

Evaluating Sustainability in Non-Fungible Tokens (NFT) Deals



— Meet the Team



Team Leaders: Jeff and Sally
Team Members: Anya, Natalie, Pei Xi, Sofija

— Background

What is an NFT?

- Digital tokens that are linked to physical or digital items (art, videos, real estate... etc.)
- Transactions recorded on the blockchain
- Highly energy intensive

Scope of our Research:

- Evaluate Environmental & Social Impact
- Advise UCLA Stakeholders

Key terms:

Blockchain - a shared, distributed digital ledger

Proof-of-work - highly energy intensive blockchain consensus mechanism

Proof-of-stake - less energy intensive blockchain consensus mechanism

Sidechain - a smaller blockchain linked to a larger blockchain



— Variables of study

How are
licensing
departments
evaluating
NFTs?

How are
NFT companies
monitoring their
environmental
impacts?

How do
individual
athletes view
NFT deals?

— NFT Providers/Licensees

Methods:

Informational interviews to learn about perspective of NFT industry players. Three focuses:

1. Product and process
2. Sustainability measures
3. Future sustainability roadmap

— NFT Providers/Licensees

Findings:

Sustainability as a weak point for the industry

General awareness of sustainability challenges, although responses vary

- Spotlight: Polygon, carbon offsets
- Concerns of greenwashing

— University Informational Interviews

Procedures and Methodology:

- Informational interviews with Pac-12 schools/affiliates
- General questions + Sustainability questions

Benefits of interviews:

- Qualitative data
- Ability to elaborate

— University Informational Interviews

Findings:

- Universities are still learning about NFTs
- Variation in attitudes towards NFTs
 - Some were comfortable with NFTs
 - More technical knowledge → more concern

— Focus Groups

Recruitment:

- Survey posted in dormitories on the Hill

Findings:

- Considerations for NIL deals: product, company's values
- NFT deals reserved for best athletes
- Perception that NFTs have low environmental impact

— EDI

- Understanding athletes perspectives
- Including them in the conversation
- Decision-making process: ethical and inclusive for all parties



— Deliverable

Rubric

- Considerations and recommendations made by our team

How it will work

- Point system

How it will be used

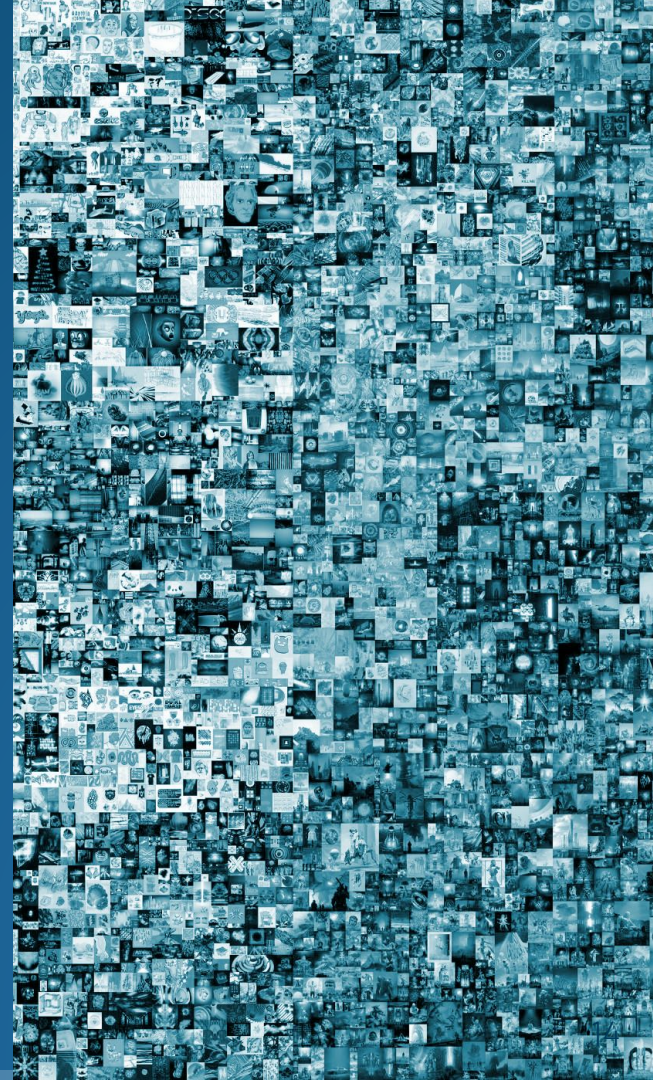
- By UCLA Trademarks and Licensing to assess whether to pursue deals

— Sample deliverable

	Less sustainable ← → More sustainable		
Blockchain	Ethereum, other Proof-of-work	Proof-of-stake Ethereum sidechain (Polygon, Palm)	Independent Proof-of-stake (eg. Solana, Tezos, Flow)

— SIGNIFICANCE

- Building sustainable practices in collegiate licensing and beyond
- Education and awareness
- Sustainability in Web3



FUTURE

Future research:

- NFTs in the larger college ecosystem
 - Microcredentials
 - Student artists
 - Research publications
- More technical research
 - Life-cycle assessment

THANK YOU!

