



Peatland Programme

PEATLAND CODE



Guidance

Version 2.1

XXX 2024



PEATLAND CODE 2.1 GUIDANCE - XXX 2024

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Version 2.1 published 2024

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

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Why is the Peatland Code needed?

A significant barrier to peatland restoration is financial, with current public funding being both limited and competitive. GFI, ettec & 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 players with an economic interest in the Peatland Code, the Peatland Code offers the UK's only official peatland carbon units. These units can be purchased and retired by companies operating under the [UK Government's Environmental Reporting Guidelines](#), as well as by companies that do not fall under these guidelines. Currently these carbon units can only be used to offset UK based emissions.

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

¹ GFI, ettec, Rayment Consulting. *The Finance Gap for UK Nature*. 2021

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. *Peatland Code Research Project Final Report*. 2013. 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. *Developing Peatland Carbon Metrics and Financial Modelling to Inform the Pilot Phase UK Peatland Code*. 2015. Report to Defra for Project NR0165, Crichton Carbon Centre, Dumfries.

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.

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.

In March 2023, version 2 of the Peatland Code was launched, which expanded the Peatland Code to include fens and a reduction in minimum peat depth for bogs, allowing more projects to register with the Peatland Code.

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 over 100 years.

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: Department for Environment and Rural Affairs (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 and Technical Advisory Board 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.

The IUCN UK Peatland Programme recognises the importance of ensuring that Peatland Code decisions are, and are perceived to be, objective and independent. The IUCN UK Peatland Programme strives to ensure that potential conflicts of interest are identified at the earliest possible time, and actual conflicts of interest are subsequently avoided or appropriately managed through our conflict-of-interest policy.

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

Disputes process

For any disputes relating to the interpretation of the Peatland Code the Dispute Panel (Executive Board minus the Peatland Code Coordinator)—is responsible for overseeing the resolution process. To raise an issue with 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.
- 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.

UK Land Carbon Registry

The UK Land Carbon Registry ensures open and transparent project registration for both Peatland Code and Woodland Carbon Code projects, as well as Peatland Carbon Unit/Woodland Carbon Unit issuance, tracking and retirement. The service provided by S&P Global is a secure online application that tracks units generated by Peatland Code and Woodland Carbon Code projects. The registry incorporates a range of services including:

- A project register: This accommodates both single projects and groups of projects.
- A carbon unit register: This enables projects to issue units, assign or transfer them to credit buyers, and for credit buyers to use/retire/report them once verified.
- A 'request for information' (RFI) platform: This provides a facility for project developers or brokers to 'offer for sale' any active (unretired) units, and for buyers to display their interest in purchasing units.
- A public database: This provides public stakeholders the ability to view the status of all Peatland Code and Woodland Carbon Code activity. Please refer to Registry Public View

For the full Registry Rules of Use, including rules on accounts and account fees please visit our website.

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.

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

2) Restoration Validation where the actual restoration done is evaluated against the submitted documents at Project Plan Validation.

Project Plan Validation and Restoration Validation happen to the same version of the Peatland Code, even if there has been a version update in between. If projects wish to use the emission factors of a later version for Restoration Validation, with no other change from project plan validation and have **not** already had PIUs issued then they may do so by submitting a new version of the Emissions Calculator.

If there was a diversion from the validated project plan, then all documents need to be updated and submitted to the validator, these documents should be the same version as used for Project Plan Validation with the exemption of the emission calculator if no PIUs are issued.

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.

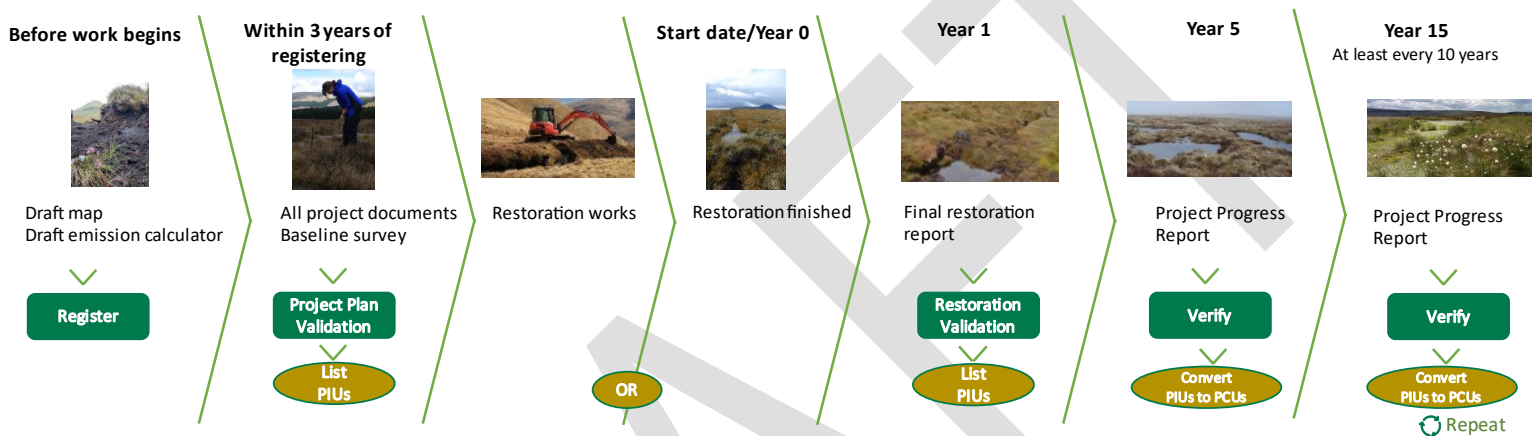


Figure 1 An overview of the Peatland Code process, from registration to verification.

Registration

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). The [UK Land Carbon Registry](http://www.uklandcarbonregistry.org), provides an open and transparent record of projects within the Peatland Code process. This shall 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, the following information needs to be uploaded:

- Draft project map with the project name and grid reference.
- Draft emissions calculator (using the latest template from the website).
- Complete the “Additional information” (areas of the different categories and predicted emissions reductions) section within the registry.
- Complete the “Site detail” (location of the project) within the registry.
- Complete the “Project description” within the registry.

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.

To reduce costs grouping of projects is allowed IF the projects are near to each other, meaning they can be

surveyed by the independent assessor for validation and verification within 2 days. All projects within the group shall complete restoration within a two-year period from the date the first project started restoration. The start date of all projects is the date the last project finishes capital restoration works. The expected primary cost reduction will be on the site surveys, the restoration plan and restoration costs. However, each project within the group will still incur individual validation and verification costs. While the group of projects will share a single project design document, each project will maintain its own separate account in the registry.

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. The project shall evidence the dates of all site surveys. However, baseline peat depth surveys will be valid for 7 years when submitting all documentation to the validation body for Project Plan Validation.

Consultation Guidance

Landowners/project developers shall demonstrate the consultation requirement in the Peatland Code has been met. Evidence shall be supplied in the Project Design Document to the validators to show proactive engagement with relevant parties and adequate responses have been made to feedback from these parties. As a minimum, individuals, organisations and groups in any of the categories defined in the Peatland Code consultation section deemed to have a material interest in the project shall be contacted. If initial contact was unsuccessful evidence shall show that alternative means of communication have been sought. Details about the proposed project shall be shared succinctly and in plain English (and other languages or non-written form, where necessary to reach all necessary parties). It shall be communicated to the consulted parties that their comments, but not their names and contact information, will be passed on to independent validation/verification bodies working with the Peatland Code.

Evidence shall also be supplied in the Project Design Document to the validators to show that scoping work has been undertaken to identify heritage assets, with steps taken to protect and where possible enhance access to these assets. Project developers/landowners are required to demonstrate their consideration of historical assets and their consultation with local and national historic environment specialists. Project developers/landowner shall provide evidence of the relevant parties that have been contacted and allow access to all responses to IUCN UK Peatland Programme and the appointed independent validation body. Heritage assets requiring consideration include, but are not limited to, scheduled monuments and their settings, undesignated archaeological sites and soils, palaeoecological deposits, historic buildings and features, battlefields, gardens and designed landscapes, UNESCO World Heritage Sites, protected wrecks and military remains, and intangible heritage assets for work undertaken in Scotland (such as place names, folklore, local traditions, etc.).

Specialist guidance has been developed for project developers in Scotland to interact with the Permitted Development Rights process for peatland restoration. Project developers/landowners in other areas may find this guidance of general use. For projects in England, Historic England and Natural England have joint standards for the delivery environmentally sustainable peatland restoration projects. Some peatland restoration grant schemes may also have dedicated guidance on the historic environment.

Risk Assessment

The Peatland Code risk assessment is divided into two components of risk – the likelihood of the event occurring and the impact of the event. This guidance uses a similar methodology to the one in the National Risk Register (NRR). The NRR is the annual assessment by the government of the most serious risks facing the UK⁶.

⁶ HM Government. *National Risk Register: 2023 Edition*. 2023.
https://assets.publishing.service.gov.uk/media/64ca1dfe19f5622669f3c1b1/2023_NATIONAL_RISK_REGISTER_NRR.pdf

The likelihood of an event is scored on a scale of 1 to 5, with 1 representing the lowest likelihood of an event occurring and 5 representing the highest likelihood based on the probabilities and timeframes listed in Table 1. It is worth noting that the timeframes in the table will evolve as climate change will likely increase the likelihood of a reversal over time from extreme weather, geological, and fire events.

Table 1 - Likelihood of reversal

Score	Timeframe
5	At least every 9 years
4	Every 10 to 24 years
3	Every 25 to 49 years
2	Every 50 to 99 years
1	100 years or more

The impact of a reversal is also scored on a scale of 1 to 5, with 1 representing the lowest impact from the event and 5 representing the highest impact as detailed in Table 2.

Table 2 – Impact of Reversal

Score	Loss of expected emission reductions
5 (Catastrophic)	>70%
4 (Devastating)	50 – 69%
3 (Major)	25 – 49%
2 (Minor)	5 – 24%
1 (Insignificant)	<5%

Risks of reversals

The likelihood and impact of reversals to peatland projects are divided into two event activity categories:

1. Restoration and Management Activities
2. Extreme Weather, Geological Events, Fire

Project developers shall provide documentation to support the risk analysis rating for the likelihood and impact for each of the risk assessment event categories. Examples of acceptable documentation are detailed in the sections below. During the project’s validation, the validation/verification body shall evaluate the risk assessment rating provided by the project developer, and review all data, assumptions, justifications, and documentation provided to support the risk assessment. Projects shall assess their project for each of the event activity categories in above prior to the issuance of PIUs.

Restoration and Management Activities

Restoration Activities

All Peatland Code projects shall provide evidence that the revegetation or rewetting of the peatland was performed using the best available engineering, hydrological, and ecosystem practices. The project developer shall evaluate and rank the likelihood of failure of the Restoration Activity and the impact of its failure on the quantity of PIUs. Evidence for these rankings may be demonstrated through documentation including, but not limited to: peer-reviewed publications in scientific journals; technical reports from government agencies or NGOs; or historic implementation of similar projects registered under the Peatland Code.

Management Activities

To create high quality projects, development teams need to include at least one individual with demonstrable experience of successful Peatland Code project validations in the past and at least one individual with experience in implementing Peatland Code or similar carbon offset projects within the team.

Examples of individuals with the necessary project design and carbon offset expertise are listed below. This is not intended to be an exhaustive list, but representative of the knowledge applicable to Peatland Code projects. Project design experts:

- Engineering geologists
- Geomorphologists
- Geotechnical engineers
- Hydrogeologists/hydrologists
- Ecologists⁷
- Peatland practitioners
- Individual with a minimum of 4 years of experience in peatland project design
- Carbon offset protocol experience:
 - American Carbon Registry:
 - Restoration of Pocosin Wetlands
 - Restoration of California Deltaic and Coastal Wetlands
 - Voluntary Carbon Standard:
 - VM0004 Methodology for Conservation Projects that Avoid Planned Land-use Conversion in Peat Swamp Forests, v2.0
 - VM0024 Methodology for Coastal Wetland Creation, v1.0
 - VM0036 Methodology for Rewetting Drained Temperate Peatlands, v1.0
 - Woodland Carbon Code
 - MoorFutures
 - Valuta voor Veen

Extreme Weather, Pest, Geological Events, Fire

The likelihood and impact of Extreme Weather, Pest, Geological Events, and Fire shall be assessed by the project developer. Mitigation of risks shall be evaluated, implemented, and documented by the project developer as part of the risk assessment. Evidence that the prevention measures are in place and/or the project has a proven history of effectively managing the risk category shall be documented and maintained by the project developer. Examples of mitigation/prevention measures include the following:

- **Fire risk:** Developing and implementing a robust Risk Management Plan that includes a wildfire risk limitation. This could include rewetting and diversifying the vegetation composition. Other methods of fire risk limitation can be considered on areas where re-wetting may not be effective e.g. cutting firebreaks. Fire prevention and fire control measures should be in place for areas which are considered high risk for wildfire.
- **Risk of pest outbreaks:** Developing and implementing a robust Management Plan as required in Section 2.1 of the Peatland Code that addresses potential impacts of deer or other pests that could negatively impact the project.
- **Extreme weather risk:** The Management Plan could include practices, such as planting of frost, drought and/or wet tolerant species in areas where frost, drought or flooding is a risk. For flood or storm risks, the use of riparian zones or other buffers should be considered.
- **Geological risk:** Designing peatlands in a manner that are least likely to be impacted by significant geological events (e.g., peat slides, earthquakes greater than magnitude 4).

⁷ This list was adapted from the "Peat Landslide Hazard and Risk Assessments: Best Practice Guide for Proposed Electricity Generation Developments," which was prepared for the Energy Consents Unit Scottish Government <https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2017/04/peat-landslide-hazard-risk-assessments-best-practice-guide-proposed-electricity/documents/00517176-pdf/00517176-pdf/govscot%3Adocument/00517176.pdf>

Risks to ecosystem services

Projects shall demonstrate it adheres to the “No net harm” principle. The likelihood and impact of the project on ecosystem services shall be assessed by the project developer. Mitigation of risks shall be evaluated, implemented, and documented by the project developer as part of the risk assessment. As a minimum this shall include:

- Any likely environmental impacts
- Any rare or endangered species in the project area and how these are taken into account in the project design.
- Any statutory designations in the project area and how these are taken into account in the project design.
- The design has given due regard to the visual, cultural value and character of the local environment.

Risks to local communities and other rights holders

The likelihood and impact of the restoration project on local communities and other rights holders shall be assessed by the project developer. The results from the consultation, that each project is required to carry out, shall be used to inform this risk assessment. Mitigation of risks shall be evaluated, implemented, and documented by the project developer as part of the risk assessment.

Total Risk Rating

Using the risk assessment template and filling in the scores for the likelihood and impact for each of the risks, project developers shall determine the total risk rating of the project. This is calculated by multiplying the likelihood by the impact scores for each event activity category. Scores for any event activity category above 13 pose an unacceptable risk and shall be reduced through mitigation measures prior to the issuance of PIUs.

The total risk rating and mitigation of risks shall be included in a Risk Management Plan (RMP) in the Project Design Document. The RMP shall also analyse potential obstacles to project implementation. It shall include a process for monitoring the identified risks and documenting any corrections taken. The project developer is responsible for ensuring that the RMP is in place and that the plan has mitigated any risk with a score greater than 13. Project developers are encouraged to evaluate the ability of the project to address future climate events and learn from past experiences to improve the implementation of restoration activities and include the changes in assumptions or practices in the RMP.

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. In this instance the risk of not achieving project plan validation is for the project (no additional baseline evidence can be collected) and project plan validation should be achieved as soon as possible and before finishing the restoration.

Project Plan Validation Process

The project plan validation consists of a review of the documents detailed below and a site check to determine if the 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. However, 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 expires **three years** from the date of issue.

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

- Project Design Document⁸
- Emissions calculator⁶
- Additionality calculator⁶
- Proof of any other income (e.g. public grant)
- Risk assessment⁶
- Project maps (see Field Protocol for guidance)
- Shapefiles of project area
- 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)
- 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
- Communications Agreement⁶ (document owned by S&P Global)

PIU Issuance at Project Plan Validation

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 shall 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 website).

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 take place over 2 years for one single Peatland Code project.

⁸ Templates available at www.iucn-uk-peatlandprogramme.org/peatland-code/introduction-peatland-code/projects

Requests for project plan validation extensions should be submitted to the Peatland Code team via email at peatlandcode@iucn.org.uk. Each case will undergo a detailed review in collaboration with the validation/verification body. Please provide evidence of the delay's reasons and demonstrate that it was beyond the project's control. The review process will examine the evidence provided and take into considerations any proactive measures taken to mitigate potential delays. 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, carried out 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 shall 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 any supporting evidence i.e. a map of restoration footprint overlaid 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 shall be updated and resubmitted during restoration validation. If necessary, an adjustment to the amount of PIUs issued will be made.

The following documents shall be emailed to the validation/verification body:

- Final restoration report (see above)
- Proof of public funding received

If diverged from validated restoration plan the following documents need to be adjusted accordingly and resubmitted:

- Project Design Document
- Emissions calculator
- Additionality calculator
- Project maps (see Field Protocol for guidance)

If projects wish to use the emission factors of a later version for Restoration Validation, with no other change from project plan validation and have not already had PIUs issued then they may do so by submitting a new version of the Emissions Calculator. If there was a change i.e. project size from the validated project plan, then all documents need to be updated and submitted to the validator, these documents should be the same version as used for Project Plan Validation with the exemption of the emission calculator if no PIUs are issued.

The evaluation will consist of a review of the 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. Please note that if you have several sites although they may be close together it might not be possible to include them in one audit due to the time it takes to travel to the site. Please ensure you check with the validators in advance.

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 (PIUs) 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 shall submit the following documents to the approved third party independent verification body (contact information can be found on the Peatland Code website):

- Project Progress Report⁹
- 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 emission 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)
- For fens: monthly and annual emission calculators using the water table data for the duration of the vintage

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 will be converted to verified Peatland Code Units (PCUs) For example at year 5, PIUs for years 0-5 will be verified to 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.

Using the Risk buffer

Reversals

A reversal occurs when more than 5 percent of the emission reductions in a given vintage year is not achieved. The Peatland Code includes two categories of reversals: intentional and unintentional reversals. If an intentional or unintentional reversal occurs, the project developer shall notify the Peatland Code team

⁹ Template available at www.iucn-uk-peatlandprogramme.org/peatland-code/introduction-peatland-code/projects

(peatlandcode@iucn.org.uk) within 30 calendar days of discovering the reversal. Once notified, the project developer shall determine the cause and quantity of the reversal and provide quarterly updates to the Peatland Code team until the reversal is mitigated via remedial action. The vintage that comes after the one in which the reversal occurred can only be fully verified if the reversal is fully mitigated, i.e. if the reversal took place in year 0-5 the carbon units from the vintage year 6-15 will only convert to verified carbon units if the reversal is fully mitigated.

Intentional Reversals

Intentional reversals are either a reversal of condition category or releases of sequestered carbon that result from direct human activity such as removed or neglected dams. Landowners and/or project developers shall replace any PIUs that are intentionally reversed within 60 calendar days from the day the reversal was identified. If there are PIUs from the project that haven't been sold, they may be cancelled to compensate for the amount of carbon that has not been reduced or has been re-remitted to the atmosphere. The project developer also has the option to replace the reversed credits by purchasing credits from a different project.

Unintentional Reversals

Unintentional Reversals are either a reversal of condition category or releases of sequestered carbon that result from natural events outside the control of the landowner and project developer. These include events considered as force majeure such as: droughts, earthquakes, fires, floods, high water, landslides, lightning, pest outbreaks, plant diseases, storms, and peat slides. Unintentional reversals do not include events often categorized as force majeure events in other contexts, but that are not related to the implementation of restoration activities for the project. These include, but are not limited to, civil disturbances, insurrections, wars, or changes in law, regulations, or requirements by governments. The ultimate decision on whether a reversal was unintentional lies with the Peatland Code Executive Board. This can be disputed via the disputes process (see above), but the decision of the disputes panel shall be final.

Landowners and/or project developers shall notify the Peatland Code team within 30 calendar days of discovering the reversal. After the information has been reviewed by the Peatland Code team and the quantity of carbon not reduced and/or released has been confirmed, the Peatland Code team will cancel units from the buffer pool to compensate for unintentional reversal on a First In First Out (FIFO) basis for the quantity and vintage of units that have been subject to the reversal. The risk buffer can only be used to compensate units of the vintage in which the reversal took place and not any following vintages. The landowner/project developer shall carry out remedial action to fully mitigate the reversal.

If there are insufficient credits from the buffer pool to compensate for the Unintentional Reversal, the IUCN UK Peatland Programme will assess the situation and pursue one or more of the following options:

- Require an increased buffer pool contribution from all existing projects for the next vintage.
- Revise risk ratings for future PIU issuances to compensate for the unintentional reversals.
- Consult with affected project developers to determine an appropriate course of action.

Validation/verification bodies

Only an approved validation/verification body is permitted to carry out Peatland Code validation and verification. Validation/Verification bodies seeking to carry out independent validation/verification assessments on behalf of the Peatland Code must submit an application and undergo training with the Peatland Code team to determine suitability. In addition, the validation/verification body must 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. Approved validation/verification bodies will be appointed by the Peatland Code Executive Board.

By appointing approved validation/verification bodies the Peatland Code Executive Board delegates 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 carry out annual audits 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/peatland-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 kept on file by the project for the duration of the project. All Peatland Code template documents are available at <https://www.iucn-uk-peatlandprogramme.org/peatland-code/introduction-peatland-code/projects>.

Review of the Peatland Code

The IUCN UK Peatland Programme is committed to continuous improvement and have established a Quality Management System aligned with, ISO 9001, and ISO 31000 standards which provides a framework for measuring and improving the process and procedures for the Peatland Code. As part of this continuous improvement any changes to the Peatland Code methodology or Peatland Code versions are first reviewed in the Technical Advisory Board and Market and Investment Forum, then signed off by the Executive Board and then open to a 30-day public consultation process to allow as many different relevant parties to comment and feedback as possible.

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. Please note that Project Plan Validation and Restoration Validation happen to the same version of the Peatland Code, even if there has been a version update in between.

Minor changes and clarifications on the Peatland Code and this Guidance document, in between version updates will be published in the Minor revision and Clarification guidance document, which shall supersede the other documents.

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-peatlandprogramme.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, which both can be sold:

- A **Peatland Carbon Unit (PCU)** is a tonne of active CO₂e emissions reduction 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 has not 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. While stacking is not currently feasible in Version 2.1, work is underway with funding from The Facility for Investment Ready Nature in Scotland (FIRNS). In collaboration with the Woodland Carbon Code, the projects aim is to assess the potential for biodiversity crediting in peatland restoration and woodland creation projects, including the ability to either stack carbon and biodiversity payments within the same project (where additionality rules permit) or consolidate both quantified outcomes into a single ‘credit.’ This credit would

be based on a known level of biodiversity uplift alongside carbon credits. The goal is to incorporate these advancements into future versions of the Peatland 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 underway to potential 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/peatland-code/introduction-peatland-code/peatland-code-registry>.