporated into the design of the project. The Interested Party Consultation report shall be submitted to UKCCC within three months of the event (though this date may be after the project start date).
- 4.9.11 The annual monitoring and verification report shall include an update on Interested Party feedback received during the period and any actions taken in response. It shall also review the relative successes and failures of the ongoing Interested Party feedback mechanism and any proposals for improvement.

4.10 Demonstration of real outcomes:

- 4.10.1 Projects shall:
 - 4.10.1.1 Design and develop a Project Development Document incorporating an Annual Monitoring Verification and Reporting Plan.
 - 4.10.1.2 Ensure the ten Core Carbon Principles of certified UKCCC high-integrity carbon credits are upheld. The Project Development Document shall lay out management plans to ensure that these are met, and the risk of failure is mitigated.
 - 4.10.1.3 Undertake monitoring in accordance with the Annual Monitoring Verification and Reporting Plan.
 - 4.10.1.4 Undergo approval (comprising initial approval, annual monitoring verification and five-year full verification) to achieve UKCCC Approved Project status and issue UKCCC high-integrity carbon credits where sought.
- 4.10.2 By successfully following the procedures and applicable requirements included in The Standard, the project demonstrates real and verified outcomes and can issue the relevant certified SDG Impact Statements and/or high-integrity carbon credits.

4.11 Project Start Date

- 4.11.1 The project start date is the earliest date on which the project developer has committed to expenditures related to the implementation of the project, or at the point of the first baseline information if it is compliant with The Standard.
- 4.11.2 Examples of the start date may include (but not exclusive to) the date on which contracts have been signed between the project developer and the project host, the date of the initial baseline test results being available, the day that a specialist crop or tree species has been planted.
- 4.11.3 Note that the project start date definition and requirements may differ under certain activity or product requirements.
- 4.11.4 The project start date and the Interested Party Consultation date determines the project as:
 - 4.11.4.1 Regular projects, for which the Interested Party Consultation has been conducted before the project start date.
 - 4.11.4.2 Retroactive projects, for which the Interested Party Consultation is conducted after the project start date.



4.12 Development of Annual Monitoring, Verification and Reporting Plan

- 4.12.1 Before the project is approved, projects shall produce an Annual Monitoring, verification and Reporting Plan that includes a detailed approach on the following:
 - 4.12.1.1 Monitoring and reporting of parameters identified for positive SDG impacts and associated targets.
 - 4.12.1.2 Monitoring and reporting of parameters associated with any requirements and re-assessments highlighted by the Protection and Preservation Principles Assessment.
 - 4.12.1.3 Monitoring and reporting of Interested Party Engagement, feedback, grievances and any action taken, including as recommended by any Expert Interested party.
 - 4.12.1.4 Any monitoring requirements and parameters in any UKCCC approved MRV protocol, tool and/or product requirements selected.
- 4.12.2 For each monitored parameter above, the following information shall be provided in the Monitoring Plan:
 - 4.12.2.1 Metric or variable that shall be monitored and reported.
 - 4.12.2.2 Frequency of monitoring and reporting against each parameter.
 - 4.12.2.3 Method of collection of information and identification and details of the organisation or individuals involved in the collection.
 - 4.12.2.4 Any quality control approaches for the proposed data collection and reporting.
- 4.12.3 The Project Monitoring, verification and Reporting Plan shall be presented as part of the Project Documentation for Validation and shall form the basis of ongoing Annual Monitoring Reports that shall be presented for verification.

4.13 Land Use Activities

- 4.13.1 The UKCCC approval cycle is suitable for multi-phased programmes with multiple interventions with an extended implementation period within a sector or multiple sectors, as is typically the case in, for example, additional agroforestry or hedge planting within a regenerative agriculture-based project.
- 4.13.2 Interventions shall follow the [Approved Land Use Activities](#). The requirements in this document are applicable for a programme where multiple individual activities are spread over space and time.

4.14 Project Cycle

- 4.14.1 UKCCC project approval is based on a five-year renewable approval and full verification cycle, with key features as follows:
 - 4.14.2 All projects must undertake annual monitoring and verification with the project developer, uploading Key Project Information and completed Interested Party Consultation Report.
 - 4.14.3 Projects may then seek UKCCC approved status by completing the full process and being successfully approved by the UKCCC Commissioner.
 - 4.14.4 New projects attaining UKCCC approved status then enter a five-year renewable approval cycle wherein for each five-year period they must undergo a full Verification and Performance Review by the UKCCC Commissioner and VVB to achieve and maintain UKCCC approved project status and where sought issuance of UKCCC approved high-integrity carbon credits.
 - 4.14.5 The project developer shall undertake annual monitoring visits, where there will be an opportunity to discuss best practice and implement new management techniques that



continually reduce emissions and increase removals. This visit shall form the basis of the annual monitoring report.

- 4.14.6 To retain approved project status at the fifth year, all projects must undergo full approval by updating project information and the baselines, unless otherwise stated in relevant activity or product requirements.
- 4.14.7 Projects must sign up to the next verification cycle by the end of the current cycle's fourth year. Failure to do so may lead to non-issuance of year five credits. At this point it is possible to assign the project to another project host should there be a change to land tenure. There is an option to transfer projects between parties subject to approval by the UKCCC, which shall not be unreasonably withheld as long as the project remains in-line with the project's original scope.
- 4.14.8 The number of annual monitoring visits in a five-year approval cycle is not limited, although it must take place at least once every year before the anniversary of the project start date, and after project implementation or project approval, whichever is later.
- 4.14.9 The activity requirements and/or product requirements governs the maximum number of verification approval renewals allowed for specific project types. In the absence of any such stated requirement, a project is limited to eight renewals, i.e. maximum 40 years of approval.

4.15 Preliminary Review

Project developers can submit project plans to the UKCCC Commissioner for initial comment and feedback to assess suitability. This does not guarantee project approval, and all project documentation shall be submitted in full.

4.16 Annual Reporting

- 4.16.1 Transparent, annual monitoring reports need to be provided for projects. An annual monitoring and verification report shall be submitted for each monitoring year. If verification is in progress but not completed, then an annual monitoring report is still required by the end of the calendar year.
- 4.16.2 Failure to provide annual monitoring reports as required shall result in the delisting of the project.
- 4.16.3 The annual monitoring and verification Report shall be submitted to UKCCC, which will be made publicly available on the UKCCC Registry.
- 4.16.4 The annual monitoring and verification report shall focus on information since the last annual monitoring report or verification report as appropriate and provide the following information:
 - 4.16.5 A summary of the recent activities, events and actions related to the project.
 - 4.16.6 A clear statement on how interested parties may provide inputs/grievances.
 - 4.16.7 A list of all inputs/grievances that have been received since the last annual report, together with their respective answers/actions.
 - 4.16.8 Any incidents or events that may impact the outcomes/impacts delivered to date (in terms of loss) or the ongoing performance of the project.
 - 4.16.9 Any legal contest or dispute that has arisen.
 - 4.16.10 Any updates to the key project information, Project Development Document, Monitoring and Reporting Plan and any other supporting documentation.
 - 4.16.11 A brief descriptive summary of all monitoring information collected during the year.
 - 4.16.12 Any update of the project participants and secured titles (in case of changes).



- 4.16.13 The project developer shall attest to the accuracy of the information provided by its signature on the annual monitoring and verification report. The signatory shall be an individual with legal signing authority within the project developer's organisation.
- 4.16.14 Annual monitoring reporting does not represent approval nor any decision making or agreement to any design change by UKCCC. Annual monitoring reporting is intended as an opportunity to share progress and track key updates and confirms to UKCCC that the project remains active and compliant with the UKCCC. With a formal review of conformity to requirements, any changes in approach shall be undertaken during the five-year verification process.

4.17 Project Cycle Renewal

- 4.17.1 To maintain UKCCC approved project status beyond each five-year cycle, a project must undergo a full project verification process including reestablishment of baselines. This process shall begin (defined by the submission of a renewal opinion by a UKCCC Commissioner for project verification to UKCCC) no later than the last date of the current approval cycle. Note that review of the project approval renewal may complete after the last date of the current crediting period. In this case, the renewal date shall be the first day after the end date of the current approval cycle.
- 4.17.2 Failure to undergo a five-year approval process will lead to the project being delisted from UKCCC approved status.
- 4.17.3 The project developer must ensure that the project host renews the contract at the end of year four. Failure to do so could mean that year five credits are not issued.
- 4.17.4 Project verification follows the same process as project design approval though the scope of the assessment is limited to:
- 4.17.5 Changes in the project as related to the general eligibility criteria.
- 4.17.6 Incorporation of any relevant updates to The Standard.
- 4.17.7 Re-definition of baseline scenario and any impact of change on the eligibility principles, criteria and requirements.
- 4.17.8 Any UKCCC activity, product and methodology-specific requirements.

5. PROJECT DOCUMENTATION AND TECHNICAL REQUIREMENTS

Projects shall provide evidence of conformity to the requirements using approved UKCCC project templates except for supporting evidence and documents.

The following project documentation and associated evidence and information are required at different stages of the project cycle.

5.1 Approval

- 5.1.1 Signed cover letter and [UKCCC Terms of Business](#)
- 5.1.2 Supporting evidence and documents such as maps, survey results or calculations
- 5.1.3 Completed [Financial Additionality](#) test
- 5.1.4 Completed Project Development Document Plan including Annual Monitoring verification and Reporting Plan
- 5.1.5 Fully completed [Interested party Consultation](#) Report



- 5.1.6 Any Activity, Context, Methodology or Product Requirement specific documentation
- 5.1.7 Supporting evidence and documents

5.2 Annual Reporting

- 5.2.1 Completed Annual Report
- 5.2.2 Supporting evidence and documents

5.3 Five – year verification

- 5.3.1 Any updates to the Key Project Information Project Plan and
- 5.3.2 Annual Monitoring and Reporting Plan
- 5.3.3 Any Context, Activity, Methodology and Product Requirement specific documentation
- 5.3.4 Verification Report
- 5.3.5 Supporting evidence and documents such as maps, survey results and/or calculations

6. NON-CONFORMITY

- 6.1 The Project developer shall report any potential or actual Non-Conformances against the Requirements and any associated Guidelines, Tools or Methodologies immediately upon discovery. Potential or actual non-conformances may also be submitted to UKCCC by any party at any time for review.
- 6.2 UKCCC shall undertake a review of the Non-Conformances, including potentially commissioning an independent investigation and an expert peer review of any recommended action taken. During the investigation UKCCC reserves the right to suspend activities related to Approval and/or Registry, including the assignment, transfer or retirement of UKCCC high-integrity carbon credits.
- 6.3 UKCCC shall decide upon the action taken in response to a confirmed Non-Conformance. This may include a requirement for immediate rectification or change, a suspension of a Project until rectification has been Verified or removal of UKCCC approved design status from the project. Factors that influence UKCCC’s consideration of the severity of the issue shall include, but are not limited to:
 - 6.3.1 If the issue is repeated/systematic, or fundamental to the project.
 - 6.3.2 If the issue has resulted in an inappropriate approval decision or over-issuance of UKCCC certified high-integrity carbon credits.
 - 6.3.3 If the issue has continued over a long period of time or affects a significant area.
 - 6.3.4 If the issue has caused the endangerment of life, livelihoods, ecology or the environment.
 - 6.3.5 If the project developer failed to notify UKCCC, take appropriate steps to limit any damage or disruption caused or has attempted to cover up the issue.

7. PROJECT DESIGN CHANGE APPROVAL PROCEDURE

7.1 APPLICABILITY AND SCOPE

- 7.1.1 These procedures relate to material and permanent design changes, where at least one of the following aspects of a project is affected: additionality, permanence of impact, increased risk of leakage or negative outcomes, risk of scale of the project, validity/applicability of the applied [Approved Land Use MRV Protocols](#), [Interested Parties' Consultation](#), and sustainable development criteria, monitoring plan change caused by material and permanent design changes.
- 7.1.2 These procedures do not apply to changes that are temporary deviations from the registered monitoring plan, applied methodologies and may be suitable for approval along with issuance review.

7.2 DESIGN CHANGE TYPES

- 7.2.1 Design changes occurring before Design Approval.
- 7.2.2 Any request for approval of a design change that occurs prior to full approval shall be reviewed and validated by the UKCCC Commissioner. The project documentation and the Approval Report shall be revised accordingly before submission (or re-submission) for Design Review.
- 7.2.3 Design changes occurring after Design Approval
- 7.2.4 The guidelines apply in the case when a design change that occurs or has occurred after the project has achieved Project Approval status, or in case the UKCCC Commissioner contracted to perform the verification identifies that the project has not been implemented according to the Certified Project Plan.
- 7.2.5 The procedures are also applicable if the permanent changes have occurred after the implementation of the project as per the Certified Project Plan and issuance of Impact Statements or UKCCC high-integrity carbon credits have also taken place.

7.3 REQUEST FOR APPROVAL OF DESIGN CHANGES

- 7.3.1 Project Developers shall submit a request for approval for material and permanent changes to a project with payment of the required design change fee.
- 7.3.2 The Project developer shall submit the request to the UKCCC prior to making the changes or, at the very latest, prior to the request for issuance.
- 7.3.3 The following information/documents should be submitted as a part of the request for approval:
- 7.3.4 Revised Project Development Document highlighting the changes in track-change mode,
- 7.3.5 A memo highlights the design changes and discusses the impact(s) of the changes on the relevant aspects of the project.

7.4 PREPARATION OF REVISED DOCUMENTATION

- 7.4.1 Any other additional supporting documentation (for example, Environmental Impact Assessment conducted in relation to the changes in the project, etc.).



- 7.4.2 The revised documentation should include an assessment of the impact of the design changes with respect to all the aspects below. The design change memo submitted at the time of request for approval shall discuss these in a concise way.

7.5 ADDITIONALITY

- 7.5.1 The Project developer must discuss the effect of design changes on the validity of the demonstration of additionality and provide all required justifications.

7.6 PROJECT SCALE

- 7.6.1 Project developers shall discuss to what extent the design changes affect the scale of the project as per UKCCC Requirements. Suppose the upper threshold for the project scale, defined as per applicable Activity or Product requirement, is exceeded. In that case, related rules are no longer applicable to the Project and Project developer shall revise the project documentation accordingly.

7.7 APPLICABILITY OF MRV PROTOCOL

- 7.7.1 The Project developer shall discuss whether the original MRV protocol is still applicable or whether an updated MRV protocol shall be used. The same analysis shall also be conducted with respect to the selected baseline.
- 7.7.2 When a Project has not been implemented as described in the registered project documentation, the applicability and application of the baseline methodology with which the project has been registered shall be reassessed.

7.8 INTERESTED PARTY FEEDBACK ON DESIGN CHANGE

- 7.8.1 The Project developer shall discuss if there is a need to conduct an Interested party consultation on changes that are to occur or have occurred in the Project design.
- 7.8.2 Whenever design changes include the extension of the project boundaries to new sites or the selection of different sites from those that had been envisioned at the time of previous Interested Party Consultations, relevant interested parties from these locations shall be invited for comments as per the Interested Party Consultation and Engagement requirement.
- 7.8.3 The Project developer can choose to invite comments electronically or through a physical meeting and shall justify the selected method. To the extent possible, the Project developer shall conduct the complementary Interested party consultation on the design change component prior to the start of implementation of change in the project design.

7.9 SUSTAINABLE DEVELOPMENT ASSESSMENT

- 7.9.1 The Project developer shall discuss any necessary revision in the SDG Impact and Protection and Preservation Principles assessment following the design changes.
- 7.9.2 Changes in the project location or the extension of the project boundaries call for a re-assessment of the SDG Impacts and Protection and Preservation Principles, as does a significant change of scale of the project, even if located on the same site.

7.10 ANNUAL MONITORING, VERIFICATION and REPORTING PLAN

- 7.10.1 The Project developer shall discuss whether there is a need to make any change in the registered Annual Monitoring and verification Plan to accommodate any changes due to local interested parties' feedback, applicability of MRV protocol, SDG Impact, Safeguarding assessments and any other applicable requirements.



- 7.10.2 The Project developer shall revise the monitoring plan to include new mitigation measures as per a revised EIA or new comments by interested parties.

7.11 LEGISLATION

- 7.11.1 The Project developer shall also discuss the need for any new approvals/licenses from the environmental and/or regulatory agencies.

7.12 DESIGN CHANGE REQUEST REVIEW

- 7.12.1 Upon receipt of the request for design change approval, the UKCCC conducts a Gap Analysis to confirm whether all the necessary information and documentation has been submitted.
- 7.12.2 Upon payment of the required design change fee, a review of the design change request is conducted to assess whether:
- 7.12.2.1 An opinion on the impacts of the design changes with respect to the points above shall be performed by the UKCCC Commissioner. In this case, the Project developer shall contract the UKCCC Commissioner to perform a review of the design change memo and the revised project documentation submitted to UKCCC. The UKCCC Commissioner shall provide an opinion on each one of the points above discussed and validate the data/information and underlying assumptions are correct. The revised Project Documentation, the design change memo, and the UKCCC Commissioner opinion shall be submitted to UKCCC Advisory Board for review, OR
 - 7.12.2.2 UKCCC conducts the assessment of the design changes on its own. In this case, UKCCC conducts the review of the submitted design change memo and the project documentation document without the involvement of a UKCCC Commissioner. The revised documentation and the design change memo, once approved, will be uploaded to the UKCCC Registry an amendment of the Project Documentation.
- 7.12.3 In all cases above, approval or rejection may occur directly after submission of the necessary documentation or after rounds of review necessary to close all requests for clarification or corrective action, if any.
- 7.12.4 In either case above, approval or rejection may occur directly after submitting the necessary documentation or after rounds of review.
- 7.12.5 Rejection of the request prevents any issuance unless the previous design is recovered or an alternative, the acceptable design change, is submitted.
- 7.12.6 Approval of the request allows the revised Project Documentation to be applicable for all future issuances. The revised Project Documentation and the design change memo are uploaded to the UKCCC Registry accordingly.

8. Appendices

8.1 Approved Land Use Activities



Approved Land Use Activity for UKCCC projects

Introduction

The UK Carbon Code of Conduct (UKCCC) supports a range of nature-based solutions to meet climate and environmental objectives. The vision of the UKCCC focuses on promoting sustainable land management practices that remove atmospheric carbon, enhance biodiversity, improve water and air quality, and contribute to climate resilience. The approved land-use activities outlined below align with the UKCCC's mission of reducing greenhouse gas emissions, removing atmospheric carbon dioxide, adapting to climate change, and improving ecosystem health.

The UKCCC enables a holistic approach where all approved nature-based solutions can be blended in a single project to maximise the opportunity to build climate resilience and reverse climate change and biodiversity collapse. Provided there is an appropriate and approved MRV protocol for the action and the net position can be measured and calculated within the whole landholding protocol then all nature-based solutions will be considered. For any activity not listed below, express permission to add other solutions must be sought from the UKCCC before a project can start.

The Land use activities in this document are aligned with internationally agreed standards, in particular:

- ICVCM Core Carbon Principles
- Science-Based Targets Initiative–Forest, Land and Agriculture (SBTi FLAG)
- Greenhouse Gas Protocol (Land Sector Removals Guidance)
- Oxford Principles for Net Zero Aligned Carbon Offsetting
- UN Sustainable Development Goals

It can be used to generate internationally comparable statistics for the:

- Nationally Determined Contributions (NDC) under the 2015 Paris Climate Agreement,
- System of Environmental Economic Accounting (SEEA), and
- Ecosystem Accounting extension (SEEA-EA) as part of the System of National Accounts (SNA).

UKCCC land use activity and protocols are for use in the UK. They can be used in other countries if the same standards of rigour, transparency and traceability can be assured.

The following list of approved activities is not exhaustive and the UKCCC will look at all and any nature-based activities that could contribute to the vision and mission of the UKCCC and global goals.

1. Transition to Regenerative Agriculture

Description:

Regenerative agriculture focuses on restoring soil health and enhancing ecosystem services. Practices include no-till farming, the introduction of livestock, cover cropping, crop rotation, integrated pest management, and organic composting. These methods improve soil structure, increase carbon sequestration, and reduce the need for chemical inputs.

Key Outcomes:

- Increased carbon removal into soils.
- Enhanced biodiversity and soil fertility.
- Improved water retention and resilience to extreme weather events.
- Reduced emissions
- Reduced diffuse pollution

Approval Status:

Approved as it aligns with the UKCCC's goals to reduce emissions and promote sustainable food production systems.

2. Agroforestry**Description:**

Agroforestry is the integration of trees and shrubs into agricultural landscapes. This practice helps mitigate climate change, improves biodiversity, enhances soil and water conservation, and supports diversified income for farmers.

Key Outcomes:

- Atmospheric carbon removal through biomass growth.
- Improved soil health and erosion control.
- Enhanced biodiversity through varied habitats and connectivity.
- Diversification of landowner income.
- Improved water flow regulation.

Approval Status:

Approved as a sustainable land use practice that balances agricultural productivity with environmental conservation.

3. Habitat Creation and Restoration**Description:**

Creation and restoration of habitats such as wildflower meadows, wetlands, and grasslands to support wildlife and improve biodiversity. Habitat creation projects may be tailored to local needs and species, supporting ecosystem services like pollination and natural pest control. Re-wilding of areas of land within a project fall under this land use activity. The UKCCC does support whole landholding re-wilding in specific cases and where land use is only suited to that purpose. Careful consideration must be given before re-wilding productive agricultural land.

Key Outcomes:

- Increase in biodiversity, connectivity and support for endangered species.
- Improved ecosystem services (e.g., pollination).
- Enhanced recreational and educational opportunities.
- Atmospheric carbon removal
- Improved water flow regulation
- Improved water quality
- Clean air

**Approval Status:**

Approved as a critical activity to support biodiversity and ecosystem resilience, fitting within the UKCCC's nature restoration priorities.

4. Woodland Planting (Including Wood for Products) and Active Management**Description:**

Woodland creation through the planting of native and mixed-species woodlands. This includes sustainable management practices for wood products, such as timber that is embedded into the built environment thus removing and storing carbon. The UKCCC does not support wood for biomass energy production.

Undermanaged woodland represents an opportunity to bring into active management with a programme of cutting and removing, replanting and/or natural regeneration. This can dramatically increase carbon removals.

Key Outcomes:

- Significant carbon removal into woody biomass.
- Sustainable supply of wood products contributing to a circular economy.
- Enhanced biodiversity in woodlands.
- Increased resilience of ecosystems and landscapes.
- Improved woodland habitat connectivity.
- Enhanced recreational and educational opportunities.

Approval Status:

Approved, especially for projects that promote native species, sustainable timber, and long-term carbon removal and storage.

The UKCCC will approve innovative woodland and tree species planting systems, e.g. Paulownia as a nurse species in woodland creation.

5. Wetland Creation and Active Management**Description:**

Wetlands are valuable carbon sinks and play a crucial role in water filtration, flood management, and biodiversity support. Wetland creation projects focus on restoring degraded wetlands or creating new wetlands in appropriate locations.

Key Outcomes:

- Significant carbon storage in wetland soils and biomass.
- Enhanced water quality and flood regulation.
- Increased habitat for aquatic and bird species.
- Natural flood management.
- Enhanced recreational and educational opportunities.

Approval Status:

Approved for its multifaceted role in carbon removal, water management, and biodiversity enhancement.

6. Enhanced Rock Weathering

Description:

Enhanced rock weathering involves spreading finely ground silicate rocks (such as basalt) on soils to accelerate natural processes that remove carbon dioxide from the atmosphere. This method not only captures carbon but also enhances soil health.

Key Outcomes:

- Direct carbon dioxide removal through mineral carbonation.
- Improvement of soil nutrient content, health and aggregation.
- Synergy with regenerative agriculture.
- Eventual alkaline effect on sea water, increasing CO₂ concentrations.

Approval Status:

Approved as an innovative carbon removal solution that supports soil health and agricultural productivity.

7. Biochar Production and Use**Description:**

Biochar is a carbon-rich material produced by heating organic matter in the absence of oxygen (pyrolysis). When applied to soils, biochar enhances soil health, increases water retention, and sequesters carbon for hundreds of years.

Key Outcomes:

- Long-term carbon sequestration in soils.
- Improved soil fertility and water retention.
- Enhanced resilience of agricultural lands to extreme weather.

Approval Status:

Approved as it combines carbon storage with improved agricultural productivity and soil health. Care must be taken to avoid double-counting, especially when biochar has been imported to the project. Generally carbon removal is attributed at the point of biochar production.

8. Hedgerow Planting and Active Management**Description:**

Hedgerow planting involves creating linear strips of mixed native shrubs and trees along field edges. Hedgerows act as wildlife corridors, enhance biodiversity, sequester carbon, and prevent soil erosion. They also provide windbreaks and support pollinators.

Cutting, laying and coppicing hedgerows can significantly increase carbon removal.

Key Outcomes:

- Carbon sequestration in hedgerow biomass.
- Improved biodiversity by providing habitat and connectivity for birds, insects, and small mammals.
- Wind breaks, shelter and shade for livestock.
- Reduction in soil erosion and improved microclimate regulation.
- Enhanced pollination services and pest control.
- Water flow regulation.

- Clean air.

Approval Status:

Approved as a multifunctional land-use solution that supports biodiversity, carbon storage, and agricultural resilience.

9. Peatland Restoration and Active Management**Description:**

Peatland restoration focuses on rewetting and rehabilitating degraded peatlands. Peatlands are some of the most efficient carbon stores on Earth, but damaged peatlands release significant amounts of carbon dioxide. Restoration projects aim to reverse this by restoring natural water levels, thereby re-establishing their function as carbon sinks. The UKCCC explicitly views peatland restoration as an emissions reduction project, and not emissions avoidance.

Key Outcomes:

- Significant carbon storage and removal on fully functioning peatbogs, and prevention of carbon loss from further degradation.
- Restoration of biodiversity, especially for species dependent on peatland ecosystems.
- Improved water regulation and flood mitigation.

Approval Status:

Approved as a critical nature-based solution to mitigate carbon emissions and restore degraded ecosystems.

10. Other Nature-Based Solutions**Description:**

Additional nature-based solutions, such as coastal ecosystem restoration, urban greening, and sustainable land management practices, contribute to carbon removal, biodiversity, and climate resilience. These solutions are reviewed for alignment with the UKCCC's objectives on a case-by-case basis.

Key Outcomes:

- Carbon removal across various ecosystems.
- Improved climate resilience in both urban and rural areas.
- Enhanced biodiversity and ecosystem services.

Approval Status:

Approved when consistent with UKCCC's environmental and climate goals.

8.2 Approved Land Use MRV Protocols



UKCCC Whole landholding Measure, Report, Verification and Land Use Framework methodology

Origination date: 20/11/22

Effective date: 01/07/24

Version: 1.2

The UKCCC whole landholding MRV protocol calculates the project's net carbon baseline (in tCO₂e) by following this process:

1. Identify the project boundary, all activities within it and design the project scope. The project scope must include all activities within the boundary under the direct control of the project host. The boundary must be clearly defined and sourced from a recognised authoritative mapping provider, e.g. Ordnance Survey. Land parcel information with unique field identifiers is available from national agencies such as the Rural Payment Agency (England), Rural Payments and Services (Scotland), and Rural Payments Wales.
2. Carbon audit:
 - 2.1. A carbon audit baseline and report must be created by a third party (e.g. the project developer). The project host must provide support as appropriate (e.g. access to land and relevant data such as farm accounts).
 - 2.2. A third party (e.g. the project developer) must use an approved carbon calculator that references data sources. The methodology used must be publicly available and been subjected to peer review. The calculator must be updated regularly with the latest scientific data. Currently the approved calculators are [Farm Carbon Toolkit](#), [Agrecalc](#) and [Cool Farm Tool](#).
3. Quantify carbon removal baselines.
 - 3.1. Above ground carbon removals. A fully digitised habitat map of all natural capital assets within the project boundary. The habitat map shall be created to a 1 metre resolution and use the [UK Hab classification](#). Habitats will be identified to at least Level 3. Desktop aerial photo interpretation of the latest available high-resolution imagery (e.g. 12.5cm ground resolution), shall be used to digitise and classify habitat boundaries. The habitat map can be enhanced with third party data (e.g. countryside stewardship, tree canopies, hedgerows etc.). Carbon removal is quantified using the IPCC AR5 100-year Global Warming Potentials embedded within the approved carbon calculator.
 - 3.2. Below ground carbon removals. A full measured soil baseline audit shall be conducted to the [UKCCC soil protocol](#).
 - 3.3. Input the above ground and below ground carbon baseline data into an approved carbon calculator to quantify total removals within the farm boundary.
4. Quantify carbon emission baseline.
 - 4.1. Collate carbon emissions from all activities within the project boundary and scope.
 - 4.2. Input the carbon emissions' baseline data into an approved carbon calculator to quantify total emissions within the farm boundary.
 - 4.3. IPCC Tier 3 granularity is desirable but Tier 2 will be accepted.
 - 4.4. Emissions must be reported by Scope 1, 2 and 3 and by Green House Gas, reported as tCO₂e.



5. The total current annual carbon emissions are then added to the total annual carbon removals (always reported as a negative figure) to quantify the current carbon balance, e.g.

Total emissions from all activities is 2,000 tCO₂e per year

Total removal across all natural capital is -3,000 tCO₂e per year

Carbon balance is -1,000 tCO₂e per year, i.e. the project is beyond Net Zero by 1,000 tCO₂e per year.

This balance is certified and issued as high-integrity carbon credits onto the UKCCC Registry.

6. If the project host has existing baseline data as required by The Standard, this must be submitted by the project developer to the UKCCC for approval. If approval is not sought before-hand, the project may not be approved by UKCCC.

These baselines are used to design the project plan and delivery of interventions which can be found on the approved [UKCCC Approved Land Use Activities](#).

7. When designing the project, the additional interventions that help the project continually reduce emissions and increase carbon removals shall be modelled using the approved Financial Additionality test. The project specific Financial Additionality test shall be based on data from an approved carbon calculator.
8. The project developer can add more interventions throughout the project life, but these must be approved by the UKCCC Commissioner before implementation, and preferably only at the project annual review. Changes may be considered between annual reviews, but a cost may be incurred.
9. An emissions' reduction plan shall be submitted with the project documentation and approved by the UKCCC. The plan shall demonstrate a continued pathway in reduced emissions and how this will be achieved.
10. The following documentation is to be completed:
 - Project Development Document (PDD)
 - Core project information
 - Know Your Client
 - Anti money laundering
 - Project map
 - Project development information
 - Project impacts
 - Additionality test
 - Reversal and rebound risk
 - Net emissions' calculation
 - Protection and preservation and interested parties' consultation
 - Document control
 - [Financial Additionality](#) Test Calculator
 - Approval Report
 - Annual Monitoring Plan
11. Once designed the project developer will forward all completed documentation to the UKCCC Commissioner for comment, along with a suggested uncertainty discount factor to be applied.
12. The UKCCC Commissioner will respond within 28 working days with either confirmation of project validation or a request for amendments or additional information. The UKCCC will either approve the uncertainty discount factor or impose an alternative. The UKCCC Commissioner has the final say on uncertainty discount factor values.



13. Once approved the UKCCC forwards the full project documentation to an approved Validation and Verification Body (VVB) for project validation and then passed back to the UKCCC for final verification.
14. Upon successful verification the project will achieve approved status.
15. Continued project approval can only be maintained following successful annual verification visits carried out by either the UKCCC Commissioner or an approved VVB.
16. This completes the first verification cycle (lasting 5 years). Baselines are repeated in the first year of each new five-year verification cycle.
17. All uncertainty discount factor credits (less the 3% national reserve) are released if the project has exceeded the conservative estimated net carbon removal. If the project has failed to meet expectations then the uncertainty discount factor credits are cancelled.
18. The UKCCC reserves the right to adjust the uncertainty discount factor at any time.

8.3 Methodology for Determining the Uncertainty Discount Factor

Introduction

This methodology provides a framework for calculating the uncertainty discount factor to be applied to individual UKCCC projects, particularly those involving land use, land-use change, and forestry (LULUCF) activities. This helps ensure conservative data-driven estimations of greenhouse gas (GHG) emissions reductions and carbon removal between five-year verification cycles. This methodology shall be used by project developers to recommend an initial uncertainty discount factor to be approved by the UKCCC Commissioner.

In all instances 3% of credits from each project are held in the UKCCC National Reserve.

1. Definitions

- **Uncertainty Discount Factor:** A percentage reduction applied to account for uncertainties in GHG emission reduction or removal estimates, ensuring that reported reductions are conservatively stated. Also, a reduction applied to the estimated GHG benefits of a project to account for potential overestimation and to enhance the credibility of UKCCC high-integrity carbon credits.

2. Determining Uncertainty Discount Factors

Step 1: Data Collection

- Collect current, historical data and peer-reviewed research relevant to the specific land use practices and regional conditions of the project.
- Gather empirical data from the project or similar projects, focusing on actual GHG emissions and removals, environmental impacts, and management practices.

Step 2: Statistical Analysis

- Analyse the data to determine variance and confidence intervals for GHG emissions' reduction and removal estimates.
- Compare data to empirical data from similar project types

Step 3: Expert Elicitation

- Engage with experts in land use, forestry, ecology, and carbon modelling to review the data and analysis, and to provide insights on potential sources of uncertainty not captured in the statistical analysis.
- Document expert opinions and consensus on uncertainty ranges for key variables.

Step 4: Application of Risk Factors

- Identify risk factors specific to the project, such as pest outbreaks, fire risk, management confidence and economic factors that may impact land use practices and permanence.
- Adjust uncertainty discount factors based on the likelihood and potential impact of these risks.

Step 5: Determination of Uncertainty Discount Factors



- Apply a conservative baseline uncertainty discount factor to all projects, reflecting common uncertainties associated with project type and region.
- Adjust the baseline uncertainty discount factor based on project-specific uncertainties and risks identified in previous steps.
- Use a tiered approach, where projects with higher uncertainty and risk have higher uncertainty discount factors applied.
- Projects that are based predominantly on a regenerative agriculture transition shall apply a minimum of 20% uncertainty discount factor between baseline and verification audits, plus 3% as a contribution to the UKCCC National Reserve.
- The minimum uncertainty discount factor in any event shall be 5%, plus 3% as a contribution to the UKCCC National Reserve.

3. Specific Considerations for Land Use Methods

Land Use, Land-Use Change, and Forestry (LULUCF)

- **Afforestation/Reforestation:** Consider species-specific growth rates, local climatic conditions, and soil characteristics. Adjust for risks like fire and disease.
- **Soil Carbon Sequestration:** Factor in variations in soil types, management practices and commitment (e.g., tillage, cover cropping), and climatic conditions.
- **Agroforestry:** Address complexities due to the combination of agriculture and forestry practices, including interactions between tree and crop species.

4. Validation and Verification

- Conduct periodic validations and verifications by accredited third parties to assess the ongoing accuracy of GHG estimations and the appropriateness of applied uncertainty and uncertainty discount factors.
- Adjust methodology based on findings from validations and lessons learned from project implementations.

5. Documentation and Reporting

- Document all methodologies, data sources, calculations, and expert inputs transparently to support verification and Interested Parties' review.
- Provide detailed justifications for the chosen uncertainty discount factors, ensuring they are reasonable and reflect conservative GHG accounting.



8.4 Registry Procedure and Processes

UK Carbon Code of Conduct Registry Procedures 10/01/22

Current V2.1 18/11/24

Customer Screening, Registry Audit, and Compliance Evaluation Process

Introduction

The UK Carbon Code of Conduct (UKCCC) is committed to maintaining a credible and secure carbon registry. This document outlines the screening process for onboarding new customers, periodic audit procedures for the registry, and measures for evaluating compliance and security. These processes ensure that all participants in the UKCCC registry adhere to high standards of integrity and contribute to a secure, transparent, and trustworthy carbon market.

1. Customer Screening Process for New Registry Participants

The screening process for new customers ensures that all individuals and organisations participating in the UKCCC registry meet the required standards for ethical conduct, financial integrity, and environmental responsibility. This process is designed to prevent fraud, safeguard data, and uphold the credibility of the carbon credit market.

1.1 Application Submission

- **Application Form:** All new customers (including project developers, investors, and credit buyers) must complete an application form providing detailed information on their identity, business operations, financial standing, and intended activities within the registry. This can be carried out by a third-party broker.
- **Document Requirements:** Applicants must submit key documents, including:
 - Proof of identity (for individuals) or business registration documents (for organizations).
 - Financial statements or proof of funds for investment.
 - A declaration of any previous carbon credit or environmental project involvements.

1.2 Due Diligence and Background Checks

- **Identity Verification:** The UKCCC verifies the identity of all applicants through the [Know Your Client Policy](#) and ensure all company registration details and other official documents are retained.
- **Anti-Money Laundering (AML) Checks:** Background checks are conducted to ensure compliance with AML regulations. This includes screening against global sanctions lists, politically exposed persons (PEP) databases, and adverse media reports.
- **Environmental and Social Responsibility Assessment:** Applicants are evaluated based on their track record in environmental stewardship and social responsibility. Project developers must provide information on their past projects, including any environmental violations or human rights issues. Those organisations that continue to invest in oil and gas exploration shall automatically be denied access to the registry.
- **Net Zero Pathway:** All companies wishing to buy credits must have a SBTi aligned Net Zero pathway.
- **Reputation and Credibility Check:** The UKCCC conducts checks on the applicant's reputation within the carbon credit and environmental sectors, assessing public records and



industry feedback. The UKCCC reserves the right to deny anyone access to the registry if there are reputational concerns.

1.3 Risk Assessment and Approval

- **Risk Scoring:** Each applicant is assigned a risk score based on factors such as compliance history, financial standing, and the nature of their intended activities. High-risk applicants may undergo additional scrutiny or be required to provide further documentation.
- **Approval or Rejection:** Based on the risk assessment, the UKCCC determines whether to approve or reject the application. Approved customers are granted access to the registry, while rejected applicants receive a written explanation of the decision and information on the appeal process if applicable.
- **Onboarding:** Approved customers receive orientation materials, including guidance on registry usage, compliance requirements, and best practices for data security.

2. Periodic Audit Process for the UKCCC Registry

To ensure the continued integrity, accuracy, and security of the registry, the UKCCC conducts regular audits. These audits are designed to identify and mitigate risks, verify compliance with registry protocols, and evaluate the effectiveness of security measures.

2.1 Frequency and Scope of Audits

- **Annual Full Audits:** A comprehensive audit is conducted annually to assess all aspects of the registry's operations, including customer compliance, data integrity, and security protocols.
- **Quarterly Spot Audits:** In addition to the annual audit, the UKCCC conducts quarterly spot audits on a random sample of registry participants to identify potential issues on an ongoing basis.
- **Ad-Hoc Audits:** Ad-hoc audits may be initiated in response to specific incidents, complaints, or suspicious activities reported within the registry.
- **Credit retirement:** Once credits have been retired on the registry they cannot be transferred or sold. If a company that holds retired UKCCC credit certificates is sold, then the acquiring company can apply to the UKCCC registry to transfer any retired certificates. The UKCCC shall decide how many claims may be communicated by the acquiring party.

2.2 Audit Procedures

- **Data Integrity Verification:** The Registry audit team verifies the accuracy and completeness of data entries within the registry, including credit issuance, transfer records, and retirement data.
- **Compliance Review:** Auditors assess whether registry participants are adhering to UKCCC's standards for transparency, reporting, and ethical conduct. This includes reviewing project documentation, MRV reports, and customer transaction histories.
- **Security Assessment:** The audit includes a thorough review of the registry's security measures, such as data encryption, access controls, and incident response protocols. This step ensures that sensitive data is protected against unauthorised access or breaches.
- **Stakeholder Interviews:** Auditors may conduct interviews with registry participants, UKCCC staff, and third-party verifiers to gather insights on registry operations and identify areas for improvement.

2.3 Reporting and Follow-Up

- **Audit Report:** Upon completion, the audit team produces a report detailing findings, including any non-compliance issues, security vulnerabilities, and recommendations for corrective actions.
 - **Corrective Action Plan:** If any issues are identified, the UKCCC develops a corrective action plan and notifies affected participants. Actions may include updating security protocols, retraining staff, or enforcing penalties for non-compliance.
 - **Follow-Up Audit:** A follow-up audit may be conducted within six months to ensure that all corrective actions have been implemented and are effective.
-

3. Evaluation of Registry Compliance and Security Measures

The UKCCC regularly evaluates compliance with registry protocols and assesses the adequacy of security measures to ensure the ongoing safety and credibility of the registry.

3.1 Compliance Monitoring

- **Continuous Compliance Checks:** The UKCCC monitors registry activities in real-time, flagging unusual transactions, high-risk behaviours, or discrepancies in data. Automatic alerts notify the compliance team of potential issues that require further investigation.
- **Periodic Compliance Reviews:** In addition to continuous monitoring, a comprehensive compliance review is conducted every two years. This review assesses the overall compliance landscape within the registry, identifying trends and areas requiring enhancement.

3.2 Security Measures Evaluation

- **Vulnerability Assessments:** The UKCCC conducts regular vulnerability assessments, which include penetration testing and security audits, to identify and address potential weaknesses in the registry's IT infrastructure.
- **Access Control Evaluation:** The registry's access controls are reviewed annually to ensure that only authorized personnel have access to sensitive information. Role-based access and multi-factor authentication are among the protocols evaluated for effectiveness.
- **Data Backup and Recovery Testing:** The UKCCC tests data backup and recovery protocols quarterly to ensure that registry data can be restored in the event of a security breach, data corruption, or other incidents.

3.3 Regulatory Compliance Assessment

- **Legal and Regulatory Review:** The UKCCC periodically reviews its registry operations to ensure compliance with relevant national and international regulations, including GDPR for data protection, AML laws, and environmental compliance requirements.
- **Third-Party Security Audit:** Every three years, the UKCCC engages an independent third-party auditor to conduct a security audit. This audit provides an objective assessment of the registry's security posture and compliance with industry standards.

3.4 Stakeholder Feedback and Continuous Improvement

- **Customer Feedback Mechanism:** The UKCCC provides a feedback mechanism for registry participants to report concerns or suggest improvements regarding compliance and security.
- **Registry Updates and Improvements:** Based on audit findings, security assessments, and stakeholder feedback, the UKCCC implements updates to registry protocols, compliance



measures, and security controls. Continuous improvement is integral to maintaining the trust of registry participants and ensuring the registry's resilience.

Addressing Erroneous Issuance of Carbon Credits

1. Introduction

The UK Carbon Code of Conduct (UKCCC) sets the framework for the accurate issuance, monitoring, and verification of carbon credits. This procedure outlines the steps to be followed when an erroneous issuance of carbon credits is identified, the remedial measures to address such errors, and the entities responsible for implementing corrective actions. Erroneous issuance can result from factors such as inaccurate project data, non-compliance with monitoring requirements, or miscalculated emissions reductions.

2. Objective

The primary objective of this procedure is to establish a clear, transparent process to rectify errors in carbon credit issuance, ensuring the integrity of the carbon market, and maintaining trust among stakeholders. Remedial measures may include the cancellation of invalid credits, compensation through replacement credits, or other appropriate actions.

3. Identification of Erroneous Issuance

Erroneous issuance of carbon credits may be identified through:

1. **Verification Audits:** Independent third-party audits and verifications carried out as part of regular monitoring.
2. **Internal Reviews:** Reviews conducted by the UKCCC registry.
3. **External Complaints:** Reports from stakeholders or market participants who identify potential discrepancies.
4. **Monitoring Data:** Ongoing monitoring of project activities revealing discrepancies in the reported emissions reductions or removals.

4. Entities Responsible for Detection

- **Third-Party Verifiers:** Responsible for assessing project performance and identifying discrepancies during verification stages.
 - **UKCCC Registry admin or UKCCC Commissioner:** Ensure compliance with carbon credit issuance rules and monitor the integrity of credits listed within the registry.
 - **Project Developers:** Must conduct internal audits and report any errors or discrepancies in their project activities or credit calculations.
 - **UKCCC Executive Team:** Supervises market compliance, ensures regulatory alignment, and enforces remedial actions when errors are detected.
-

5. Remedial Measures for Erroneous Issuance

When erroneous issuance of carbon credits is identified, the following remedial measures may be applied:

5.1 Cancellation of Erroneous Credits

Description:

All carbon credits issued in error will be cancelled from the UKCCC registry. This ensures that invalid credits are not traded or used to meet emissions reduction obligations.

- **Process:**
 - The UKCCC registry immediately freezes the affected credits to prevent trading.
 - An investigation confirms the erroneous issuance and calculates the total number of invalid credits.
 - The registry cancels the credits, and stakeholders are notified.
- **Entities Responsible:**
 - **UKCCC Registry:** Executes the cancellation of credits.
 - **Project Developer:** Notified and required to cooperate with the investigation.
 - **UKCCC Executive Team:** Ensures compliance with cancellation procedures.

5.2 Compensation through Replacement Credits

Description:

Project developers responsible for erroneous credit issuance may be required to replace invalid credits with valid ones. The replacement credits must come from the same or another project that meets the required standards.

- **Process:**
 - The UKCCC determines the number of invalid credits and the timeframe for replacement.
 - Replacement credits may be sourced from existing projects or newly generated from the project (once issues are resolved).
 - Replacement credits are transferred to affected parties or retired, depending on the situation.
- **Entities Responsible:**
 - **Project Developer:** Sources and provides valid replacement credits.
 - **UKCCC Registry:** Monitors and verifies the replacement of credits.
 - **UKCCC Executive Team:** Ensures the replacement meets the original credit criteria and is properly executed.

5.3 Financial Compensation

Description:

If the issuance of erroneous credits has led to financial damage for buyers or other market participants, financial compensation may be required. The compensation amount will be based on the value of the invalid credits and the market impact of their issuance.

- **Process:**
 - Affected parties submit claims to the UKCCC Executive Team or project developers.
 - Investigations are conducted to determine the financial loss resulting from the invalid credits.
 - Compensation is arranged either through direct payment or the acquisition of new valid credits.
- **Entities Responsible:**
 - **Project Developer:** Compensates affected parties financially.
 - **UKCCC Executive Team:** Mediates and ensures fair compensation.

5.4 Project Suspension or Delisting

Description:

In severe cases of non-compliance, the project may be suspended from generating new carbon credits or permanently delisted from the carbon registry.

- **Process:**
 - A review of the project's compliance is conducted to determine if the project can continue.
 - If necessary, the project is suspended, preventing further issuance of credits.
 - In extreme cases, the project is delisted, and all issued credits are permanently frozen or cancelled.
 - **Entities Responsible:**
 - **UKCCC Executive Team:** Decides on the suspension or delisting.
 - **UKCCC Registry:** Implements the suspension or delisting of the project.
-

6. Implementation Procedure for Remedial Measures

Once an erroneous issuance is confirmed, the following implementation steps are taken:

1. **Error Notification:**

The UKCCC Executive Team will formally notify the project developer, carbon registry, and other stakeholders of the error, along with the findings and remedial actions required.
2. **Corrective Action Plan:**

The project developer, in collaboration with the UKCCC, prepares a corrective action plan to address the root cause of the error and prevent its recurrence. This plan includes timelines and responsibilities for implementing the required measures.
3. **Timeline for Remedial Measures:**

The UKCCC will set a timeline for the implementation of remedial measures. Timely action is critical to prevent market disruptions and ensure credit integrity.

 - Cancellation: Immediate upon confirmation.
 - Replacement: Must be completed within a specified timeframe, typically within 6-12 months.
 - Compensation: Financial compensation or replacement credits must be provided within the set period to avoid penalties.
4. **Monitoring and Reporting:**

The UKCCC Executive Team will closely monitor the implementation of remedial measures and require periodic reporting from project developers to ensure compliance.
5. **Penalties for Non-Compliance:**

If the project developer fails to implement the corrective measures, additional penalties, such as fines, project delisting, or legal action, may be enforced. These penalties will be proportional to the severity of the error and the impact on the market.



Protocol for the Management of the UK Carbon Code of Conduct (UKCCC) Buffer Pool and National Reserve

Introduction

The **UKCCC** only sells verified carbon credits that are issued annually upon a successful verification process. All project outcomes are measured and compared against the project baseline and the principles of applied conservatism take precedence.

The **UK Carbon Code of Conduct (UKCCC)** requires the establishment of a **Buffer Pool** and a **National Reserve** to safeguard the integrity of carbon credits issued under its framework. These mechanisms ensure that any carbon loss or reversal beyond a project's control is adequately addressed, protecting buyers and maintaining market confidence.

The UKCCC only issues credits upon successful completion of an annual monitoring report where once approved credits are issued less the uncertainty discount buffer.

This protocol defines the rules and processes for managing the **Buffer Pool** and circumstances for releasing **Uncertainty Discount Buffer Credits** or accessing the **National Reserve** to cover project losses.

1. Purpose of the Buffer Pool and National Reserve

1. Buffer Pool:

- To account for project-specific risks, such as natural disasters or project reversals, and provide a safeguard for unexpected carbon credit invalidation.
- Credit number held in pool, vary with perceived project risks
- To ensure that issued carbon credits are based on conservative estimates between verification events, and remain credible and reflect genuine emissions reductions or removals.
- Released upon successful measured verification of project outcomes at five-year verification cycles.

2. National Reserve:

- To provide a broader safety net for losses that exceed individual project risks or buffer pool allocations.
 - To cover systemic risks or extraordinary events affecting multiple projects, where individual buffer allocations are insufficient.
-

2. Structure and Contribution Requirements

2.1 Buffer Pool Contributions

- All projects certified under the UKCCC are required to contribute a percentage of their total issued credits into the **Buffer Pool**.
- **Contribution Rates:**



- Nature-based projects: 5-40%, based on the assessed risk.
- Technology-based projects: 5-10%, depending on the permanence and reliability of the technology.
- Contributions are determined during project validation and may be adjusted following annual monitoring and verification reviews or material changes in project risk.

2.2 National Reserve Contributions

- 3% of the total credits from all UKCCC projects is allocated to the **National Reserve** to address systemic risks or exceptional circumstances.
 - The UKCCC reserves the right to increase the 3% contribution to the National Reserve.
 - These contributions are not project-specific and represent a collective safety net for all UKCCC credits.
 - The UKCCC is investigating insurance products as a further protection mechanism.
-

3. Release of Buffer Pool Credits

Buffer Pool credits may be released to cover carbon losses under the following circumstances:

3.1 Minor Losses

- **Definition:** Losses that do not exceed the allocated buffer contribution for an individual project.
- **Process:**
 1. The project developer reports the loss and provides supporting evidence.
 2. Third-party verifiers confirm the extent and cause of the loss.
 3. Buffer credits from the project's allocation are retired to compensate for the loss.

3.2 Uncertainty Discount

- A portion of the buffer credits is withheld during project issuance to account for uncertainties in baseline or monitoring data.
- **When Released:**
 - Following successful verification of actual emissions reductions or removals that resolve uncertainties.
 - During periodic reviews if monitoring data confirms project performance exceeds initial expectations.

3.3 Repeated Losses or Elevated Risks

- If a project experiences repeated losses or shows signs of elevated risk, the UKCCC may retain additional buffer credits until the issue is resolved or the project demonstrates improved stability.
-

4. Accessing the National Reserve

The National Reserve is a secondary safety mechanism, used only when buffer pool credits are insufficient to cover carbon losses. Access is restricted to exceptional cases, such as large-scale reversals beyond a project's control.

4.1 Circumstances for National Reserve Use

The National Reserve may be used in the following scenarios:

1. **Natural Disasters:** Wildfires, floods, storms, or other catastrophic events that cause carbon loss across multiple projects.
2. **Systemic Risks:** Widespread issues affecting an entire category of projects, such as regulatory changes, pest outbreaks, or widespread disease affecting afforestation projects.
3. **Unforeseen Events:** Extraordinary circumstances, such as geopolitical conflicts or technological failures, that lead to significant carbon loss.

4.2 Criteria for National Reserve Access

- **Threshold:** The loss must exceed the buffer allocation of the individual project or group of affected projects.
- **Eligibility:** Projects must demonstrate compliance with The Standard and prove the loss was beyond their control.
- **Verification:** Third-party verification is required to quantify the loss and confirm eligibility.

4.3 Approval Process

1. **Application:** The project developer submits an application to the UKCCC Executive Team, detailing the loss, its cause, and the steps taken to mitigate it.
2. **Assessment:** The UKCCC Executive Team reviews the application and verification report to determine eligibility.
3. **Decision:** The Executive Team approves or denies access to the National Reserve based on established criteria.

4.4 Disbursement and Reporting

- Approved credits from the National Reserve are retired to cover the loss.
- The UKCCC publishes an annual report detailing National Reserve usage, including the circumstances, amounts released, and actions taken to prevent future occurrences.

5. Monitoring and Review

5.1 Periodic Reviews of Buffer Contributions

- Contributions to the Buffer Pool are reviewed every year to ensure they reflect the latest risk profiles and market conditions.
- Projects with a demonstrated history of low risk may qualify for reduced buffer contributions.

5.2 Regular Audits

- The UKCCC conducts annual audits of the Buffer Pool and National Reserve to ensure proper management and transparency.
- Audit reports are published for stakeholders, detailing buffer credit status, usage, and replenishment.

5.3 Adaptive Management

- The UKCCC reserves the right to adjust buffer contribution rates or National Reserve thresholds in response to new risks, market developments, or lessons learned from past reversals.
-

6. Governance and Accountability

- **Oversight Body:** The UKCCC Executive Team is responsible for managing the Buffer Pool and National Reserve, ensuring compliance with this protocol.
- **Transparency:** All decisions regarding the release of buffer or reserve credits are documented and publicly disclosed.
- **Stakeholder Engagement:** The UKCCC consults with stakeholders, including project developers, buyers, and environmental groups, during periodic reviews of the buffer and reserve mechanisms.

Force Majeure Policy for Carbon Removal Projects

Introduction

The **UK Carbon Code of Conduct (UKCCC)** acknowledges that certain unforeseen and uncontrollable events, known as **Force Majeure**, may impact carbon removal projects, potentially leading to the loss of sequestered carbon or preventing the project from fulfilling its obligations. This policy establishes the framework for identifying, managing, and addressing the implications of Force Majeure events, ensuring fairness for project developers, credit buyers, and other stakeholders.

1. Definition of Force Majeure

Force Majeure refers to extraordinary events or circumstances beyond the control of the project developer that prevent or hinder the performance of a project. These events are typically:

- **Unforeseen:** Not reasonably anticipated at the time of project registration.
- **Uncontrollable:** Outside the direct influence or mitigation capacity of the project developer.
- **Unavoidable:** Cannot be circumvented through reasonable actions.

Examples of Force Majeure events include:

1. **Natural Disasters:**
 - Wildfires
 - Floods
 - Hurricanes or severe storms
 - Earthquakes
2. **Biological or Ecological Events:**
 - Pest infestations (e.g., beetle outbreaks in forests)
 - Disease affecting vegetation or soil
3. **Human-Induced Events:**
 - War or armed conflict
 - Acts of terrorism

- Government-imposed restrictions or expropriations
4. **Climate-Related Events:**
- Severe droughts
 - Unprecedented temperature anomalies
-

2. Policy Objectives

The Force Majeure Policy aims to:

1. Protect the integrity of the carbon credit market while recognizing the challenges posed by uncontrollable events.
 2. Provide a transparent, fair, and consistent approach to managing Force Majeure claims.
 3. Mitigate risks to project developers, buyers, and other stakeholders without compromising market credibility.
-

3. Applicability and Eligibility

3.1 Applicability

This policy applies to all carbon removal projects registered under the UKCCC that experience a Force Majeure event impacting their carbon sequestration or emissions reduction performance.

3.2 Eligibility Criteria

To qualify for Force Majeure considerations, a project must demonstrate:

1. The event was beyond the project developer's control and could not have been reasonably foreseen.
 2. Reasonable preventive measures were in place before the event occurred.
 3. The impact of the event has been independently verified and quantified.
-

4. Procedure for Force Majeure Claims

4.1 Notification of Force Majeure

- **Timeline:** Project developers must notify the UKCCC Executive Team within **30 days** of the occurrence of a Force Majeure event.
- **Required Information:**
 - Description of the event and its impact on the project.
 - Evidence of the event, including photos, satellite imagery, or reports from government or independent authorities.
 - Preliminary estimates of carbon losses.

4.2 Verification and Assessment

- **Independent Verification:** The UKCCC will commission a third-party verifier to assess:
 - The nature and scale of the event.



- The extent of carbon losses or impacts on project performance.
- The developer's efforts to mitigate the effects.
- **Report Submission:** The verifier will submit a report to the UKCCC Executive Team within **60 days** of notification.

4.3 Determination of Force Majeure

The UKCCC Executive Team will evaluate the claim and issue a determination based on:

1. The verification report.
 2. The project's compliance history and mitigation efforts.
 3. The event's alignment with the Force Majeure definition.
-

5. Remedial Actions

5.1 Suspension of Obligations

- Projects deemed eligible for Force Majeure relief may temporarily suspend compliance obligations (e.g., credit issuance, monitoring reports) for a defined period.
- The UKCCC Executive Team will determine the duration and scope of the suspension.

5.2 Use of Buffer Pool

- **Buffer Credits:** Credits allocated to the UKCCC Buffer Pool may be retired to compensate for verified carbon losses caused by the Force Majeure event. In the event of Force Majeure, the UKCCC reserves the right to not issue UKCCC buffer credits.
- The volume of buffer credits released will be proportional to the carbon loss verified by the third-party assessment.

5.3 Access to National Reserve

- For catastrophic events affecting multiple projects or where the buffer pool is insufficient, the UKCCC **National Reserve** may be accessed to cover additional losses. Access to the UKCCC National Reserve and Buffer Pool is entirely at the discretion of the UKCCC Executive Team.
- Affected projects must meet the eligibility criteria outlined in the UKCCC National Reserve Protocol.

5.4 Restoration and Recovery Plan

- Project developers are required to submit a **Restoration and Recovery Plan** outlining:
 - Actions to restore the project's carbon removal potential (e.g., replanting forests, soil remediation).
 - Timeline and milestones for recovery efforts.
 - Additional measures to prevent or mitigate similar risks in the future.
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6. Reporting and Transparency

6.1 Public Disclosure



The UKCCC will publicly disclose:

- Details of Force Majeure claims approved.
- The volume of buffer or reserve credits retired.
- Updates on restoration and recovery efforts.

6.2 Annual Force Majeure Report

An annual report will summarise:

- The number and types of Force Majeure events reported.
 - The volume of carbon losses and credits retired from the buffer pool and national reserve.
 - Lessons learned and recommendations for improved risk management.
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7. Exclusions and Limitations

Force Majeure relief will not be granted in cases of:

1. **Negligence:** Where project developers failed to implement reasonable preventive measures or comply with The Standard.
 2. **Foreseeable Risks:** Events that were reasonably foreseeable and preventable at the time of project registration.
 3. **Incomplete Documentation:** Claims lacking sufficient evidence or independent verification.
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8. Governance and Oversight

- **UKCCC Executive Team:** Responsible for managing Force Majeure claims, coordinating third-party verification, and approving remedial measures.
- **Stakeholder Engagement:** The UKCCC will consult with affected stakeholders to ensure fair outcomes and continuous improvement in risk management practices.
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8.5 Interested Parties' Consultation

UKCCC INTERESTED PARTIES CONSULTATION AND ENGAGEMENT REQUIREMENTS

Version: 1.1 Published 25/10/23

1. Scope and applicability

- 1.1 The aim of the Interested Parties Consultation is to engage affected Interested Parties and to discuss potential environmental, social and economic impacts (both positive contributions and potential risks) that projects may have during design, planning and implementation and to establish an ongoing mechanism for feedback.
- 1.2 Interested parties' consultation shall take place for all UKCCC version cycles and updates of MRV protocols.
- 1.3 For most UK-based single project hosts, the Project Development Document's Interested Parties Consultation responses will suffice. It is good practice to consult with local people especially where significant land use change occurs.
- 1.4 All UKCCC projects shall "take gender issues into account". This requires local Interested Parties consultation processes to reach a wide range of community representatives in ways that ensure equal and effective participation of both women and men, and that gender issues are fully factored into comprehensive social and environmental impact assessments. Project developers are referred to the **UK Carbon Code of Conduct: Human Rights, Gender Equality, Anti-Slavery, and Forced Eviction Policy**
- 1.5 Project developers can raise queries regarding any protocol at any time and should follow the UKCCC process for review of methodologies.

2. Timing of local interested parties consultation

- 2.1 The Interested Parties Consultation shall be conducted prior to the start date of the Project so that the Interested Parties can truly influence the project design, planning and its implementation.
- 2.2 If the Consultation is conducted after the start date, the Interested Parties shall be provided with an opportunity to comment on the project and the Project developer shall provide further explanation of how comments received during the consultation were taken into account.

3. Minimum group of interested parties to be consulted

- 3.1 The Project developer shall identify and invite all relevant (local, affected and interested) Interested Parties as mentioned below for consultations and comments. The Project developer is to use common sense when compiling the list of interested parties, for instance where regenerative agricultural projects are being proposed, there is no need to consult local planning authorities. If in doubt check with the UKCCC.

Interested parties may include:

- 3.1.1 Local people, communities and or representatives who are directly or indirectly affected by the project.
- 3.1.2 Interested Parties with land-tenure rights within or adjacent to the project must be contacted.
- 3.1.3 Local policy makers and representatives of local planning authorities.
- 3.1.4 National government officials or National bodies responsible for the project in the host country, for example in the UK, DEFRA, Natural England, Forestry Commission.



- 3.1.5 Local non-governmental organisations (NGOs), Women Groups working on topics relevant to the project or working with communities who are likely to be affected by the project.
- 3.1.6 A UKCCC representative info@ukcarboncode.org
- 3.1.7 Relevant international UKCCC NGO Supporters with representation in your region and all UKCCC NGO Supporters located in the host country of the project.

3.2 The project developer shall provide evidence that invitations were sent to the relevant interested parties and that their comments were invited. If any of the relevant interested parties were not invited, the project participants shall provide appropriate justification.

4. Rules for inviting interested parties

- 4.1 The project developer shall invite local Interested Parties to participate in any meeting and provide comments on the proposed project in an open and transparent manner, in a way that facilitates comments to be received from local interested parties.
- 4.2 The Project developer shall invite the Interested Parties through a combination of direct email to known interested parties and through social media to alert additional parties that may be interested in the project.
- 4.3 Projects shall ensure that the interested parties are invited in a 'gender sensitive' manner and efforts must be made to solicit input from women and marginalised groups.
- 4.4 The project developer shall not deny anyone access to the consultation. It shall be open for anyone wishing to participate.
- 4.5 The invitation for the consultation meeting shall be given at least 10 days before the meeting takes place.

5. Information to be made available to interested parties

- 5.1 Prior to the consultation, the Project developer shall provide information in a manner that allows local interested parties to understand and engage with the project. The information to be made available to interested parties shall include:
 - 5.1.1 A non-technical summary of the project including information on project design, technology, objectives, scale, duration and implementation plan (so far as known).
 - 5.1.2 Summary of the economic, social and environmental impacts of the project.
 - 5.1.3 Contact details to get further technical detail and project information, should any Interested Parties request follow-up.
 - 5.1.4 Other relevant information to help Interested Parties understand the project.
 - 5.1.5 Means and method to provide feedback for those who are not able to join the consultation meeting.

6. Consultation

- 6.1 The Interested Parties Consultation shall comprise of a physical meeting and one Interested Parties feedback round lasting for at least two weeks.
- 6.2 Where necessary, other means and approaches that are appropriate for local and national circumstances can be used to conduct Interested Parties consultation meetings. For example, due to the nature of the project, instead of one large physical consultation meeting, several meetings at different locations may be conducted to ensure that relevant Interested Parties can participate.
- 6.3 The project shall encourage equal and effective participation by both men and women in the Interested Parties consultation (this also includes the suitability of place and timing of the consultation(s)).



- 6.4 For retroactive projects where project implementation has started without conducting the first round of Interested Parties consultation the following rules must apply. The physical meeting shall be integrated with the Interested Parties feedback round if this has not taken place as part of previous Interested Parties consultations. The physical meeting conducted during the Interested Parties feedback round must follow all requirements listed in this document. Special attention must be paid to the fact that the projects must consider Interested Parties feedback and shall modify project design, where reasonable.

7. Continuous input and grievance mechanism

- 7.1 All projects shall setup a formal input, feedback and grievance mechanism with the purpose of providing interested parties with an opportunity to submit any feedback or raise grievances during the entire project life.
- 7.2 The project shall discuss the potential options with Interested Parties and agree on an appropriate method.
- 7.3 At a minimum, the Interested Party raising the grievance or complaint must contact the UKCCC who will follow the Complaint and Grievance procedure.

8. Consideration of comments received

- 8.1 The Project developer shall apply a gender lens while assessing the relevance and appropriateness of the Interested Parties' comments.
- 8.2 The project shall consider the comments provided by the Interested Parties and report on how the comments have been accounted for. It may also involve changes in the project design, where appropriate. The Project developer shall provide justifications when any comments have not been incorporated or addressed.
- 8.3 The Interested Parties shall be provided with the feedback on how their comments have been considered as part of the Interested Parties feedback round.

9. Ongoing reporting

- 9.1 Ongoing *Annual Monitoring and Reporting* Project developer shall provide information in the Annual and Monitoring Report, as applicable, for the following:
- 9.1.1 Concerns that have been identified and raised by Interested Parties during the Interested Parties consultations and the mitigation measures put in place to address those.
- 9.1.2 Any feedback given by Interested Parties as part of the project's grievance mechanism.

10. Interested parties' consultation documentation

- 10.1 The Project developer shall make use Interested Parties consultation report template to document all the steps taken to meet the requirements in this document.

The Interested Parties consultation report shall be submitted to UKCCC within three months of the event (though this date may be after the Project Start Date).

8.6 Financial Additionality

UKCCC Financial Additionality Assessment

Origination date: 22/11/22 Effective date: 07/03/25 Version: 3.0

The project developer shall carry out an assessment of the financial additionality of the project. This assessment should follow the methodology.

Methodology for Financial Additionality Assessment

1. Identification of Alternatives:

1.1. Identify all plausible alternatives to the proposed project activity. These alternatives should be consistent with current laws and regulations.

2. Investment Analysis:

2.1. **Determine Financial Viability:** Conduct a financial analysis to determine if the project is financially viable without the carbon credits. This involves calculating the Internal Rate of Return (IRR), Net Present Value (NPV), and other relevant financial metrics.

2.2. **Compare Scenarios:** Compare the financial metrics of the project with and without the carbon credits. If the project is not financially attractive without the carbon credits, it may be considered financially additional.

3. Barrier Analysis:

3.1. **Identify Barriers:** Identify any financial, technological, or institutional barriers that would prevent the project from being implemented without the carbon credits.

3.2. **Assess Impact:** Assess the impact of these barriers on the project's feasibility. If the barriers are significant and the project would not proceed without the carbon credits, it may be considered financially additional.

4. Common Practice Analysis:

4.1. **Evaluate Common Practices:** Evaluate whether the proposed project activity is common practice in the region or sector. If similar activities are not commonly implemented without carbon credits, the project may be considered financially additional.

5. Sensitivity Analysis:

5.1. **Test Assumptions:** Conduct a sensitivity analysis to test the robustness of the financial analysis. This involves varying key assumptions (e.g., costs, revenues, discount rates) to see how they affect the project's financial viability.

5.2. **Confirm Additionality:** Confirm that the project remains financially unattractive without the carbon credits under different scenarios.

6. Documentation and Validation:

6.1. **Document Findings:** Document all findings, assumptions, and justifications used in the financial additionality assessment.

6.2. **Third-Party Validation:** Have the assessment validated by a third-party auditor to ensure credibility and transparency.

8.7 Fee structure



UK Carbon Code of Conduct Fee structure Updated 02/10/24

Project Developer Approval	£1,500
Annual PD Training (min 2 days/yr/PD)	£2,000
Project Developer annual subscription	£2,000
Validation and Verification Body approval	£1,500
Project cost per hectare per year	£4.00 (per hectare)
Registry opening fee	£100
Registry transaction fee per credit	£0.50 (per credit)



8.8 Claims Guidelines

Claims Guidance on Corporate Climate Action May 2023 V 1.2

The Role of the voluntary carbon market and Net Zero Journey claims

The UKCCC supports all climate action that can be accurately measured, reported and verified as real and tangible. Every UKCCC high-integrity credit is equivalent to a tonne of CO₂e (tCO₂e) removed from the atmosphere or a reduction in emissions through a change in practice and/or the development of a project. Each tCO₂e removed and converted to a credit can be clearly traced back to a UKCCC approved project and logged on the UKCCC Registry.

All UKCCC projects that issue credits have themselves achieved Net Zero tCO₂e on Scopes 1, 2 and 3, and are only able to sell the excess net carbon removal as credits, having assured additionality and avoidance of leakage. They have achieved this through a process of accurate emissions and carbon removal and storage balance calculations, monitored, verified and reported on an annual basis.

The UKCCC believe that voluntary carbon credits are a valuable tool to help companies reach Net Zero, provided they follow the best practice guidance laid out below.

The UKCCC believes that good quality offsets offer a robust mechanism to help achieve 2050 (at the latest) Net Zero targets. It believes that they represent better value for money than compliance market or carbon taxes as the investment in credits from UKCCC projects creates an amplification effect and significant impact through a clearly defined, validated approved, measured, reported and verified process.

The UKCCC does not support sales of credits below a rate of £20 per credit as it is imperative that the investment leads to projects that deliver climate impact, being developed and that they act as an incentive to accelerate emissions reduction plans. This figure will be reviewed by the UKCCC Advisory Board each year.

The UKCCC will certify a company's Net Zero Journey if it meets the best practice laid out in this policy document.

Internal Carbon Accounting

Internal carbon accounting refers to the practice of measuring and managing the carbon emissions of an organisation's operations and activities. It involves quantifying the amount of greenhouse gases, specifically carbon dioxide (CO₂) and other carbon equivalents and reported as tCO₂e emissions, that are produced as a result of the organisation's energy consumption, transportation, waste management, and other business processes.

Internal carbon accounting provides organisations with a comprehensive understanding of their carbon footprint and allows them to track and monitor their emissions over time. By collecting and analysing data on emissions, organisations can identify areas of high emissions and implement strategies to reduce their carbon footprint.

The process of internal carbon accounting typically involves data collection, measurement, and calculation of emissions. This includes assessing energy consumption, fuel usage, greenhouse gas emissions from transportation, and other relevant factors. The data is usually converted into tCO₂e emissions, which allows for easier comparison and aggregation of different greenhouse gases.

Internal carbon accounting not only helps organisations meet their environmental sustainability goals but also enables them to identify cost-saving opportunities. By understanding their emissions profile, organisations can implement energy efficiency measures and adopt renewable energy sources, reducing their energy consumption and associated costs.



The UK Carbon Code of Conduct recommend that corporations use an internal tCO₂e value of £50 per tonne per year, although not yet a cash cost, this should help companies to formulate investment policies, always ensuring that the carbon cost is considered alongside any financial decision.

Moreover, internal carbon accounting can support organisations in complying with regulatory requirements related to emissions' reporting. It also contributes to building a positive brand image by demonstrating a commitment to sustainability and environmental responsibility.

Best Practice Guidance to ensure the environmental integrity of voluntary corporate action and Net Zero journey claims

- All Net Zero plans shall be developed by a third party project developer, and shall align with the Science Backed Targets Initiative (SBTI)
- SMEs can follow a streamlined process provided they fit the criteria of employing less than 500 people and are not a financial institution or oil and gas company or allied industry.
- No UKCCC certified Net Zero Journey shall be based on buying carbon credits
- Corporates must measure and publicly report their emissions covering scopes 1, 2 and 3 following recognised standards such as ISO/GHG Protocol. The emissions figures must be audited by a third party.
- Corporates must create an emissions' reduction plan in line with Science Backed Targets and the Paris Agreement. This needs to culminate in a Net Zero goal by 2050 at the latest. The emissions' reduction plan must include short-, medium- and long-term targets and actual results measured and annually reported against the targets.
- The target must be pragmatic, not seeking headline dates. A company that continually misses its recorded milestones shall have its target independently reassessed and if required redesigned.
- The UKCCC proactively advocates for corporates to follow one of the independent initiatives that help define Paris aligned decarbonising pathways and the setting of science-based climate targets in a transparent, rigorous and accountable way.
- Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.
- Having followed the steps above, corporates are encouraged to only buy certified UKCCC high-integrity credits. This should only be done to offset residual (hard to eliminate) emissions and as part of a journey to Net Zero by 2050.
- No company on a UKCCC certified Net Zero Journey shall be investing in the continuation of fossil fuel usage.
- Absolute emissions shall not rise after year five of the start of the plan. After year five, absolute emissions must be reducing as per the emissions' reduction plan.