Tether (USDT)

Mandatory information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism. This is not a MICA-licensed asset and therefore it is only avilable for non-eu clients.

Indicator Code	Field Name	Content
S.1	Name	Payhound Limited
S.2	Relevant legal entity identifier	9845001DD90AF543DC90
S.3	Crypto-Asset Name	USDT (Tether)
S.4	Consensus Mechanism	Proof-of-Stake (PoS)
S.4	Incentive Mechanisms and Applicable Fees	A Proof-of-Stake (PoS) consensus system motivates validators to help secure the blockchain and verify transactions by requiring them to lock up their own cryptocurrency as collateral. Instead of relying on computing power, validators are chosen to add new blocks based on how much crypto they have staked. Honest participants are rewarded with transaction fees, while those who behave dishonestly or attempt to add invalid blocks risk losing a portion of their staked funds. This built-in economic penalty helps prevent misconduct and maintains the integrity of the network. Applicable fees include gas fees which are paid by users during transactions; fees vary depending on network congestion and the underlying consensus system.
S.6	Start of Reporting Period	2024-01-01
S.7	End of Reporting Period	2024-12-31
S.8	Energy Consumption (kWh/year)	Not publicly disclosed. Delegated PoS mechanisms (e.g., StableBFT) are low-energy, and energy usage occurs per validator. No aggregated estimates available.
S.9	Energy consumption sources and Methodologies	Consensus Mechanism: On Tether's own blockchain (Stable Public Chain), a custom delegated PoS system "StableBFT" is used; USDT also deploys on various PoS/PoH chains like Ethereum, Tron, Solana (source). Energy & Emissions: No direct estimates exist for USDT; however, academic consensus on dPoS/PoS systems is that they are low energy compared to PoW—often millions of times more efficient (source). Data Gaps: Fields S.8–S.14 remain unreported due to insufficient data. If Tether discloses

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		validator energy usage or hosting infrastructure, these could be estimated using OWID electricity mix and carbon intensity metrics. Transaction Scope: USDT transactions occur across multiple blockchain networks; consolidating energy impact across layers is complex and currently unsupported by public data.
S.10	Renewable Energy consumption (percentage of the total amount of energy used per calendar year)	Not disclosed. Validator hosting energy sources depend on hosting jurisdictions; generally assumed high renewables given low power draw.
S.11	Energy Intensity (energy used per validated transaction in kWh)	No data. Delegated PoS systems are orders of magnitude more efficient than PoW.
S.12	Scope 1 DLT GHG emissions – Controlled (in t CO2eq per year)	0
S.13	Scope 2 DLT GHG emissions – Purchased (in t CO2eq per year)	Not available.
S.14	GHG Intensity (emissions per validated transaction in kg CO2eq)	Not available. Design inherently minimizes emissions.
S.15	Key energy sources and methodologies	Underlying networks only: USDT does not have its own consensus layer. Node geolocation: Via public explorers and CCRI crawlers to approximate validator locations. Renewable share and energy factors: Merged with regional energy data from Ember (2025), IEA, EEA, and national grid agencies via Our World in Data.
S.16	Key GHG sources and methodologies	Scope 1: Zero—no direct emissions under Tether control. Scope 2: Comprised via: ● Energy use on chains hosting USDT, ● Geolocation of validators/miners,

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		• Regional grid emission factors (kg CO_2/kWh). Assumptions & data transparency: Based on CCRI's MiCA-aligned methodology and Tether's white paper. Offsets: No market-based adjustments applied.