



INTERIM ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT 2022

SUSTAINABILITY AT LI-CYCLE





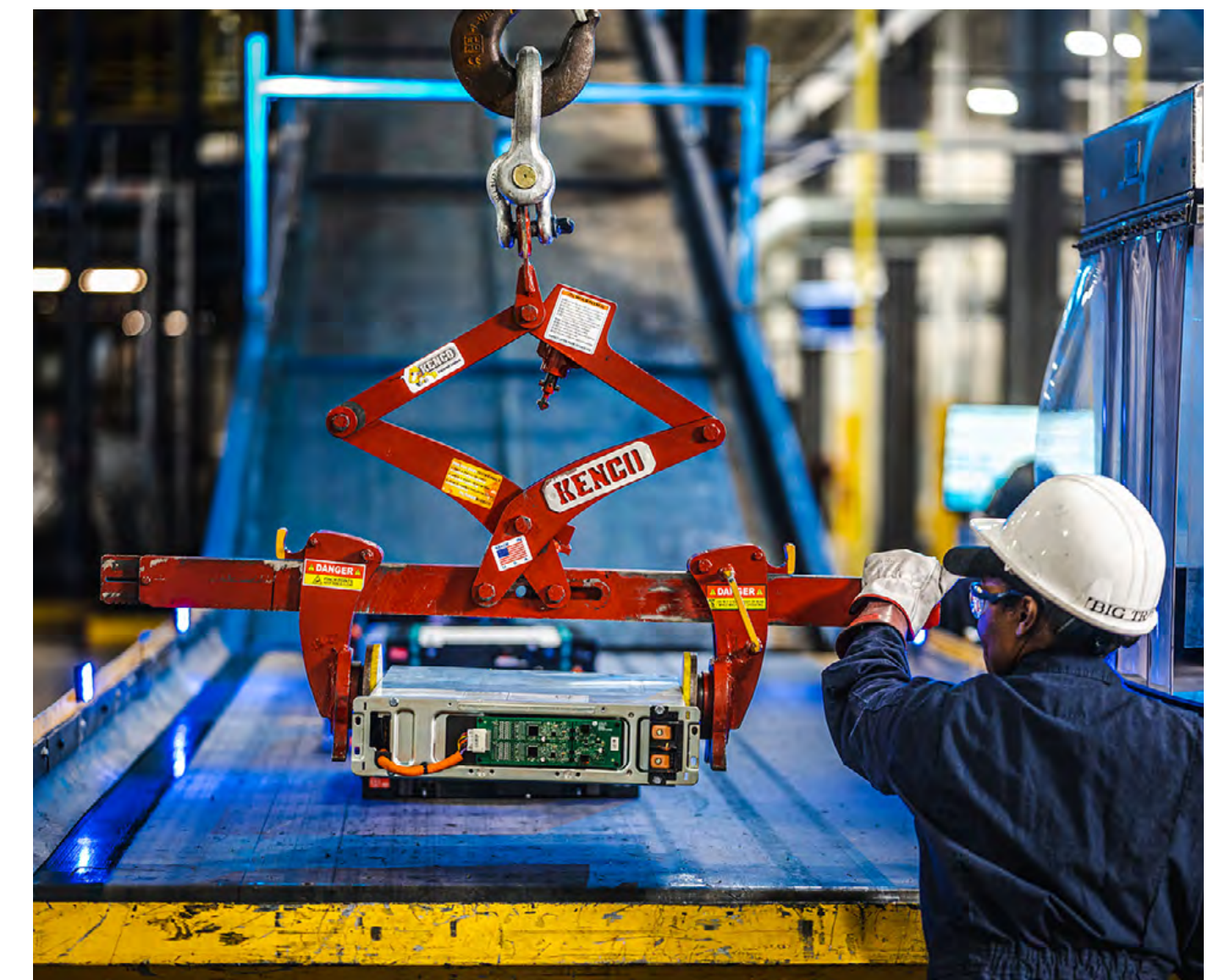
TABLE OF CONTENTS

Introduction	2
We are Li-Cycle	3
A Message to Our Stakeholders	7
Our ESG Strategy	10
ESG Governance & Management	
ESG Policies, Standards and Management Systems	
Materiality Assessment: Our ESG Priorities	
Contributing to the UN Sustainable Development Goals	
Looking Ahead: Our ESG Roadmap	
Environment	17
Environmental Stewardship	
Life-Cycle Analysis	
Managing Air Emissions	
Tackling Climate Change	
Waste Management	
Water Management	
Social	24
Health and Safety in Our Workplace	
Employee Wellness	
Community Engagement	
Governance	32
ESG Oversight	
Ethics and Integrity	
Managing ESG Risks	
Contact Information	35
Cautionary Note Regarding Forward-Looking Statements	

INTRODUCTION

Li-Cycle's commitment to sustainability and ESG leadership is a key driver of our business. As a leading recycler of lithium-ion batteries, our business strategy and our promise are to produce battery-grade materials ethically, responsibly and sustainably.

This **2022 Interim Environmental, Social and Governance (ESG) Report**, a first for Li-Cycle, provides insight into the integration of ESG across our business and how ESG is embedded in the way we work, guiding our ethical, environmental and socially responsible behaviours, and shaping our relationships with our customers, employees, communities and shareholders.



In this document, "Li-Cycle", "Company", "we", "us", and "our", mean Li-Cycle Holdings Corp. and its affiliates.



WE ARE LI-CYCLE

We are an industry leader in lithium-ion battery resource recovery. We are scaling our operations to serve our customers around the world to create a closed-loop battery supply chain.

Together with our 400+ global employees, we are delivering environmentally friendly solutions that offer a sustainable alternative to existing mining practices and high temperature recycling, creating a sustainable source of battery-grade materials through our innovative and patented Spoke & Hub Technologies™.

NYSE: LICY

Li-Cycle is publicly traded on the New York Stock Exchange.

Vision

Leading the global supply of recycled critical battery materials for a clean energy future.

Mission

Recycle critical materials to create a sustainable closed-loop battery supply chain.

Values

Safety

Safety is our top priority.

Sustainability

Sustainability is at the core of our business. We are committed to advancing our clean technologies.

Integrity

We operate honestly, embrace diversity, and respect our employees and stakeholders.

Agility

We drive innovation and effectively respond to opportunities and challenges to deliver winning results.



WE ARE LI-CYCLE

Li-Cycle At-a-Glance

Founded by **Ajay Kochhar** and **Tim Johnston** in 2016

Listed on **NYSE** in August 2021

400+ employees globally

Global offices: **Canada, USA, Switzerland** and **Singapore**

4 operational Spokes across North America

Current total Spoke processing capacity: **51,000 tonnes** of lithium-ion battery material/year

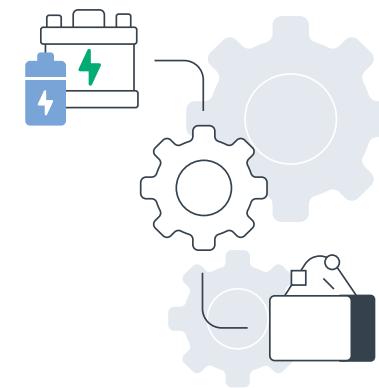
Rochester Hub processing capacity: **35,000 tonnes** of black mass/year, or **equivalent of ~90,000 tonnes** of lithium-ion battery material

2023 Goals: Start commissioning of first commercial Hub in Rochester, NY. First European Spoke expected to be operational in Germany.

Integrated Spoke & Hub Network

1

Spokes process lithium-ion batteries into black mass



2

Rochester Hub to process black mass into battery-grade nickel, lithium, and cobalt



Expected Hub Production



Lithium Carbonate
7,500–8,500 tonnes / year



Cobalt Sulphate
6,500–7,500 tonnes / year



Nickel Sulphate
42,000–48,000 tonnes / year



WE ARE LI-CYCLE

Our Operations & Offices



Global Head Office
Toronto, Canada



Rochester Hub

- Rochester, NY, USA
- Commercial hydrometallurgical battery resource recovery facility expected to be first of its kind in North America
- 35,000 tonnes processing capacity of black mass/year, equivalent to approximately 90,000 tonnes of lithium-ion battery material
- Commissioning expected to start in late 2023



Ontario Spoke

- Kingston, ON, Canada
- 5,000 tonnes/year processing capacity
- Li-Cycle's first Spoke, and successful Hub pilot project
- Operational in 2020
- Initiating plan for larger Ontario Spoke in 2023



New York Spoke

- Rochester, NY, USA
- 18,000 tonnes/year processing capacity
- Operational in 2021



Arizona Spoke

- Gilbert, AZ, USA
- 18,000 tonnes/year processing capacity
- Utilizes proprietary technology to directly process full EV packs
- Operational in 2022



Alabama Spoke

- Tuscaloosa, AL, USA
- 10,000 tonnes/year processing capacity
- Utilizes proprietary technology to directly process full EV packs
- Operational in 2022



Germany Spoke

- Magdeburg, Germany
- 30,000 tonnes/year processing capacity
- Two main lines to meet growing customer demand
- Utilizes proprietary technology to directly process full EV packs
- Expect to be operational in second half 2023



Norway Spoke

- Moss, Norway
- Currently developing as a consolidation facility
- Operational Spoke in 2024
- 10,000 tonnes/year processing capacity




EMEA Office, Baar, Switzerland




APAC Office
Singapore


Our Certifications




ISO 14001:2015
CERTIFIED




ISO 9001:2015
CERTIFIED



ISO 45001:2018
CERTIFIED



Responsible
Recycling



CERTIFIED

Ontario & New York Spokes

Ontario

New York

Total Spoke Processing Capacity

(lithium-ion battery materials per year)

Current: 51,000 tonnes	Expected by year-end 2023: 81,000 tonnes	Future planned: 96,000 tonnes
----------------------------------	--	---



WE ARE LI-CYCLE

Our Role in a Clean Energy World



Li-Cycle is solving the global end-of-life lithium battery challenge by supplying the world with recycled critical materials for a clean energy future.

Our sustainable technology diverts lithium-ion battery material from landfill sites and uses an environmentally friendly hydrometallurgical process. Our focus is to convert lithium-ion batteries into a sustainable and circular product. Our patented technology diverts lithium-ion battery material from landfill sites and uses an environmentally friendly hydrometallurgical process.

Our integrated network development plan prioritizes the fastest-growing demand centers across regional locations to best serve

Compared with traditional mining and refining, Li-Cycle's process has a comparatively smaller environmental footprint.

our customers. The Rochester Hub is expected to make Li-Cycle a leading domestic supplier of recycled battery-grade materials in North America.

Li-Cycle's end-to-end services can be customized to meet our customers' unique needs and our modular and replicable Spoke design enables us to react quickly and effectively to evolving customer and market demands. We are battery and form factor agnostic, with the capability to process all lithium-ion batteries, full EV packs with no disassembly, and battery manufacturing scrap. Compared with traditional mining and refining and high-temperature recycling, Li-Cycle's process has a comparatively smaller environmental footprint.

Recognitions and Awards

- In 2022, named to Fortune magazine's Change the World list for 2022, which recognizes companies that have made an important social or environmental impact.
- Awarded Global CleanTech 100 Graduate of the Year (Resources and Environment) in 2022, the third consecutive recognition from the Cleantech Group.
- Recognized by Corporate Knights as one of the Future 50 Canada's Fastest-Growing Sustainable Companies in 2022 based on Li-Cycle's leading score out of over 6,000 Canadian companies.
- Named the winner of Fast Company's inaugural list of the "Next Big Things in Tech" in 2021, recognizing Li-Cycle's lithium-ion recycling technologies.
- Received a 2021 BIG Innovation Award presented by the Business Intelligence Group, honouring Li-Cycle as one of the organizations "helping humanity progress".
- MIT Technology Review recognized battery recycling as one of its "Top 10 Breakthrough Technologies" in early 2023, citing Li-Cycle's sustainable process as an example.
- Received S&P Platts GMA Industry Leadership Award in 2022 for Scrap & Recycling.
- Received Green Car Journal's 2023 Green Car Technology of the Year.
- Added to the small-cap Russell 2000® Index and the broad-market Russell 3000® Index in June 2022.



A MESSAGE TO OUR STAKEHOLDERS

It is our pleasure to provide our first interim report on environmental, social and governance (ESG) performance to our stakeholders.

2022 has been a momentous year of growth for Li-Cycle and our work to solve the global lithium-ion battery recycling challenge safely and sustainably. It has also been a pivotal year for advancing ESG at the Company.

Our commitment to sustainability and ESG is at the heart of Li-Cycle's business and defines our values and culture — it is core to the Company and to our management. Sustainability is also a competitive advantage for Li-Cycle. Our patented technologies enable us to recycle lithium-ion batteries in a more environmentally friendly way than incumbent approaches for recycling. The attributes of our process — efficient footprint, environmentally sustainable, minimal direct greenhouse gas (GHG) emissions, and minimal wastewater discharge — combine to make Li-Cycle a recycling partner of choice globally.

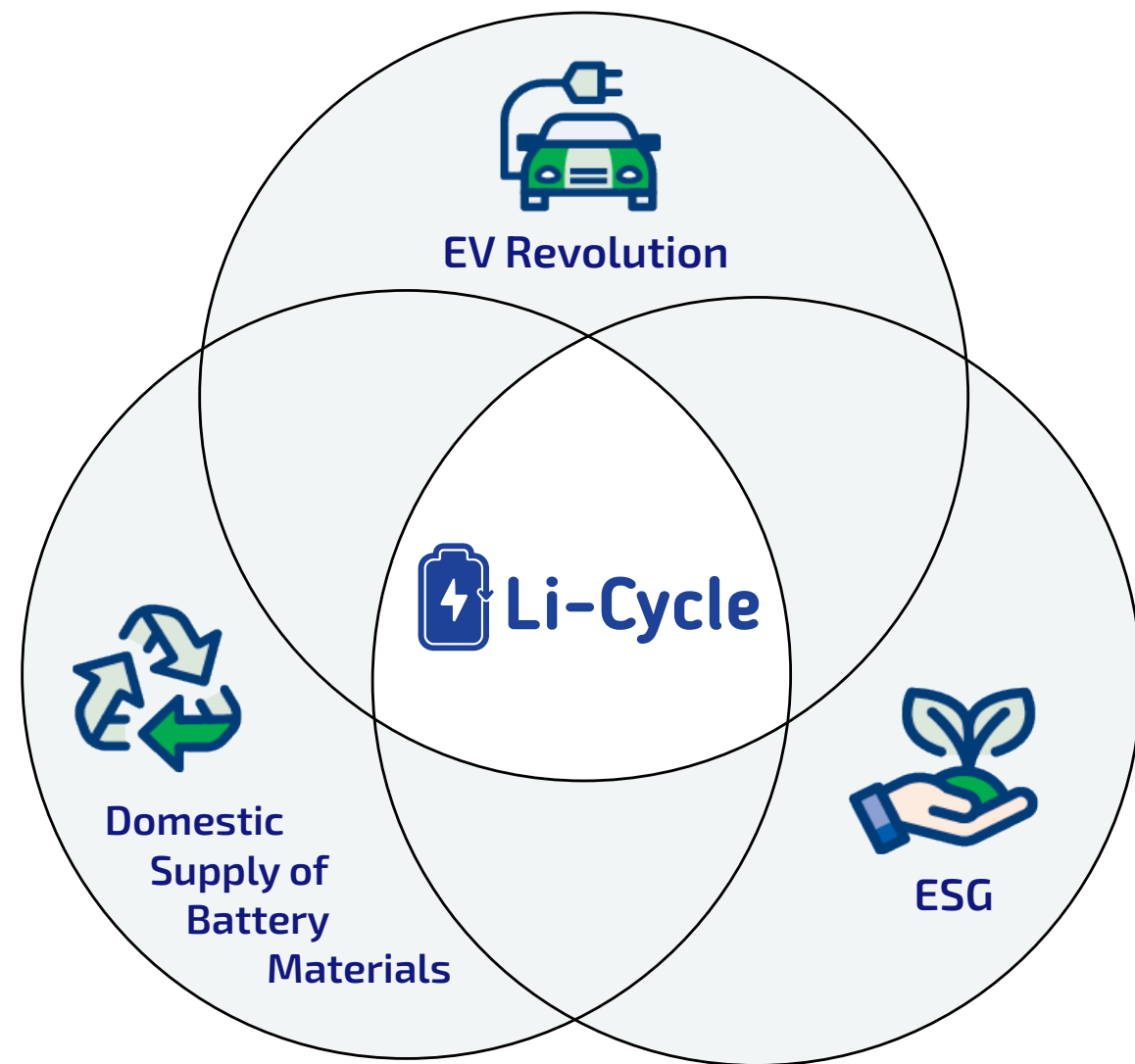


Co-Founders Ajay Kochhar and Tim Johnston

Alongside the contributions of our business in creating a circular economy, our key stakeholders, including customers, employees, communities and shareholders, also drive Li-Cycle to embrace best practices in sustainability and ESG. Building upon our strong foundation of environment, health, safety and quality management systems, including Environmental Management (ISO 14001), Occupational Health and Safety (ISO 45001), Quality Management (ISO 9001) and Responsible Recycling (R2) certifications, we took important steps in embedding ESG across the Company over the past year.

A MESSAGE TO OUR STAKEHOLDERS

Battery Materials Mega Trends for Zero-Carbon Economy



We also established a new management-level ESG Committee in March 2022, which is playing a vital role in driving our ESG agenda across the Company. To help shape and focus our ESG strategy, we also undertook our first comprehensive materiality assessment. We consulted widely with internal and external stakeholders to better understand the ESG topics that are most important to them and to our business.

The results highlighted that the health, safety and wellness of our people remains the top ESG priority for Li-Cycle. On the environmental front, the assessment also emphasized the importance of a climate change resilience strategy for Li-Cycle, including ensuring regulatory compliance.

Looking ahead, our ESG roadmap sets out a clear pathway to advance our strategy. Our priority is to ensure that we have robust management practices and governance frameworks in place to help us track and manage our ESG performance going forward. We plan to measure and report on our progress against a clear set of key performance indicators (KPIs) to help set medium- and long-term targets.

We introduced a robust ESG governance structure to strengthen oversight at the Board level while solidifying leadership and management's accountability for ESG.

Li-Cycle co-founder meets with U.S. Senate Majority Leader Charles E. Schumer



U.S. Senate Majority Leader Charles E. Schumer visited Li-Cycle's Rochester Hub to recognize the benefits of the U.S. Inflation Reduction Act on the EV and lithium-ion battery industries, as well as the sustainability benefits of the Company's recycling process for the environment.

A MESSAGE TO OUR STAKEHOLDERS

We are a sustainability leader in the lithium-ion battery recycling industry, supporting the rapid electrification of our economy.

In keeping with our position as an industry leader, Li-Cycle is committed to transparently and clearly reporting in line with the IFRS Foundation's SASB Standards and achieving alignment with the recommendations of the Task Force on Climate-related

Financial Disclosures (TCFD). We expect to publish our inaugural ESG Report in 2024 based on full-year 2023 results, and conduct a gap analysis to assess our readiness to meeting TCFD requirements this year in 2023.

This is an exciting time for Li-Cycle and our industry. As we grow our position as a leading global provider of recycled battery-grade materials, we will look to our comprehensive ESG strategy and performance as another competitive differentiator for Li-Cycle. We are a sustainability leader in the lithium-ion battery recycling industry, supporting the rapid electrification of our economy.

We invite you to explore our 2022 Interim ESG Report to learn more about where sustainability and ESG is at Li-Cycle today and where we are going in the future.



Ajay Kochhar
CEO and co-founder

Tim Johnston
Executive Chairman and co-founder

In August 2022, Li-Cycle co-founders and employees celebrated the Company's first anniversary being listed on the NYSE.

OUR ESG STRATEGY

As a leading global lithium-ion battery recycler, our business is deeply rooted in sustainability and ESG. Sustainability is part of our DNA, and is reflected in our solid foundation of policies, standards and management systems.

Our ESG strategy builds upon that groundwork and is focused on the ESG priorities facing us today and into the future.

Li-Cycle's strategic advantage resides in our commitment to sustainability, ESG and the environmentally friendly technologies that are at the heart of our business. We have established health, safety, environmental and quality management standards that are firmly embedded in our management systems across the Company. Together, with the unique sustainability attributes of our environmentally friendly, ethical and safe methods to recover lithium-ion battery materials, we are well-positioned to be an ESG leader.

Integral to both our business and to our stakeholders, we have made good progress in advancing our ESG strategy in 2022. We benchmarked Li-Cycle's ESG standards against the IFRS Foundation's SASB Standards — Waste Management: 2018 standards. We engaged key stakeholders to ensure that our ESG strategy reflects the most important material issues. And, we considered current global and regional ESG-related regulations as well as potential emerging regulations such as the U.S. SEC Proposed Rules to Enhance and Standardize Climate-Related Disclosures for Investors and the upcoming EU Corporate Sustainability Reporting Directive (CSRD). The result is a comprehensive ESG strategy that includes:

- ✦ A company-wide **commitment to ESG and sustainability, embedded in our core values and policies and championed by Li-Cycle leadership;**
- ✦ A **robust ESG management and corporate governance framework** to ensure oversight and accountability of ESG, and an understanding of our material matrix assessment and the gaps we need to address;
- ✦ Our **established processes and foundation of strong management standards** across all areas of health, safety, environment and quality (HSEQ);
- ✦ Clearly **defined and established KPIs** that enable us to track and manage our performance, and will support our reporting goals;
- ✦ A **commitment to set goals based on our ESG priorities** and KPIs, and a clear path forward in ESG; and
- ✦ An overriding **commitment to continue evolving and improving our performance and approach** to ESG and sustainability.

An overview of our ESG strategy is provided on the following pages.

Our ESG Strategy

ESG Governance and Management

Accountability and management for sustainability and ESG performance is embedded throughout the organization, from Li-Cycle's Board of Directors to our leadership team and to the frontlines of our operations.

Our **Board-level Health, Safety, Environment and Sustainability (HSE&S) Committee** oversees the development and implementation of the health, safety, environment and sustainability policies, procedures and programs of the Company. It is also accountable for monitoring compliance with our HSE&S policies, procedures and programs, as outlined in the [HSE&S Committee Charter](#).

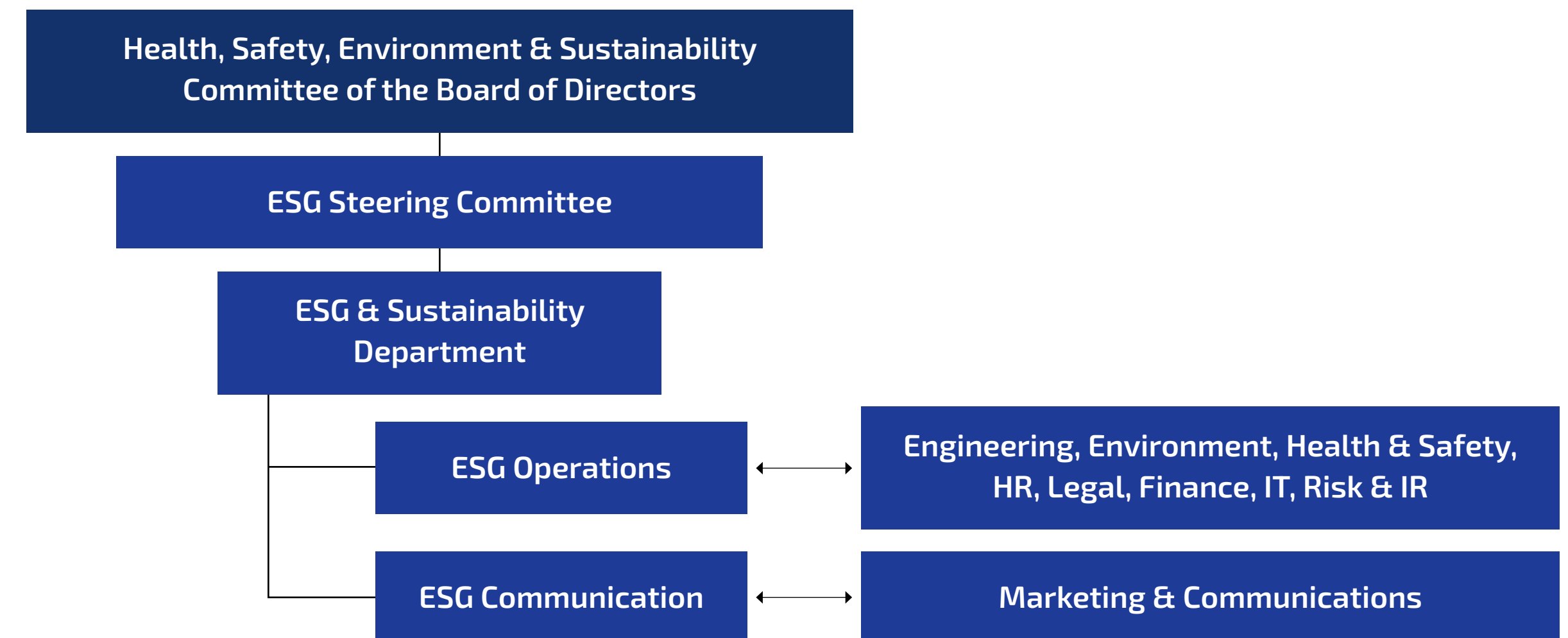
The HSE&S committee meets quarterly, at a minimum, and reports with the same frequency to the Board of Directors.

Our **ESG Steering Committee** exemplifies the strategic importance attributed to sustainability by Li-Cycle executive leadership, who are highly engaged in sustainability and ESG. Our President and Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, General Counsel, and Chief Human Resources Officer are among the active members of the ESG Steering Committee, along with senior operational leaders with responsibility for ESG strategy and performance. Established in March 2022, this cross-functional committee is playing an instrumental role in leading ESG strategy development and implementation. The ESG Committee meets approximately monthly and reports to the Board HSE&S Committee each quarter.

Our **corporate-level ESG team**, with responsibility for day-to-day sustainability and ESG, is leading the development and implementation of our ESG strategy and is playing a critical role in operationalizing best-in-class ESG practices across the Company.

Working closely with our Operations team, the ESG team is helping to ensure ongoing compliance with permits, management standards and policies, as well as monitoring and tracking performance. Responsibilities also include reporting our ESG performance internally and advancing our external reporting strategy through to 2025.

Comprehensive ESG Governance Framework



Our ESG Strategy

ESG Policies, Standards and Management Systems

Our robust framework of policies, management standards and management systems are integral to our ESG strategy and leadership goals.

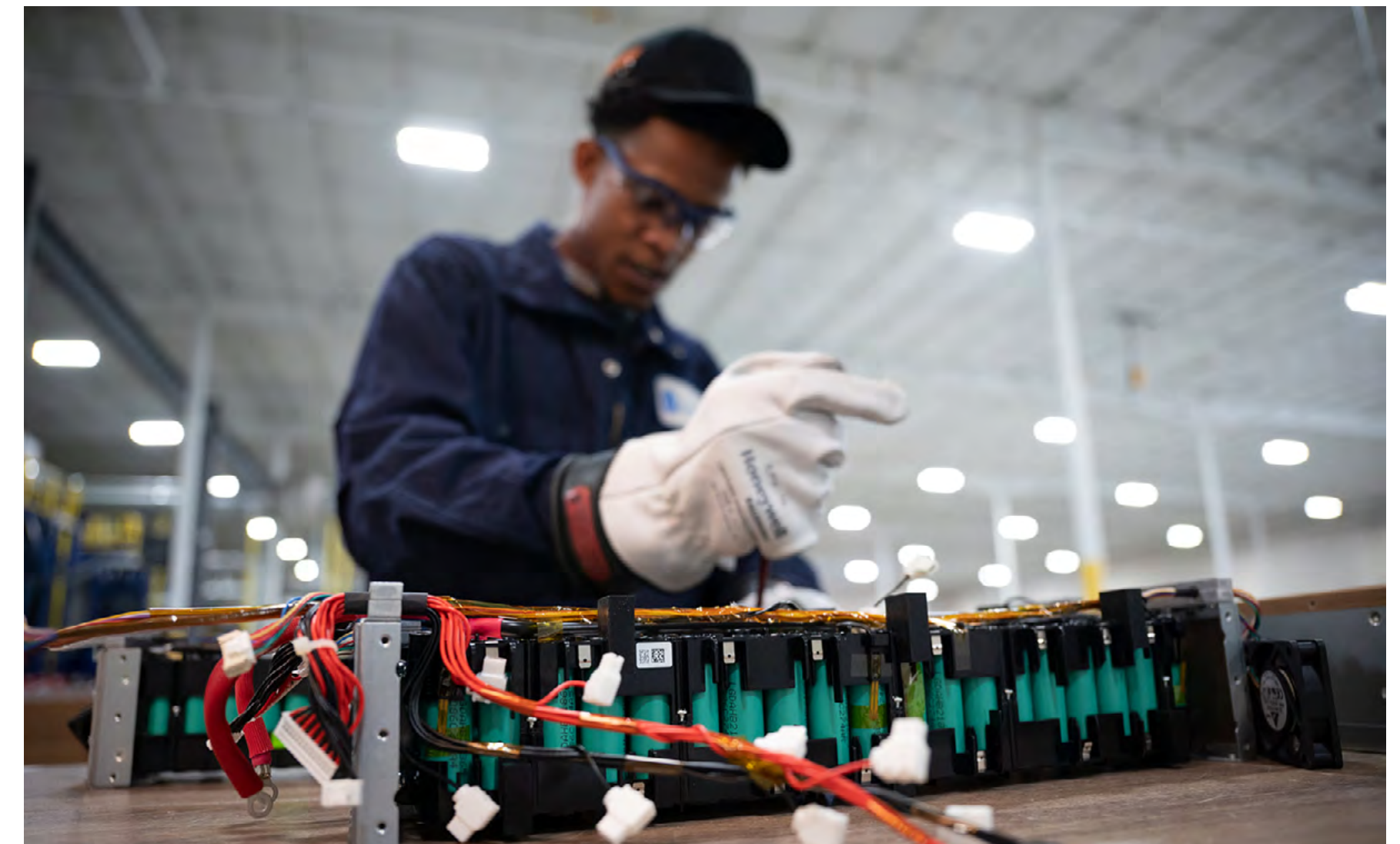
Li-Cycle's [Integrated Business Policy](#) (IBP) encompasses all environmental, health and safety, and quality best practices. The IBP articulates our responsibility to operate in compliance, prevent pollution, continuously improve our processes, and to strive to be leaders in all aspects of the lithium-ion battery recycling industry.

To support these commitments, we adhere to leading ISO 14001 and ISO 45001 management standards for Environment and Health and Safety, respectively, as well as the ISO 9001 standards for quality. Li-Cycle's Environmental Management Approach and Principles and Health and Safety Management Approach and Principles are also embedded in our management standards. Our Spokes in Ontario and New York are both ISO certified to those standards. Additional certifications include the R2 Responsible Recycling certification at our Ontario Spoke and the R2v3 certification at our New York Spoke. Our Arizona and Alabama Spokes are managed to meet ISO 14001 standards.

Alongside these third-party external certifications, our comprehensive internal compliance audit program for environment, health and safety is integral to verifying compliance with our standards and policies. Site audits are conducted annually against our compliance standards and reported to the HSE&S Committee of our Board. For additional insights, see the [Environmental](#) and [Health and Safety](#) sections of this report.

Li-Cycle's robust corporate governance framework is also a central pillar of our ESG strategy. Strong governance is critical to building and maintaining stakeholder trust as our business continues to grow. We adhere to [Corporate Governance Guidelines](#), and a set of core policies to ensure compliance with the corporate governance requirements applicable to U.S. domestic companies listed on the New York Stock Exchange.

Our [Code of Business Conduct and Ethics](#) sets out the high standards for integrity and ethical behaviour that our colleagues, customers, suppliers and shareholders expect of us. The Code is comprehensive and outlines our fundamental rules for responsible business conduct. Read the [Governance section](#) in this report to learn more.



Our ESG Strategy

Materiality Assessment: Our ESG Priorities

We completed a comprehensive materiality assessment in 2022. Led by an external assurer, the assessment process included extensive consultation with internal and external stakeholders for Li-Cycle. Key stakeholder groups, both internal and external, were identified and surveyed spanning our Board of Directors, ESG Steering Committee, employees, advocacy organizations, customers and investors.

A broad range of sustainability topics were reviewed, including core topics identified as material under SASB's [Waste Management Industry – Sustainability Accounting Standard](#). Key topics were assessed and prioritized in terms of the perception of relative impact on Li-Cycle's business and impact of external stakeholders.

Internal and external stakeholder responses were analyzed and material topics prioritized across three categories: crucial risks and opportunities; moderate concerns; and topics to be monitored given an anticipated increase in importance over time.

The results showed alignment across internal and external stakeholders with health and safety as the number one priority for Li-Cycle. Other high-priority topics include emissions and climate change, a key driver for Li-Cycle's current initiative to assess gaps

Li-Cycle 2022 Materiality Matrix



Our ESG Strategy

against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)¹, and commitment to TCFD alignment by 2025.

We are committed to advancing our work and tracking our performance across all of our material priorities, as outlined in this report.

Informed by our materiality assessment, our ESG strategy focuses on those key strategic areas of ESG that are most important to Li-Cycle and to our stakeholders. While our framework of management standards and systems is more established in critical areas of environmental stewardship, health and safety, and governance, our materiality assessment revealed that there are critical areas of ESG performance where we aspire to do more.

These include important areas of social performance, specifically, employee wellness, diversity and inclusion, and community engagement. We are working to mature our policies and management systems and identify key performance measures across these additional topics to expand and strengthen our ESG strategy.

Our ESG Strategy is Focused on Crucial ESG Risks and Opportunities



¹ The Task Force on Climate-related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.

Our ESG Strategy

Contributing to the UN Sustainable Development Goals

Our ESG strategy includes Li-Cycle's commitment to make a positive contribution to the United Nations Sustainable Development Goals (SDGs).

In 2015, 17 SDGs were adopted by all United Nations Member States to advance global efforts to address critical global challenges pertaining to poverty, social inequity, health and well-being, education and environmental priorities including tackling climate change, and protections for life on land, water and oceans.

In 2022, following from our materiality assessment, we mapped our material topics against the SDGs which are most relevant to our business and where we believe that Li-Cycle can have the greatest impact. As we advance our ESG strategy, we intend to measure our progress and contributions to the SDGs and relevant sub-goals in our future reporting.

Environment	Social	Governance
Environmental Stewardship   	Health and Safety   Diversity and Inclusion   Community Engagement 	Good Governance  

Our ESG Strategy

Looking Ahead: Our ESG Roadmap

The launch of our ESG strategy in 2022 is an important milestone for Li-Cycle. Our starting point has been to ensure that robust management standards and practices are in place and that we establish systems to track and report on our performance.

Our ESG roadmap charts our course through to 2025.

Over the next two years, we will continue to evolve our ESG performance, with a focus on enhancing the baseline of programs we already have established. We will also focus on measuring our performance and building a comprehensive data set across our material topics, as well as transparently reporting our performance. In 2022, we implemented our Metrio data collection and tracking tool to support data assurance and our future ESG reporting.

While there is more work to be done, we are on track to publish our first comprehensive ESG Sustainability Report in 2024, and TCFD alignment in 2025.

Li-Cycle ESG Roadmap



ENVIRONMENT

Excellence in environmental stewardship is a central pillar of our business and ESG strategy. Li-Cycle's Spoke & Hub Technologies™, state-of-the-art facilities, and best practices in environmental management contribute positively towards our goals of strong environmental performance, continuous improvement, and minimal environmental footprint.

Li-Cycle strives to contribute to the circular economy in a way that is both sustainable and environmentally focused. Our proprietary processes are designed to recycle all types of lithium-ion batteries and recover up to an overall 95% recycling efficiency rate, while avoiding meaningful solid waste streams to landfill, wastewater discharge and direct air emissions.

Our hydrometallurgical process produces minimal wastewater discharge. Our fit-for-purpose environmental strategy is designed around our efficient environmental footprint, meeting the highest standards of environmental sustainability and providing a more sustainable alternative to mining for the production of battery materials.

Environmental Stewardship

Our commitment to environmental stewardship is foundational to [Li-Cycle's Environmental Management Approach and Principles](#) and Integrated Business Policy. As a leading recycler of lithium-ion batteries, our operations are primarily focused on the circular economy. We are also committed to continuous improvement by leveraging best practices and utilizing data to drive effective decision-making.

Our Spoke operations exemplify this commitment and operate to the highest environmental management standards. Li-Cycle's Integrated Management System (IMS) is aligned with the global ISO 14001:2018 environmental management system standard and the ISO 9001:2015 quality management system standard.

As a responsible recycler, we are also aligned with the Sustainable Electronics Recycling International (SERI) Sustainable Electronics Reuse & Recycling Standard (R2), a comprehensive standard based on the ISO Plan-Do-Check-Act management system and which covers environmental, health and safety, chain of custody and other core requirements.

Our Ontario and New York Spokes are ISO 14001 and R2 certified, and our Arizona and Alabama Spokes are managed in accordance with requirements of both the leading standards. Our Rochester Hub will also be managed in accordance with ISO/R2 standards.

We have conducted both internal and third-party ISO compliance audits at our Ontario and New York Spokes. Both Spokes have strong records of compliance with the standards, with no major non-conformances to either standard recorded to date.





Environment

With the support of our Integrated Risk Management Software, environmental aspects are identified, impacts assessed, and controls are implemented to eliminate or mitigate risks to the extent reasonably practicable. Internal compliance audits are conducted annually across all of the Company's sites to confirm adherence under Li-Cycle's IMS, and in accordance with ISO 14001 standards.



Our Spoke & Hub process enable up to an overall 95% recycling efficiency rate, compared to a 50% traditional industry average.



Environment

Life-Cycle Analysis

We look to Life-Cycle Analysis (LCA) as a key measure of our current and future environmental performance to determine our process carbon footprint and as a source of continuous improvement. The LCA was performed in line with the requirements of ISO 14044 and was independently verified. Our LCA also compares our overall carbon footprint to mining and refining processes.

Our closed-loop, proprietary recycling process is designed to achieve recovery up to an overall 95% recycling efficiency rate. By diverting lithium-ion batteries from landfill, we provide sustainable resource recovery of battery-grade materials, including lithium carbonate, cobalt sulphate and nickel sulphate, as well as other materials such as manganese carbonate, copper sulphide, sodium sulphate, graphite and gypsum, bringing them back into use.

Our Spoke & Hub Technologies™ are designed to have a minimal environmental footprint. Our processes generate minimal solid waste and wastewater and we have low energy intensities compared to traditional mining and thermal recycling. We create negligible direct GHG emissions at our Spokes and Hub and reduce indirect GHG emissions where possible. We are also committed to continually improving our design to ensure that we maintain optimal performance.

Compared with traditional mining and refining, Li-Cycle's process* (per tonne of battery input) can:

Reduce CO₂ emissions by up to an overall

67%

~ 117k tonnes of CO₂

Reduce NO_x emissions by up to an overall

89%

~ 495k tonnes of NO_x

Reduce SO_x emissions by up to an overall

86%

~ 330k tonnes of SO_x

Reduce water usage by up to an overall

97%

2M cubic metres of water

*Based on independent Life-Cycle Assessments (LCA) completed on behalf of Li-Cycle in 2022. Environmental benefits are shown as emission offsets comparison for one tonne of Battery Input. Mining & Refining baseline calculated by a third party, including external sources (GREET, Argonne National Laboratory). Li-Cycle's LCA results are fully loaded, i.e., inclusive of indirect costs not directly associated with the Spoke & Hub process, including transportation of material. Li-Cycle's process offsets 40-67% of the CO₂ Profile of an EV Battery. The battery pack typically accounts for over ~ 40-50% of an electric vehicle's total CO₂ emissions profile (Source: Volkswagen AG).



Environment

Managing Air Emissions

We are delivering on our commitment to minimize our GHG emissions in our end-to-end processes and technologies. Our Spoke technology is a clean, zero-combustion process specifically designed to avoid the emission of GHGs. Due to the nature of our processes, our Scope 1 emissions are inherently minimal. As a result, our permits at the Spokes do not require periodic or continuous air emissions monitoring and testing.

At our Hub facility being developed in New York State, we have been granted our Air State Facility Permit. Once operational, we will fully comply with and adhere to all of our regulatory and permitting requirements, including monitoring where necessary.

Understanding and managing our GHG emissions is a critical part of our environmental strategy. Working with our ESG and environmental teams, we have developed a [GHG Inventory Management Manual](#) to identify all sources of Scope 1 and Scope 2 emissions¹. This operating manual ensures that we have standardized tracking across all of our locations and provides our operators with the guidance they need to monitor and record data such as fuel use, mileage and energy mix.

We have established a detailed inventory of all identified sources of Scope 1 and Scope 2 emissions across our operations. With ongoing monitoring and tracking of our Scope 1 and Scope 2 emissions underway, we are committed to identifying an emissions baseline and setting future GHG emission reduction targets.

¹ Scope 1 emissions are direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.



Tackling Climate Change

Climate change and global decarbonization efforts are key drivers of our business. Our work to create a closed-loop lithium-ion battery supply chain, combined with high recovery rates, are helping to meet the soaring demand for critical minerals.

Our Environmental Policy embodies our company-wide commitment to reduce our carbon footprint. While there are zero direct carbon emissions arising from our recycling process at our Spokes, our operations are exploring renewable energy alternatives to tackle our indirect emissions (Scope 2). As we continue to expand our operations, our business strategy requires that carbon footprint and climate change considerations are included as key criteria during site selection. For example, at our planned Norway Spoke, we expect that a significant portion of the power will be from renewable sources.





Environment

An essential component of our ESG strategy is climate change mitigation and resilience. Consequently, developing a Climate Strategy is among our top priorities along with our commitment to begin aligning with the recommendations of the TCFD.

We are currently developing our Climate Strategy based on double materiality. "Double materiality" adds the risks a company's activities pose to the environment and society to those that it potentially faces internally.

- ✦ We are evaluating the impact of our operations on the environment by currently tracking Scope 1 and 2 GHG emissions. We have also begun identifying sources of Scope 3¹ emissions to be included in our GHG inventory and are starting to establish monitoring systems for Scope 3. These efforts will help us establish a GHG emissions baseline for Li-Cycle and support the development of targets following the commissioning of the Rochester Hub, which is expected to begin in 2023.
- ✦ We are undertaking a TCFD readiness assessment, including climate change scenario analysis to better understand our resilience to climate change today and into the future. We will develop a roadmap on implementing measures for climate-related disclosures.

Informed by the results of the scenario analysis and our understanding of physical and transitional risks and opportunities, we are on track to advance a climate change resilience strategy, to be incorporated into Li-Cycle's business strategy as part of our overarching Climate Strategy.

An essential part our ESG strategy is climate change mitigation and resilience and we are committed to aligning with TCFD recommendations.



¹ Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. Scope 3 emissions include all sources not within an organization's Scope 1 and 2 boundary.

Environment

Waste Management

As a leading recycler of lithium-ion batteries, progressively reducing waste to landfill by adding value to waste and recycling materials is fundamental to our business.

Stewardship of all of the waste streams generated at our sites is a priority. We manage all waste streams from our operations in accordance with the tenets of the ISO/R2 Standards with a steady focus on continuous improvement and process optimization to improve environmental performance.

Among our waste management priorities, we are collaborating with research partners to find innovative solutions to support further refinement of plastic waste arising from the recycling process.

Permitting for our sites varies depending upon the location and regulatory requirements in the relevant jurisdiction. All of our Spokes are appropriately permitted to meet applicable legal/regulatory requirements. For example, our Ontario Spoke operates under Ontario provincial permits for waste and air while our U.S.-based Spokes operate under U.S. federal **Environmental Protection Act** (EPA) permits as well as state-level permits.

Using our online data collection and reporting system, we currently track the volumes of material recycled, total waste generated, and total waste diverted to landfills.



Environment

Water Management

Water is a vital and valuable global resource and is key for our operations. Responsible water consumption and management is an important aspect of Li-Cycle's ESG strategy. Our integrated water management approach is based on the following:



- ✦ **Reduce:** Our Spoke & Hub process, by design, is configured to generate minimal wastewater at our operations. We also continually explore methods to reduce the specific consumption of fresh water per tonnage of production, where possible. Our Spoke process produces no wastewater and our Hub's hydrometallurgical process is also expected to generate minimal wastewater.
- ✦ **Recycle:** Employ best-in-class processes to maximize water recycling.
- ✦ **Reuse:** Reuse process water within our operation. Our Spokes are designed to be closed-loop systems.
- ✦ **Treat:** Continuously ensure any effluent water streams are treated to meet the required safe limits prior to being discharged.

To achieve this, we currently track our water consumption at all Spokes using water meters. We are also committed to tracking water consumption at the Hub once operational.

Our Spoke & Hub process generates minimal wastewater and our Hub is expected to generate minimal wastewater.



SOCIAL

Health and Safety in Our Workplace

We prioritize the health and safety of our people above all else and strive for a zero-harm workplace across the Company.

The results of our materiality assessment, conducted in 2022, confirmed that health and safety is the most important topic for Li-Cycle and all internal and external stakeholder groups surveyed.

Li-Cycle's safety principles, and those of our operational partners, are centred around providing safe and healthy working conditions, with a priority focus on the prevention of work-related injuries and illnesses.

All of our employees, from our leadership team to new team members, share in the responsibility to ensure a healthy and safe workplace, eliminating workplace hazards and reducing potential health and safety risks.

Our Integrated Management System (IMS) is foundational to how we ensure strong health and safety performance is achieved.

Our commitment to the internationally recognized ISO 45001 standard is essential to our health and safety program. Our Ontario and New York Spokes are both registered to ISO 45001. All facilities will operate in accordance with ISO 45001 at a minimum, prior to application for registration.

Li-Cycle's internal HSEQ audit program also plays an important role in ensuring that our performance expectations are being met. ISO audits are conducted annually at all of our registered sites.

We measure and track our performance against a set of established quantitative metrics including total recordable incident frequency rate (TRIFR), fatality rate and near-miss frequency rate (NMFR) for employees and contractors working at our facilities. Since operations commenced, there have been no critical safety incidents or material compliance fines.

Oversight of our health and safety performance resides with the HSE&S Committee of Li-Cycle's Board of Directors, which receives quarterly reports on health and safety performance.

See something
Say something
Fix it.

Social

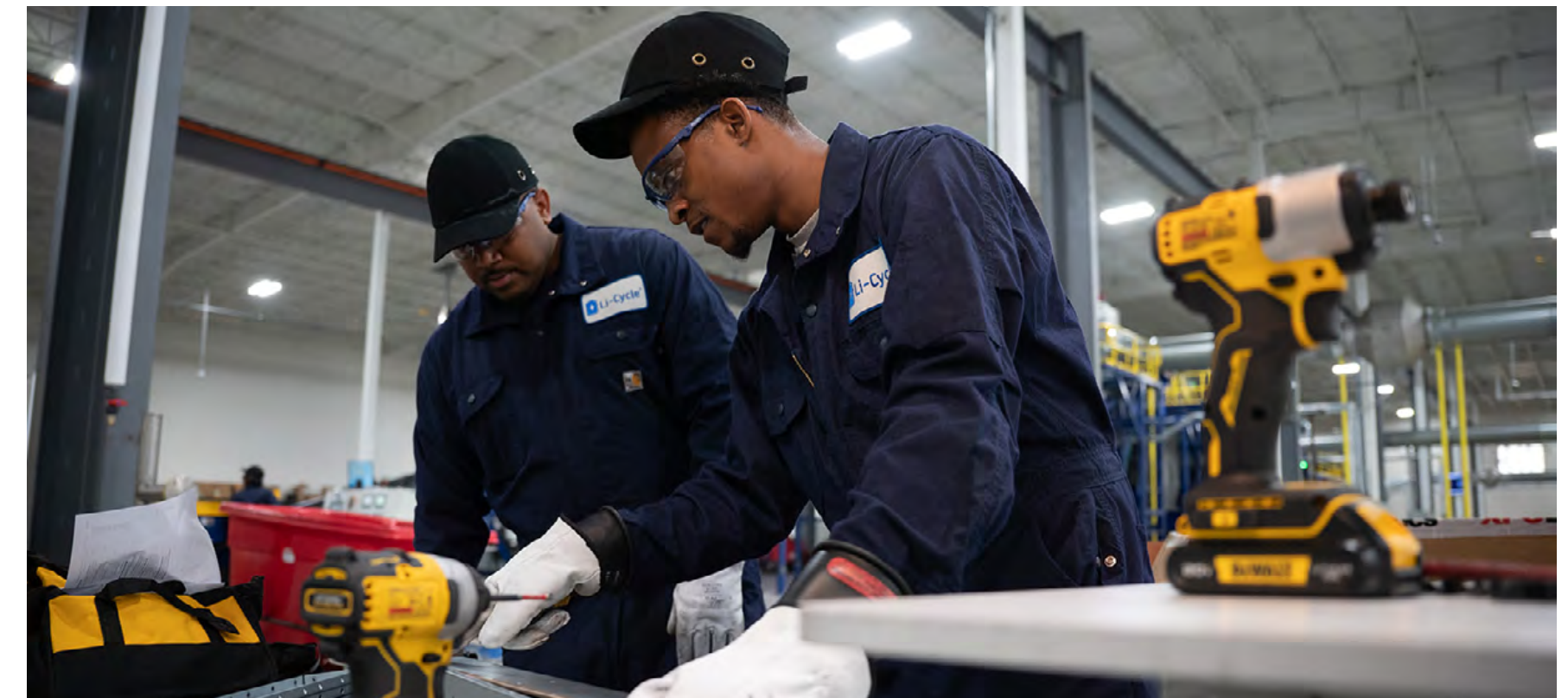
Managing Risks

Thermal runaway, due to the volatility of lithium-ion battery components, is one of the key safety risks facing manufacturers and other parties in the lithium-ion battery supply chain. Across our Spokes, we mitigate these risks through a comprehensive program that begins with the design of our Spokes and warehouse facilities.

We have a complex system of risk mitigation and safety measures in place, aligned with local, state/province and national building codes and fire codes. These measures include a packaging and transportation standard, a warehouse storage standard, fire suppression systems, thermal detection (temperature monitoring) systems, and training and competency program.



Employee training on the safe handling of lithium-ion materials, and procedures in the event of fires, is paramount and ongoing. As part of our company enterprise risk management (ERM), we will continually assess our risks and seek to implement controls to mitigate them. In addition to the ERM, as part of our ISO IMS, we will continually update our "aspects and impacts" register to ensure that all risks are identified, and adequate control measures are in place to manage them.



Social

Building a Safety Culture through Training

Employee training is a central component of our health and safety program. Employees need to understand the potential hazards in the workplace, how to use personal safety protection and equipment, and to learn and drill emergency procedures.

All of our operational employees are required to complete approximately 20 hours of mandatory safety training per employee. Building awareness of proper health and safety procedures and understanding and managing critical safety risks is vital. For example, given the hazards associated with lithium-ion materials, employees are trained in their safe handling to manage and minimize the risks of fire as part of the Emergency Response Plan training.

Our 2022 Spoke Operator Training Program focused on the following topics:

- ✦ Li-Cycle Introduction (who we are, what is our mission, and why your work matters)
- ✦ Spoke Overview (how the plant works)
- ✦ PPE (what you need to wear to be safe, and why you need to wear it)
- ✦ Battery IQ (batteries, thermal events, and safety)
- ✦ Operator Safety (safety policies, “lock out, tag out”, electrical safety)
- ✦ Integrated Management System (how we make decisions and evaluate our business)



Social

Employee Wellness

Successful and productive organizations rely upon a workforce where every employee feels healthy, safe and well cared for. We believe that our employees are our most valuable asset and that the wellness of our people is an essential part of Li-Cycle's business strategy and leadership aspirations.

Employee wellness has a direct and positive impact on our business, productivity, employee engagement and retaining top talent. We provide our employees with a broad range of health and wellness supports and benefits, as well as opportunities for growth and development.

Our comprehensive Employee Wellness Plans, which are available to all qualifying full-time and part-time employees depending on jurisdiction and employment category, offer our employees and their dependents a broad range of benefits, including:

- ✦ Medical and dental care
- ✦ Mental health support
- ✦ Wellness allowance
- ✦ Virtual employee assistance program
- ✦ Disability coverage
- ✦ Extended health care





Social

We encourage our employees to participate in a range of health and wellness initiatives, such as the voluntary programs available through our benefits providers.

Li-Cycle recognizes that work-life balance and flexibility to meet the many demands of daily life are important to today's workforce and an important part of supporting the well-being of our people. Our work-from-home policies enable our employees to work remotely with approval, and all employees are entitled to leaves of absence in accordance with applicable employment standards legislation, for a range of reasons including bereavement, pregnancy and parental leave, family caregiver leave, and others.

We also strive to support our employees in their personal and professional growth beyond the workplace. Our Education Reimbursement Policy enables us to support eligible employees by providing financial support through reimbursement for tuition and applicable fees for approved courses, as well as testing/certifications and designations, and course materials.



Diversity, Equity and Inclusion

We are building a workplace that promotes diversity, inclusion, dignity and respect, with a sense of belonging for each employee. Our Code of Business Conduct embodies our company-wide commitment to Diversity, Equity and Inclusion (DEI). We actively promote a workplace that values differences and a work environment that is inclusive to all people and their authentic and diverse abilities. We believe that diversity across our workforce enables everyone to contribute fully, and allows us to benefit from a rich variety of perspectives and experiences that relate better to our diverse business partners, clients and other stakeholders.

To support this commitment, and to help embed DEI in all facets of our business, Li-Cycle is currently developing a comprehensive DEI strategy for the Company. This strategy will be supported with DEI training across core topics, such as unconscious bias, bystander intervention, psychological safety and a set of diversity-related metrics, to enable us to track and report our progress.



Social

Community Engagement

We strive to be good neighbours and contribute positively to the well-being of the communities where we are located and operate, and where our employees live and work.

Engaging with our local communities is an essential part of our ESG strategy and vital to our business. Among our business priorities, we want to ensure that Li-Cycle is a trusted and valued community partner. This means building and maintaining strong and positive relationships with our local communities and striving to support community socio-economic needs and priorities.

As part of our ESG strategy, we are developing a framework to guide Li-Cycle's approach to community engagements at all our locations. The aim of the framework is to ensure that we approach community engagement in a strategic and organized manner.

In the spirit of openness, transparency and in the constructive exchanges of ideas, we actively engage with members in our local communities where our Spokes and Hub are located to share information and listen to matters of concern. For example, as we advanced the planning and development of the Rochester Hub, we engaged with the local community in 2022, including a quarterly newsletter and providing regular progress updates to key stakeholders.

In Germany, we held a community event attended by those who live in adjacent neighbourhoods to our Spoke, as well as local officials, to further introduce Li-Cycle. We believe such efforts go a long way to building strong, beneficial relationships.

Among our business priorities, we want to ensure that Li-Cycle is a trusted and valued community partner.



Community BBQ at our Germany Spoke.

Social

Contributing to Communities

At Li-Cycle, we are committed to implementing sustainability measures to improve the communities where we live and work. Our goal is to contribute positively to the socio-economic well-being of local communities.

We have a company-wide commitment to hiring employees from within each local community where we have operations. For example, at our Rochester Hub, we are proactively recruiting a broad range of engineering, technical and operations roles from the local surrounding area.

We are an active corporate citizen in the local community, building strategic partnerships with a range of organizations where we believe we can collaborate to make a positive social impact. As part of our ESG strategy, we are refining our policy to guide Li-Cycle's donations and sponsorship program and formalize our governance framework for social investment decisions.

An important focus of our donations and sponsorship strategy is helping local communities by supporting education and environmental initiatives, as well as supporting lower income families and disadvantaged youth.

Li-Cycle has established partnerships with [The Shore Foundation](#), and with [Youth Employment Services \(YES\)](#) to support that cause. See our case studies on Li-Cycle's partnership with [The Shore Foundation](#) and [our work with YES](#).

We also work together with our employees, actively contributing to a broad range of locally based initiatives including food drives in both Toronto and New York State, and a range of fundraising initiatives.

Our goal is to contribute positively to the socio-economic well-being of local communities.



Li-Cycle employees and their families participate in holiday food drives.



Tour for teachers in Gilbert, Arizona.

Social Case Study

Providing Communities with Enhanced Access to Technology



Through collaboration and sponsorship, our active partnership with [The Shore Foundation](#), a non-profit organization, is providing low-income individuals and families with improved access to technology. Through the distribution of used laptops and desktops, which have been refurbished and given new life, this partnership is helping empower individuals with technology within a wide variety of communities in upstate New York.

The program began in 2021, and Li-Cycle is expected to provide area residents with a total of 90 computers to local students and families. Li-Cycle is also a corporate sponsor of The Shore Foundation through to 2024.

In addition, Li-Cycle assists The Shore Foundation with the recycling of lithium-ion batteries from laptops and desktop computers that are unable to be refurbished and redistributed.

Our participation with The Shore Foundation is helping to improve lives through access to technology, while also bridging a digital divide in Rochester and the surrounding area.

Partnering with Youth Employment Services

The COVID-19 pandemic resulted in an unplanned shift from traditional learning to a setup that involved digital teaching and online learning. Transitioning to online learning meant having access to a computer became essential, however, not everyone had immediate access to the technology they needed. Recognizing this, in May 2022, we committed to support [Youth Employment Services \(YES\)](#), providing the not-for-profit with more than 30 refurbished laptops, as well as a monetary donation to support the program.

YES is a Canadian organization that supports the youth sector (ages 15–29) with innovative programs that empower disadvantaged and vulnerable youth to become self-sufficient contributing

members of society. The commitment from Li-Cycle is supporting the **YES 2 Tech Learn and Earn** program, which will help provide underrepresented individuals with digital skills training, job placement opportunities, mentorship programs, and more.

Partnering with Youth Employment Services





GOVERNANCE

A strong governance framework is critical to our business and to our stakeholders. Our foundation of policies and practices support the delivery of our business strategy and help to ensure that our actions are carried out ethically and with integrity.

Our commitment to good governance is reflected in Li-Cycle's actions and in its framework of governance policies and practices, including the composition of our Board and Board committees. Our [Corporate Governance Guidelines](#) provide a framework for the effective governance of the Company, such as Board size, director independence¹, Board membership criteria, diversity, committees and Board self-assessment.

Our Board has an independent Lead Director and our Audit, Compensation and Nominating and Governance Committees are comprised of 100% independent directors. We are committed to fostering and promoting diversity among our directors, including with regard to gender, national origin and ethnicity and other factors.

As Li-Cycle continues to grow and develop, we are committed to continuous improvement in corporate governance to support our business strategy and align with evolving best practices and stakeholder expectations.

ESG Oversight

Oversight of ESG and Sustainability resides with the Board of Director's Health, Safety, Environment & Sustainability Committee (HSE&S) Committee. As outlined in the [HSE&S Committee Charter](#), the Committee is responsible for the development and implementation of the health, safety, environment and sustainability policies, procedures and programs of the Company. It is also accountable for monitoring compliance with our HSE&S policies, procedures and programs.

The Committee recently approved Li-Cycle's ESG roadmap and strategy and reviewed the Company's inaugural materiality assessment. The HSE&S Committee met four times in 2022.

To learn more about oversight of ESG, see [Our Approach to ESG](#).

¹ As defined by the applicable rules of the New York Stock Exchange and Section 1.4 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators.

Governance

Ethics and Integrity

Ethical conduct is integral to our business success. From the Board of Directors to our frontline employees, everyone is expected to meet the high standards of integrity and ethical behaviour we have set for ourselves, and that our stakeholders demand from us. Our [Code of Business Conduct and Ethics](#) (Code) sets out the steadfast rules for doing business.

The Code applies to all directors, officers and employees of the Company and requires conduct in keeping with the letter and spirit of the Code, and its principles. As stated in the Code, "the principles embodied in this Code are fundamental to our Company values, as well as to our Company's success." Among the areas covered, the Code includes:

- ✦ Compliance with the law
- ✦ Protection and proper use of company assets
- ✦ Privacy
- ✦ Insider trading
- ✦ Conflicts of interest
- ✦ Fair dealing
- ✦ Equal opportunity, non-discrimination, and fair employment
- ✦ Dignity, respect and courtesy
- ✦ Diversity and inclusion
- ✦ Environment, health and safety
- ✦ Charitable contributions, including prohibition of political donations

All Li-Cycle employees are required to complete training on the Code and Li-Cycle's Insider Trading Policy. We also require our employees to complete a range of additional ethical conduct training, including on Anti-Harassment and Discrimination; Anti-Bribery & Corruption; Ethical Workplace Conduct; Workplace Violence; and, Harassment: A Canadian Perspective. The Code is reviewed and updated regularly.

Li-Cycle also requires our Principal Executives and Senior Financial Officers of the Company to comply with the Company's [Code of Ethics for Principal Executive and Senior Financial Officers](#). In addition to complying with applicable laws, rules and regulations, we also expect them to abide by the Company's Code and other Company policies and procedures. In addition to requiring senior leaders to conduct themselves honestly and ethically, the Code emphasizes the important role they have in creating a culture of high ethical standards and commitment to compliance, maintaining a work environment that encourages employees to raise concerns, and promptly addressing employee compliance concerns.

Our [Whistleblower Protection and Investigation Policy](#) provides our employees, officers and directors, as well as other representatives of the Company, with a confidential mechanism to report any actual, potential or suspected violations of our Code, as well as any accounting, auditing or securities regulatory requirements; employment-related matters such as discrimination or harassment; or other



If you see something that violates our company culture please **SPEAK UP!**



Governance

matters of ethical concern. To support the Whistleblower policy, Li-Cycle has established a confidential incident reporting helpline that is administered by Ethical Advocate, an independent third party, to ensure anonymity and confidentiality. **The helpline is available online at: <https://li-cycle.ethicaladvocate.com> or by phone at 1-855-653-4443.**

Oversight of ethical compliance resides with the Audit Committee of our Board of Directors, which is composed entirely of independent directors. Li-Cycle's General Counsel has management responsibility for Li-Cycle's compliance program and reports are provided to the Audit Committee on a quarterly basis, at a minimum.

Managing ESG Risks

Strong risk oversight is critical to our business. Alongside the financial and daily business risks that every company faces, we know that our investors and stakeholders expect us to understand, manage and mitigate our ESG risks.

Li-Cycle took important steps in 2022 to begin establishing a leading enterprise risk management (ERM) program for the Company. Engaging senior management from across the business, we embarked upon a comprehensive exercise to improve our understanding of the principal enterprise-level risks and opportunities facing the Company.

At the centre of the ERM program, 14 interview sessions were conducted with 34 senior leaders from across the business to capture a set of principal business risks and opportunities, and to identify current and planned controls to manage those risks.

The ERM program is ongoing, and includes steps to finalize and validate the principal risks of the business, and evaluate them against a rubric of downside risks (threats) and upside risks (opportunities). Li-Cycle intends to periodically review these principal risks as well as their existing and planned controls as part of its ongoing management processes.

Arising from this work, we are putting in place a structure to ensure oversight and ongoing management of our ERM. Once finalized, each principal risk will be assigned to an executive champion for continued oversight and sponsorship.

Data Privacy and Cybersecurity

Protecting the privacy of those who interact with our Company is important to us. Our **Privacy Policy** outlines our commitment to securely manage any personal information that we collect on our own system and to respect the privacy of any information that is shared with us.

Data privacy and cybersecurity are managed by our corporate IT department. Our employees also share in the responsibility to protect privacy and enhance cybersecurity. Employees with access to our IT systems are required to complete regular training pertaining to data privacy, General Data Protection and Regulation (GDPR), information security, securing data, intellectual property and trade secrets.

We continue to enhance our cybersecurity capabilities to ensure Li-Cycle is strongly positioned to protect our operations and systems.



CONTACT INFORMATION

General

Li-Cycle Holdings Corp.

207 Queens Quay West
Suite 590

Toronto, ON, M5J 1A7

Canada

1-877-LI-CYCLE (542-9253)

Email: info@li-cycle.com

Website: li-cycle.com

ESG

Tobi Adesanmi

Senior Manager —

ESG & Sustainability

sustainability@li-cycle.com

Investors

investors@li-cycle.com

Media

media@li-cycle.com

Customers

customers@li-cycle.com

Communities

communities@li-cycle.com



Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this 2022 Interim Environmental, Social and Governance Report ("ESG Report") may be considered "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, Section 21 of the U.S. Securities Exchange Act of 1934, as amended, and applicable Canadian securities laws. Forward-looking statements may generally be identified by the use of words such as "believe", "may", "will", "continue", "anticipate", "intend", "expect", "should", "would", "could", "plan", "potential", "future", "target" or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, although not all forward-looking statements contain such identifying words. Forward-looking statements in this ESG Report include but are not limited to statements about: Li-Cycle's ability to capitalize on global growth opportunities; anticipated growth in global demand for and production of lithium-ion batteries and the growth of related industries; our expectation of having total lithium-ion battery processing capacity at our Spokes of more than 80,000 tonnes per year in calendar 2023; the timing of expected commencement of commissioning of the Rochester Hub, its expected annual input capacity and production output capacity, its total capital cost and the expected size of its workforce; the expected timing and capital investment requirements for the Company's Spokes in development and the expected main line processing capacity and ancillary processing capacity of Li-Cycle's Germany Spoke, Norway Spoke and New Ontario Spoke; the expected timing of installation of the two main lines of the Germany Spoke; the expected timing of installation and start of operations of the Norway Spoke; the expected timing of commencement of initial site work on the New Ontario Spoke; and the expectation that we will construct and operate two types of Hubs, namely, a ternary Hub and a lithium-ion phosphate Hub. These statements are based on various assumptions, whether or not identified in this ESG Report made by Li-Cycle management, including but not limited to assumptions regarding the timing, scope and cost of Li-Cycle's projects; the processing capacity and production of Li-Cycle's facilities; Li-Cycle's ability to source feedstock and manage supply chain risk; Li-Cycle's ability to increase recycling capacity and efficiency; Li-Cycle's ability to obtain financing on acceptable terms; Li-Cycle's ability to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners; general economic conditions; currency exchange and interest rates; compensation costs; and inflation. There can be no assurance that such assumptions will prove to be correct and, as a result, actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Li-Cycle, and which may cause actual results to differ materially from the forward-looking information. Li-Cycle believes that these risks and uncertainties are related (but not limited) to the following: Li-Cycle's ability to economically and efficiently source, recover and recycle lithium-ion batteries and lithium-ion battery manufacturing scrap, as well as third-party black mass; Li-Cycle's ability to increase recycling capacity and efficiency and maintain operations at its facilities; risks related to Li-Cycle's international expansion, on a timely basis or at all; Li-Cycle's ability to achieve its business strategies, develop its current and future capital projects in a timely manner or to manage its growth; Li-Cycle's engagement in strategic transactions that could disrupt its business, cause dilution to its shareholders, reduce its financial resources, result in the incurrence of debt, or prove not to be successful; disruptions to operations; ability to access additional funds on commercially reasonable terms or at all when needed; changes adversely affecting the industry in which Li-Cycle operates; a decline in the adoption rate of electric vehicles, or a decline in the support by governments for "green" energy technologies; decreases in benchmark prices for the materials contained in Li-Cycle's products; the development of an alternative chemical make-up for lithium-ion batteries or battery alternatives; Li-Cycle's ability to maintain its supplier and customer relationships; Li-Cycle's reliance on a limited number of customers and Li-Cycle's projected revenues for its Rochester Hub being derived from a single customer; increases in income tax rates, changes in income tax laws or disagreements with tax authorities; fluctuations in foreign currency exchange rates which could result in declines in reported sales and net earnings; unfavourable general economic and political conditions; the effects of the COVID-19 pandemic on the global economy, on the markets in which Li-Cycle competes and on its business; natural disasters, epidemic or pandemic outbreaks, cybersecurity incidents, boycotts and geo-political events; Li-Cycle's ability to retain its key employees; Li-Cycle's ability to protect or enforce its intellectual property rights or intellectual property rights claims by third parties; Li-Cycle's ability to maintain the listing of its securities on the NYSE; the outcome of any legal proceedings or arbitrations that may be instituted against Li-Cycle or in which Li-Cycle may be involved; and Li-Cycle's failure to effectively remediate the material weakness in its internal control over financial reporting that it has identified or its failure to develop and maintain a proper and effective internal control over financial reporting.

These and other risks and uncertainties related to Li-Cycle's business and the assumptions on which the forward-looking information is based are described in greater detail in the sections entitled "Item 3D. Risk Factors" and "Item 5. Operating and Financial Review and Prospects—Key Factors Affecting Li-Cycle's Performance" and elsewhere in its Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission and the Ontario Securities Commission in Canada on February 6, 2023.

Li-Cycle assumes no obligation to update or revise any forward-looking statements, except as required by applicable laws. These forward-looking statements should not be relied upon as representing Li-Cycle's assessments as of any date subsequent to the date of this ESG Report.