

Greenhouse Gas Report 2021



LIFTE^{H2}TM

Executive Introduction

“At COP 26, the global community agreed to continue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels by 2050. Clearly, this goal of limiting the impact of climate change requires deep and sustained emissions reductions on a global scale. At LIFTE we are motivated to roll-up our sleeves and do our part.

And even though LIFTE is in the business of delivering decarbonization solutions, we fully recognize that running our day-to-day operations has an impact on the environment. So from day one we set a company-wide objective of "zero harm to the environment". In practice, this means that we continuously measure our corporate emissions, we identify and reduce emission sources, and we offset any remaining environmental impact that we have.

2021 was an incredible first year for the company. We grew to nearly 30 staff in the US and Germany and began delivering real value to our customers. But this business growth did not come without an environmental impact. In 2021, LIFTE was responsible for approximately 35 metric tons of CO₂e emissions, coming primarily from business travel, employee commuting, and electricity and heat purchased at our Boston and Berlin offices.

As we look forward to an even more exciting 2022, with further expansion, we recognize that this will come with an increasing environmental footprint. Our goal for next year is to use the insights we generated in 2021 to ensure that our emissions do not increase disproportionately to our business growth. We also commit to fully offset all unavoidable emissions through several sustainability projects and partnerships.”

– Jeremy Maunus, Chief Operations Officer

Overview of Sustainability at LIFTE

Our Motivation:

LIFTE's mission is to empower energy intensive businesses to decarbonize by delivering clean, affordable, and innovative hydrogen solutions. With this mission in mind, we recognize that our own business operations, delivering these products and services to our customers, have an associated environmental impact. At LIFTE we are committed to minimizing this impact.

Our Sustainability Commitment:

LIFTE commits to zero carbon footprint.

Where possible, we strive to avoid carbon emissions.

Where not (yet) possible, we offset.

2021 Highlights:

In 2021, the company began its sustainability journey and took a number of tangible steps to meet our commitment.

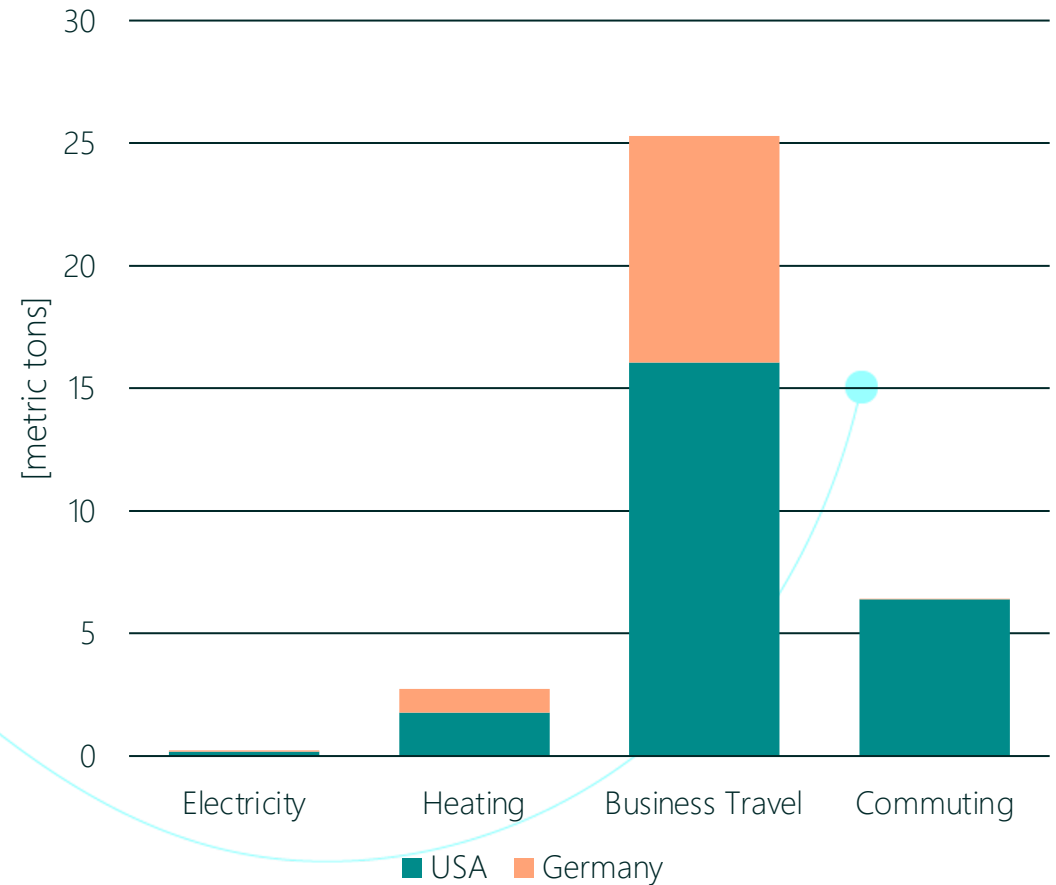
- We included the company's CO2 footprint on our company's quarterly scorecard.
- We formed an internal working group, comprised of staff and management, to drive sustainability initiatives forward.
- We provided several low-carbon transportation options for our employees to minimize the impact of commuting.
- We formalized our methodology for computing our GHG emissions, measured these emissions, and reported them.
- We engaged staff and voted on how to offset the emissions which could not be avoided.

Overview of LIFTE Green House Gas (GHG) Emissions

In 2021 the company's GHG footprint totaled an estimated 34.7 metric tons CO₂e from Scope 1, Scope 2, and Scope 3 emissions sources.

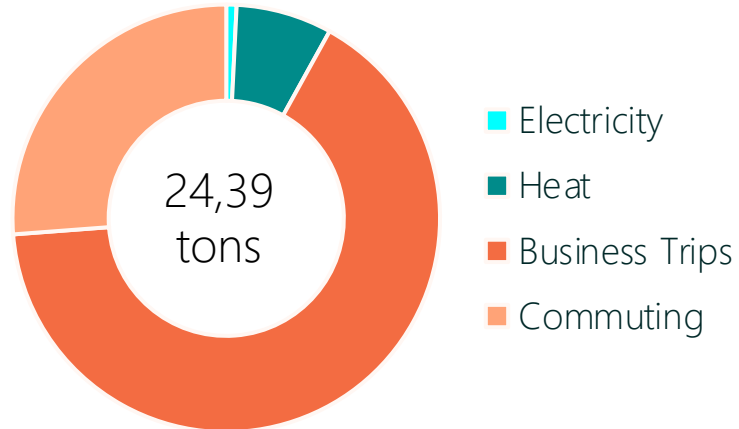
Across the company, our largest source of emissions was from international business travel (73%), with emissions from commuting (18%), heating (8%), and electricity (1%) making up the remainder of the balance.

The share of the company's footprint between its two hubs in Boston, USA (70%) and Berlin, Germany (30%) was in line with the average annualized staffing ratio between the two countries in 2021 (~2:1).



2021 GHG Emissions Across Our Locations

USA

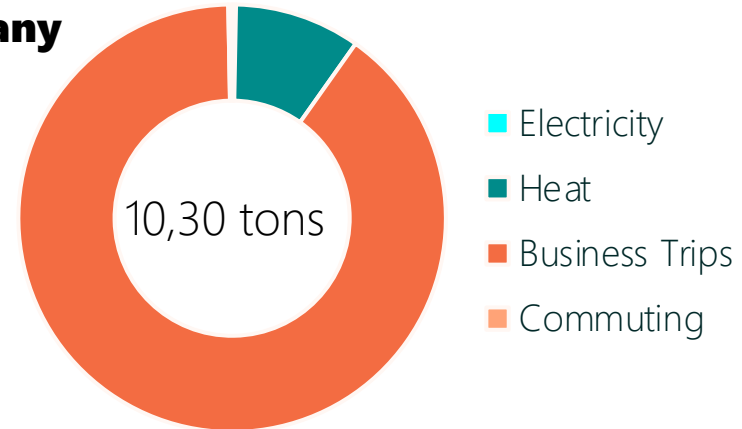


Business travel accounted for the largest source of emissions across our USA operations at nearly 67%. The US-based staff flew a total of approximately 98,500 miles in 2021 for business, resulting in an estimated 16 metric tons of CO₂e emissions.

Commuting accounted for the next largest fraction of emissions at 26% in the region. The US-based staff commuted 13,900 miles by car, 7,600 miles by bus, 1,200 miles by subway, 1,700 miles by train, and 7,300 miles by airplane in 2021.

At our facilities, heating of the company's Boston office location (by natural gas) accounted for approximately 7% of emissions in country, with electricity usage accounting for the remaining 1%.

Germany

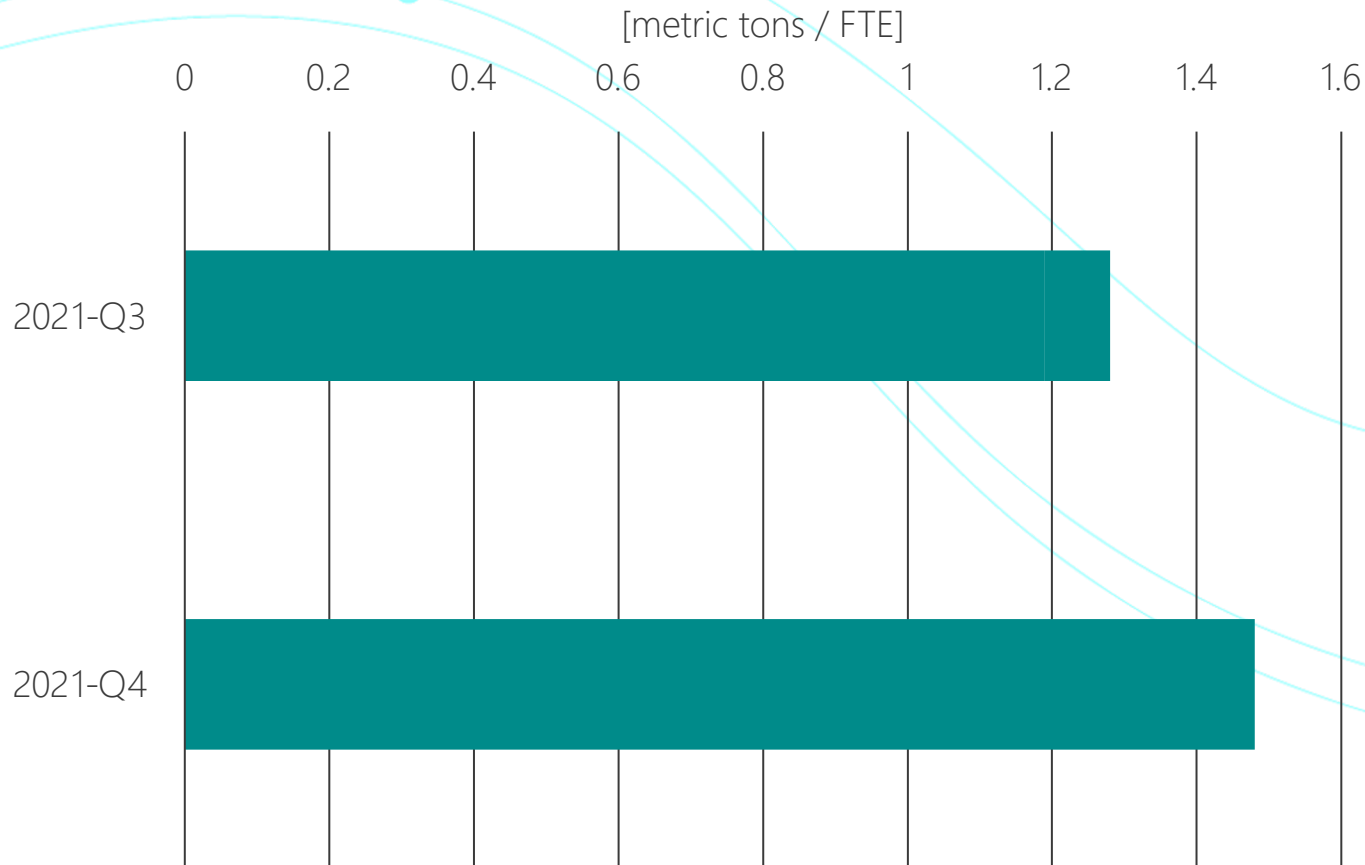


Business travel accounted for the largest source of emissions across our German operations at nearly 90%. The DE-based staff flew a total of approximately 54,300 miles in 2021 for business, resulting in approximately 9 metric tons of CO₂e emissions.

Commuting accounted for a minimal quantity of emissions in the region at <1%. The DE-based staff commuted nearly entirely by rail and subway, traveling a total of 80,500 miles by these low-emissions means in 2021.

At our facilities, heating of the company's Berlin office location (by natural gas) accounted for approximately 10% of emissions in country, with electricity usage accounting for the remaining <1%.

2021 GHG Emissions Per Employee



A critically important KPI we measure and report at LIFTE is GHG emissions per employee, on a full-time equivalent (FTE) basis.

In 2021, as we scaled the business, we increased our headcount by approximately 50% from Q3 to Q4, resulting in a corresponding increase in emissions per capita by nearly 17% from 1.28 to 1.48 tons/FTE.

In 2022 as we continue to expand our operations, we will aim to limit the growth in emissions per employee by furthering our sustainability initiatives. Additionally, we will begin to formally benchmark our performance against companies in relevant industries.

Offsetting Our 2021 GHG emissions

Employee Engagement and Approach to Selecting Carbon Offset Projects

At LIFTE we commit to a net zero footprint and hence for 2021, we are responsible for offsetting 34.7 metric tons of CO₂e from unavoided emissions.

In December, the sustainability working group engaged all employees to determine how the company should offset these emissions. Key considerations included: organization reputation, project location, project type (e.g. forestry, renewable energy, recycling, etc), cost per ton CO₂e, and certification standards. Five options, from over a dozen initially screened, were presented and brought to a vote, with the company deciding to split the required offsets between two organizations.

“Being able to contribute to projects that we could visit and attribute directly to the company I know were key factors for many people in making their decision.”

– Paul Karzel, MD LIFTE GmbH

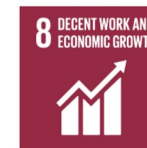
LIFTE’s First Carbon Offset Project



By partnering with Reforest the Tropics (RTT), we will offset a portion of our emissions by converting 2 hectares of land in Costa Rica to a sustainably managed forest. Through RTT's years of experience, each hectare of land will remove and store an average of +20 tons of CO₂ a year over the life of the forest. In addition, these forests will improve biodiversity and ecological health in the region, while creating a sustainable source of income for partner farmers.

ABOUT RTT

In collaboration with their supporters, Reforest the Tropics has sequestered 67,000 metric tones of carbon, restored more than 825 acres of habitat, and provided a sustainable source of income for 14 farmers. RTT work supports 5 of the United Nations' 17 Sustainable Development Goals.



A Look Ahead to 2022

In 2022 LIFTE will build upon the sustainability work done in 2021 focusing on:

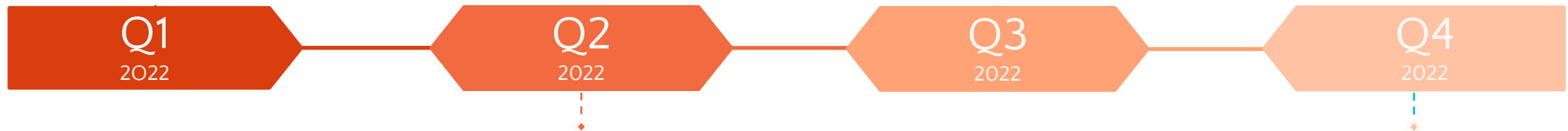
- Streamlining and improving emissions measurement and reporting
- Limiting emissions per FTE through additional sustainability initiatives
- Continuing to offset unavoidable emissions

Quarterly Roadmap

Expand the scope/definition of the company's carbon footprint

Improve data capture and reporting systems

Implementation of emissions-reducing measures



Development of proposals to reduce our GHG emissions per FTE

RTT forest planting

Climate-neutral certification for at least one of our products or services

