



2023 Greenpeace USA Bitcoin Finance Report

Investing in Bitcoin's Climate Pollution: Big Finance is Betting on Dirty Bitcoin

Fact Sheet

Summary

Greenpeace USA's groundbreaking report exposes the country's top financial institutions, including BlackRock, Fidelity, Vanguard, CitiGroup, JPMorgan Chase, Goldman Sachs, Visa, Mastercard, and American Express, for shamefully ignoring the climate catastrophe caused by their Bitcoin investments and products. The report takes a deep dive into the Bitcoin investments made by nine of the largest financial institutions with climate commitments or ESG goals. The report highlights the race to the bottom—leading the way are BlackRock and JP Morgan Chase.

Greenpeace is asking these financial institutions to take responsibility for Bitcoin's climate impact and innovate for a warming world. They must acknowledge the problem, support a code change for a cleaner protocol, fund sustainable initiatives, and pause expansion until a code change addresses Bitcoin's climate impact. By addressing Bitcoin's climate pollution, they can secure its place in the financial sector's future and contribute to global climate objectives.

Key Findings

Key Finding 1: Major financial institutions are accelerating Bitcoin's climate destruction

- Financial services companies, including American Express, Visa, Mastercard, Vanguard, BlackRock, Fidelity, JPMorgan Chase, Citigroup, and Goldman Sachs, are accelerating Bitcoin's climate impact by facilitating broader adoption and supporting growth in Bitcoin exchange value.
- Greenpeace USA's evaluation of nine financial institutions found a lack of concrete plans in the financial services industry to reconcile Bitcoin exposure with climate pledges and sustainability programs.
- By supporting Bitcoin, financial institutions are impeding progress on climate goals and making it harder for Bitcoin to evolve beyond proof-of-work (PoW) mining.

Key Finding 2: Support from asset managers, banks, and payment processors is critical to cleaning up Bitcoin

- Shifting away from energy-intensive proof-of-work (PoW) mining to a less energy-intensive consensus mechanism can significantly reduce Bitcoin's carbon and environmental footprint.
- Financial institutions have the resources and influence to encourage the development and implementation of a new Bitcoin consensus mechanism.
- To date, all major financial institutions covered in this report have failed to account for or acknowledge Bitcoin pollution.



Key Finding 3: BlackRock and Chase are the worst offenders in the asset manager and bank categories, respectively

- While all nine companies have Bitcoin ties and continue to do nothing about its climate problem, BlackRock and Chase stand out as the worst offenders.
- As the world's largest asset manager, BlackRock is uniquely positioned to support developing and implementing a new consensus mechanism to replace Bitcoin's PoW protocol.
- Of companies Greenpeace USA evaluated, BlackRock is the highest in Bitcoin exposure, including with mining investments of \$585 million and a portfolio of Bitcoin-backed products and services that support broad adoption
- To date, BlackRock management has remained silent on Bitcoin's climate impact, despite the company's climate pledges.
- As the world's largest bank by market cap, JPMorgan Chase has an opportunity to lead the banking sector in cleaning up Bitcoin. Instead, it's facilitating Bitcoin's broader adoption while disregarding the climate impact of PoW mining.
- The company is the second-largest Bitcoin mining investor among the banks investigated in this report and offers Bitcoin-related investment services. In the context of its brand recognition and net-zero pledges, Chase's silence on Bitcoin's climate impact is a primary obstacle to cleaning up Bitcoin.

Finding 4: Cleaning up Bitcoin will require a collaborative effort involving stakeholders from the financial services industry and the Bitcoin community, among others.

- Collaboration among stakeholders, including miners, developers, crypto companies, financial institutions, and climate experts, is essential to clean up Bitcoin.
- Financial companies can support startups, developers, and working groups that are developing solutions to mitigate Bitcoin's climate impact.
- To accelerate this process, Greenpeace USA calls on financial institutions to publicly acknowledge Bitcoin's pollution and negative impacts, support a code change, and participate in collaborative efforts.

What the Report Proposes

Greenpeace USA is calling on large financial companies to initiate the conversations and collaborations necessary to develop and implement Bitcoin's evolution toward a carbon-free system. Companies could fund startups and developers creating new clean consensus mechanisms and blockchain technologies, and support working groups and alliances with industry organizations and nonprofits developing solutions.

Specifically, we are demanding the financial institutions covered in this report do the following:

- Publicly acknowledge Bitcoin's pollution and its negative impacts to the climate and communities
- Publicly support a code change that switches Bitcoin to a cleaner protocol that does not rely on energy and carbon-intensive digital mining
- Participate in convening experts, industry, and policymakers to create a new consensus



mechanism that uses dramatically less energy and ushers in a clean-future for Bitcoin

- Fund startups, nonprofits, academics, and other developers that are working on sustainable blockchain technologies and ways to change Bitcoin's code
- Until a new consensus mechanism is developed and meaningful progress is made toward its implementation, pause further Bitcoin expansion, including:
 - New partnerships and investments with exchanges and mining companies
 - New services that facilitate bitcoin transactions and investing
 - New products that support Bitcoin

Bitcoin revolutionized cryptocurrencies when it launched in 2009. It now has the opportunity to show the strength of its community by creating a new secure, decentralized consensus mechanism that is aligned with a livable planet.

Methodology

Based on the extent of investments in Bitcoin mining companies, services and products that support using and investing in Bitcoin, company climate commitments, and the ability to effect change, we have evaluated the institutions in each section. Our findings reveal that BlackRock and Chase are uniquely positioned to be leaders in the fight against Bitcoin pollution. However, it is concerning that all companies invest in Bitcoin while ignoring its environmental damage and climate pollution.