

PEATLAND CODE



Guidance

Version 2.1

October 2024



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Background

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: 2020 *General principles and requirements for bodies validating and verifying environmental information*

Scope

The Peatland Code specifies requirements for the validation and verification of a greenhouse gas (GHG) assertion from voluntary UK based projects which actively reduce GHG emissions through peatland restoration, resulting in less cumulative carbon in the atmosphere compared to a business-as-usual scenario similar to a woodland planting scheme. The European Union Certification Framework for Carbon Removals (2022), classes this as a removal. Peatland Code carbon units account for both GHG reductions from, and carbon 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](#). Currently these carbon units can only be used to offset UK based emissions.

Definitions

The document employs the following definitions:

Shall: represents a mandatory requirement

Should: represents recommendations or best practices that project developers should aim to implement in their projects

May: represents a course of action permissible by the Peatland Code

Normative References

This guidance document should be read in conjunction with:

- Peatland Code v2.1
- Field Protocol v2.1
- Clarification and Minor Revisions document
- VVB Scheme document (Validators only) v1.0

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

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 the Department for Environment, Food and Rural Affairs (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.

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 14065:2020 *General principles and requirements for bodies validating and verifying environmental information* and EA-1/22 A-AB: 2023 *EA procedure and criteria for the evaluation of conformity assessment schemes by EA accreditation body members* where EA is the European Cooperation for Accreditation. UKAS is now carrying out a conformity scheme assessment against Versions 2 and 2.1. 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. The emission factors were also updated. This update was based on a Defra funded [research report](#)⁴ led by the UK Centre for Ecology & Hydrology (UKCEH) ensuring that the Peatland Code continues to align with the UK Greenhouse Gas Inventory, which is critical for accurate national reporting of climate change mitigation activities.

Governance

The Peatland Code is a voluntary standard owned and operated by the IUCN National Committee UK 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: government representatives and statutory agencies from all four UK countries, other carbon market standard bodies, carbon market experts and independent research bodies. Membership of the Executive Board and Technical Advisory Board are available to view on our [Governance page](#) and is kept under review to ensure that all relevant stakeholder groups are engaged in the operation and development of the Peatland Code.

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. The IUCN UK Peatland Programme recognises the importance of ensuring that Peatland Code decisions are, and are perceived to be, objective and independent. Should a grievance be raised the IUCN UK PP has an Grievance and Appeals Procedure, during which an independent Disputes Panel will be formed to ensure the grievance can be dealt with in a fair and transparent manner. More details can be found [here](#).

2. Reed, M.S., Bonn, A., Evans, C., et al. *Peatland Code Research Project Final Report*. Defra, London 2013.

3. Smyth, M.A., Taylor, E.S., Birnie, R.V., et al. *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, 2015.

4. Evans, C., Artz, R., Burden, A., et al. *Aligning the Peatland Code with the UK peatland inventory*. Defra, London 2022 updated 2023.

The IUCN UK Peatland Programme also 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.

Review of the Peatland Code

The IUCN UK Peatland Programme is committed to continuous improvement and have a Quality Management System (QMS) in place. This QMS is aligned with ISO 9001:2015 *Quality management systems Requirements* and ISO 31000:2018 *Risk management - Guidelines*, which provide a framework for measuring and improving the processes and procedures for the Peatland Code.

As part of this continuous improvement any changes to the Peatland Code methodology, including emission factors or Peatland Code versions, are first reviewed by the Technical Advisory Board taking into account feedback from the Market and Investment Forum. When the Technical Advisory Board approves the changes it then goes to The Executive Board for sign off, the Executive Board can however revert the proposal back to the Technical Advisory Board if it is deemed not ready. Following this sign off the draft will go to a 30-day public consultation to allow as many different relevant parties to comment and feedback as possible. Following the public consultation process the feedback and comments will go back to the Technical Advisory Board and Executive Board to decide on the final changes for that version or methodology update. The final part of the process is ensuring accreditation compliance before publication. For a detailed process please see [here](#).

Minor changes and clarifications on the Peatland Code documents, in between version updates will follow a similar review process as outlined above. Changes will be published in the [Minor revision and Clarification guidance document](#), which shall supersede the other documents.

Validation/Verification Bodies

Only an approved validation/verification body (VVB) is permitted to carry out Peatland Code validation and verification. A VVB is appointed by the Peatland Code Executive Board. To become approved, a VVB shall meet the eligibility criteria outlined in the [VVB Scheme document](#).

Demonstration of conformance with the Peatland Code

The VVB shall follow the principles set out in ISO/IEC 17029:2019, 4.2, 4.3 and 9.1 as the basis of the validation and verification process. In addition to meeting the requirements outlined in the ISO standards validation and verification shall include a review of project documentation and a site visit by the validation/verification body. This process aims to gather sufficient objective evidence to determine whether the Peatland Code validation and verification requirements have been met. More detailed information for validators can be found in the [VVB Scheme document](#) under VVB requirements.

The project developers shall provide documentary evidence when requested which shall consist of the relevant Peatland Code template documents, including a Project Design Document (PDD) 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 [here](#).

Emission Factors

The emission factors used to determine the emissions reductions achieved by Peatland Code projects are developed by academics employed by the UK Government⁵ and aligned as much as possible with the UK GHG inventory.

⁵ Evans, C., Artz, R., Burden, A., et al. [Aligning the Peatland Code with the UK peatland inventory](#). Defra, London 2022,

updated 2023.

These 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, the Peatland Code team keeps up to date with the latest developments, which allows for identification when a review is required.

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 has functionality to support identification and authentication of users, user roles and permissions and an activity log that tracks the transactional activity (i.e. transfer of units) by documenting each user who has carried out a task/action, the date/time it occurred, and other accompanying details (i.e. vintage of the unit). The registry features comprehensive reporting, reconciliations, and unique serialisation of units in which a systematic algorithm assigns a unique serial number to allow the units to be tracked through their lifecycle from issuance to conversion, to transfer, and ultimately to retirement. The serialised units' movements are entirely tracked and auditable.

The registry incorporates a range of services including:

- A project register: this accommodates both single projects and clusters of projects.
- A carbon unit register: this enables projects to issue units, assign or transfer them to unit buyers, and for unit 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 and unassigned) units, and for buyers to display their interest in purchasing units.

A public database: This provides relevant parties the ability to view the status of all Peatland Code and Woodland Carbon Code activity. Please refer to the Registry Public View on the [IUCN UK Peatland Programme website](#).

For the full Registry Rules of Use, including rules on accounts and account fees please visit the [Peatland Code website](#), as well as the S&P UK Land Carbon Registry website.

***Disclaimer Relating to the Trading of Carbon Units:** The sale or purchase of any Peatland Carbon Units (PCUs) and Pending Issuance Units (PIUs) listed on the UK Land Carbon Registry by landowners, project developers, brokers, carbon buyers or any other person (each a "Trading Party") is undertaken solely at a Trading Party's own risk. The bodies involved in operating and implementing the Peatland Code, including the IUCN National Committee UK, the IUCN UK PP and TAB, and all employees, agents, consultants and contractors of those bodies, shall not be liable for any losses suffered or incurred by a Trading Party howsoever arising from or in connection with the sale or purchase of such units (in each case whether incurred directly or indirectly) except any losses which cannot lawfully be excluded.

Peatland Code Levy

A per unit administration fee is payable through the Peatland Code online registry when setting up PIUs as well as when PIUs are converted into PCUs. 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 the UK Land Carbon [Registry Fee Page](#) of the IUCN UK PP website.

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 also cannot currently be used to compensate for emissions outside of the UK.

Project owners and developers are only permitted to use the Peatland Code logo once their 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 on request, email peatlandcode@iucn.org.uk.

Peatland Code Process

To provide assurance to buyers, Peatland Code projects and their GHG assertion shall be validated and verified by an independent validation/verification body. Verification shall be to a limited or reasonable level of assurance. ISO 14065:2020 and 14064-3:2019 will be used as the governing standard for Peatland Code validation and verification delivery.

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.

Project Plan Validation and Restoration Validation shall 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 emissions factors of a later Peatland Code 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 i.e changes to the project map, then all relevant documents shall be updated and submitted to the validator. These documents shall be to the same version as used for Project Plan Validation with the exemption of the Emissions Calculator if no PIUs are issued. Verification shall regularly evaluate the project and its actual GHG emissions reduction 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.

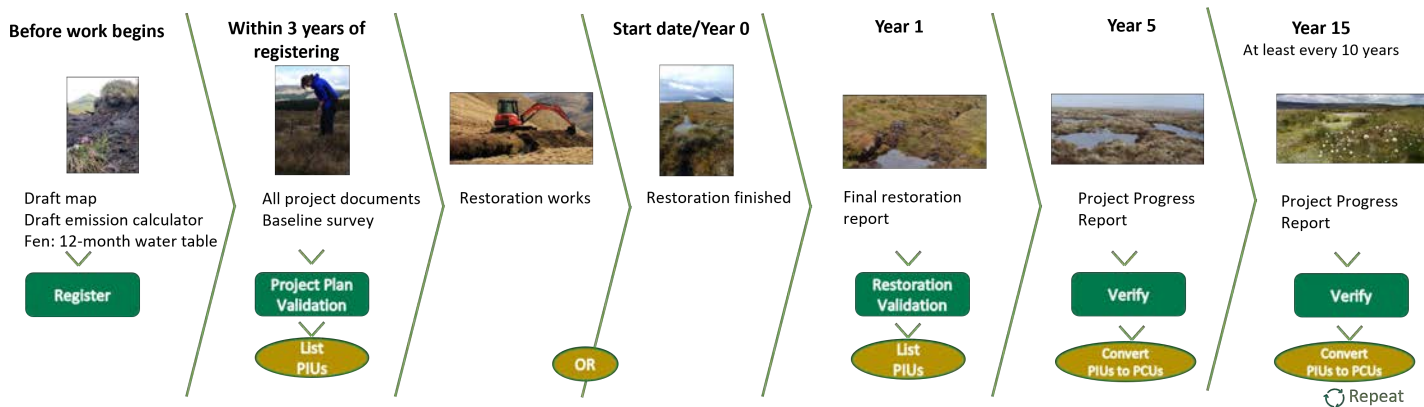


Figure 1: Project validation/verification steps

Project Eligibility

Projects shall meet the eligibility criteria outlined in the Peatland Code and ensure that projects abide by [UK Laws and Regulations](#). Detailed guidance on site health and safety can be found in the guidance from the [Health and Safety Executive \(HSE\)](#) - Construction. As a minimum any contractors working on a Peatland Code project site shall adhere to Construction (Design and Management) Regulations 2015 (CDM 2015). Details of how the project meets health and safety requirements, employment rights, promotes gender equality, and ensures safeguarding shall be provided in the [Project Design Document](#) (PDD).

The Peatland Code identifies five eligible baseline condition categories of blanket and raised bog and four for fens (defined within the 'Peatland Code Field Protocol'). The Peatland Code validates ex-ante emissions reductions (but verifies ex-post emission reductions) and therefore only restoration actions that result in an immediate condition category change are eligible, with exemption of "modified bog". The key difference between 'modified bog' and 'rewetted modified bog' is the vegetation and vegetation composition will not change immediately following restoration. Therefore, projects will not receive Pending Issuance Units from the start date of the project for this baseline condition, but only from the date the independent verifier deems the condition to have moved to rewetted modified bog based on a verification site visit. This could take years to achieve, and for some sites this might never be reached due to, for example, the air pollution load. Projects may encompass and restore peatland of ineligible condition category, but emissions reductions cannot be claimed from these areas.

Please note that engaging with the Peatland Code on land in the 'modified' baseline condition category could be interpreted as taking on a prior obligation, depending on the restoration programme being delivered. This could affect the eligibility of that land for Countryside Stewardship or ELMS in England. It is important therefore to seek advice on this before restoration starts.

Existing land management agreements on the land could include governmental agri-environment payment schemes, continuing obligations under Higher Level Stewardship or other agreements and their equivalents under the Rural Development Programmes of the devolved administrations, access or other management agreements covering access land under the National Parks and Access to the Countryside Act 1949, as well as Site of Special Scientific Interest (SSSI) agreements. Other agreements that may be encountered could include Ancient Monument agreements and Forestry Dedication Covenants. Please refer to paragraph 1.5 for financial additionality rules and eligibility.

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](#). The UK Land Carbon Registry, 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 shall apply for one first via the "[Join the Registry](#)" link.

When registering a project the following information shall be uploaded:

- Draft project map with the project name and grid reference,
- Draft emissions calculator (using the latest template from the ICUN UK PP 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.

Note: all of this information can be in draft form and can be updated at Project Plan Validation.

After registering, your Project Plan Validation shall be achieved within **3 years**.

Note: A Peatland Code project can only have one landowner; if your restoration project spreads over more landowners, you shall register these as separate Peatland Code projects. Alternatively you can set up a [Special Purpose Vehicle](#) to deal with any legal complications of involving multiple landowners, it is advised to seek specialist advice for this. You can register multiple smaller areas within one landholding as one Peatland Code project, if these are similar in nature (e.g. the majority of peat depths are below 50 cm or majority above 50 cm and in a similar degradation state; the majority is classed as artificially drained) and restoration work is planned over the same 2-year timeframe.

Project Clustering

Clustering of projects from different landowners or the same landowner is permitted within the Peatland Code. There is no maximum number of projects within a cluster, since the main potential cost savings are outside the Peatland Code process. Each project within the cluster still needs separate documentation, baselining and validations/verifications. However, the main potential cost saving is in economies of scale; being able to survey multiple sites at once, using the same contractors for one bigger area, etc. and in the marketing of the carbon units. All projects within a cluster shall have the same project developer and are visibly clustered on the [UK Land Carbon Registry](#).

There are two types of clusters possible:

1. All projects within the cluster have the same start date and restoration shall take place within a 2-year period for all projects.
2. Projects can join a cluster anytime with restoration happening at different times, resulting in different start dates for all projects within the cluster. However, verification shall happen at year 5 of the oldest project within the cluster and all projects within the cluster shall be verified at this point and as a minimum every 10 years thereafter. Therefore, the first vintage (time between start date and first verification) in some of the later projects will be shorter than 5 years.

Site Survey and Creation of Restoration Plan

A site survey shall be 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.

Note: If the Field Protocol is updated after a site was surveyed, but before Project Plan Validation was achieved, the project may be validated against the previous version of the Field Protocol up to 2 years after the update.

Baseline peat depth measurements will be valid for 5 years when submitting Peatland Code documentation to the validation body for Project Plan Validation. However, please be aware that peat depths are checked at Restoration Validation and if these are different to the submitted depths corrections shall be made. Project developers/landowners are advised to recheck peat depths in actively eroding areas as well as peat depths that are close to the eligibility cut offs. The project shall evidence the dates of all site surveys.

Fens

It has come to the attention of the Peatland Code team that rust rods are generally unreliable in most fen types, providing accurate data only in most agricultural fields of drained fen peat. However, issues arise here if the peat includes layers of flood-derived mineral sediment because this influences the chemistry and therefore the rusting of the rods after rewetting.

For new projects the monitoring design for mean annual water table is project specific; where and how often water table is measured is conditional on the local setting, stratigraphy, and inferred water-supply mechanisms of the site. Therefore, each project shall design the most appropriate monitoring approach for their project area. See [Peatland Code Field Protocol](#) v2.1 for more details.

For existing projects that have already installed rust rods, in most instances these will provide an accurate baseline for drained fens, so the initial data could be used. However, the peat cores taken for peat depth should be checked for layers of flood-derived mineral sediment. If these are present the rust rod readings are most likely inaccurate and a conversation with the Peatland Code team regarding next steps is required. These projects shall be required to change their water table measuring method to a more suitable one as soon as possible, based on the new requirements in the Peatland Code [Field Protocol 2.1](#).

Consultation Guidance

Projects shall demonstrate the consultation requirement in the Peatland Code has been met by completing the consultation section of the [Project Design Document](#).

Projects shall use a range of communication approaches appropriate to the context. Consent shall be Free, Prior and Informed Consent (FPIC). This may include online and in-person events, the local newspaper, social media, and notifying relevant local representative bodies such as community or parish councils. In some cases, this may require specific methods targeted at marginalised and/or vulnerable groups to ensure that they are able to engage effectively, for example arranging transport or providing remuneration for their time. Every effort shall be made to reach representatives of these groups, using alternative means of communication if initial contact is unsuccessful. Evidence shall be supplied to the independent validation body of the range of communication approaches used and their reach, and on a sample basis, an assessment of their usefulness to intended audiences.

Information about the proposed project shall be provided in a concise form, in plain English, minimising the use of technical language where possible (and using other languages or non-written form, where necessary to reach all necessary parties). Example communications may be provided to the independent validation body as evidence of transparent and accessible communication. In some cases (e.g., where the accessibility of communication is not clear), the independent validation body may conduct a survey or interviews with a sample of relevant parties to assess accessibility.

Communities of place would typically lie in close proximity to the project boundary, more than one community may have a significant interest in the project area. Therefore, consultation shall not be restricted to the closest community, where other nearby communities express interest in the project. In more remote locations, the community may consist of hamlets and scattered rural dwellings, while in others, it may consist of nearby villages, a town or the nearest part of a nearby city. Where community representative organisations exist, these shall be contacted.

Where there are no representative organisations, or these organisations are limited in the extent to which they represent interests from across the community of place, a systematic approach shall be taken to the identification of relevant groups for engagement within the community, for example using an interest-influence-impact analysis, and using this to identify local groups, organisations or individuals that can represent the interests of the place-based community. To ensure a high-quality output from this sort of analysis, it is advisable to consult local experts (e.g., from an anchor organisation in the community, like a Community Council or Development Trust).

Potentially marginalised and/or vulnerable groups shall be specifically identified, or evidence provided that systematic methods have been used to determine that there are no marginalised or vulnerable groups present in the area. Marginalised groups are defined as those with significant interests in the project and/or likely to benefit or be harmed by the project, who may be excluded from engagement due to various forms of systemic disadvantage. For example, this may include groups that have limited capacity to engage due to commitments (e.g., single parents, shift workers or professionals with long commutes) or capability to engage (e.g., due to cognitive impairments such as learning difficulties or dementia, or mobility issues), or who may typically be excluded from decision-making processes due to other forms of systemic disadvantage (e.g., race, gender, sexual orientation, disability or age, including both the youth and elderly). Vulnerable groups are defined as those who are at higher risk of harm from the project for example neighbouring or downstream properties at risk from flooding due to planned changes in the project area.

Similarly systematic methods shall be used to identify communities and organisations of interest that are not located in proximity to the project boundary, but who have a material interest in the project area that could be enhanced or compromised by the project. A material interest is defined as any significant activity or current/future benefit arising from the project area that could be enhanced or compromised by the project, where significance is determined by the interest group, not the project developer. This may include social groups (e.g., recreationalists and others with rights of access) and organisations (e.g., NatureScot, Natural Resources Wales, Department of Agriculture Environment and Rural Affairs (Northern Ireland) and Natural England where sites include statutory designations). A narrative justification for the inclusion of each community of interest shall be provided, detailing the groups and/or organisations deemed relevant for engagement.

The identification of relevant parties shall be revisited on at least a decadal basis, to ensure that new groups and organisations, and their interests, and changing needs and interests are captured in ongoing engagement.

Note that it will not be possible to meet the needs of all groups that are identified as relevant to engage, but it is essential that all relevant groups are identified for engagement.

The Project Design Document shall also show evidence that scoping work has been undertaken to identify heritage assets, with steps taken to protect and where possible enhance access to these assets. In addition to historical asset consideration project developers/landowners are required to demonstrate their consultation with local and national historic environment specialists. Evidence that the relevant parties have been contacted shall be provided and allow the IUCN UK Peatland Programme and the appointed independent validation body to view all responses.

The heritage assets that need to be considered 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 of environmentally sustainable peatland restoration projects. Some peatland restoration grant schemes may also have dedicated guidance on the historic environment.

Calculating Net GHG

The net emissions reduction of the project is calculated by subtracting the total carbon cost of restoration from the gross emissions reduction (if this cannot be calculated, a 5% carbon cost buffer is used), applying a 5% conservative buffer, and adjusting for any leakage. Assessment of leakage and its significance is project specific, but examples of leakage may include an increase in stocking density outside of the project area leading to degradation or the burning of other areas of peatland to compensate for the area under restoration. These emissions linked to leakage predominantly cause emissions from peatlands rather than mineral soils.

Projects that have an intention to change the use or management of land elsewhere as a consequence of the peatland restoration activities shall calculate the related expected GHG emissions per hectare for the duration of the project by assuming a worsening of one condition category of the relevant land area using the Peatland Code Field Protocol v2.1. If this is 5% or more of the emissions reduction over the duration of the project this is classed as leakage and shall be included in the emissions calculator and deducted from the net emission reductions.

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 UK.⁶

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 scores listed in Tables 1, 3 and 5 below. The impact of a risk 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 Tables 2, 4 and 6 below.

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.

The likelihood of reversals is based on the probabilities and timeframes listed in **Table 1** below. 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

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

The impact of a reversal is scored using the details in Table 2.

Table 2: Impact of Reversal

Score	Loss of expected emission reductions
5	>70%
4	50 – 69%
3	25 – 49%
2	5 – 24%
1	<5%

Restoration and Management Activities

Restoration Activities

All Peatland 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 shall be demonstrated through documentation including, but not limited to: peer-reviewed publications in scientific journals; technical reports from government agencies or NGOs; 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 project validations in the past or at least one individual with experience in implementing peatland 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 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 experience:
 - ◇ 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

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

- ◇ Woodland Carbon Code
- ◇ MoorFutures
- ◇ Valuta voor Veen

All peatland projects shall provide evidence that the management activities were performed by individuals with training and experience of the latest engineering, hydrological, and ecosystem practices. The project developer shall evaluate and rank the likelihood of failure due to improper implementation of the project or faulty management activities. The project developer shall also rank the potential impact of these failures on the volume of PIUs. Evidence for these rankings may be demonstrated through documentation including, but not limited to: experience implementing similar projects registered under the Peatland Code or peer-reviewed publications written by the development team

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 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 shall 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).

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 including pollution prevention⁸
- ◇ Any rare or endangered species in the project area and how these are considered in the project design.
- ◇ Any statutory designations in the project area and how these are considered in the project design.
- ◇ The design has given due regard to the visual, cultural value and character of the local environment

8. The term “pollution” includes noise, vibrations hazardous and non-hazardous pollutants in liquid, solid and gaseous form.

The likelihood of the project impacting on ecosystem services is based on the scores listed in Table 3 below.

Table 3: Likelihood of impact on ecosystem services

Score	Likelihood
5	Very likely
4	Likely
3	Fairly unlikely
2	Unlikely
1	Very unlikely

The impact on ecosystem services is scored using the details in Table 4.

Table 4 – Impact on ecosystem services

Score	Loss of expected emission reductions
5	>70%
4	50 – 69%
3	25 – 49%
2	5 – 24%
1	<5%

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 required consultation by the project 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. The likelihood of the project impacting on local communities is based on the scores listed in Table 5 below.

Table 5: Likelihood of impact on local communities

Score	Likelihood
5	Very likely
4	Likely
3	Fairly unlikely
2	Unlikely
1	Very unlikely

The impact on local communities is scored using the details in Table 6.

Table 6: Impact on local communities

Score	Impact on local communities
5	Catastrophic
4	Devastating
3	Major
2	Minor
1	Insignificant

Total Risk Rating

Using the [risk assessment v2.1](#) 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

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 may be done virtually if the evidence (for example an orthorectified map from drone images, with potentially additional photographs of specific hags/gullies, fixed point photographs, etc.) submitted allows this. However, if the validation body cannot adequately check the baseline virtually, the validator shall request additional evidence to be submitted and an in-person site visit shall be arranged.

To ensure a smooth process projects are encouraged to reply to any non-conformance raised by the validator within the agreed timeframe. If the findings cannot be resolved within that timeframe a reason shall be given and an alternative timeline agreed upon between the validator and the project developer.

If no non-conformances are raised or once all non-conformances are suitably rectified within a specified timeframe as determined by the validation body, a Project Plan Validation opinion statement will be issued, and the project listed on the UK Land Carbon Registry as validated, this confirms that the IUCN UK PP checks have taken place. 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 Document ⁹
- ◇ Emissions calculator ⁹
- ◇ Additionality calculator ⁹

9. Templates available at <https://www.iucn-uk-peatlandprogramme.org/using-peatland-code/support>

- ◇ 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

Landowners have the option to issue their Pending Issuance Units (PIUs for definition see [here](#)) for the entire project duration at this stage. It is important to note that these units will be associated to the expected “Start date” of the project, which is the date when the project’s restoration activities are completed. If this “Start date” is incorrect, all PIUs will have to be cancelled and reissued by the registry owner which will result in a fee for the project.

When a project developer acts on behalf of the landowner, a communications agreement between the landowner and the project developer shall 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 (download a template [here](#)).

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

Implementation of Restoration Plan

Projects are required to implement the validated restoration plan and complete restoration activities before the Project Plan Validation opinion statement expires to maintain the validity of the surveyed baseline. The Restoration process for a single Peatland Code project can be done over a 2 year period.

Requests for Project Plan Validation extensions shall be submitted to the Peatland Code team using the [Extension Request Form](#). Each request will undergo a detailed review in collaboration with the validation/verification body. Please provide evidence of the reasons for delay 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 follow the [IUCN UK PP's grievance process](#). 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 shall take place, carried out by an approved third-party independent validation body. Restoration validation shall 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 overlayed over the validated Assessment Unit (AU) map, or drone imagery), and cross referenced 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, these documents shall be the same version as used for Project Plan Validation with the exemption of the emissions calculator if no PIUs are issued. If necessary, an adjustment to the amount of PIUs issued shall be made.

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.

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

- Final restoration report (see above)
- Proof of public funding received
- Optional: Emissions calculator

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)

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 check for evidence that the work stated at Project Plan Validation has been carried out. If during the site visit the auditor sees evidence of restoration works failing which could lead to a reversal in condition category i.e evidence of increased deer numbers, erosion evidence, dams failing, these issues will be raised as a comment on the validation opinion statement.

Please note that for projects that consist of several small sites it might not be possible to include them in one audit due to the time it takes to travel to the site even though they may be close together. Please check with the validators in advance.

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 shall 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

Overview

Verification will take place as a minimum at year 5 of the project “Start date” and thereafter 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 minimal verifications 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. Verification is conducted by an approved third-party independent verification body who will evaluate the claim made by the project developer about 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 a 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. The auditor shall also check if the average percentage of condition category within the surveyed circles (see Field Protocol) matches the information reported in the Project Process Report of a minimum of 10% of the circles. The average percentage recorded is used to convert PIUs to PCUs for each Assessment Unit (including the ones in the risk buffer), i.e. if 90% within one Assessment Unit has changed to the next condition category, 90% of PIUs are converted to PCUs within that category. Details on the VVB process for verification is outlined in the VVB Scheme Document.

Please note: if the auditor identifies a % of bare peat still present at year 5 the associated PIUs for this vintage will be cancelled, these units are not automatically verified. However, if by year 15 the bare peat is no longer visible and has been replaced by vegetation, the associated PIUs in that vintage may then be converted to PCUs.

Verification process:

Projects shall 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](#). 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 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 emission calculator using the latest version template, but with the same percentage contribution to the risk buffer as during validation (unless the risk buffer is depleted, and projects are required to add more units to the risk buffer).
- ◇ 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 emissions calculators using the water table data for the duration of the vintage

If no non-conformances/misstatements are raised or if all non-conformances are suitably rectified within the required timeframe, as determined by the verification body, an opinion statement will be issued with a level of assurance 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. 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. The project will be listed on the UK Land Carbon Registry as **verified**. Verification opinions never expire. Using the Risk buffer

Using the Risk buffer

A reversal occurs when some or all of the emission reductions in a given vintage 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 (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 via email until the reversal is mitigated through 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 the second vintage (e.g. year 6-15) the carbon units from the next vintage (e.g. year 16-25) will only convert to verified carbon units if the reversal is fully mitigated.

Reversal Quantification

The project developer shall use the Peatland Code Field protocol and Emissions calculator to determine the volume of carbon reversed. The same version of the Peatland Code Field Protocol and Emissions calculator used to determine the number of units generated is used to calculate the volume of carbon reversed. The “Final land use” category in the Fen Calculator and the “Post-Restoration Condition Category” in the Bog Calculator is used as the condition prior to the reversal, IF the project has enough evidence for the verifier to confirm this. The “Original land use” in the Fen Calculator and the “Pre-Restoration (Baseline) Condition Category” in the Bog Calculator is used as the state after the reversal. The period between the reversal date and the full mitigation date is used to calculate the volume of credits reversed. If there is insufficient evidence of the peatland condition pre-reversal in the reversal vintage, for the verifier to verify those units, all units associated with the reversal within that vintage will be considered reversed. After mitigation the project developer shall collect evidence of successful mitigation and shall submit this to the verifier at the next verification.

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 or by an external third party. Landowners and/or project developers shall replace any PIUs (including the ones in the risk buffer) 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 Executive Board. This decision can be appealed via the IUCN UK PP Appeals and Grievance process the decision from the appeal committee is final.

Landowners and/or project developers shall notify the Peatland Code team via email within 30 calendar days of discovering the reversal. Once the information has been reviewed by the Peatland Code Executive Board and confirmed it is an unintentional reversal. The Executive Board will confirm the quantity of carbon not reduced and/or released, the Peatland Code team will cancel units from the buffer pool to compensate for the 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.

Regardless of whether the IUCN UK Peatland Programme elects to pursue any one or more of these options, neither the IUCN UK Peatland Programme nor any of the other Governing Bodies shall be responsible for compensating or bear any liability to landowners, project developers or any other person who would ordinarily be entitled to PCUs or PIUs in the event a project suffers an unintentional reversal and there is a shortage of PCUs or PIUs in the Peatland Code Risk Buffer at any time.

Selling, retiring and cancelling of units

The Peatland Code is not involved in the sale or negotiation of PIUs/PCUs, this takes place between the buyer and the seller. The Peatland Code team does however carry out checks on unit issuance, transfer and assignment (See glossary for definitions) to ensure the activities meet the Peatland Code and UK Carbon Land registry rules of use as well as to make sure there is no-double counting. Both seller and buyer have to agree to the transfer/assignment before it can take place. When a PIU is sold there has to be a legal contract on who carries the risk of the unit not becoming verified. There are two ways to demonstrate a sale of units:

Transfer: When a sale is made and the buyer has an account on the UK Land Carbon Registry, PIUs/PCUs can be transferred from the sellers' account to the buyers' account.

Assignment: Units can be assigned on behalf of a corporate buyer without requiring the buyer to have an account on the UK Land Carbon Registry. In this instance a note is attached to the unit on the UK Land Carbon Registry with the corporates name and these units cannot be resold anymore. In the case of a PIU assignment the unit is automatically retired at verification.

Retirements: PCUs can be retired when the user wishes to use them to report against their emissions, However, PIUs assigned to a buyer are automatically retired once that vintage is verified.

Retirements are completed via the UK Land Carbon Registry and the serial number of retired units remains the same from its creation as a PIU through to PCU and then retirement. Retired credits generate a retirement certificate that can never be used again.

Cancelling Units: Any PIUs that are not verified by the last date of the vintage period are cancelled, including those owned by the project, those sold and buffer units. The financial responsibility of sold units is dependent on the terms agreed between the buyer and seller. Reasons for cancelling units can include a project withdrawing from the registry, and more PIUs issued than were verified, as PIUs are a prediction and are not guaranteed. In cases where PIUs are cancelled, the units with the highest serial numbers, which are the last units for a vintage, are cancelled first.

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 actively reduced 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 may 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 project's 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.

Grievance and Appeals process

The IUCN UK Peatland Programme is committed to ensuring that grievances are dealt in a fair, open and transparent manner. The types of grievance that can be raised are as follows:

1. Governance – grievances relating to the governance of the Peatland Code and related policies, including for example the [Conflicts of Interest Policy](#).
2. Application of the [Peatland Code](#) – grievances relating to the interpretation and application of requirements for projects set out in the Peatland Code and related normative documents (such as the Peatland Code Guidance Document and the Peatland Code Field Protocol).
3. Service levels and delivery – grievances relating to the levels of service provided by the bodies that administer the Peatland Code and/or third-party Validation/Verification Bodies.
4. Use of the Risk Buffer – grievances relating to a decision of the Peatland Code Executive Board regarding whether an emissions reduction reversal is intentional or unintentional and whether a project is entitled to benefit from the Risk Buffer.

Unless it concerns levels of service provided by Validation/Verification Bodies, this procedure document does not deal with grievances regarding the Validation or Verification of individual projects, including grievances that relate to:

- Validation and Verification opinion statements issued by Validation/Verification Bodies.
- Decisions taken by Validation/Verification Bodies on non-compliance.
- Validation and Verification audits conducted by Validation/Verification Bodies.

In the instance such a grievance occurs, you should raise this with the relevant Validation/Verification Body and follow their grievance process.

If you have any of the grievances listed above please complete [this form](#) with as much information as possible and email it to the info@iucn.org.uk and copy in the peatlandcode@iucn.org.uk. The disputes coordinator will then confirm receipt of your grievance within 15 working days and assign you a unique reference number.