



flowcarbon

Lite Paper



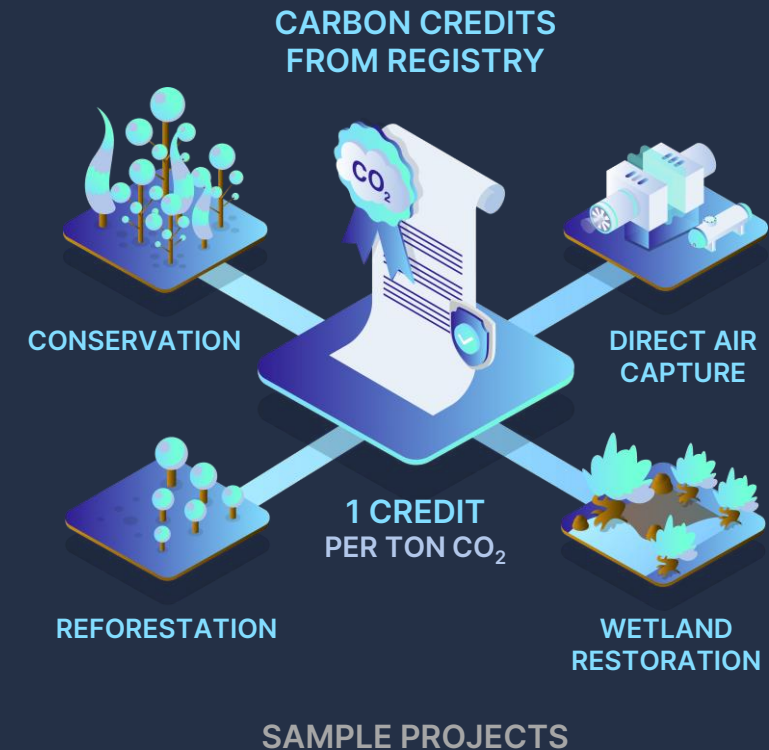


**Goddess Nature Token is the
first multi-functional crypto primitive
bringing institutional-grade carbon
assets on chain**

Voluntary carbon credits are transferable instruments issued to projects that **remove or reduce carbon from the atmosphere**

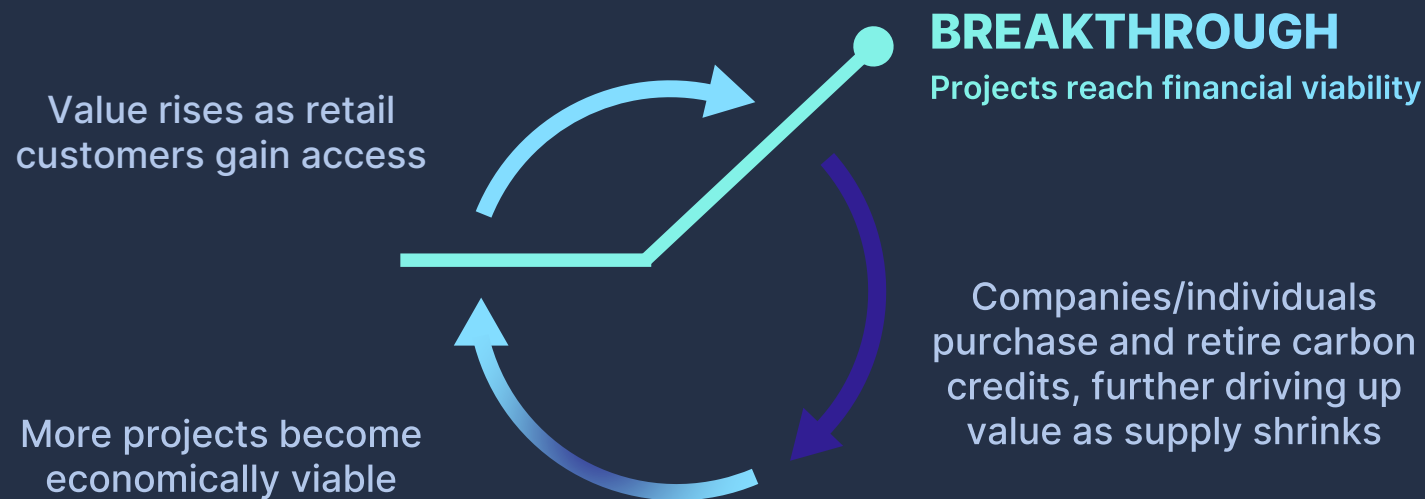
Steps to Generating Offsets

1. Project is undertaken by proponent, often in nature (i.e. conservation, reforestation)
2. Carbon protected or removed by project is quantified by a third party
3. Project submitted to non-profit credit-granting registry (i.e. Verra)
4. Registry issues “voluntary credits”: digital certificates certifying that a project has avoided or removed carbon
5. Voluntary credits don’t expire until bought and “retired” by a company to offset its greenhouse gas emissions



Purchasing voluntary credits is a key solution to climate change, financing critical climate-mitigation projects that are otherwise financially non-viable

Rising demand and price create a flywheel effect



Corporate demand for voluntary credits has surged

Demand for voluntary carbon credits is set to grow 15x by 2030*

Corporate market to grow from \$300M in 2018 to >\$20B in 2030

Over 2,000 companies announce net-zero ambitions to achieve Paris climate goals

Nature-based projects saw demand more than double in 2021 from 2020's already-record-high levels

DEFINING VOLUNTARY CREDITS RESTS ON FOUR LEVERS

Age

Credits 5 years or younger much more valuable

Certification

By market-recognized body like Verra or three equivalent registries

Project Types

Nature-based projects fetch premium prices

More Impact

Projects also protect wildlife or employ vulnerable people

...but major inefficiencies make the voluntary market slow, difficult to scale, and keep value from project proponents

Illiquid markets

Most transactions are OTC, fragmented across numerous selling agents

Non-transparent, tedious price discovery

No benchmark pricing

Value diverted by middlepersons

Numerous brokers and marketing agents between projects and end buyers

Difficult sales cycle for corporates

Voluntary offsets not treated as commodities with clear pricing and quality ratings; instead, need for diligence, reliance on third parties, and widely variable pricing

Closed to retail buyers

Structurally almost impossible for retail and many institutions to hold voluntary credits

Low digitization in space

Fragmented and opaque market means little incentive for wholesale innovation



**Tokenizing voluntary carbon credits is the key
solution, creating a liquid, transparent market
that anyone can access**

In just one month, on-chain carbon credits have doubled the YTD volume of traditional carbon market

Capital Mobilized in Voluntary Carbon Market

OFF-CHAIN
Traditional market

\$1B



2021 YTD

ON-CHAIN
(Klima DAO)

\$2B



NOV 2021
LAUNCHED OCT

- **Off-chain market grew 100% YTD from 2020 highs**, reaching record high of \$1B+ this year
- **On-chain market has doubled the off-chain volume** since launching in October 2021, raising the floor price of carbon credits by 10x

But demand scenarios still very limited because the carbon on-chain so far is:

- LOW quality voluntary credits with limited demand
- RETIRED, non-live voluntary credits with no off-chain value
- Lacks functional features enabling token holders to utilize the carbon effectively

Introducing the Goddess Nature Token

Maximizing value of real-world voluntary carbon credits on-chain

Goddess Nature Token key mechanics

1. Backed one-to-one by voluntary carbon credits
2. Voluntary credits are LIVE, “unretired,” and therefore retain full off-chain value
3. Credits are deposited into a bankruptcy-proof SPV managed by a professional third party, with regular audits, ensuring the one-to-one ratio



Underlying Voluntary Credit Criteria

Only credits issued in year 2016 or more recent at launch, with rolling 5-year age limit over time

Backed by carbon credits from one of the four market-recognized registries

Verra, Gold Standard, Climate Action Reserve, American Carbon Registry

Additional co-benefits for wildlife and humans

I.e. protecting endangered habitats, employing people in the developing-world, protecting indigenous rights and lands

Only nature-based methodologies accepted

I.e. conservation, reforestation, nature restoration



GNT's unique attributes and real-world value make it the first liquid carbon instrument designed for corporate, retail, institutional, and crypto buyers

GNT represents a claim on pooled credit assets

Each off-chain carbon credit will be tokenized into GCO2 tokens that are unique to each project and vintage year from which credits are sourced. GCO2s are then added to a pool with other GCO2s and “wrapped” as a fungible, tradable, liquid pool token (“GNT”) representing a claim on the pool.

This mitigates traditional project-level risk, offering safer exposure to the voluntary carbon market.



GNT's two-way bridge enables tokens to be **retired**, **unwrapped**, or **redeemed** as they move on and off the chain

1 RETIRE

Token can be retired by token-holder on demand and claimed as a carbon offset

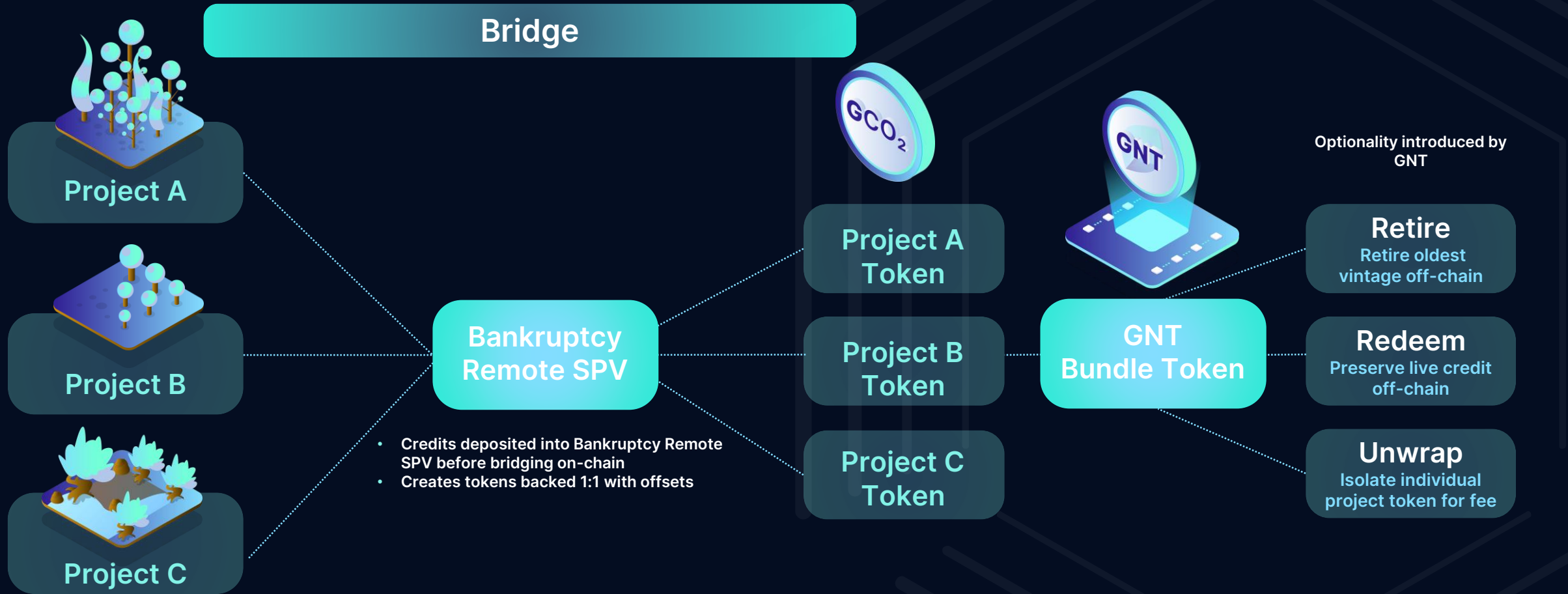
2 UNWRAP


Token can be “unwrapped” back from the fungible GNT token into the underlying GCO2 representing an actual carbon credit from a specific project

3 REDEEM

Token can be unwrapped and traded in for the underlying off-chain unretired carbon credit at any time, giving the Token holder the right of delivery of the underlying carbon credit

GODDESS NATURE TOKEN DEEP-DIVE





**GNT is the only truly viable interoperable crypto
primitive for carbon, and it's already being
integrated with the world's leading protocols**

Technical overview of the token

Token Life Cycle

Minting

- Verifiable with a public registry such as VERRA, using universally unique identifiers to prove that the tokens are backed by verified carbon credits

Purchasing & Trading

- Full feature list of the ERC-20 Token interface
- Transferable and can be fractionalized
- Can be used in liquidity pools, lending protocols and every other protocol to utilize fungible tokens on EVM-supported chains

Retiring

- Once the underlying carbon credit is used, it is “retired” and taken out of circulation
- All retired tokens accumulate transparently within the contract until they exceed a complete batch. Flow then retires the credits in the underlying registry and is again committing a tamper proof checksum as proof-of-existence

Project Bundles and Deconstruction

The Bundle Contract

- Projects with equal parameters can be pooled into a bundle token to allow high quality baskets of Carbon Credits
- Each bundle features the ERC-20 Token standards and enjoys full integration into existing DeFi Protocols
- Bundles will be prominently placed in liquidity pools and staking protocols

Depositing & Withdrawing

- Each project token can be freely deposited and withdrawn from a bundle if they fit the bundle requirements
- Guaranteed 1:1 backing of each bundle token with a project token

Audited by



Democratizing access for all via blockchain unlocks the speed and scale of crypto markets in financing planet-saving projects

Democratized access

DeFi ecosystem takes power away from middleman and gatekeepers such as traditional brokers, marketing agents, and retailers and enable anyone to buy carbon credits. It provides permissionless borrowing and leverage - which doesn't exist in the offchain market.

Price transparency

Quick scaling of liquidity and trading enables rapid price discovery and the establishment of benchmark carbon prices through the power of markets.

Decentralized innovation

Offering a crypto primitive with full functionality to other protocols expands the possibilities for innovation and growth.

Impact accountability

Smart contracts governing carbon accounting provides buyers full transparency into what projects they are supporting, leading to safe and credible transactions.

About the Flow Carbon Team

Team comprised of
blockchain experts,
carbon market experts,
environmentalists,
experienced founders,
and deep technical talent

Headquartered in NY

Backed by leading
institutional investors

Extensive experience
selling voluntary credits to
museums, art galleries,
crypto projects (i.e.
Olympus DAO,
Quantstamp), and
numerous corporations



Climate change mitigation is now in your hands

flowcarbon.com

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