Aureus Earth Carbon Asset-backed Securities Explained

**Today’s Challenge**

**For Builders**
The cost of capital, combined with a premium for carbon-storing and low-embodied carbon building materials present significant obstacles to project financing and therefore to the adoption of impactful building materials.

**For Real Estate Investors**
Difficulty finding meaningful investments that provide valid environmental impact and positive financial returns.

**For Innovative Material Suppliers**
Despite offering highly impactful solutions, challenging economic models makes it difficult to secure adoption.

**What is Needed?**
An economic model that will untap the value in carbon storing and low-carbon building materials and create positive economic outcomes for builders, investors, and material suppliers.

**What are Carbon Asset-backed Securities?**
Aureus Earth Carbon Asset-backed Securities (CABS) are investments backed by carbon storage and reduction in construction projects. These assets are based on the amount of sequestered and reduced carbon emissions and the associated revenue stream.

**What is the Impact?**
The monetization of carbon creates a win-win for developers and investors. The enhanced project value from carbon revenue creates increased returns for developers and investors, prompting further investment in low-carbon construction. In turn, Aureus Earth’s Carbon Finance Platform will propel architects, engineers, contractors, developers, and investors to engage further in low-carbon building projects, accelerating decarbonization in the built environment.

**Aureus Earth Carbon Asset-backed Securities**
Services powered by the Aureus Earth Platform, Protocol, and IP

1. **IMPACT QUANTIFICATION**
   Aureus Earth quantifies and certifies the amount of carbon stored and reduced by a new building project.

2. **CARBON REVENUE CREATION**
   In collaboration with developers, Aureus Earth defines carbon-based revenue for the building, supported by building users in their lease payments, or retail or lodging purchases.

3. **ADDITIONAL EQUITY FUNDING**
   Aureus Earth and our equity partners pay into projects on a per-ton CO2 basis, with a payback based on carbon revenue.

4. **CABS REGISTRATION**
   Carbon Asset-backed Securities are created, registered, monitored, and tracked.

5. **IMPACT REPORTING**
   Carbon Asset-backed Securities are evaluated and audited for their ESG impact, delivering valuable information for impact reporting.

6. **DISTRIBUTE RETURNS**
   Carbon Asset-backed Securities investors receive a return based on every ton of CO2 stored and reduced in the project.

**OUTCOME**
Aureus Earth’s value creation is the catalyst to positive financial returns PLUS a decarbonized built environment.
Carbon Asset-backed Securities Q&A

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Are Carbon Asset-backed Securities a type of Carbon Insetting tool?

Yes, Carbon Asset-backed Securities (CABS) are a type of Carbon Insetting tool — a tool that allows multiple parties to capture and report the environmental and financial benefit of carbon storage and reduction in the built environment.

What are the advantages of Aureus Earth’s Carbon Asset-backed Securities?

CABS create impactful, quantifiable, and defensible positive environmental benefits while delivering financial returns to building project investors and providing meaningful equity financing sources for building developers.

What is the difference between Carbon Offsets and Carbon Insets?

Carbon insetting is when a company reduces emissions within their own value chain. These are known as Scope 3 emissions reductions. In comparison to the more widely known carbon offset where a project helps to reduce or mitigate emissions outside of a company supply chain through unrelated activities, carbon insetting allows a company to reduce emissions within its own value chain, creating more meaningful reductions within the heavy-emitting construction industry. Aureus Earth’s Carbon Asset-backed securities are only applied against Scope 3 emissions reductions for organizations that have direct supply chain connections to the building(s). CABS cannot be used as offsets. To learn more, we suggest the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, found here.

How does Aureus Earth ensure proper usage and accounting of CABS?

The Aureus Earth registry assigns a unique ID, tracks, traces, retires, and reports each ton of CO2 stored and reduced by a building project. The information stored in our registry serves as the basis for CABS and cannot be transferred to an outside party for use as a carbon offset. Our registry also ensures that similar parties do not use the same tons of CO2 stored and reduced in their Scope 3 reporting. For example, the Aureus Earth registry prevents two commercial tenants from claiming the same carbon storage and reduction on their Scope 3 reporting.

How do I learn more about Aureus Earth’s Carbon Asset-backed Securities?

We invite you to visit our website and fill out our easy contact Inquiry form. We will get back to you promptly.