Flowcarbon’s 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 project developer, often in nature (i.e. conservation, reforestation)
2. Carbon protected or removed by project is quantified by a third party, pursuant to a methodology
3. Project submitted to non-profit credit-granting standard (i.e. Verra)
4. Standard issues “voluntary credits,” digital certificates that each represent one tonne of carbon removed or reduced
5. Voluntary credits don’t expire until “retired” by a company to offset greenhouse gas emissions
Purchasing voluntary credits is a **key component of the solution to climate change**, financing critical climate-mitigation projects that are otherwise financially non-viable.

Rising demand and price create a flywheel effect:

- **Value rises as retail customers gain access.**
- **More projects become economically viable.**
- **Companies/individuals purchase and retire carbon credits, further driving up value as supply shrinks.**
- **Projects reach financial viability.**
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**
  - Recent vintage years are seen as more credible
- **Certification**
  - By market-recognized standards
- **Project Types**
  - Nature-based projects protect/restore natural carbon sinks
- **More Impact**
  - Projects also protect wildlife or employ vulnerable people

*Demand projections estimated by The Taskforce on Scaling Voluntary Carbon Markets, sponsored by the Institute of International Finance with knowledge support from McKinsey*
### Off-Chain Inefficiencies

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiquid markets</td>
<td>Most transactions are OTC, fragmented across numerous selling agents</td>
</tr>
<tr>
<td>Non-transparent, tedious price discovery</td>
<td>No benchmark pricing</td>
</tr>
<tr>
<td>Value diverted by middlepersons</td>
<td>Numerous brokers and marketing agents between projects and end buyers</td>
</tr>
<tr>
<td>Difficult sales cycle for corporates</td>
<td>Voluntary offsets not treated as commodities with clear pricing and quality ratings; instead, need for diligence, reliance on third parties, and widely variable pricing</td>
</tr>
<tr>
<td>Closed to retail buyers</td>
<td>Structurally almost impossible for retail and many institutions to hold voluntary credits</td>
</tr>
<tr>
<td>Low digitization in space</td>
<td>Fragmented and opaque market means little incentive for wholesale innovation</td>
</tr>
</tbody>
</table>
Tokenizing voluntary carbon credits is a key solution, creating a liquid, transparent market that anyone can access.
Introducing Flowcarbon’s Nature Token
Creating liquidity, transparency and access for the voluntary carbon market

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 and can be used as an offset

3. Credits are deposited into a bankruptcy-proof SPV managed by a professional third party, with regular audits, ensuring the one-to-one ratio
Recent Vintages
Our five year vintage period will roll every year. Newest vintage will be the current year vintage. Example in 2022, vintages eligible are V17-V22.

Backed by carbon credits from one of the four market-recognized registries
Established, recognized standards in the VCM

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 a bundle of 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 bundle with other GCO2s that have similar characteristics, and the fungible GNT token is minted from the bundle.

The number of GNT tokens = the number of GCO2 tokens in the bundle smart contract = the number of carbon credits in custody backing those credits.
GNT’s two-way bridge enables tokens to be **retired**, **unwrapped**, or **redeemed** as they move on and off blockchain.

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.
Project A

- Credits deposited into Bankruptcy Remote SPV before bridging on-chain
- Creates tokens backed 1:1 with offsets

Project B

- Token

Project C

- Token

Bankruptcy Remote SPV

- Bridge

GNT

- Bundle Token

GCO₂

- Optionality introduced by GNT

Retire
- Retire oldest vintage off-chain

Redeem
- Preserve live credit off-chain

Unwrap
- Isolate individual project token for fee

TOKEN ARCHITECTURE DEEP-DIVE
GNT is a viable interoperable crypto primitive for carbon, and it’s already being integrated with the world’s leading protocols.
GODDESS NATURE TOKEN DEEP-DIVE

Technical overview of the token

Token Life Cycle

Minting
- Verifiable with a public registry, 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 & 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

Quantstamp
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 Flowcarbon 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 and numerous corporations
Climate change mitigation is now in your hands

flowcarbon.com
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