

BRIEF SUMMARY OF ZEMBA'S SECOND TENDER SUSTAINABILITY FRAMEWORK

To support the creation of bids for ZEMBA's e-fuel focused second tender, bidders should refer to ZEMBA's Sustainability Framework. A comprehensive review of the sustainability framework and other tender requirements is available in the Round 2 Design Summary.

Key components of ZEMBA's Sustainability Framework are outlined below.

ZEMBA Eligible Fuel Requirements

ZEMBA will require all bids for its second tender to use **e-fuels** and achieve a **90% GHG emissions reduction** compared to low sulfur fuel oil for primary propulsion.

This document outlines ZEMBA's guidelines and requirements related to how a fuel's eligibility will be assessed. Key categories include:

- Emissions reduction threshold
- Sustainability certification
- Fuel pathway
- Scalability
- Fuel deployment and fuel use verification requirements

ZEMBA Emission Intensity Calculation Requirements

Through ZEMBA, freight buyers are purchasing the **environmental attributes (emissions reduction) associated with zero-emission shipping**. Based on best-in-class guidance, the emissions reductions procured through ZEMBA's tenders are linked to the **real-world decarbonization of actual transport activity**.

To ensure bidders follow GHG emissions **calculation, reporting, and verification best practices**, ZEMBA developed updated Emission Intensity Calculation Requirements to track:

- Fuel emissions factors
- Transport activity associated with those fuels, and
- Ensure robust independent certification and verification

ZEMBA Additionality Statement

Through ZEMBA, freight buyers are demonstrating climate leadership by **voluntarily making investments** to decarbonize their value chain **going above and beyond regulatory requirements**. This distinction is crucial.

To best support members' voluntary investments, ZEMBA is adopting the **Atmospheric Benefit Principle**, which states that value chain GHG mitigations must go beyond mitigation required by regulation.

This policy strikes the balance between the **integrity of the environmental claims** generated through ZEMBA while still allowing bidders to **leverage government support** for sectoral decarbonization.