



Peatland Programme

PEATLAND CODE

A graphic element consisting of three squares. The first square is grey and contains a white peacock feather. The second square is yellow and contains a white swan. The third square is green and contains a white leaf.

Guidance

Version 2.0

March 2023



PEATLAND CODE 2.0 GUIDANCE - MARCH 2023

Copyright © The National Trust for Scotland 2023 as nominee for the UK National Committee of the IUCN.

PEATLAND CODE and the Peatland Code logo are trade marks held by The National Trust for Scotland as nominee for the UK National Committee of the IUCN.

The National Trust for Scotland hereby grants a revocable licence to any party to reproduce this Peatland Code and associated guidance and its previous versions, as amended from time to time subject to the conditions noted below. Any such reproduction of the Peatland Code should acknowledge its source and contain a copyright statement acknowledging the National Trust for Scotland as the holder of the copyright in the Peatland Code. The National Trust for Scotland hereby grants a revocable licence to any party to use the Peatland Code trade marks solely for this purpose. This licence to reproduce does not give any party the right to use the Peatland Code for any commercial purposes or to alter, amend, adapt, change, revise or supplement the Peatland Code, as published from time to time, in any manner or form.

Any individual or organisation wishing to reproduce or otherwise make use of the Peatland Code (or any associated guidance) where such use is for commercial purposes or seeks to alter, amend, adapt, change, revise or supplement the Peatland Code in any manner or form, that individual or organisation must seek written permission by way of a licence from The National Trust for Scotland prior to making such use. It is at the sole discretion of The National Trust for Scotland whether or not a licence will be granted.

If any unauthorised acts are carried out in relation to this copyright work or the Peatland Code trade marks, a civil claim for damages may be made and/or a criminal prosecution may result.

Where we have identified any third party copyright material or information you will need to obtain permission from the copyright holders concerned.

Version 2.0 published March 2023

Enquiries relating to the Peatland Code should be sent to: peatlandcode@iucn.org.uk

Contents

Why is the Peatland Code needed?	1
Scope	1
History of the Peatland Code	1
Emission factors	2
Governance	2
Disputes process	2
Peatland Code process	3
Registration	4
Site Survey and Creation of Restoration Plan	4
Project Plan Validation	4
Implementation of Restoration Plan	5
Restoration Validation	6
Verification	6
Validation/verification bodies	7
Demonstration of conformance with the Peatland Code	7
Review of the Peatland Code	8
Use of the Peatland Code and the Peatland Code Logo	8
GHG statements	8
Pending Issuance Units and Peatland Carbon Units	8
Statements and Claims - General	8
Statements about Pending Issuance Units	9
Claims about Peatland Carbon Units	9
Bundling or Stacking of ecosystem service credits/units in peatland restoration projects	10
Peatland Code Levy	10

Why is the Peatland Code needed?

A significant barrier to peatland restoration is financial, with current public funding being both limited and competitive. GFI, eftec & Rayment Consulting estimated the public funding gap to restore the UK's degraded peatlands at £560 million in 2021¹. To make peatland restoration economically attractive additional funding sources are required.

One such source of funding is the sale of ecosystem services, such as climate benefit on the voluntary carbon market. To access these voluntary carbon markets, buyers need to be given assurance that the climate benefits being sold are real, quantifiable, additional, and permanent.

The Peatland Code is the mechanism through which such assurances can be given and implements the international greenhouse gas accounting standard ISO 14065.

Scope

The Peatland Code specifies requirements for the validation and verification of a greenhouse gas (GHG) assertion from voluntary UK based projects which reduce GHG emissions through peatland restoration. Peatland Code emissions reduction account for both GHG from, and sequestered by, peatland. It does not account for carbon already stored within the peatland or the carbon saved when substituting peat products for products with a lower carbon footprint. The Peatland Code is the quality assurance standard for peatland restoration projects in the UK, and generates independently verified carbon units.

Backed by the UK Government and governed by an Executive Board, Technical Advisory Board with key experts from the industry, policy and research community, and a Market and Investment Forum, with all players with an economic interest in the Code, the Peatland Code offers the UK's only official peatland carbon units that can be bought and retired by companies operating under the [UK Government's Environmental Reporting Guidelines](#).

History of the Peatland Code

The Peatland Code was originally proposed based on research funded by the Rural Economy and Land Use Programme's Sustainable Uplands project (2005-2011), co-ordinated by Professor Mark Reed. A Pilot Peatland Code was then funded in 2012 by Defra as one of several Payment for Ecosystem Service Pilots².

In 2013 a number of pilot restoration projects were established in South-West England, the Lake District and Wales, alongside a series of projects under the Scottish Government's Peatland ACTION Programme. The pilots informed a Defra funded and commissioned report³ to develop carbon metrics and financial modelling to enable the quantification and valuation of the carbon impacts of peatland restoration.

The concept was taken from this project and developed into the Peatland Code 1.0 which was formally launched at the World Forum for Natural Capital in Edinburgh in 2015. The IUCN UK Peatland Programme was instrumental in bringing together the partnership that developed and piloted the Peatland Code.

The development of the Peatland Code went through a steering group, involving academics employed by the UK government to advise on greenhouse gas values, as well as experts in managing other nature-based standards, carbon brokers and land managers. Commissioned research was used to test and develop the Peatland Code, as well as the required documents and field protocol.

¹ GFI, eftec, Rayment Consulting, (2021). The Finance Gap for UK Nature.

² Reed, M.S., Bonn, A., Evans, C., Joosten, H., Bain, C., Farmer, J., Emmer, I., Couwenberg, J., Moxey, A., Artz, R., Tanneberger, F., von Unger, M., Smyth, M., Birnie, R., Inman, I., Smith, S., Quick, T., Cowap, C., Prior, S., Lindsay, R., (2013). Peatland Code Research Project Final Report. Defra, London.

³ Smyth, M.A., Taylor, E.S., Birnie, R.V., Artz, R.R.E., Dickie, I., Evans, C., Gray, A., Moxey, A., Prior, S., Littlewood, N. and Bonaventura, M. (2015), Developing Peatland Carbon Metrics and Financial Modelling to Inform the Pilot Phase UK Peatland Code. Report to Defra for Project NR0165, Crichton Carbon Centre, Dumfries.

In April 2022 version 1.2 was launched and the United Kingdom Accreditation Service (UKAS) is satisfied that that version meets the requirements for conformity assessment schemes required by ISO 14065 and EA-1/22.

Emission factors

The emission factors used to determine the emissions reductions achieved by Peatland Code projects are developed by academics employed by the UK Government⁴ and aligned as much as possible with the UK GHG inventory.

They include carbon dioxide, methane, nitrous oxide, dissolved organic carbon and particulate organic carbon and are expressed in carbon dioxide equivalent (CO₂e), which takes into account the different global warming potential for each greenhouse gas.

These emission factors are developed in synergy with the UK greenhouse gas inventory to ensure consistency with national reporting. As the availability and scientific confidence of data increases for peatlands these emission factors will be updated and the eligibility for inclusion in the Peatland Code of different condition categories will be reviewed. By working closely with UK government, we keep up to date with the latest developments, which allows us to identify when a review is required.

Governance

The Peatland Code is a voluntary standard owned and operated by the IUCN UK National Committee and is managed on its behalf by an Executive Board. The Executive Board is facilitated by IUCN UK Peatland Programme (IUCN UK PP) staff and supported by a Technical Advisory Board (TAB) which includes a broad range of stakeholders: Defra, statutory agencies, the Woodland Carbon Code, the land managing community, and independent research bodies. In addition to the TAB, a separate Market and Investment Forum is in place.

This forum acts as a platform for those who have a financial interest in the development and operation of the Peatland Code, and who are registered as an account holder on the UK Land Carbon Registry, to feedback on their user experience and relevant issues. Membership of the Executive Board, Technical Advisory Board and Market and Investment Forum is available to view at www.iucn-uk-peatlandprogramme.org/peatland-code/introduction-peatland-code/peatland-code-governance and is kept under review to ensure that all relevant stakeholder groups are engaged in the operation and development of the Peatland Code.

Disputes process

There is a disputes process in place overseen by the Dispute Panel (the EB minus the Peatland Code Coordinator), which deals with any disputes relating to interpretation of the Standard. If you have an issue to bring to the Dispute Panel, complete the Claimant Dispute Form and email it to peatlandcode@iucn.org.uk.

The process followed is set out below:

- The Dispute Panel will invite the ‘claimant’ to make their case.
- The Peatland Code coordinator and/or the validation/verification body will also provide information on the case.
- The Dispute Panel will consider all information and then share a draft response with the claimant for comment.
- The claimant will have a fixed time to comment, determined on a case-by-case basis.

⁴ Evans, C., Artz, R., Burden, A., Clilverd, H., Freeman, B., Heinemeyer, A., Lindsay, R., Morrison, R., Potts, J., Reed, M. & Williamson, J. (2022, updated 2023) Aligning the Peatland Code with the UK peatland inventory.
Defra and IUCN UK PP.

- Any new information will be shared with the Peatland Code coordinator to ensure a common understanding of the issues.
- The Dispute Panel will consider any further information and then formally respond.
- The Dispute Panel's decision is final.

Peatland Code process

To provide assurance to buyers, Peatland Code projects and their GHG assertion will be validated and verified by an independent validation/verification body to a limited or reasonable level of assurance⁵. ISO 14064-3 and 14065 will be used as the governing standard for Peatland Code validation and verification delivery.

The validation/verification body shall possess, or are working towards, accreditation by the United Kingdom Accreditation Service (UKAS) to ISO 14064-3 and 14065.

Validation happens in two steps: 1) project plan validation where predicted GHG emissions reductions are evaluated against the requirements of the Peatland Code and shall determine if implementation of the project plan can be expected to result in the GHG emissions reductions asserted. 2) restoration validation where the actual restoration done is evaluated against the submitted documents at project plan validation.

Verification shall regularly evaluate the project and its actual GHG emissions reductions against both the requirements of the Peatland Code, and its validated project plan and GHG assertion. The Peatland Code validation/verification pathway is illustrated in Figure 1 below.

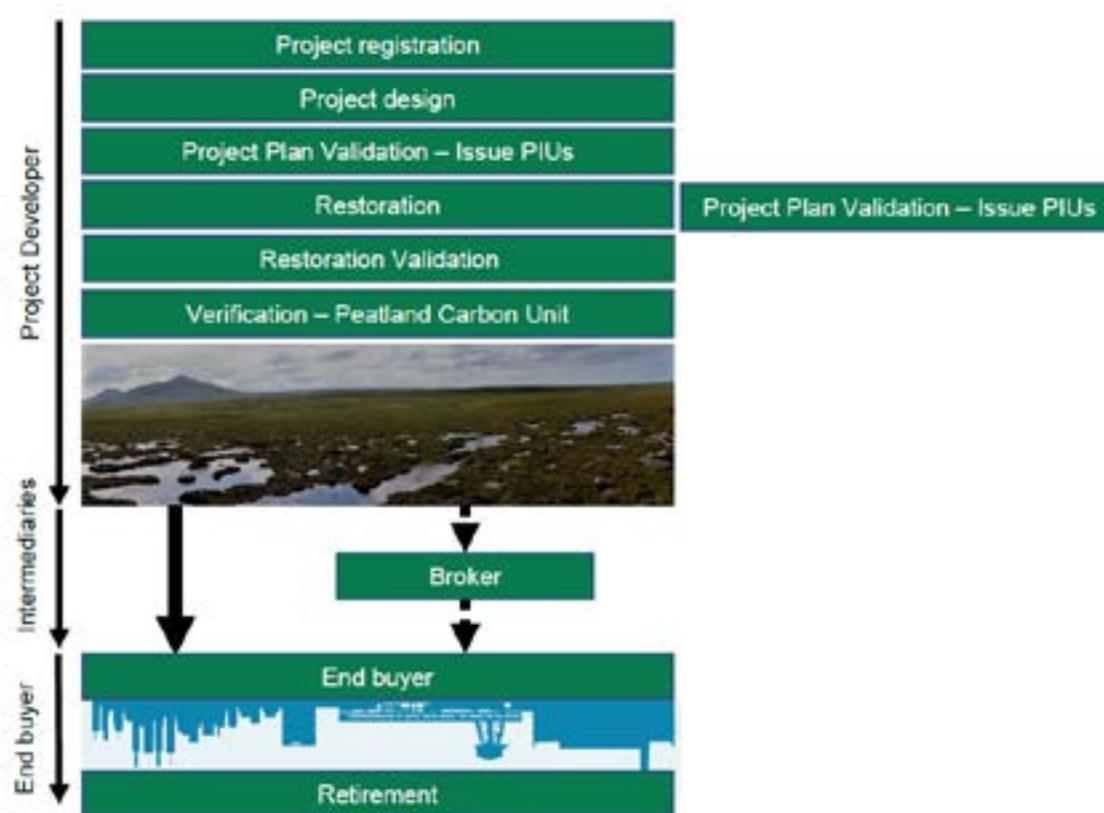


Figure 1 An overview of the Peatland Code process, from registration to sales of either Pending Issuance Units (PIUs) or Peatland Carbon Units (PCUs).

⁵ Two levels of assurance can be provided by validation/verification bodies: reasonable and limited.

Registration

The [UK Land Carbon Registry](#), provides an open and transparent record of projects within the Peatland Code process.

To register the intention of a project to become Peatland Code validated/verified please upload the project on to the UK Land Carbon Registry (see www.iucn-uk-peatlandprogramme.org/funding-finance/peatland-code/peatland-code-projects). This should be done prior to the start of restoration.

If you do not have a UK Land Carbon Registry account yet, you will have to apply for one first via the “Join the Registry” link in the previously mentioned link. When registering a project, a draft project map (which includes the project name and grid reference) and a draft emissions calculator (using the latest template from our website) will have to be uploaded.

Further, the “Additional information” (areas of the different categories and predicted emissions reductions) and “Site detail” (location of the project) must be filled in on the Registry, as well as the “Project description”. After registering, your project plan validation should be achieved within 3 years.

A Peatland Code project can only have one landowner; if your restoration project spreads over more landowners, you should register these as separate Peatland Code projects. You can register multiple smaller areas within one landholding as one Peatland Code project, as long as these are similar in nature (e.g. similar peat depths and degradation state) and restoration work is planned over similar timescales.

Site Survey and Creation of Restoration Plan

Following identification of a suitable project, a site survey is required using the latest version of the Peatland Code Field Protocol as a guide. The information collected will confirm eligibility for Peatland Code participation and allow for the creation of a suitable restoration plan and a calculation of emissions reductions.

If the Field Protocol is updated after a site was surveyed, but before project plan validation was achieved, the project can be validated against the old version of the Field Protocol up to 2 years after the update. However, the project has to evidence the dates of all site surveys.

Project Plan Validation

During project plan validation the restoration plan and GHG assertion will be evaluated against the Peatland Code by an approved validation body.

Contact one of the approved third party independent validation bodies to arrange project plan validation: see the [Peatland Code website](#) for contact information. Ideally, project plan validation should be in place before any restoration work starts, which might take anywhere between 3-12 months.

If needed however, restoration could start prior to completion of project plan validation IF sufficient baseline evidence is handed in to the validation body. In this instance the risk of not achieving project plan validation is for the project. In this case project plan validation should be achieved as soon as possible and before finishing the restoration.

The following documents should be emailed to the validation/verification body. Where templates are provided they have to be used:

- Project Design Document⁶
- Emissions calculator⁶
- Additionality calculator⁶
- Proof of any other income (e.g. public grant)
- Risk assessment⁶
- Project maps (see Field Protocol for guidance)

⁶ Templates available at www.iucn-uk-peatlandprogramme.org/peatland-code/introduction-peatland-code/projects

- Management plan⁶ (see Peatland Code for requirements)
- Monitoring plan⁶ (see Peatland Code for requirements)
- Peat depths at each survey point using the template provided⁶ (see Field Protocol for guidance)
- Evidence that peat with a depth between 30-50 cm used to be deep peat in bogs (see Peatland Code for guidance)
- Water table data for fens (See Field Protocol for guidance)
- Baseline evidence (See Field Protocol for guidance)
- Landowner and Project Developer commitments⁶ (see Peatland Code for requirements)
- Land ownership evidence

The project plan validation will consist of a review of these documents and a site check to determine if Peatland Code requirements have been met. The site check can be done virtually if the evidence (for example an orthorectified map from drone images, with potentially additional photographs of e.g. specific hags/gullies, fixed point photographs, etc.) submitted allows this.

The validator can request additional evidence to be submitted and if the validation body cannot adequately check the baseline virtually, an in-person site visit will have to be arranged. To ensure a smooth process projects are encouraged to reply to any findings, to the validator within 10 working days. If the findings cannot be resolved within 10 working days a timeline for when they will be resolved should be given.

If no non-conformances are raised or if all non-conformances are suitably rectified within a specified timeframe as determined by the validation body, a project plan validation statement will be issued, and the project listed on the UK Land Carbon Registry as validated. The project plan validation opinion will expire three years from the date of issue.

Projects can choose to have their Pending Issuance Units (PIUs, for definition see section “GHG statements” below) for the whole project duration issued at this point. Please note that these units will be linked to the expected “Start date” of the project, which is the completion date of restoration activities of the project. If this “Start date” turns out to be wrong, all PIUs will have to be cancelled and reissued by the registry owner which will result in a fee for the project.

If a project developer acts on behalf of the landowner, a communications agreement between the landowner and the project developer must be signed before PIUs can be set up. This agreement should state that the landowner gives the project developer permission to hold the units in their account on behalf of the landowner (a template can be obtained from the IUCN UK PP).

On achieving the project plan validation, a project map, the Project Design Document (PDD) and the emissions calculator will be published on the UK Land Carbon Registry alongside a copy of the project plan validation statement and the project will receive the status “**Validated**”.

Implementation of Restoration Plan

Projects are required to implement the validated restoration plan and complete the restoration activities before expiry of the project plan validation statement. This is to make sure that the surveyed baseline is still valid. Restoration can be done over 2 years for one single Peatland Code project.

Requests for extension for project plan validation can be applied for if necessary and will be considered on a case-by-case basis by IUCN UK Peatland Programme in liaison with the validation/verification body. All evidence for the delay will be discussed, and extensions are more likely to be granted if the delay was beyond the project's control.

A new baseline check might be necessary to be able to grant the extension. If the extension is not granted and the project disagrees, they can take it to the Peatland Code ‘Disputes Panel’. The completion date of restoration activities is the project ‘Start date’ and the project shall update said date on the UK Land Carbon Registry, within 1 month of completion. Projects can choose to have their PIUs for the whole project duration

issued at this point, without the risk of the registry owner having to cancel and reissue them, since the “Start date” is known.

Restoration Validation

Within one year of the project “Start date” the restoration validation will take place, conducted by an approved third party independent validation body.

Restoration validation will evaluate the restoration activities undertaken and any resulting impact on the peatland condition category against the validated restoration plan. The project must submit a final restoration report to the validator (contact information can be found on the Peatland Code website), outlining which restoration activities were carried out, including evidence of this (i.e. a map of restoration footprint overlayed over the validated Assessment Unit (AU) map, or drone imagery), and cross referencing with the validated restoration plan.

If the implemented restoration differed from the restoration plan submitted at project plan validation, all relevant documents need to be updated and resubmitted during restoration validation. If necessary, an adjustment to the amount of PIUs issued will be made.

The evaluation will consist of a review of documentation and a site visit to determine if Peatland Code requirements have been met. During the site visit the independent auditor will walk over the site and carry out a risk-based assessment of any evidence on site at risk of reversal in condition category, e.g., evidence of increased deer numbers, erosion evidence, dams failing. If no non-conformances are raised or if all non-conformances are suitably rectified within the required timeframe, as determined by the validation body, a restoration validation statement will be issued.

The project will be listed on the UK Land Carbon Registry as “Restoration validated”. The Restoration validation statement is valid until the Year 5 verification is due.

Verification

Verification will take place at year 5 of the project “Start date” and thereafter at least every 10 years. An additional verification is required at the end of the project if the time since last verification is less than 10 years. For example, for a 30-year project verification would take place at years 5, 15, 25, with an additional verification at year 30. The verification dates are linked to the vintage end dates on the Pending Issuance Units listed at restoration validation. If projects want more frequent verifications, the vintages will have to be set up accordingly when setting up PIUs at validation.

The project must submit the following documents to the approved third party independent verification body (contact information can be found on the [Peatland Code website](#)):

- Project Progress Report
- Condition change monitoring report (see Field Protocol for guidance)
- Fixed-point photographs/drone imagery (see Field Protocol for guidance)
- Updated AU map if different to validated AU map
- Updated carbon calculator using the latest version template
- Landowner, tenant and agent contact details (if any parties have changed since last assessment)
- For fens: water table data (see Field Protocol for guidance)

Projects should begin the verification process 12 months before the verification is due. After surveying and submitting your documents, allow 6-9 months from when you sign a contract with the verifier to converting your carbon units on the UK Land Carbon Registry.

Verification is conducted by an approved third party independent verification body who will evaluate the condition category of the peatland against the baseline condition category presented at project plan validation.

The evaluation will consist of a check of the submitted documents and a site visit to determine if the requirements of the Peatland Code have been met.

During the site visit the independent auditor will walk over the site and carry out a risk-based assessment of any evidence on site at risk of reversal in condition category, e.g., evidence of increased deer numbers, erosion evidence, dams failing. They will also check the condition category of at least 10% of the survey points. If no non-conformances are raised or if all non-conformances are suitably rectified within the required timeframe, as determined by the verification body, a verification statement will be issued and the PIUs for that particular vintage (e.g., at year 5, PIUs for years 0-5 will be verified to PCUs) will be converted to verified Peatland Code Units (PCUs).

The project will be listed on the UK Land Carbon Registry as verified. Verification statements never expire. If the independent verifier states that the project has moved to the next condition category with a lower emission factor than the original assumed 1 step change in condition category, more carbon units can be issued at that point.

Validation/verification bodies

Only an approved validation/verification body is permitted to carry out Peatland Code validation and verification. Approved validation/verification bodies will be appointed by the Peatland Code Executive Board and possess, or be working towards, accreditation by United Kingdom Accreditation Service (UKAS) to ISO 140643 and ISO 14065. Towards the end of June 2024 approved validation/verification bodies will be transitioning to the latest ISO standards with the addition of IEC 17029.

By appointing approved validation/verification bodies the Peatland Code Executive Board delegate all validation/verification decisions to that body. Clarification on the requirements of the Peatland Code may be sought but the decision to award or retract validation/verification rests solely with the appointed body. The Peatland Code Executive Board do, however, retain access rights to the data collected and created by the appointed validation/verification body.

The Peatland Code team holds monthly meetings with the independent validation/verification bodies to continually monitor their performance. The accreditation body, UKAS, will also continually monitor performance of independent verification bodies.

A project will enter into a contract with the validation/verification body to carry out validation and verification by means of an application form obtainable from the validation/verification body.

In the event of having no approved validation/verification bodies, the Peatland Code Executive Board would appoint the IUCN UK Peatland Programme to carry out Peatland Code validation and verification. In doing so it would recognise that decisions made carry a lower level of independence.

Approved validation/verification bodies are listed at <https://www.iucn-uk-peatlandprogramme.org/peat-land-code/introduction-peatland-code/projects>

Demonstration of conformance with the Peatland Code

Validation and verification shall consist of a review of documentation and a site visit by the validation/verification body with the purpose of collecting sufficient objective evidence to decide on whether validation and verification requirements have been met. Documentary evidence shall consist of the relevant Peatland Code template documents, including a Project Design Document, and any supplementary supporting documentation. Documentary evidence shall be retained by the project for the duration of the project. All Peatland Code template documents are available at <https://www.iucn-uk-peatlandprogramme.org/peat-land-code/introduction-peatland-code/projects>.

Review of the Peatland Code

The Peatland Code will be reviewed regularly to ensure the content is clear and reflects best practice.

Projects will be validated/verified against the current version of the Peatland Code and the most recent Emissions Factors will be used to determine the emissions reductions at verification.

Use of the Peatland Code and the Peatland Code Logo

Use of the Peatland Code is currently restricted to projects within the UK. Emissions reductions resulting from Peatland Code projects will contribute directly to the UK's national targets for reducing emissions of greenhouse gases. Verified Peatland Carbon Units from Peatland Code projects can be used by companies to compensate for their UK-based greenhouse gas emissions. Peatland Carbon Units cannot be used in compliance schemes (e.g. the CRC Energy Efficiency Scheme or the UK Emissions Trading Scheme); they cannot currently be used for emissions outside of the UK.

Project owners and developers are only permitted to use the Peatland Code logo once those projects have been issued a validation certificate and may only continue to use the logo if pursuing restoration and verification as a Peatland Code project. Project owners using the Peatland Code logo shall do so in accordance with the Peatland Code brand guidelines available to download from <https://www.iucn-uk-peat-landprogramme.org/peatland-code/introduction-peatland-code/projects>.

GHG statements

Pending Issuance Units and Peatland Carbon Units

The Peatland Code issues carbon units which represent measurable amounts of carbon dioxide equivalent (CO₂e) reductions coming from the peatland – one unit is 1 tonne of carbon dioxide equivalent.

The Peatland Code issues two types of units, of which both can be sold:

- A **Peatland Carbon Unit (PCU)** is a tonne of CO₂e emissions savings from a Peatland Code certified peatland. It has been independently verified, is guaranteed to have been achieved, and can be used to report against a business's UK-based emissions as soon as it is purchased.
- A **Pending Issuance Unit (PIU)** is effectively a 'promise to deliver' a Peatland Carbon Unit in the future. It is not 'guaranteed' and therefore cannot be used to report against UK-based emissions until verified. However, it allows companies to plan to compensate for future UK based emissions or make credible CSR statements in support of peatland restoration. At the start of a project, all units available are PIUs as the restored peatland hasn't yet made any emissions reductions.

Statements and Claims - General

Landowners and project developers can only make statements about the emission reduction potential of their peatland restoration project if it is registered and validated to the Peatland Code.

UK-based companies can only make claims about the emission reduction benefit of a peatland restoration project in the UK if they have purchased either Pending Issuance Units or verified Peatland Carbon Units from a Peatland Code project or have established a validated Peatland Code project on their own land or land they are in control of.

Only verified Peatland Carbon Units (from the Peatland Code) and Woodland Carbon Units (from the Woodland Carbon Code) are recognised in the [UK Government's Environmental Reporting Guidelines](#).

Statements about Pending Issuance Units

A Pending Issuance Unit (PIU) allows companies to plan to compensate for future UK-based emissions. Buyers of PIUs can make a statement about their purchase, provided they clearly state the timescale over which the expected greenhouse gas emissions reductions will take place. No claims of offsetting, use, compensating for, balancing emissions or carbon neutrality can be made until these units are converted to Peatland Carbon Units at verification.

Example statement(s):

The landowner or project developer could make a statement such as:

Project [Name/Number] has listed [XXXX] Pending Issuance Units representing [XXXX] tonnes of carbon dioxide equivalent which is expected to be saved between [Start and End date].

A company buying Pending Issuance Units could make a statement such as:

Company [XXXX] has purchased [XXXX] Pending Issuance Units from Project [Name/Number] representing [XXXX] tonnes of carbon dioxide equivalent which are expected to be reduced over the next [XX] years to [date]. These units, if verified, will compensate for [XX] tCO₂e of our planned emissions over the same period.

A landowner who wishes to ‘buy their own’ carbon units to use against the residual emissions of their land holding or against the emissions of wider business interests could make a statement such as:

We/Company [XXXX] have created Project [Name/Number] to reduce the net greenhouse gas balance of our estate/business. The project has listed [XXXX] Pending Issuance Units representing [XXXX] tonnes of carbon dioxide equivalents which is expected to be saved between [Start and End Date].

For all claims: In all cases of claims about Pending Issuance Units, this could be strengthened with the following:

This represents an expected emission reduction of carbon dioxide equivalents that, if verified and converted to Peatland Carbon units, will have a positive impact on our climate. Peatland Carbon Units are monitored and verified to the Peatland Code.

Claims about Peatland Carbon Units

A Peatland Carbon Unit (PCU) is a tonne of CO₂e which has been saved from a PC-verified peatland restoration project. It has been independently verified, the emission reduction is guaranteed to have happened, and can be used by companies to report against UK-based emissions for their current claim year.

Peatland Carbon Units can be used to offset, compensate for, or balance a company’s current Greenhouse Gas emissions. **To do this, you need to:**

- Retire the number of Peatland Carbon Units you want to use from the UK Land Carbon Registry. This means they will be tagged as ‘used’, with a comment clarifying the purpose so no-one else can use them again.
- Ensure that any claims are accurate, whether in your annual report, on signage, your website or other promotional material. For example, you could make claims such as:

‘We/Company [XXXX] have offset/compensated for [XXXX] tCO₂e of our 2025 emissions with Peatland Carbon Units from project [Name/Number]. This represents a direct and quantifiable benefit to our climate which is monitored and verified to the Peatland Code.’

- Ensure that annual reports follow the ‘best practice’ guidance on reporting carbon units. This could be the UK Government’s Environmental Reporting Guidelines: including mandatory greenhouse gas emissions reporting guidance.

Bundling or Stacking of ecosystem service credits/units in peatland restoration projects

Current situation: Bundled units

With the Peatland Code, wider benefits of peatland restoration projects are ‘bundled’ with the carbon unit when they are sold (the landowner sells the carbon unit with the other benefits ‘attached’).

Version 1.2 of the Peatland Code stated that “in the future, it may be possible to stack” Peatland Carbon Units with payments for other ecosystem services, and laid out some of the conditions that would need to be met for this to be possible. Although stacking is not yet possible in Version 2.0, work is underway in collaboration with the Woodland Carbon Code, the UK Land Carbon Registry and each of the devolved UK Governments to make stacking operational in a future version of the Code.

Mechanisms are needed to ensure stacking does not compromise the integrity of the market, in particular the requirement for projects to demonstrate additionality. A programme of work is planned to operationalise stacking, including:

- The existence of credible voluntary standards for each ecosystem service in the stack, and where these do not yet exist, the development of methods that could be used by the Peatland Code Executive Board to approve their use with Peatland Code projects;
- Methods for distinguishing bundled projects (in which other ecosystem services are sold as part of a bundle of benefits alongside the carbon) from stacked projects for buyers, including mechanisms to show this on the UK Land Carbon Registry and ensure checks are made between registries to avoid double-counting, so that claims are clear and explicit.

Peatland Code Levy

A per unit administration fee is payable when setting up PIUs through the Peatland Code online registry. This is collected by the registry provider and is used to offset the costs of hosting and developing the registry and as a contribution to the management of the Peatland Code.

Details of the current fees are available to view on <https://www.iucn-uk-peatlandprogramme.org/peat-land-code/introduction-peatland-code/peatland-code-registry>