

Mandatory information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism

N	Field	Content
General Information		
S.1	Name	Zillion Bits Ltd
S.2	Relevant legal entity identifier	254900FESD7AF56FOQ37
S.3	Name of the crypto-asset	Melania Meme (MELANIA)
S.4	Consensus Mechanism	<p>MELANIA relies on the Solana chain, which employs a hybrid consensus mechanism combining Proof of History (PoH) with Proof of Stake (PoS). Proof of History is a sequence of computations that provides a digital record of the passage of time between events, acting as a cryptographic clock that enables the network to agree on time and sequence without relying on traditional timestamps. This innovation allows Solana to achieve high throughput by establishing a reliable time source for the network, reducing communication overhead between nodes when validating transactions.</p> <p>The Proof of Stake component of Solana's consensus mechanism requires validators to stake SOL tokens as collateral to participate in transaction validation and block production. Validators are selected to produce blocks based on their proportional stake in the network, with those holding larger stakes having a higher probability of being chosen. This economic model incentivises validators to act honestly, as they risk losing their staked tokens if they attempt to validate fraudulent transactions.</p> <p>Unlike Proof of Work systems that require energy-intensive mining, Solana's PoH+PoS approach significantly reduces energy consumption while maintaining decentralisation and security. The network uses a leader rotation system where validators take turns producing blocks, with the schedule determined by the PoH sequence and weighted by stake.</p>
S.5	Incentive Mechanisms and Applicable Fees	MELANIA relies on Solana's consensus mechanism, which employs a sophisticated incentive structure to secure transactions and maintain network integrity. Validators earn

		<p>rewards through a combination of inflation-based staking rewards and transaction fees, creating economic motivation for honest participation. The network distributes part of its total supply annually as inflation rewards, which gradually decreases over time according to a predetermined disinflationary schedule. These rewards are allocated proportionally based on stake weight, with validators typically sharing a portion of their earnings with delegators who contribute to their stake pool.</p> <p>Transaction fees on Solana follow a market-based pricing model where users bid for block space through a fee priority mechanism. Unlike many blockchains, Solana does not burn transaction fees but instead redirects them to validators as additional compensation. This fee structure incentivises validators to process transactions efficiently while maintaining network security.</p> <p>The network employs several technical mechanisms to reinforce these economic incentives, including leader rotation based on stake weight, slashing penalties for malicious behaviour, and vote credits that reward consistent participation. Validators must maintain high uptime and performance standards to maximise rewards, as missed vote opportunities result in reduced earnings. This creates a self-reinforcing system where validators are financially motivated to invest in reliable infrastructure and honest operation, directly contributing to Solana's high throughput and low latency.</p>
S.6	Beginning of the period to which the disclosure relates	2025-02-01
S.7	End of the period to which the disclosure relates	2025-03-31
Mandatory key indicator on energy consumption		
S.8	Energy consumption (kWh/year)	578.70000
Sources and methodologies		
S.9	Energy consumption sources and methodologies	<p>The methodology calculates the MELANIA environmental sustainability indicators in compliance with EU Commission Delegated Regulation (EU) 2025/422.</p> <p>The energy consumption calculation for MELANIA token employs a transaction-based attribution methodology whereby the methodology attributes energy use proportionally to the token's share of total Solana network transactions, using Solana's verified energy efficiency metric. Data sources</p>

		<p>include Solana's projected annual energy consumption and real-time blockchain explorers (explorer.solana.com) tracking transaction volumes.</p> <p>The calculation assumes (i) consistent annualised energy efficiency metrics given the recent launch of MELANIA; (ii) proportional allocation based on transaction count rather than computational complexity; and (iii) a network transaction share, derived from historical and observable patterns of both MELANIA and comparable tokens on Solana.</p> <p>This approach balances regulatory requirements with operational practicality, avoiding reliance on third-party ESG ratings while providing auditable calculations. The methodology allows a $\pm 15\%$ margin of error in estimates.</p>
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