TCFD Report - SB261 Compliance

Table of Contents

1 Compliance Statement

Reporting Framework and Scope of Disclosure

This report has been prepared to meet the requirements of California Health and Safety Code § 38533 (SB 261). Our disclosure aligns with the requirements outlined in the California Air Resources Board (CARB) Draft Checklist by utilizing the structure of the Task Force on Climate-related Financial Disclosures (TCFD). Our report provides the following disclosures across the four TCFD pillars:

Governance:
Lime's governance structure for identifying, assessing, and managing climate-related financial risks.

Risk Management:
How Lime identifies, assesses, and manages climate-related risks, including the integration of these processes into our overall risk management.

Strategy:
The actual and potential impacts of identified risks and opportunities on our operations, strategy, and financial planning, alongside a qualitative discussion of strategy resilience.

Metrics & Targets:
The metrics and targets used to manage relevant risks and opportunities.

GHG Emissions:
We are voluntarily including data for Scopes 1, 2, and 3 from 2019 to 2024. This data is unaudited.

Disclosures and Future Plans

This report makes a good faith effort to comply with the initial requirements of HSC § 38533. We note the current limitations in our strategy disclosure and our plan for subsequent biennial reports: As the formal process for climate risk assessment is currently being integrated into our enterprise strategy, we are providing a qualitative discussion of strategy resilience, but at this time are not providing specific time horizons for identified risks and opportunities, nor a quantitative scenario analysis recommended by the TCFD framework. To close these gaps, we plant to perform a climate risk assessment and scenario analysis in 2026. This assessment will establish these time horizons and provide the necessary inputs to perform a robust quantitative scenario analysis for inclusion in our next biennial report.

2 Governance

Board Oversight of Climate-Related Risks and Opportunities

Oversight of climate-related issues is integrated into the highest level of the organization's governance structure through the Board of Directors and its Audit Committee, as well as across the Executive Team.

Board of Directors:
The Board maintains broad oversight over all strategic risks impacting the company, including those related to climate change.

Audit Committee:
The Audit Committee of the Board has specific responsibility for exercising oversight over any matters that could materially impact the company's financial performance.

Informed Frequency:
The Board and its Audit Committee are informed about climate-related issues on an as-needed basis in order to exercise oversight over material impacts to the company and financial statements.

Management's Role in Assessing and Managing Climate-Related Risks

The daily implementation and monitoring of the organization's climate strategy and risks are managed by a combination of the Sustainability Council, which drives decarbonization efforts throughout the enterprise and reports directly to the Chief Executive Officer (CEO), and the company's Finance and Legal teams.

Composition and Mandate:
The Council is led by the VP of Sustainability and comprises senior leaders across the organization, including the CEO, Chief Operating Officer, Chief Business Officer, Chief Supply Chain Officer, and Chief Technology Officer. The Council is the driving force behind the company's decarbonization strategy, a central pillar of its sustainability focus.

Responsibilities:
The Council works cross-functionally to implement the decarbonization strategy and monitor progress towards Lime's net zero targets.

Informed Frequency and Metrics:
The Council is informed about climate-related issues on a quarterly basis. It evaluates progress using the targets described in the Metrics and Targets section of this report (e.g., Scope 1 & 2 absolute reduction, Scope 3 intensity reduction).

Finance/Legal:
The Head of Risk & Compliance leads the Enterprise Risk Management (ERM) process, working in close collaboration with the Finance team to identify, assess, and integrate climate risks using the COSO and ISO frameworks.
This approach ensures that climate risks are incorporated into internal resource allocation discussions.
The Legal and Finance teams advise on assessments of significant risks and applicable disclosures, supported by the Chief Legal Officer's sponsorship of the ERM program.

3 Strategy

Impacts of Climate-Related Risks and Opportunities

Lime's strategy is designed to position us as an impactful contributor to the low-carbon economy in alignment with our mission to build a future where transportation is shared, affordable, and carbon-free. The company has an ambitious decarbonization strategy designed to improve resource efficiency through enterprise-wide efforts including product design, operational practices, and strategy. Further, distributed across geographies by the nature of the business serving cities, the company is strategically positioned to meet the current and future demand for emissions-free, highly efficient urban transportation, supporting both financial stability and strategic resilience.

This discussion provides a preliminary, high-level overview of potential impacts. We expect to perform a formal, comprehensive climate risk assessment in 2026, which will provide quantitative physical risk modeling and assessment of transition risks and opportunities under a Below 2-Degree Scenario necessary for deeper strategic integration.

The following table describes the actual and potential impacts of identified climate-related risks and opportunities on our operations, strategy, and financial planning:

Risk Category	Risk Source	Potential Impacts on Strategy and Operations
Physical Risk	Environmental Hazards and Natural Disasters: Includes climate change effects and the increased frequency and intensity of extreme weather events	Financial and Operational: Can lead to increased asset damage, higher maintenance costs, and operational disruptions (e.g., fleet deployment halts) across local markets.
	Supply Chain Disruptions: Acute disruptions from extreme weather events	Operational/Financial: Increases supply chain volatility, potentially causing delays and raising the cost of critical vehicle components and battery sourcing.
	Transportation Disruptions: Delays and increased costs from extreme weather	Operational/Financial: Can cause logistical bottlenecks (e.g., port closures, road damage) leading to delays in vehicle or parts delivery, impacting market readiness and profitability.
Transition Risk	Climate Transition Risk & Regulatory Changes: Disruptions from policy changes, market preferences, or technology related to a low-carbon economy.	Regulatory/Financial: May need accelerated investment in R&D or cause rapid operational changes to comply with new city or regional climate regulations and mandates.
	Regulatory Compliance in Product Design: Risk of increased costs due to new environmental regulations.	R&D/Financial: Requires proactive monitoring of new material or design regulations, risking product delays or increased capital expenditure for compliance.
	Brand Reputation & Corporate Social Responsibility: Consequences of ineffectively managing climate-related contributions.	Strategic/Financial: Could negatively impact consumer preference, municipal contract renewals, and access to capital if public perception suggests a misalignment with stated climate goals.
Opportunity	Market Growth & Competitive Advantage: Our micromobility services replace short car trips.	Strategic/Financial: Positions the company for sustained revenue growth as cities and consumers increasingly prioritize decarbonized urban transportation, driving market share expansion.
	Climate Transition Opportunity & Regulatory Changes: Accelerating growth from policy changes, market preferences, or technology related to a low-carbon economy.	Regulatory/Financial/Strategic: The company would be well positioned to meet new city or regional climate or low carbon transportation regulations or incentives.
	Transportation Disruptions & Energy Price Volatility	Operational/Financial: The business is well positioned to meet growing demand for lower cost transportation and more energy-efficient options, particularly in the event of higher fuel and energy prices.

Resilience of Lime's Strategy

This section provides a qualitative discussion of our strategic resilience, as formal quantitative scenario analysis is on our risk reporting roadmap. Our strategy is built on two core principles of resilience: product durability and operational efficiency.

Product-Focused Resilience
Our strategy focuses on engineering vehicles and components for maximum longevity and repairability, as well as building in the operational practices to refurbish vehicles and their parts. This includes:

- Designing e-scooters and e-bikes in-house to be durable for the sharing economy and maximize life span as well as modular parts to enable repair and reuse.
- Operationalizing re-use and refurbishment best practices/global knowledge sharing, and recycling of parts to mitigate supply chain material risks
- Leveraging multiple, established supply chains across different regions as a derisking strategy.

Operational Resilience
We work to continuously increase efficiency and reduce external dependencies across our logistics and power sourcing:

- We are transitioning our operational fleet toward zero-emission vehicles (electric vans and e-trikes), which helps to reduce our exposure to fluctuating fossil fuel prices and comply with city-level restrictions on the use of internal combustion engine vehicles.
- Integrating modular, swappable batteries to reduce operational trips for charging and servicing.
- We demonstrate our commitment to low-carbon operations by powering all facilities and shared fleet with 100% renewable energy, a practice that helps to manage price volatility in non-renewable electricity markets.
- Sourcing lower carbon modes of logistics transport, such as zero emissions electric drayage and HVO100 medium distance truck freight.

4 Risk Management

Process for Identifying and Assessing Climate-Related Risks

Lime's process for identifying, assessing, and managing climate-related risks is integrated into our overarching Enterprise Risk Management (ERM) program. This approach ensures that climate-related financial risks are assessed consistently alongside financial and operational risks.

Our ERM program is built upon the COSO 2017 Enterprise Risk Management Framework and is guided by the ISO 31000:2018 Risk Management standard. The risk assessment process is conducted at the enterprise level, without segmentation by geography or specific business unit.

The process for identifying risks involves a multi-step approach:

External Risk Scan:
The ERM team, with input from key risk functions like Legal and SOX, developed a comprehensive risk universe by benchmarking against public company comparables and emerging risk trends.

Bottom-Up Survey:
A survey was deployed to senior leaders across all major business functions, who were asked to select and rank the top risks most likely to impact the company's Long Range Plan.

Analysis and Validation:
Survey responses and qualitative feedback were analyzed to identify key risk themes. These themes are then presented to the executive team for "top-down" validation, refinement, and final prioritization.

Categories and Criteria for Climate-Related Risk Assessment

Climate-related financial risks are not housed in a standalone category but are integrated within the broader ERM process. The enterprise risk register reflects climate risk in two primary ways: through specific risk definitions that explicitly mention climate drivers (e.g., "Climate Transition Risk"), and by identifying other broad risk categories (e.g., Supply Chain, Physical Assets) that are inherently impacted by climate-related factors.

The current risk assessment criteria are primarily qualitative, focusing on the potential impact and likelihood of each risk. This qualitative assessment, which incorporates senior leadership feedback, is used to tier risks for prioritization. The implementation of enhanced quantitative risk analysis is a planned future enhancement for our ERM program.

Risk Type	Risk categories included in ERM
Physical Risk	→ Environmental hazards and natural disasters: This is the primary category for physical risks. It includes climate change effects and the increased frequency and intensity of extreme weather events that may disrupt operations and supply chains. → Supply chain disruption: Includes acute disruptions, such as extreme weather events. → Transportation disruptions: Notes the potential for delays and increased costs from disruptions from extreme weather.
Transition Risks	→ Climate transition risk: Addresses disruptions from changes in policies, market preferences, or technology related to a low-carbon economy. → Regulatory changes: Includes the potential impact of new climate-related regulations affecting operations. → Brand reputation: Considers reputational damage from public perception of the company's "climate-related contributions". → Corporate social responsibility: Pertains to the consequences of ineffectively managing environmental and social impacts. → Regulatory compliance in product design: Captures the risk of redesigns or increased costs due to new environmental regulations.

Managing and Integrating Climate-Related Risks

The process for managing and integrating climate-related risks is currently focused on formalizing the foundational architecture of the ERM program.

Risk Management and Prioritization
Climate-related risks are currently embedded within broader categories and are not prioritized as a standalone enterprise risk. While the primary physical risk category of "Environmental Hazards and Natural Disasters" was highlighted as a higher risk by leadership, this prioritization was limited to the risk of operational and battery fire hazards, rather than broader environmental or natural disaster risks due to the highly decentralized nature of the business. Formal management and mitigation of these risks through the ERM program are currently being scoped and planned for a future development phase.

Internal Risk Management Governance
A high-level governance structure is defined for the ERM program, though it is not yet fully operational.

- → Executive Sponsor: The Chief Legal Officer sponsors the ERM program.
- → ERM Committee: The Executive Team serves as the ERM Committee, responsible for validating and prioritizing risks.
- → Risk Ownership: Formal assignment of risk owners has not yet occurred and is a key action item for the next phase of the ERM program.
- → Reporting: A formal reporting cadence and escalation path are currently under development. The future plan includes establishing formal ERM Committee meetings and providing reports to the Audit Committee, as well as an annual report to the Board.

5 Metrics & Targets

Lime has a comprehensive set of metrics and targets to monitor progress against climate-related risks and opportunities, which is focused on decarbonization across the value chain.

Targets for Managing Climate-Related Risk

Our core climate ambition is a commitment to achieving Net Zero emissions by 2030. This target was independently validated by the Science Based Targets initiative (SBTi), aligning our reduction efforts with the Paris Agreement's goal of limiting global temperature increases to 1.5 C.

Lime's emission reduction targets are set against a 2019 baseline year:

Scope 1 and 2 Absolute Emissions Target:
We are committed to reducing absolute Scope 1 and 2 GHG emissions by **90% by 2030.**

Scope 3 Intensity Target:
We are committed to reducing Scope 3 GHG emissions intensity* (per rider kilometer) by **97% by 2030.**

Key Metrics for Assessing Progress

As a growing business, we primarily measure progress using emissions intensity metrics, but we also track absolute emissions to demonstrate impact. Up to 2024, we have reduced absolute Scope 1 emissions 59% and Scope 2 emissions 96% form our 2019 baseline. The following metrics are monitored by the Sustainability Team to assess performance against targets and track climate-related opportunities (such as cost savings from efficiency):

Metric	2024 Performance Data	Description/Relevance to Risk
Total GHG Emissions	113,754 tCO2e	Absolute emissions, included as the most recent available data from our 2024 Carbon Inventory.
All Scopes Emissions Intensity	Measured in tCO2e/km	Primary metric for monitoring Scope 3 and overall transition risk exposure relative to business growth.
Emissions Breakdown	Scope 1: 2%; Scope 2: <1%; Scope 3: 98%	Shows that the value chain (Scope 3) accounts for nearly all emissions, validating our focus on the intensity reduction target.
Top Scope 3 Categories	Capital Goods (54%), Purchased Goods & Services (27%), Up-stream T&D (13%)	These three categories are the primary drivers of Transition Risk (e.g., supply chain risk) and inform strategic sourcing and logistics decisions.

*Includes emissions from purchased goods and services, capital goods, and upstream transportation and distribution.

Progress Against our Baseline

To provide context for our progress against our 2030 targets, the table below summarizes our Scopes 1, 2, and 3 GHG emissions from 2019 to 2024, utilizing data from our annual carbon inventories.

Metric	2019 (baseline year)	2020*	2021	2022	2023	2024	Baseline Comparison (2019 vs. 2024)
Total tCO2e	**138,844**	**32,578**	**69,343**	**116,123**	**97,240**	**113,756**	**-18%**
Scope 1	5,187	2,961	2,914	4,049	3,401	2,137	-59%
Scope 2	4,651	5,759	1,628	0	0	176	-96%
Scope 3	129,006	23,858	64,801	112,074	93,839	111,442	-14%
Emissions Intensity - Baseline Comparison (CO2e/1,000 km ridden)		**-56.1%**	**-43.6%**	**-36.4%**	**-59.5%**	**-66.8%**	

* Peak of the Pandemic & Extrapolation Methodology Used

Statement on Forward-Looking Information

This TCFD Report, prepared in compliance with California Health and Safety Code § 38533 (SB 261), contains forward-looking statements regarding the organization's sustainability strategy, goals, and initiatives.

These statements are based on current management expectations, estimates, and projections about our business, the micromobility industry, evolving regulatory landscapes (including the future development of the ERM program and climate risk assessment processes), and management's beliefs and assumptions. Forward-looking statements often include words such as "aim," "anticipate," "believe," "commit," "continue," "could," "estimate," "expect," "goal," "intend," "may," "plan," "seek," "should," "strategy," "target," or similar expressions.

These forward-looking statements are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict, including, but not limited to: the speed of regulatory changes (e.g., policy shifts), technological developments in low-carbon materials, competitive dynamics, acute supply chain disruptions from extreme weather events, and general economic conditions.

Furthermore, this report voluntarily includes unaudited Scope 1, 2, and 3 GHG emissions data from the 2024 Carbon Inventory. The metrics, targets, and forward-looking plans are based on methodologies and management assumptions that may be subject to change as our internal processes and external reporting standards evolve. Actual results may differ materially from those expressed or implied in these statements. We do not undertake any obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.