# Information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism

## Bitcoin (BTC)

Mandatory information on the main adverse effects on the climate and other environment-related adverse effects of the consensus mechanism.

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| **General information** | | |
| S.1 | Name | KBC Bank NV |
| S.2 | Legal Entity Identifier | 6B2PBRV1FCJDMR45RZ53 |
| S.3 | Name of the crypto-asset | Bitcoin (Digital Token Identifier: 4H95J0R2X) |
| S.4 | Consensus Mechanism | Bitcoin uses Proof of Work (PoW), a consensus mechanism where miners solve cryptographic problems to propose new blocks. PoW ensures decentralized consensus and protects the network by requiring significant computational effort, making malicious activities such as double-spending more difficult. The first miner to find a valid block hash is entitled to propose a block, which is verified and added to the blockchain. This mechanism aligns incentives and maintains confidence without a central authority. |
| S.5 | Incentive Mechanisms and Applicable Fees | Bitcoin miners are incentivized through the block reward, which consists of the block subsidy (new bitcoins issued) and transaction fees. The block subsidy is halved every 210,000 blocks, approximately every four years, until the total supply of 21 million bitcoins is reached. Transaction fees are the dynamic component of the block reward, determined by user demand for space on the block. Miners prioritize mempool transactions with the highest rates per byte to maximize their revenues. |
| S.6 | Beginning of the period to which the information disclosed relates | 2026-02-16 |
| S.7 | End of the period to which the information disclosed relates | 2027-02-16 |
| **Mandatory key indicator on energy consumption** | | |
| S.8 | Energy consumption | 185,090,000,000 kWh per year |

| Sources and methodologies | | |
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| S.9 | Energy consumption sources and methodologies | Source: Cambridge Centre for Alternative Finance. Cambridge Bitcoin Electricity Consumption Index (CBECI).<br>Notes: The methodology is based on a top-down hybrid approach that combines network activity hashrate data with assumptions about overall hardware usage based on a break-even point. Complete description of the methodologies available at: Cambridge Blockchain Network Sustainability Index: CBECI: Methodology |