

Continuation on the [Lido on L2: first launches](#) topic

TL;DR

After the successful deployment of wstETH on Optimism and Arbitrum, the next deployment will be on Polygon. Considering the latest metrics of L2 usage, it is not surprising that DAO contributors see Polygon as the ideal target for the next wstETH deployment.

Execution plan

1. Research setup options - Shard Labs, Lido DAO Polygon native team
- 1.1. Usage of non-upgradeable contracts as token is already mapped on the Polygon bridge.
- 1.2. Rely on ChainLinks oracle for price and conversion ratios
 1. wstETH is bridgable via Polygon canonical bridge (was already mapped and ready)
 2. Give rapid adoption to wstETH by utilizing existing stMATIC partnerships
 3. Incentivized bootstrap phase - Powered by Lido and friends

Third launch

Lido DAO has chosen Polygon as its third launching location based on various factors such as the TVL, DeFi activity, market capture, growth potential, network security track record, and the presence of Lido's partners on the network. Moreover, Lido's potential exposure to traditional tech companies that have signed collaborations with the Polygon Foundation has also influenced this decision.

To further expand into Layer 2, Lido will begin by bridging its Ethereum staking token to Polygon while maintaining the main properties of its yield-bearing token. Due to the rebasing nature of stETH, bridging it to other networks requires additional complexity, so Lido has decided to use the wrapped version of stETH, called wstETH, which was also used on Optimism and Arbitrum. This approach will simplify and expedite protocol integrations.

Technical details

The development lift required for bridging wstETH on Polygon is much simpler than that of Optimism and Arbitrum. This process will use [Polygon canonical bridge](#), but it comes with a downside of lack of upgradeability. The Lido DAO team will address this issue with more focus and capacity after the Shanghai/Capella upgrades.

To provide the ratio natively on Polygon, wstETH will use [Chain Link wstETH:ETH oracle](#).

Incentivization

Incentivization will be done through the existing Polygon reWards committee multisig based on March preallocated budget [here](#).

The [multi-sig address](#) on the network is:

- Polygon: [0x87D93d9B2C672bf9c9642d853a8682546a5012B5](#)

While the multi-sig composition is 2/3 of

- [@kadmil](#)
- with address 0x6f5c9B92DC47C89155930E708fBc305b55A5519A
- with address 0x6f5c9B92DC47C89155930E708fBc305b55A5519A
- [@shardyaco](#)
- with address 0x59d07dc34B135B17b87840a86BFF7302039E7EDf
- with address 0x59d07dc34B135B17b87840a86BFF7302039E7EDf
- [@marin](#)
- with address 0x04e7C0350241b818eE5c92cc260008C9898F41cf
- with address 0x04e7C0350241b818eE5c92cc260008C9898F41cf

Next steps

1. Marketing and PR
2. Initial TVL Deployment by partners on Balancer and Kyberswap
3. Wide-spread protocol onboarding and utilization of wstETH on Polygon