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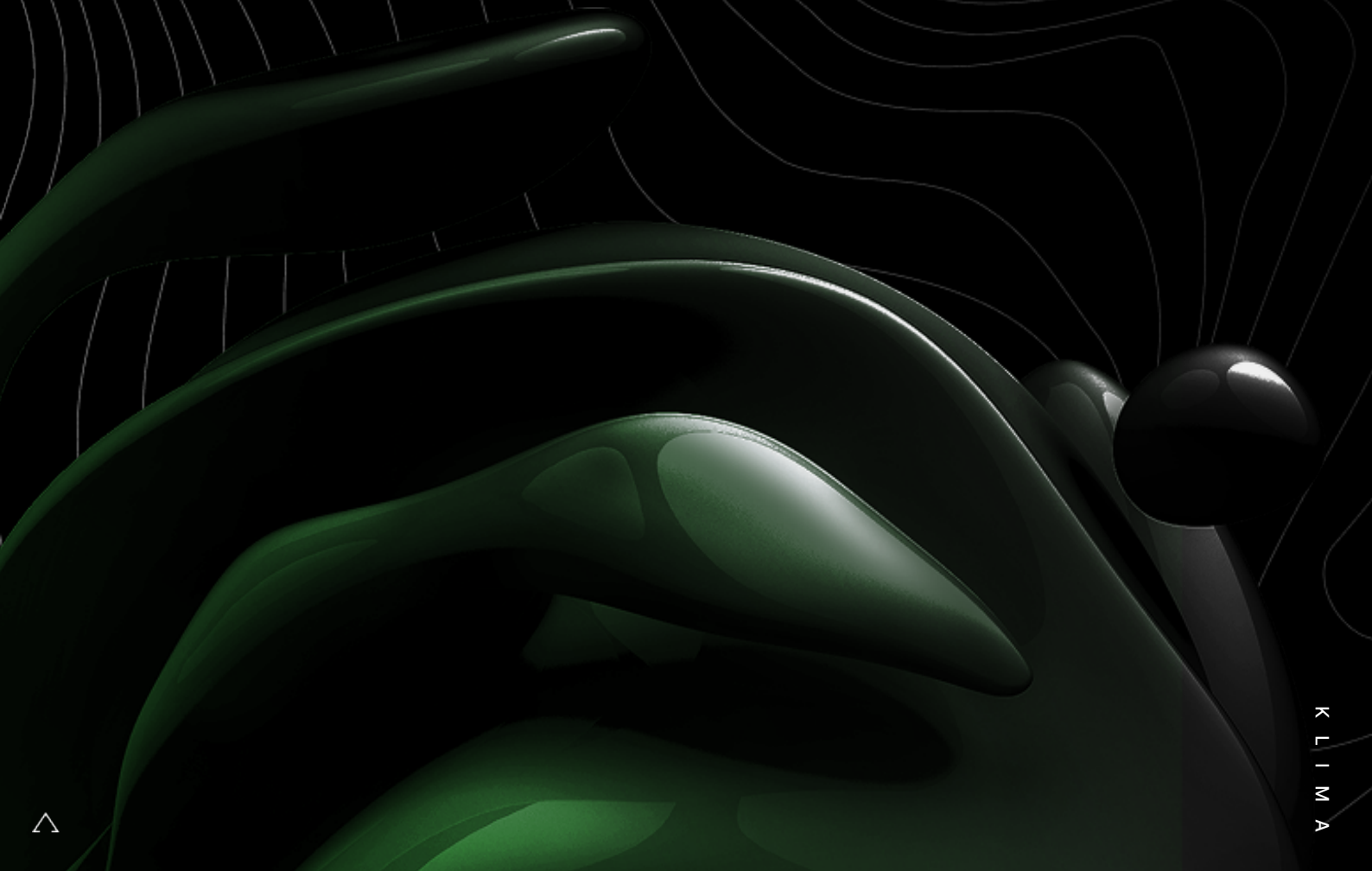
Klima Roadmap:
Open Finance Protocol



KLIMA

Summary

This document outlines the roadmap and vision for Klima in the coming months.

I. Why is Klima Important - Our North Star

Carbon markets exist to channel real, transparent investment into climate solutions.

The Paris Agreement made it clear that climate change is an existential challenge.

The Carbon Standards were created to bring confidence and trust to carbon markets as a key solution.

Buyers participate in the market for impact.

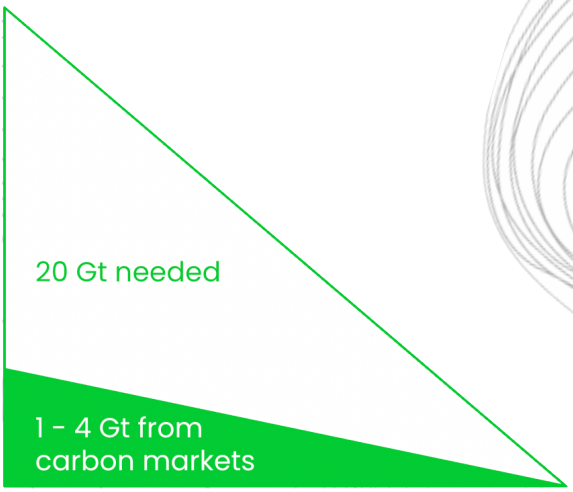
Investors participate for ESG-aligned returns.

The lifeblood of the carbon markets is *meaning, impact and trust.*

Good intentions and passive interest, however, are not enough.

For carbon markets to scale, they must be efficient, accessible, and trustworthy.

If they succeed in becoming this, by 2050 they could unlock 1–4 Gt of annual emissions reductions; a vital share of the 20 Gt required to avoid the worst impacts of climate change.



Yet today they lag behind. They lack mature infrastructure. They lack deep collaboration.

The onchain economy has shown how communities can unlock new markets and broaden participation. Climate finance is poised to benefit from the same collaborative momentum.

Klima 2.0 is that infrastructure, connecting fragmented stakeholders into a unified system built for trust, scale, and impact.

II. What excites us - A New Era for Markets

The demand for tokenized solutions has never been clearer.

Blockchain is a foundational technology, a horizontal layer that drives efficiency across every sector of the economy. Carbon markets are no exception. That's why leaders in the market, such as Verra and JP Morgan are already moving to integrate it into the next generation of market infrastructure.

Tokenization is not abstract. Its benefits are already visible today and the same principles can unlock new possibilities for carbon tomorrow:

	Tokenisation (today)	Carbon (tomorrow)
Funding	Projects raise capital in hours, not months.	Projects raise capital in hours, not months.
Digital Ownership	Direct, global access to assets — no custodian required.	Carbon credits tradable peer-to-peer, without brokerage friction.
Balance Sheet	Assets become programmable and liquid.	Assets become programmable and liquid.
Interoperability	Assets plug seamlessly into multiple markets and networks.	Credits flow across a transparent, auditable ecosystem.
Composability	Assets reused instantly across DeFi lending & trading.	Carbon as collateral for borrowing, trading, and structured finance.

Yes, traditional finance can deliver these mechanisms, but at high cost, over long timelines, and only for top the best connected players. Tokenization lowers barriers, speeds issuance, and expands access, delivering scale and transparency that legacy systems can't.

In practice, blockchain drives a race to the top in transparency, and a race to the bottom in costs and extraction.

And, public blockchains can go further: they enable value exchange, unlock liquidity, and ensure interoperability across systems.

But they are not a silver bullet. Blockchain cannot paper over cracks in the market; and if misapplied, it can amplify failures.

The opportunity lies in applying it with precision, in service of trust, scale, and integrity.

III. The Challenge of Market Creation - The Tokenisation Trap

Carbon credits have time-and-time again demonstrated themselves as complex, ambiguous and volatile. They are digitally native assets, but they are not necessarily fungible.

They represent a tonne of CO2 mitigated or abated, whilst representing so much more (and perhaps, sometimes less).

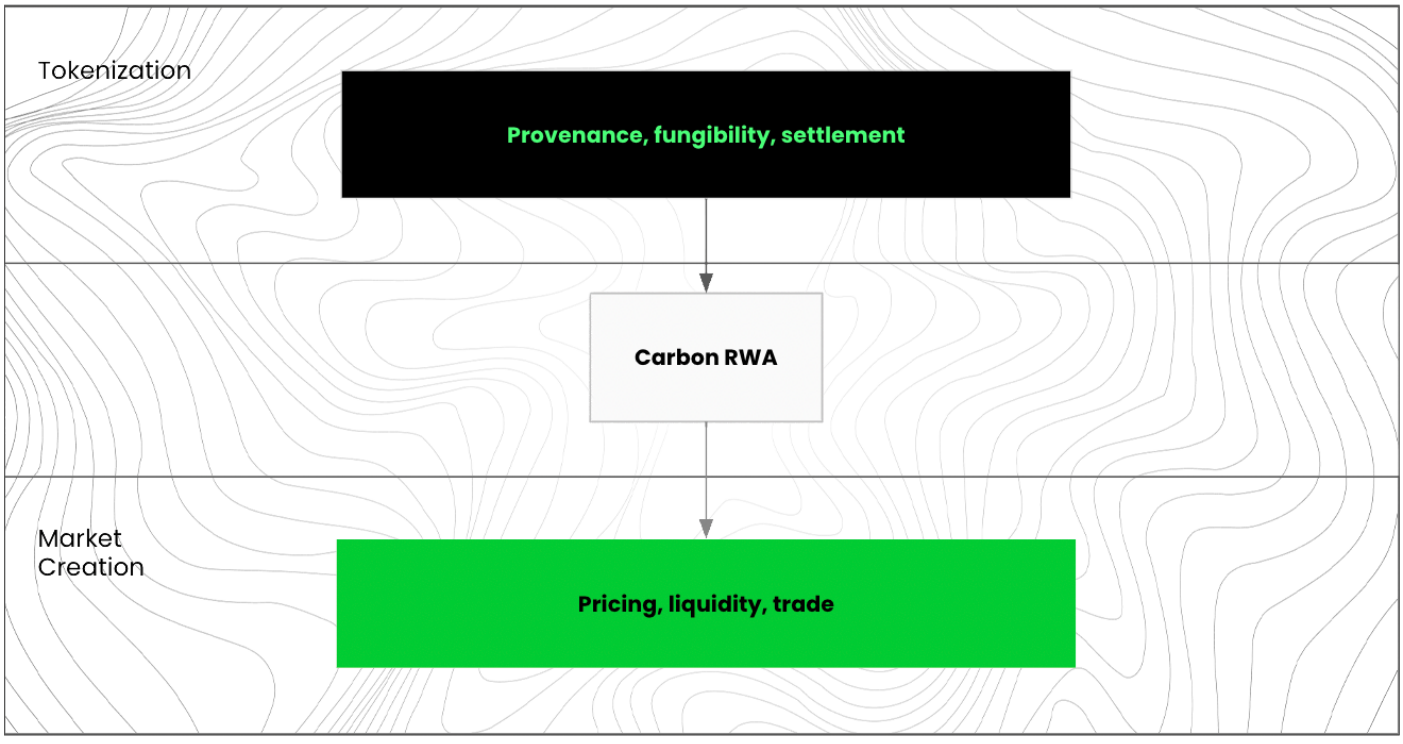
Creating a market for carbon isn't easy at the best of times, and the market's own nuances compound these efforts.

If we can achieve a sustainable, deep market, we can generate new avenues for value creation, collaboration and impact, and create a platform for the innovations discussed in the previous section to be built.

To create the market for carbon:
We need deep and interconnected liquidity. Not fragmentation.
We need clear, transparent pricing. Not obfuscation and opaque fee structures.
We need a reflexive system, with the ability to collect user-insights and respond to the idiosyncrasies of the asset class.

Maturing the markets, onchain or off, requires us to change gear, think differently, and apply approaches that leverage best practices from adjacent markets.

Tokenizing assets can allow market creation; *but does not achieve it per se*.



IV. Klima End Game - Addressing The Carbon Markets' Own Tax

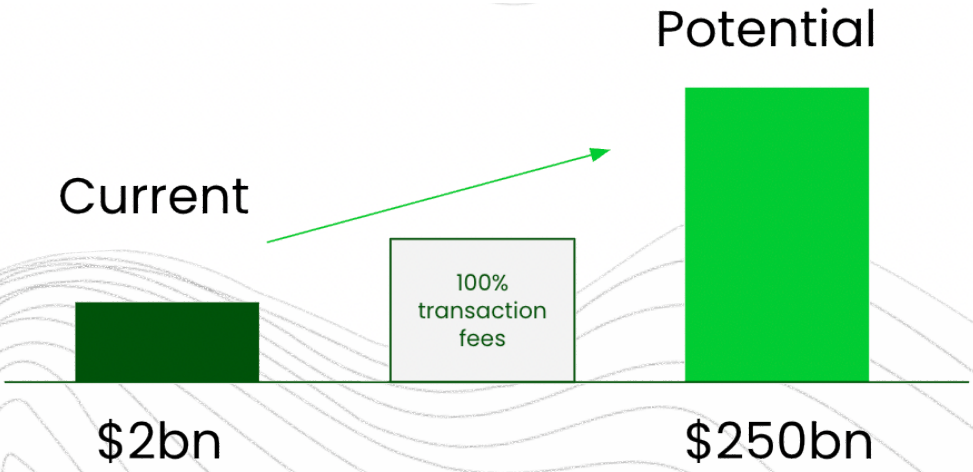
One of the biggest barriers to impact in carbon markets is what we call the **"tax on impact"**.

Mature commodity markets operate at razor-thin margins. Carbon markets can operate at over 100%. The gap is staggering, and it is climate budgets and good intentions that pay the price.

By 2050, the carbon market is expected to reach $250 billion. But if half that value is extracted before it reaches project developers, the market will fail to move the dial. That outcome is not investible. It is not impactful. And it is not rewarding.

Tokenization and transparent market infrastructure can change this. By making every step auditable, revealing where spreads and dislocations occur, and minimizing unnecessary extraction, the "tax on impact" can be dramatically reduced.

A system with no hidden fees, no centralised beneficiary, and no rent-seeking middlemen can endure. It can earn user trust, secure buy-in, and create an onchain market with real staying power.



V. Value Creation - The Paradox of Climate Finance

Today, fortunes in the carbon market flow to those who play the incentives well:

Supply: investing early in the right project.

Trading: capturing spreads as credits change hands.

Retirement: securing the marquee Fortune 500 buyer.

These moves are rational. They make sense within the current system. But they also concentrate value, leaving most stakeholders as price takers rather than value creators.

But getting to net zero doesn't have to be a zero-sum game.

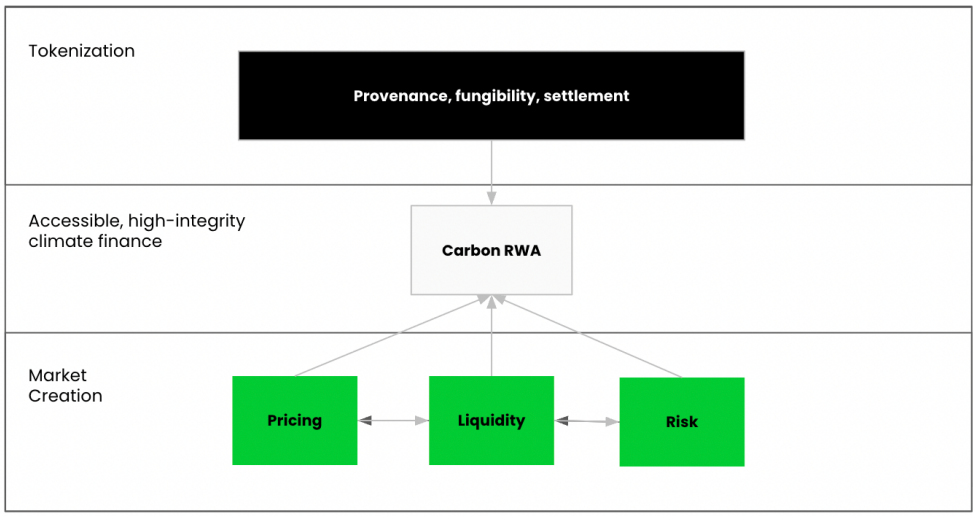
And it won't be.

The race to the bottom in spreads and extraction is already underway. The real opportunity lies in reimagining the market's operating system.

Suppliers can shift from price takers to price setters, empowered by infrastructure that gives them leverage.

Retirees can benefit from full transparency and provenance, ensuring their dollars deliver real climate impact.

Capital providers can shape and curate markets in ways that reward both return and integrity.



This is the promise of Web3: an opt-in, level playing field where transparent data, fast exchange, and collective participation align incentives for everyone.

VI. The Protocol -
An efficient economy.
A network economy.

Blockchain makes efficiency possible. Klima delivers it to the carbon markets.

We are deploying open-source, auditable infrastructure that allows a carbon credit to move seamlessly through its entire lifecycle. It is open for anyone in the carbon market to use, without fees or barriers.

The benefits are clear: greater transparency, deeper liquidity, lower spreads, and stronger trust.

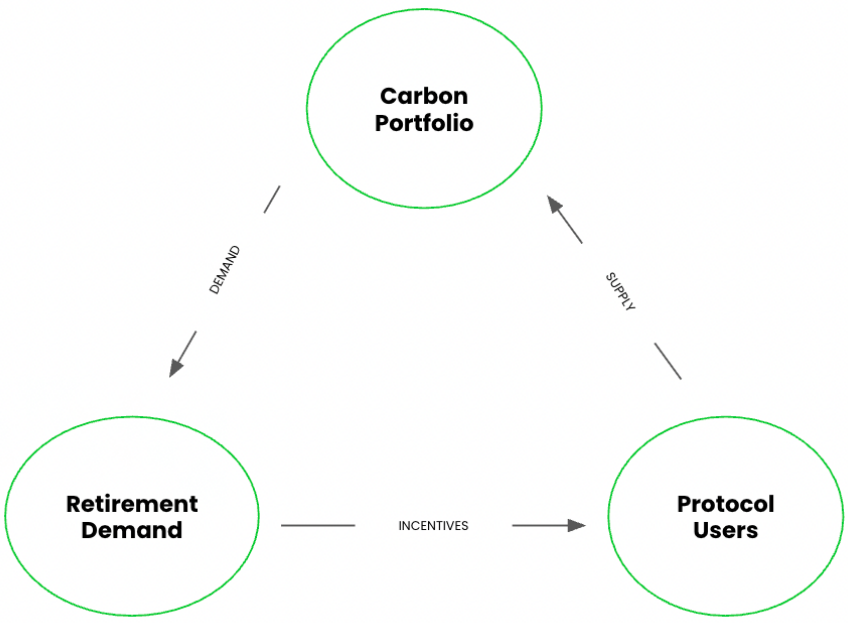
The Protocol goes further by aggregating, pricing, and curating carbon credits into a shared portfolio. This portfolio is represented through the **$kVCM token**, which is designed to grow in supply as the portfolio grows, and shrink in supply as the portfolio sells retirements. Alongside it, the **$K2 token** supplements governance and liquidity.

Together, these tokens create a system where participants who provide value, by contributing liquidity or informing price discovery, share directly in the outcomes. Influence is earned through participation, and rewards circulate back only to those who strengthen the system.

There is no centralised intermediary. There are no fees.
There are no investors to pay back.

Project developers, carbon holders, and demand-side participants can all transact through the Protocol. As credits move through the system, the efficiencies of transparency, liquidity, and fairer pricing compound.

The result is a networked economy that not only returns value to contributors but also coordinates stakeholders in service of a more robust and trusted carbon market.



VII. About Klima

The Klima Foundation was established in Switzerland in 2024 to bring structure, accountability, and governance to the work begun by KlimaDAO. Its mandate is to research and develop open-source, distributed ledger technologies that can play a tangible role in scaling environmental finance markets. The DAO formally conferred its assets to the Foundation that same year.

Launched in 2021, KlimaDAO was one of the first experiments in applying DeFi and onchain governance to climate finance. It amassed one of the largest treasuries of carbon credits onchain, while pioneering approaches to tokenized carbon and decentralized governance. These experiments surfaced both the potential and the limitations of early technologies like Automated Market Makers for pricing carbon.

Building on those learnings, the Foundation has funded the development of the Klima Protocol, a novel infrastructure layer for pricing and acquiring carbon credits, with support from 01X. It has also supported strategic ecosystem initiatives, including Kaudi, Carbonmark, and Klima Japan.

To learn more, visit **klimafoundation.com**