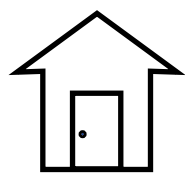


# 2023 Sustainability Report

Environment, Social, and Governance  
Performance





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Building on Li-Cycle’s inaugural Interim ESG Report, published in March 2023, our 2023 Sustainability Report provides enhanced details of our environment, social and governance (ESG) performance across our business. It also provides insight into how our ESG principles are integrated throughout our operations and showcases how ESG considerations are woven into our daily activities, guiding our behaviours, and influencing our interactions with all stakeholders.

This report has been developed in alignment with the Sustainability Accounting Standards Board (SASB) Standards for Waste Management: 2023 and in consideration of the United Nations Global Compact (UNGC) Guiding Principles and Sustainable Development Goals.





# We Are Li-Cycle

Li-Cycle is on a mission to lead the global supply of recycled critical battery-grade materials for a clean energy future. We are committed to supporting the creation of a domestic closed-loop battery supply chain and contributing to the shift towards global decarbonization.

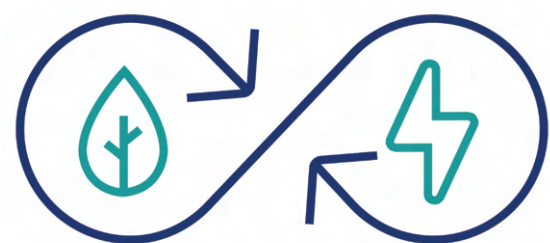
Sustainability and ESG are foundational to who we are as an organization. Together with our employees around the world, we are delivering solutions that offer a sustainable alternative source for critical battery materials through our innovative and patented Spoke & Hub Technologies™.



## 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.

# Our Values



## Safety

Safety is our top priority.



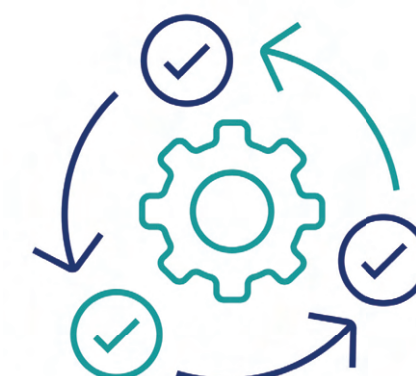
## Sustainability

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.



# Li-Cycle At-a-Glance

## Key Facts



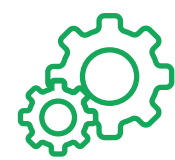
Li-Cycle was founded in 2016 by **Ajay Kochhar and Tim Johnston**



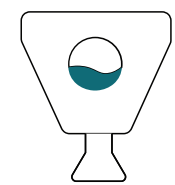
Listed on NYSE in August 2021  
**(NYSE: LICY)**



**Global Presence:** North America, Europe, and Asia



**Operational Spokes<sup>1</sup>:** Arizona Spoke, Alabama Spoke, Germany Spoke, New York Spoke



**Planned Hubs<sup>2</sup>:** Rochester Hub

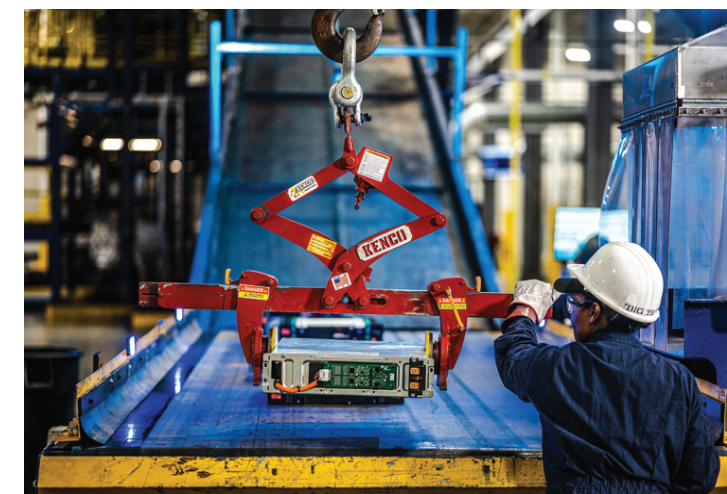
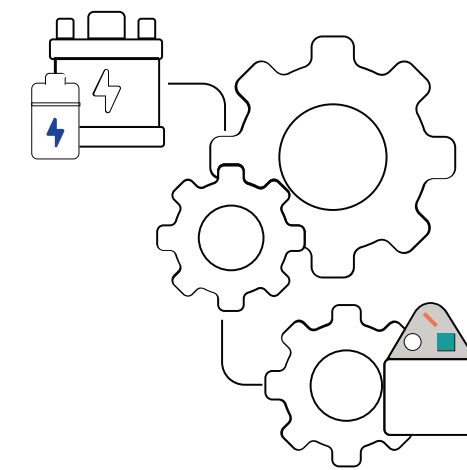
- 1) The plans for the France and Norway Spokes have been paused and the timing of both projects are being re-evaluated as part of Li-Cycle's go-forward strategy.
- 2) Construction at the Rochester Hub is paused and project is undergoing a comprehensive review. Definitive Feasibility Study work at the planned Portovesme Hub in Sardinia, Italy is paused and the project is currently under review by Li-Cycle and Glencore.

## Spoke & Hub Technologies™

Li-Cycle Spokes recycle lithium-ion batteries of all forms, sizes, condition and chemistry, as well as manufacturing scrap, to convert them into black mass, which is expected to be processed at our future Hubs to produce critical battery materials.

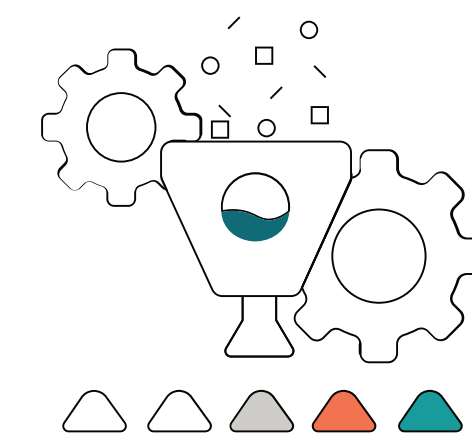
### Step 1

Spokes recycle batteries and manufacturing scrap in submerged shredding process to produce black mass.



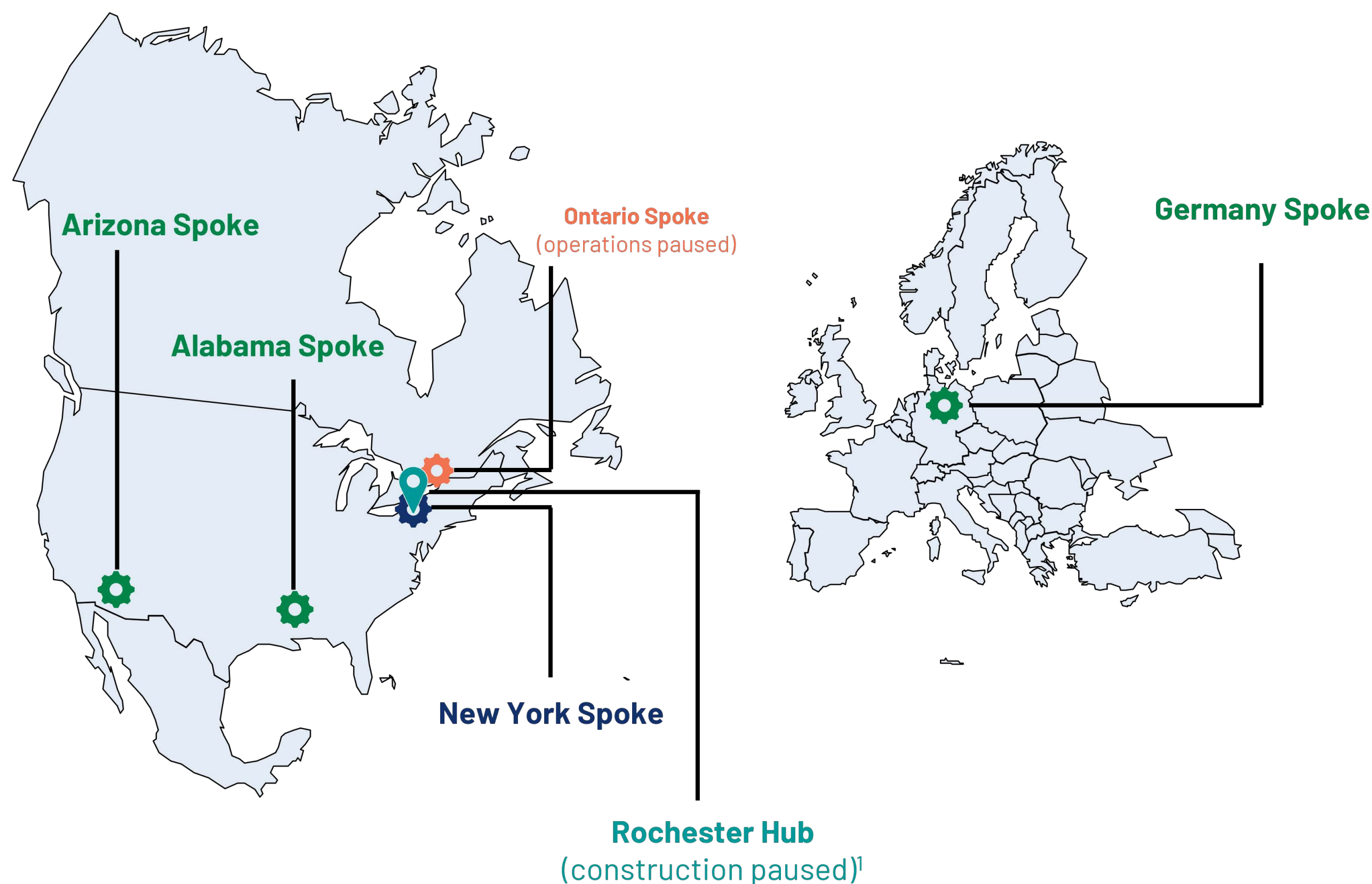
### Step 2

Future Hubs to process black mass to produce critical battery materials, including battery-grade lithium carbonate.





# Li-Cycle Operations and Projects - Spoke and Hub Network



## SPOKES (Pre-processing recycling facilities)



### Generation 3

- Arizona
- Alabama
- Germany



### Generation 2

- New York



### Generation 1

- Ontario (operations paused in November 2023)



## FUTURE HUBS (Post-processing refining facilities)

- Rochester Hub (construction paused)<sup>1</sup>

- Definitive Feasibility Study work at the planned Portovesme Hub in Sardinia, Italy is paused and the project is currently under review by Li-Cycle and Glencore.
- The previously announced Line 2 expansion plans at the Germany Spoke have been deferred and the timing is being re-evaluated as part of the go-forward strategy. The plans for the France and Norway Spokes have been paused and the timing of both projects are being re-evaluated as part of Li-Cycle's go-forward strategy.
- Operations at the Gen-1 Ontario Spoke in Canada were paused in November 2023.

<sup>1</sup>) Construction of the Rochester Hub was paused in October 2023. Li-Cycle is currently conducting a comprehensive review.



# CEO Message to Our Stakeholders

Dear Li-Cycle stakeholders, colleagues, and partners,

It has been a dynamic year for Li-Cycle, full of challenges and opportunities alike. While we experienced significant change in 2023, such as the construction pause of the Rochester Hub in late October, our commitment to our core values remains the same. At Li-Cycle, our focus has always been on sustainably recycling and recovering critical battery materials to support the global shift towards electrification.

Sustainability isn't just an element of our business model—it's engrained in our DNA and is a fundamental part of the overarching purpose that directs our actions and decisions. Our 2023 Sustainability Report reflects this dedication.

In our 2023 Sustainability Report, we detail the progress we've made towards our sustainability objectives over the past year and offer insight into our future priorities. Since our founding in 2016, Li-Cycle has undertaken a sustainability journey. While our business may evolve, our commitment to sustainability will not waver.

## Here are some of the key highlights from this year's report:

- Enhanced our robust, integrated, ISO-aligned health, safety, environmental, and quality management system for global implementation across our operations, driving consistency and excellence of our sustainability performance.
- [Joined the United Nations Global Compact \(UNGC\)](#) initiative, a voluntary leadership platform for the development, implementation and disclosure of responsible business practices that reinforces our commitment to sustainable development.
- Implemented a [Human Rights Policy](#), in alignment with International Standards, that formalizes our commitment to upholding human rights, protecting our workers and communities, and ensuring that we adhere to the highest ethical and safety standards in all aspects of our activities.
- Conducted a comprehensive [enterprise-wide assessment](#) to evaluate the risks and opportunities associated with climate change.
- Updated our [Vision, Mission and Values](#) to better articulate our commitment to safe and sustainable practices.



**Ajay Kochhar**  
President & CEO



- Initiated a review and improvements in our [Diversity, Equity, and Inclusion \(DEI\)](#) programs.
- Launched our first European Spoke facility in Magdeburg, Germany, expanding our responsible battery recycling services more effectively to our global customers.
- Expanded our [community engagement and charitable contributions](#) across our North American and European operational centres.
- Strengthened our data tracking and reporting capabilities to include enhanced monitoring of environmental, social, and governance metrics, facilitating greater transparency and accountability in our sustainability efforts.

These achievements underscore our shared commitment to sustainability—a commitment that resonates throughout our operations. As the global economy continues its shift towards decarbonization, the demand for sustainably-sourced critical materials for lithium-ion batteries is on the rise, and Li-Cycle is poised to meet this need. Through our global operations and patented technology, Li-Cycle is uniquely positioned to play a pivotal role in the battery supply chain that will drive the global electric future and commitments to net-zero.

To achieve this, we remain focused on investing in environmentally-responsible operations, supported by robust key performance indicators, a commitment to continuous improvement, and a risk-based decision management process that enables us to proactively address challenges and develop solutions in real-time.

At Li-Cycle, we are working to build a better tomorrow, and it's our people who bring this vision to life. Throughout this report, you will see how our teams come together to make a positive impact in the communities where we operate, and how we strive to build an environment where every employee feels accepted, valued, and empowered to succeed.

Thank you for joining us on this journey by exploring this report and learning more about what sustainability means to all of us here at Li-Cycle.

Sincerely,

**Ajay Kochhar**

President & CEO



# ESG Strategy Overview

As a leading global lithium-ion battery recycler, Li-Cycle's commitment to sustainability and ESG is at the heart of our business and is operationalized through our integrated HSEQ Management System, with its framework of policies, standards, and procedures.

Our ESG strategy is built upon Li-Cycle's [Vision, Mission and Values](#) and provides us with a tailored framework to address the Company's existing and future ESG priorities. A main differentiator at Li-Cycle is that sustainability is at the core of our business model, and that sustainable technologies are foundational to our operations.

We have established a comprehensive, integrated, ISO-aligned health, safety, environmental, and quality management system for global implementation across our operations, driving consistency and excellence of our sustainability performance. Our innovative lithium-ion battery recycling technology positions Li-Cycle as a trusted ESG partner in the circular economy. Our "Spoke and Hub" model strategically positions our business to maximize efficiency and reduce emissions associated with transportation distances between operations.

Li-Cycle has achieved significant progress in advancing our ESG strategy in 2023. Based on active engagement with key stakeholders in 2022, we have continued to operationalize our ESG strategy to align with the Company's business strategy, focused on the identified material areas outlined in greater detail in the following section. In this manner, we have been able to progress focused improvements in the areas wherein we have the most potential impact.

Additionally, in recognition of the importance of transparently communicating our performance against globally-accepted frameworks, we have benchmarked the Company's ESG disclosures against the Sustainability Accounting Standards Board (SASB) Standards for Waste Management: 2023.







Li-Cycle’s ESG strategy is built upon several foundational pillars:

- **Embedded Commitment:** We have ingrained a company-wide dedication to ESG and sustainability, seamlessly woven into our core values and policies, and vigorously championed by Li-Cycle leadership.
- **Risk-Based Approach:** Our sustainability decision-making is guided by a risk-based methodology, allowing us to proactively address challenges, seize opportunities, and enhance long-term value creation. Notably, we assess climate change-related risks and opportunities in alignment with TCFD principles.
- **Robust Management Framework:** We employ a strong ESG management and corporate governance framework, ensuring effective oversight and accountability. This framework is informed by a comprehensive understanding of our materiality assessment, identifying key areas for improvement.
- **Integrated Management System:** Our processes are firmly grounded in a well-established ISO-aligned management system, covering health, safety, environment, and quality (HSEQ), providing a solid foundation for our ESG initiatives.
- **Sustainability KPIs:** We have established clear sustainability Key Performance Indicators (KPIs) within our corporate objectives, focusing on health and safety, environment, and communities, to drive performance improvements. Key metrics disclosed in this report include Total Recordable Incident Frequency Rate (TRIFR), scope 1 and 2 GHG emissions, waste, water, and environmental incidents.

- **Commitment to Continuous Improvement:** We are dedicated to ongoing enhancement and refinement of our ESG and sustainability approach, continuously striving for improved performance and outcomes. A detailed overview of our ESG strategy is provided in the following pages.





# Materiality Assessment – Identifying our Focus Areas

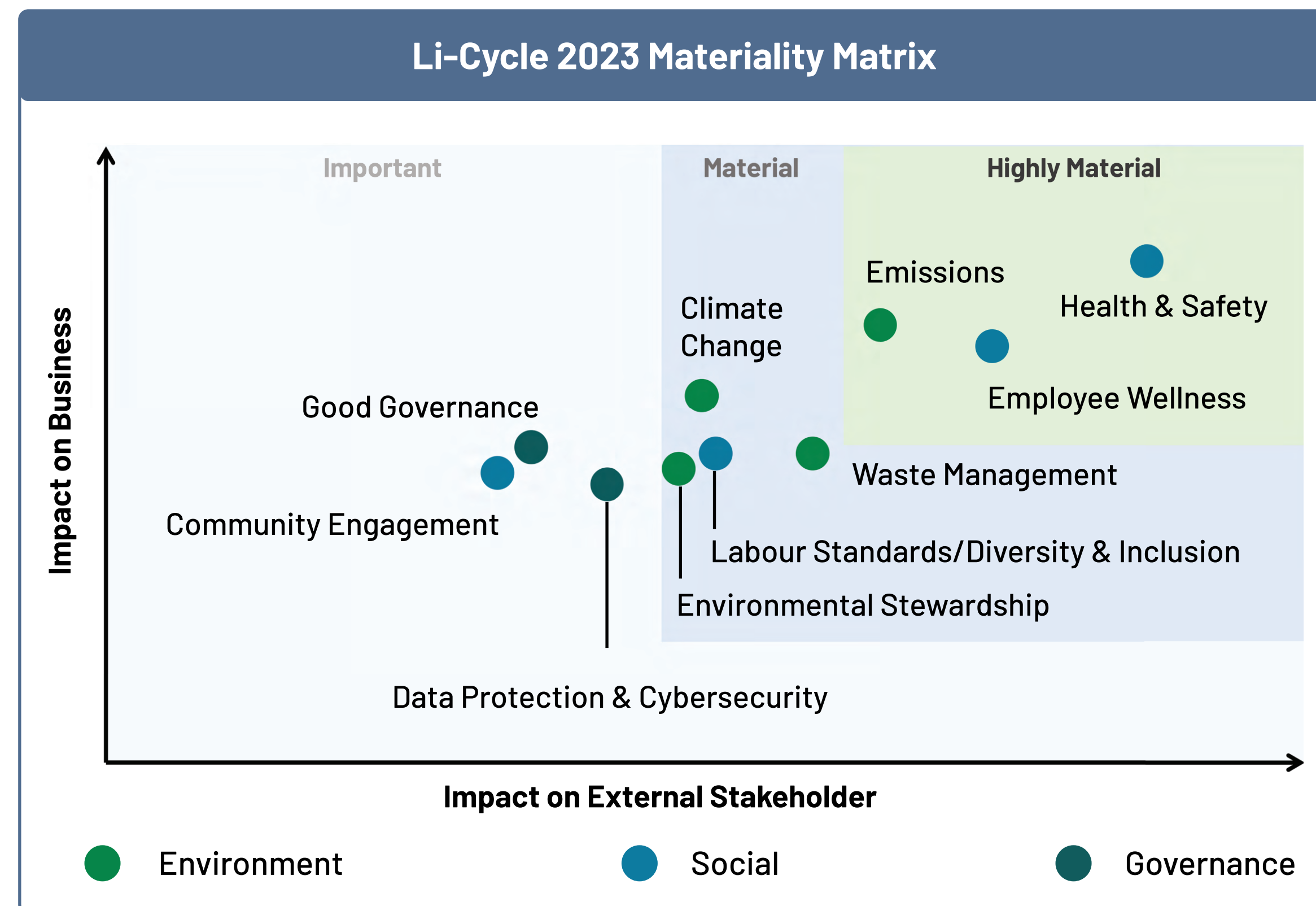
In 2023, we continued to progress our ESG strategy according to the areas of materiality identified in the 2022 assessment, helping us maintain consistency in our approach while evolving our initiatives.

Led by third-party consultancy, the 2022 assessment involved extensive consultation with both the Company’s internal and external stakeholders. Key stakeholder groups, such as the Board of Directors, executives, employees, advocacy organizations, customers, and investors, were involved in the assessment and provided critical feedback used in the determination of study outcomes.

The materiality assessment encompassed a broad spectrum of sustainability topics, including those identified as core under SASB’s Waste Management Industry – Sustainability Accounting Standard. Key topics were thoroughly reviewed and prioritized based on their perceived impact on Li-Cycle's business and the influence they hold over external stakeholders.

As shown in the Materiality Matrix, the analysis of internal and external stakeholder responses led to the prioritization of material topics across three categories: crucial risks and opportunities (highly material), strong considerations (material), and topics slated for monitoring due to anticipated increased importance over time (important). The findings revealed consistent

alignment among internal and external stakeholders, identifying health and safety as the top priority for Li-Cycle. As Li-Cycle evolves as a business, we remain committed to upholding our ESG goals and will conduct future updates of the materiality assessment at a set cadence to reaffirm that material topics and key priorities align with our overall ESG strategy and priorities.





Other high-priority topics identified during the materiality assessment included emissions and climate change, a key driver for Li-Cycle’s current initiative to assess gaps against the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and commitment to achieve TCFD alignment in 2025. More details on this work program are presented in the [Addressing Climate Change section](#).

Recognizing that our ESG strategy is a journey, our materiality assessment highlighted areas of ESG performance where we aspire to make greater strides. These include the important area of social performance, specifically employee wellness, diversity and inclusion, and community engagement. In 2023, we initiated development of a global social performance strategy and scope of work, which was deferred by the Company’s Rochester Hub pause in October 2023.

In the interim, we have established local support systems for stakeholder engagement and communications, and are working to evolve our policies and management system components, with key performance measures, across these additional topics to expand and strengthen our performance.





# Sustainability Governance and Management

Responsibility for sustainability and ESG performance is ingrained at every level of our organization, extending from Li-Cycle's Board of Directors and executive leadership to the operational frontlines.

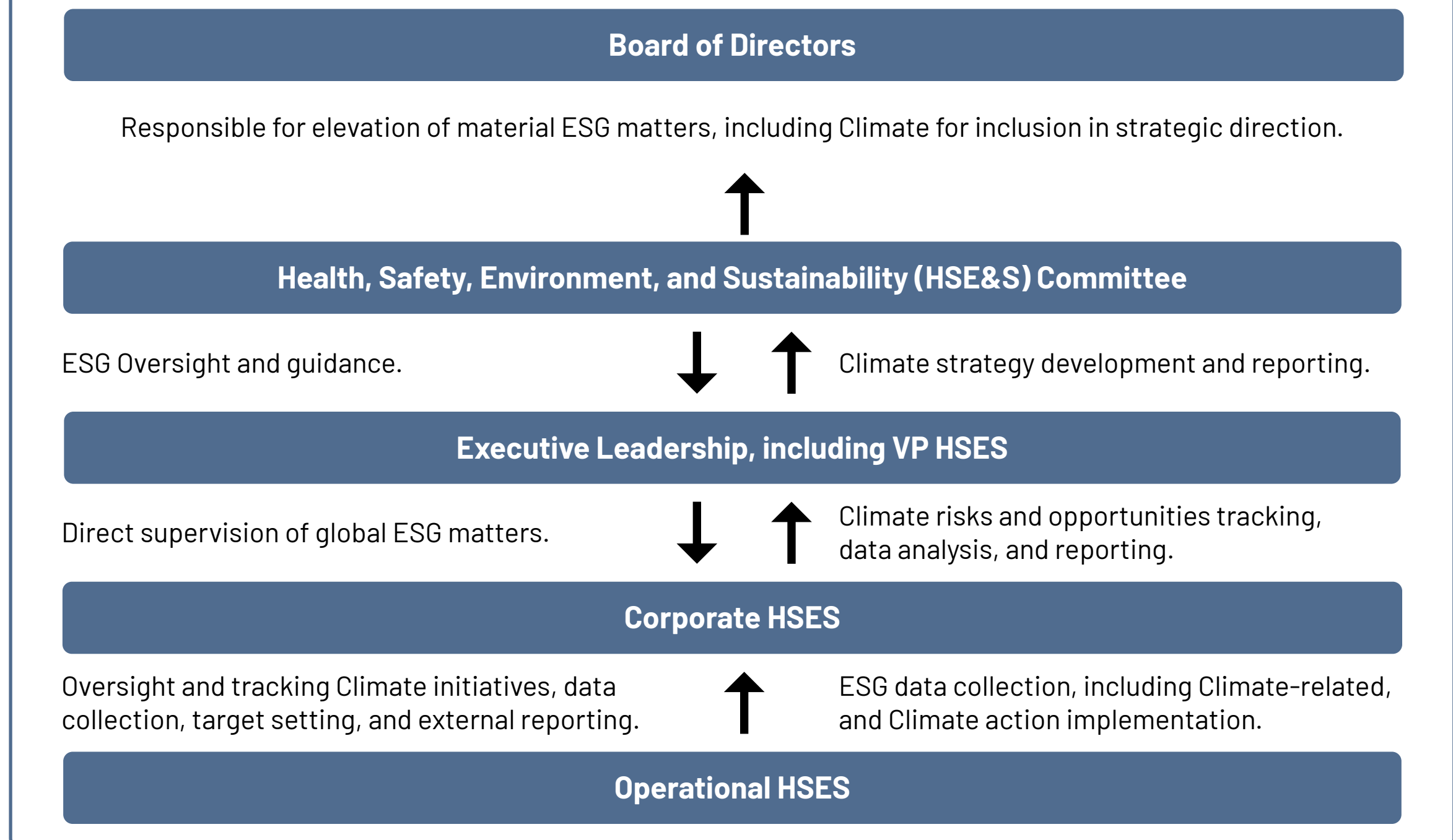
Li-Cycle's robust corporate governance framework is also a central pillar of our ESG strategy. Strong governance is critical to building and maintaining stakeholder trust as our business continues to evolve. The Health, Safety, Environment, and Sustainability (HSE&S) Committee of the Board provides oversight of the formulation and execution of the Company's policies, procedures, and programs related to health, safety, environment, and sustainability and provides oversight of key risks and opportunities.

The HSE&S Committee is also responsible for overseeing adherence to 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 initiatives and management have been strengthened through the integration of the ESG team into the broader Health, Safety, Environment, and Sustainability (HSES) department in mid-2023. This strategic alignment has resulted in a more cohesive and comprehensive approach to sustainability and associated data collection quality. In 2023, further improvements were achieved through the appointment of a Vice President of HSES, reporting through to the

CEO and HSES Committee, to drive ESG Strategy implementation, continuous improvement, and communications. This key leadership role underscores our commitment to elevating ESG practices within the organization, ensuring alignment with our overall HSES objectives, and establishing a culture of sustainability excellence across all aspects of our operations.

## Health, Safety, Environment, and Sustainability Governance Structure





Our corporate-level ESG team, tasked with overseeing day-to-day sustainability and ESG efforts, spearheads the formulation and execution of our ESG strategy. This team plays a pivotal role in tracking global ESG developments and integrating best-in-class ESG practices throughout the Company.

Collaborating closely with our HSES practitioners, the ESG team is instrumental in ensuring continuous compliance with permits, management standards and policies, sustainability data collection and quality assessment, and monitoring and tracking performance.

The ESG team works in tandem with our Government Relations and Legal teams to assess ESG industry trends and new regulatory policies, such as Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (also referred to as Canada's Modern Slavery Act) which came into effect in 2023. Further ESG team responsibilities also include reporting our ESG performance internally and advancing our external reporting strategy year over year.

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 expectations for responsible business conduct. Read the [Governance section](#) in this report to learn more.





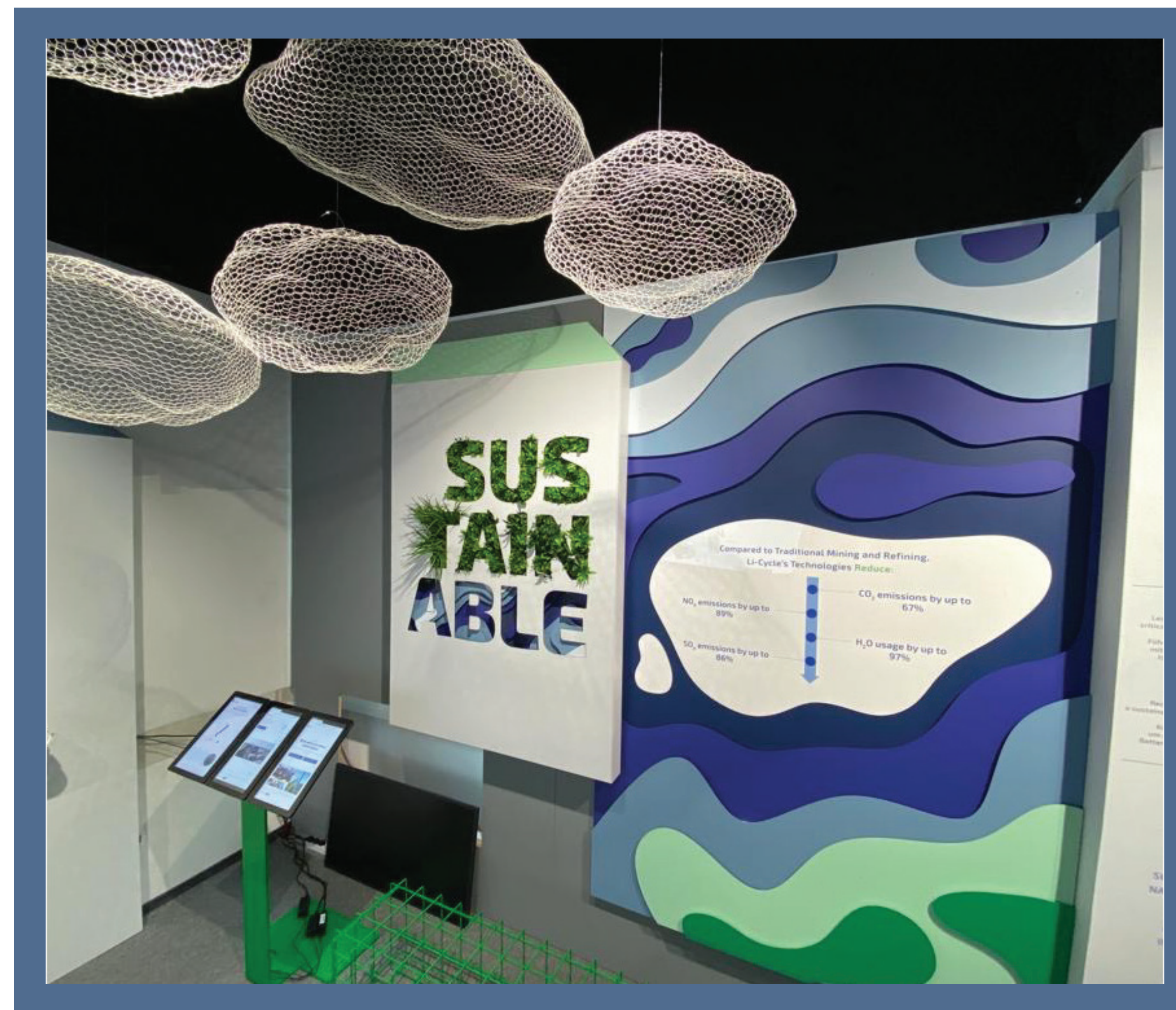
# ESG Policies, Standards, and Management Systems

Our ISO-aligned global Integrated Management System (IMS) consists of policies, standards and procedures to drive the collection of high-quality data, establishment of effective performance indicators, improved consistency of our sustainability performance, and promote continuous improvement.

Li-Cycle’s Integrated Business Policy (IBP) articulates our commitment as responsible operators and leaders in environmental, health, and safety best practices in the lithium-ion battery recycling industry.

To advance these commitments, our integrated management system was designed to conform to ISO 14001 (Environment), ISO 45001 (Occupational Health and Safety) and ISO 9001 (Quality) Standards. Our global operations, including facilities in North America and Europe, are required to implement and maintain compliance with our IMS.

In the reporting year of 2023, our Spokes in Ontario (operations paused in November 2023) and New York retained certification with the ISO 140001, 45001, and 9001 Standard. Additionally, these facilities also retained their SERI R2v3 Responsible Recycling Certification until June 30th, 2023. In 2023, our German Spoke initiated the ISO certification process, successfully completing its Step 1 External Audit.





# Contributing to the UN Sustainable Development Goals and UN Global Compact

Our ESG strategy includes Li-Cycle’s commitment to make a positive contribution to the United Nations Sustainable Development Goals (SDGs) and the United Nations Global Compact’s (UNGC) Guiding Principles.

In June of 2023, Li-Cycle joined the UN Global Compact (UNGC), further solidifying our commitment to responsible business practices aligned with sustainable development. The UNGC is the world’s largest corporate sustainability initiative and aims to encourage businesses and organizations to adopt sustainable and socially responsible policies and practices.

The UNGC provides a framework for companies to align their operations with ten universally accepted principles in human rights, labour, environment, and anti-corruption and 17 Sustainable Development Goals.

The Ten Principles of the United Nations Global Compact are derived from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. Adopted by all United Nations Member States in 2015, the 17 SDGs represent a collective effort to address global challenges related to poverty, social inequality, health and well-being, education, and environmental priorities encompassing crucial issues like climate change.

## WE SUPPORT



As a signatory to the UNGC, Li-Cycle is committed to publishing the UNGC’s annual Communication on Progress (CoP) report to measure and demonstrate progress to stakeholders and the public on the Ten Principles and the Sustainable Development Goals in a consistent and consolidated manner.



Following our materiality assessment completed in 2022, 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 have begun to measure our progress and contributions against some of these SDGs and Guiding Principles, mainly surrounding environmental stewardship and health and safety. As we continue to progress our strategy, we intend to further this work.

### Environment

Environmental Stewardship



### Social

Health and Safety



Diversity, Equity, and Inclusion



Community Engagement



### Governance

Good Governance







# Looking Ahead

Li-Cycle remains committed to advancing its ESG performance and sustainability initiatives. Building upon the foundation laid in 2022 with the launch of our ESG strategy, and the further strengthening of our management standards and practices in 2023, our focus moving forward will be on refining and expanding existing programs while continuously improving our data collection and reporting systems.

We continue to monitor and review existing global and regional ESG-related regulations, as well as emerging policies and regulations such as the European Corporate Sustainability Reporting Directive (CSRD), to evolve our ESG strategy and performance.

## Li-Cycle's ESG Roadmap



1

Create ESG Committee (2022)



2

Select Reporting Framework (2022)



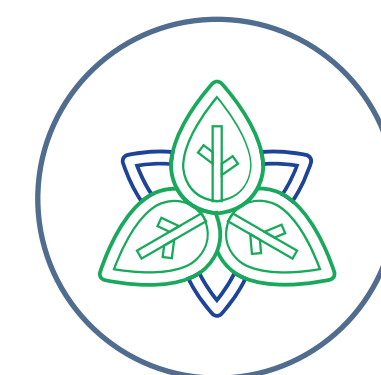
3

Planning (2022)



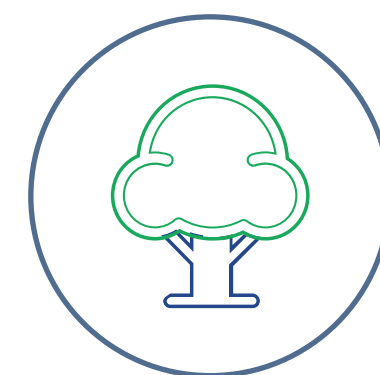
4

ESG Metrics Tracking & Interim ESG Report (2022)



5

2023 Sustainability Report



6

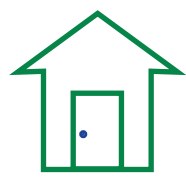
2024 Sustainability Report



7

TCFD Alignment (2025)





# Our Approach to Environment

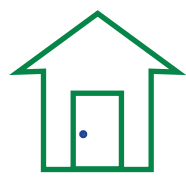
Environmental stewardship is a fundamental focus of our business and ESG strategy. Li-Cycle's advanced Spoke & Hub Technologies™ and adherence to best practices in environmental management is foundational to our goal of being a sustainable company.

Li-Cycle is committed to actively contributing to the circular economy, while maintaining strong environmental performance and continuously improving management processes to minimize the Company's ecological footprint. Our proprietary recycling technology is engineered to sustainably divert significant solid waste streams resulting from increased global reliance on lithium-ion battery energy sources from landfills, while minimizing wastewater discharges and direct air emissions.

Our approach to environmental management, focused on recycling and reuse, is foundational to our business model, providing an environmentally-friendly alternative to traditional primary metals sourcing, such as mining.

Our corporate-level HSES team, comprising global subject matter experts with local presence at our operations, provides oversight and direction on the management of environmental matters. This team ensures day-to-day compliance with environmental requirements and progresses environmental response and performance improvements.





# Environmental Stewardship

Li-Cycle’s Spoke operations are required to follow the highest environmental management standards, including applicable legal requirements and Li-Cycle’s Integrated HSEQ Management System (IMS), which is aligned with global ISO 14001:2018 Environmental Management systems standard, ISO 45001:2018 Occupational H&S, and the ISO 9001:2015 Quality Management systems standard.

It is further planned that the Li-Cycle IMS will be adapted for implementation at the future Rochester Hub (construction paused) as a key component of its operating strategy for environmental and quality standards.

As leaders in the battery recycling industry, we support the goals of the Sustainable Electronics Recycling International (SERI) and their Sustainable Electronics Reuse & Recycling Standards (R2v3). This comprehensive standard, based on the ISO Plan-Do-Check-Act management system, covers environmental, health and safety, chain of custody, and other essential requirements.

In 2023, our Ontario (operations paused) and New York Spokes retained their certifications for ISO 14001, 45001 and 9001. As well, these facilities retained their SERI R2v3 certification until June 30th, 2023. As part of this process, rigorous audits were conducted at our Ontario and New York Spokes in May and September 2023, respectively. These ISO certifications expired in January 2024, following the announcement and implementation of the Company's comprehensive business review and pause of the Ontario Spoke in

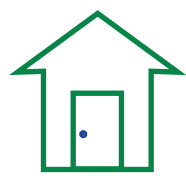
November 2023. However, compliance with the ISO-aligned IMS has continued. Both locations demonstrated strong records of environmental compliance with no major non-conformances recorded in 2023. With the support of our IMS platform, environmental issues are identified, impacts assessed, and controls implemented to eliminate or mitigate risks to the extent reasonably practicable. Internal audits are routinely conducted across all the Company’s sites to confirm adherence under Li-Cycle’s IMS.

## Life Cycle Analysis (LCA)

A Life Cycle Analysis (LCA) evaluates the environmental impacts of a product/service throughout its entire life span. An LCA is a key measure of our current and future environmental performance to determine our carbon footprint, among other impact categories such as water use, and to drive continuous improvement. Li-Cycle completed its original LCA study in 2021, with an enhanced update undertaken in 2022, completed by qualified third-party consultancies.

In 2023, and building off the previous LCA studies completed, Li-Cycle initiated the process to update the Company’s existing LCA model to include increased availability of operational data from our North American Spokes and refined data from the Hub Feasibility Study. Pending the completion of the current comprehensive business review, the LCA is expected to be re-initiated to reflect the Company's material decisions for its business operations. The updated LCA is expected to align with ISO 14040 Life Cycle Assessment standards.





# Water Management

With the planned Rochester Hub (construction paused) utilizing a variety of hydrometallurgical processing technologies, water management is a key aspect of successful operations. The responsible consumption and management of our water resources is an important element of Li-Cycle's broader ESG strategy.

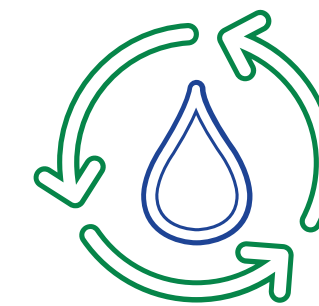


facilities (excluding activities at the paused Rochester Hub site and at the Germany Spoke, which initiated operations in Q4 2023). In alignment with our Integrated Management System, we prioritize continuous improvement initiatives in water management, and strive to optimize the accuracy and reliability of our water usage data.

Our water management strategy is based on the following approach:

- **Reduce:** Our Spoke & Hub Technologies™ are configured, by design, to discharge minimal wastewater.
- **Reuse:** Our Spokes are designed as closed-looped systems that reuse process water within our operations, limiting the need for water addition to the system with zero wastewater discharge.
- **Recycle:** We employ best practices to maximize water recycling. Our future Hub (construction paused) is designed to recycle processed water as condensate and minimize its demand for highly purified water from utility providers.

We collect water usage data from municipal utility billing in the areas in which we operate. Our 2023 reporting boundary encompasses all operational Spoke



# 12,625 m<sup>3</sup>

Total water usage in 2023





# Waste Management

A key aspect of our business model involves diverting end-of-life and discarded battery materials from landfills through our Spoke & Hub Technologies™.



Beyond this, we further prioritize continuous improvements in the management of our municipal wastes, generated at our office and operational locations, through the implementation of waste separation processes at source, to encourage recycling and composting where facilities exist.

The permitting framework for our operations is tailored to comply with all relevant jurisdictional regulatory requirements. All operations have the necessary permits to ensure compliance with applicable legal and regulatory requirements at the local, national and relevant international levels.

Materials captured in Li-Cycle’s landfill waste streams include domestic waste from on-site office use, unrecyclable packaging materials, and shredded plastic by-products resulting from Spoke processes.

Conversely, materials diverted from landfill streams include mixed domestic recyclables from on-site office use, cardboard and paper packaging, mixed scrap metal from pre-processing activities, shredded metal by-products resulting from Spoke processes, and black mass products resulting from Spoke processes.

In 2023, Li-Cycle actively collaborated with academic partners, such as Sheridan College in Ontario, Canada, as well as commercial partners, to explore innovative solutions aimed at reducing plastic by-products generated from end-of-life battery materials during the Spoke recycling process. These efforts and opportunities for improved management of these materials are expected to continue in 2024.





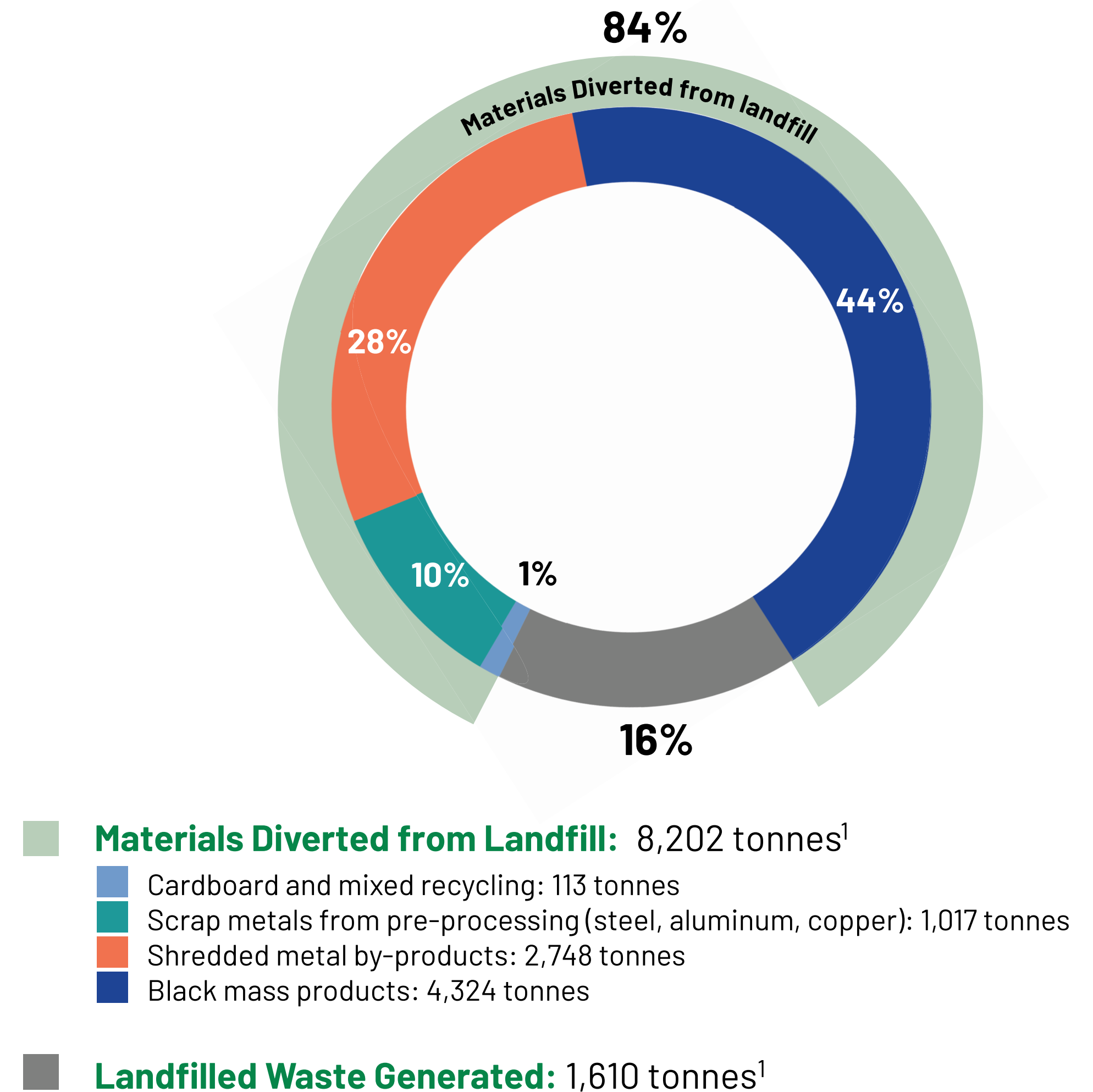
We gather waste stream data through a combination of methods, including external waste vendors’ reporting and internal inventory data. Our 2023 reporting boundary encompasses all operational Spoke and Warehouse facilities where waste is generated or managed by Li-Cycle (excluding activities at the paused Rochester Hub site or at the Germany Spoke). Utilizing a centralized ESG data collection and reporting system, we currently monitor data for waste generation, recycling volumes, and waste diversion rates for each site that Li-Cycle operates.

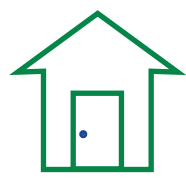
We employ industry-leading practices and rigorous quality control measures to uphold the accuracy and integrity of our waste reporting. We prioritize continuous improvement and review of our waste management processes in line with the foundations of Li-Cycle’s Integrated Management System. This involves regularly enhancing waste management practices, identifying opportunities for waste reduction and diversion, and striving to optimize the accuracy and reliability of our waste stream data. Ongoing initiatives:

- Continued focus on recycling efforts for cardboard, mixed recycling, and scrap metal materials to maintain or improve recycling rates.
- Continued evaluation of opportunities to further reduce waste sent to landfill, potentially through waste reduction initiatives or alternative waste management strategies.
- Continuous improvement of waste data collection quality.

1) We acknowledge inherent assumptions and limitations in our waste stream data collection process. In some cases, waste is measured by volume, and estimations are made to convert volume to weight based on vendor reporting data. This introduces uncertainties in the accuracy of our waste data, particularly for waste streams where volume-to-weight ratios may vary. Additionally, variations in waste composition and collection methods across different operational sites can further impact the reliability of our waste stream data.

### Summary of 2023 North American Spoke & Warehouse Waste Streams





# Managing Air and GHG Emissions

Li-Cycle’s business model, based on the recovery of battery critical materials from existing lithium-ion battery materials through our local Spoke and centralized future Hub facilities, underscores our commitment to reduce greenhouse gas (GHG) emissions throughout our end-to-end processes and technologies.



Our Spoke technology is designed to be a clean, zero-combustion process that avoids direct GHG emissions, with our operations conducting their activities under the environmental permits and regulatory requirements of their respective jurisdictions.

Utilizing a ‘submerged shredding’ process in our Spoke technology ensures that our Scope 1 emissions are inherently minimal. Furthermore, all Spoke operations have installed and operate carbon bed technology systems to effectively filter and mitigate potential air emissions. Within our operations, indoor air quality testing is routinely conducted by third party consultants as part of the company's Industrial Hygiene Monitoring program.

At our future Rochester Hub location, the project successfully secured its Air State Facility permit in March 2022. Once operational, Li-Cycle will diligently ensure full compliance with these operational regulatory and permitting requirements, incorporating periodic and continuous monitoring as required by the permit.

## GHG Emissions Performance (Scope 1)

Li-Cycle's estimated gross global Scope 1 emissions in 2023 amounted to 61,807 t CO<sub>2</sub>e<sup>1</sup>, primarily resulting from the usage of diesel and propane fuel in our fleet vehicles. **In 2023, our Spoke and Warehouse fleet consisted of 81% electric vehicles, with the majority being electric forklifts.**

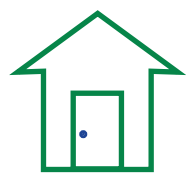
Our Scope 1 emissions calculations for fleet vehicles cover all company-owned or leased vehicles directly operated by Li-Cycle, including those used for transportation, delivery, and other operational purposes related to Li-Cycle’s Spokes and Warehouses (excluding activities at the future Rochester Hub site).

To quantify fuel consumption and emissions, we collect detailed data from fuel purchase records and vehicle odometer readings, allowing for accurate tracking on a per-vehicle basis. Our emissions calculations are based on recognized emission factors from authoritative sources like the United States Environmental Protection Agency (EPA), accounting for carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrogen oxides (NO<sub>x</sub>) emissions associated with different fuel types.

# ZERO

0% of our Scope 1 emissions result from our processes

*\*While we aim for accuracy, we acknowledge inherent assumptions and limitations in our methodology, such as challenges in data collection. In instances where detailed fuel or mileage data is unavailable, assumptions or estimations are made based on average use.*



## GHG Emissions Performance (Scope 2)

In 2023, Li-Cycle's estimated gross global Scope 2 location-based emissions amounted to 2,488 t CO<sub>2</sub>e<sup>1</sup>, with the breakdown as follows:

- Electricity: 87%
- Natural Gas (heating): 6%
- Steam (heating): 7%

In 2023, all electricity procured for our Germany Spoke was certified to be sourced entirely from renewable energy by guarantees of origin issued or recognized by Germany's Federal Environment Agency. This renewable energy includes wind and solar power, hydropower, energy from biomass, and geothermal energy, all of which were fed into the electricity grid. This resulted in a carbon-neutral Scope 2 carbon footprint of electricity at our Germany Spoke. When considering a market-based<sup>2</sup> Scope 2 emission calculation, this purchased renewable energy translates to a reduction of 376 tonnes of CO<sub>2</sub>e compared to a location-based<sup>3</sup> emission calculation for our Germany Spoke in 2023.

Regarding Scope 2 emissions, we collect consumption data from utility bills and meter readings for electricity, steam (heating), and natural gas (heating) usage across our operational facilities and offices (excluding the non-operational paused Rochester Hub site), ensuring comprehensive coverage of emissions sources. Emission factors are sourced from authoritative sources like the EPA, using regional grid factors for electricity and regional benchmark factors for steam and natural gas.

We are committed to continuously improving our emissions reporting processes and methodologies. We regularly review our data collection methods, update emission factors based on the latest scientific research and industry best

practices, and seek opportunities to enhance the accuracy and reliability of our emissions calculations.

# 376 tonnes

CO<sub>2</sub>e reduction based on market-based Scope 2 emissions for our Germany Spoke compared to location-based calculations, as all electricity at the facility was sourced from renewable energy in 2023

As we continue to monitor and track our Scope 1 and Scope 2 emissions, we're dedicated to establishing an emissions baseline and setting future GHG reduction targets. Our KPIs and targets for emissions reduction will be refined upon the completion of the first full year of operation of Li-Cycle's future Rochester Hub (construction paused).

- 1) *Inherent assumptions and limitations, such as uncertainties in emission factors and data collection challenges, are recognized, with assumptions or estimations used when detailed data is unavailable.*
- 2) *Market-based emissions in Scope 2 accounting represent indirect greenhouse gas emissions associated with the consumption of purchased or acquired electricity, heat, or steam, but are adjusted to reflect the environmental attributes of the specific energy sources purchased by the organization. This method provides a more accurate reflection of the organization's environmental impact by considering renewable energy purchases and other carbon offset mechanisms.*
- 3) *Location-based emissions in Scope 2 accounting refers to indirect greenhouse gas emissions associated with the consumption of purchased or acquired electricity, heat, or steam, based on the average emissions intensity of the grid where the facility is located. Essentially, it measures the emissions from the actual location of energy generation, regardless of the purchasing organization's specific energy contracts.*





# Addressing Climate Change

**Making a difference on climate change and advancing transparency on climate-related financial risks and opportunities.**



Climate change is one of the most important issues of our time, and businesses have a crucial role to play in addressing climate-related challenges. As a clean technology industry leader, Li-Cycle is part of the solution and aims to support the world’s transition to a net-zero carbon economy.

As we grow our Spoke & Hub business model, we have the potential to make significant contributions towards GHG emissions reductions and infrastructure resilience to more extreme climate-related events by supporting the electrification of our economy. Nevertheless, we recognize that our operations have a carbon footprint, and that our company faces climate-related risks.

The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) seek to enhance the amount and quality of the information reported in corporate disclosures on climate change issues.

Li-Cycle is committed to continuous improvement, not only in our climate change performance, but also in our transparency and reporting practices on climate-related risk information.

The information provided in this report describes our work to date to assess, manage and report on climate change risks and opportunities. It also lays the ground for further work to enhance our reporting on climate-related financial risks and opportunities in line with the TCFD recommendations.





## Governance

Li-Cycle has established a robust Integrated Management System and corporate governance framework to ensure the appropriate oversight and accountability over ESG and climate-related issues. For further details on Li-Cycle’s governance structure see our [Sustainability Governance and Management section](#).

## Risk Management

Li-Cycle has established a formal Enterprise Risk Management (ERM) framework that enables risk management across the organization in an integrated, systematic, inclusive, and transparent manner. This framework lays out the expectations, process, and tools to identify, analyze, communicate, and manage risks, including ESG and climate change risks. More details about Li-Cycle’s ERM, are provided in the [Enterprise Risk Management section](#) of this report.

As a mega trend with impacts on macroeconomic conditions and the local environments where Li-Cycle operates, climate change presents potential risks and opportunities for the organization. In 2023, Li-Cycle retained a specialized consulting firm to conduct a scenario-based, enterprise-wide climate change risk and opportunity assessment (CCRA), which was completed in early 2024.

This CCRA considered three time periods (short-, medium- and long-term) and two different climate change scenarios. Both transition and physical risks and opportunities were assessed, and the impacts on Li-Cycle’s financials, operations, health and safety and social performance were considered. The methods and scoring scales used to assess the potential impact and likelihood of climate change risks and opportunities were based on the company’s ERM framework.

The CCRA relied on data, information and expert insights across the organization, as well as publicly available information from academia, industry groups and similar companies. More details about the results of this CCRA are provided in the next page of this report under [Climate Strategy](#).





## Climate Strategy

By supporting the transition to a resilient, net-zero carbon economy, Li-Cycle will see significant business opportunities related to climate change. However, the company will also face potential climate-related risks. The table on the following page summarizes some of the most relevant climate change risks and opportunities for the Company over the short-, medium- and long-term based on the findings of the CCRA finalized in 2024.

Tackling climate change and supporting global decarbonization efforts are key drivers of our business. Our work to create a closed-loop lithium-ion battery supply chain is supporting the rapidly increasing demand for critical battery minerals. Our company-wide commitment to reducing our carbon footprint is embodied in our Environmental Policy.

As part of our commitment to minimize our environmental footprint, we continue to make strides to tackle our indirect emissions. For example, Li-Cycle's first European Spoke in Germany is powered through 100% renewable electricity that we purchase on an ongoing basis from a local energy provider. 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.

We are evaluating the impact of our operations on the environment by currently tracking Scope 1 and 2 GHG emissions<sup>1</sup>. We have also begun to identify sources of Scope 3 emissions to be included in our GHG emissions inventory<sup>2</sup>.

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

Over the next couple of years, our objectives are to:

- Develop a roadmap to enhance our corporate disclosures on climate-related financial risks and opportunities in alignment with the TCFD recommendations.
- Evolve our Climate Strategy based on the concept of double materiality<sup>3</sup>.
- Create monitoring systems for Scope 3 GHG emissions.
- Establish a GHG emissions baseline for the development of future targets as we continue to expand our global operations.

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.

2) 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 boundaries.

3) "Double materiality" adds the risks a company's activities pose to the environment and society to those that it potentially faces internally.



### Key climate change risks and opportunities over the short-, medium-, and long-term

Short-term (current reporting cycle)	Medium-term (2025-2030) Potential Climate Change Risks	Long-term (2031 – 2050)
<ul style="list-style-type: none"> <li>Changing regulatory requirements for battery handling and transport, leading to operational restrictions.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon pricing increasing transportation and operating costs.</li> <li>Higher flood risk, leading to operational disruptions and direct damage.</li> </ul>	<ul style="list-style-type: none"> <li>Water stress leading to production disruptions and higher operating costs.</li> <li>Higher temperatures leading to reduced operating efficiencies and production disruptions.</li> <li>Higher risk of more extreme climate-related events (e.g. windstorms, wildfires) leading to operational disruptions and direct damage.</li> </ul>
Potential climate change opportunities		
<ul style="list-style-type: none"> <li>Higher demand for critical minerals due to increased market penetration of battery storage technologies and ESG standards in the mining industry.</li> <li>Higher demand due to incentives from new laws and regulations (e.g., EU Critical Raw Materials Act and U.S. Inflation Reduction Act).</li> </ul>	<ul style="list-style-type: none"> <li>Preferential access to financing and accelerated permitting for EV battery recycling and critical mineral recovery.</li> <li>Market premium for low-emissions, recycled critical minerals.</li> </ul>	



# Health and Safety in the Workplace

At Li-Cycle, we prioritize the health and safety of our people above all else, striving for a zero-harm workplace across the Company.



Health and safety principles are foundational to Li-Cycle's long-term goals. The results of our materiality assessment in 2022 confirmed that health and safety are top areas of focus for Li-Cycle based on internal and external stakeholder groups surveyed. At Li-Cycle, we are dedicated to providing secure and healthy work environments, proactively working to prevent injuries and illnesses in the workplace.

Every person across our organization, from our leadership team to new hires, is jointly responsible for upholding our shared commitment to health and safety. We all contribute to creating a workplace that is free from hazard and actively work to reduce potential health and safety risks. At both the corporate and regional levels, we build robust teams dedicated to effectively managing our day-to-day occupational health and safety programs

Integral to our commitment is our Integrated Management System (IMS) aligned to ISO 45001 (Occupational H&S), 14001 (Environment) and 9001 (Quality), which helps us maintain high health and safety standards. All our facilities are mandated to adhere to ISO 45001 guidelines through the IMS, well before any ISO registration process is initiated. Li-Cycle's internal HSEQ audit program ensures that we meet performance expectations and maintain alignment with our IMS.

Additionally, internal ISO-aligned audits were systematically conducted in 2023 across our registered Spoke sites in Ontario, Canada (operations paused), and New York, USA. The HSE&S Committee of Li-Cycle's Board of Directors oversees our health and safety performance. This committee receives comprehensive quarterly reports on the organization's health and safety performance, ensuring thoughtful oversight and strategic direction.





## Health and Safety Management Systems and Assurance

Li-Cycle demonstrates its commitment to health and safety through a variety of measures, including maintaining ISO 45001 registrations at our Ontario, Canada (operations paused), and New York facilities in 2023. Internal audits were conducted at both locations, leading to the identification of corrective actions, which were subsequently addressed and closed.

We continue to leverage our established IMS to ensure relevant procedures and guidelines are adhered to across all of our operations. In 2023, the accessibility of the Company's IMS was enhanced through integration with our internal site, Li-Cycle World. This integration has allowed for company-wide access to all IMS documentation in an efficient and easily accessible manner.

We initiated planning for internal assurance managed by Li-Cycle at all facilities, to audit procedures and adherence to IMS protocols. Furthermore, we continued with the operationalization of our internal software-based Environmental, Health and Safety Management Platform, which has delivered enhanced incident reporting and information-sharing efficiencies throughout Li-Cycle's global operations.

## Industrial Hygiene

Li-Cycle's Industrial Hygiene program achieved a significant milestone in 2023 with the completion of comprehensive occupational exposure monitoring across all active Spoke locations globally. Industrial hygiene, a crucial aspect of workplace safety, involves the anticipation, recognition, evaluation, and control of environmental factors that may affect the health and well-being of employees, such as airborne particulates.

This monitoring program assesses various aspects of the workplace, including typical Spoke operations, ancillary equipment, and specific tasks such as cleaning and scraping filter presses.

The monitoring efforts, encompassing full-shift and short-term air samples (both personal and area-based) for metals and selected volatile organic compounds (VOCs), play a vital role in ensuring the health and safety of Li-Cycle's workforce. The results revealed that potential exposures during typical Spoke operations consistently remained below the established regulatory limits in Canada, the United States, and Germany.

To address any potential elevated levels of airborne metals related to certain ancillary operations and tasks, Li-Cycle employs control measures such as local exhaust ventilation and standard personal protective equipment (PPE), including negative pressure air-purifying respirators.

Surface wipe metal sampling also consistently yielded results below established regulatory limits in both Canada and the United States. Similarly, VOC exposures remained consistently below regulatory limits in these regions.

The Company's commitment to monitoring industrial hygiene stems from a proactive risk-based approach to employee health and safety, aiming to create a work environment that is not only compliant with regulations but prioritizes the well-being of its workforce. The ongoing efforts in occupational exposure monitoring demonstrate Li-Cycle's dedication to upholding the highest standards in industrial hygiene, fostering a safe and healthy workplace for its employees.



### Health and Safety Performance

Our annual business planning process establishes performance targets for a combination of leading and lagging indicators that gauge our health and safety performance. Utilizing specific performance indicators in health and safety, we identify strengths and weaknesses in our systems, bring attention to areas requiring focus, and proactively address potential issues. This comprehensive approach aims to minimize the risk of incidents, injuries, and illnesses within our organization.

We measure and track our performance against a set of established quantitative metrics including Total Recordable Injury Frequency Rate (TRIFR), Fatality Rate, and Near-Miss Frequency Rate (NMFR) for employees and contractors working at our facilities.

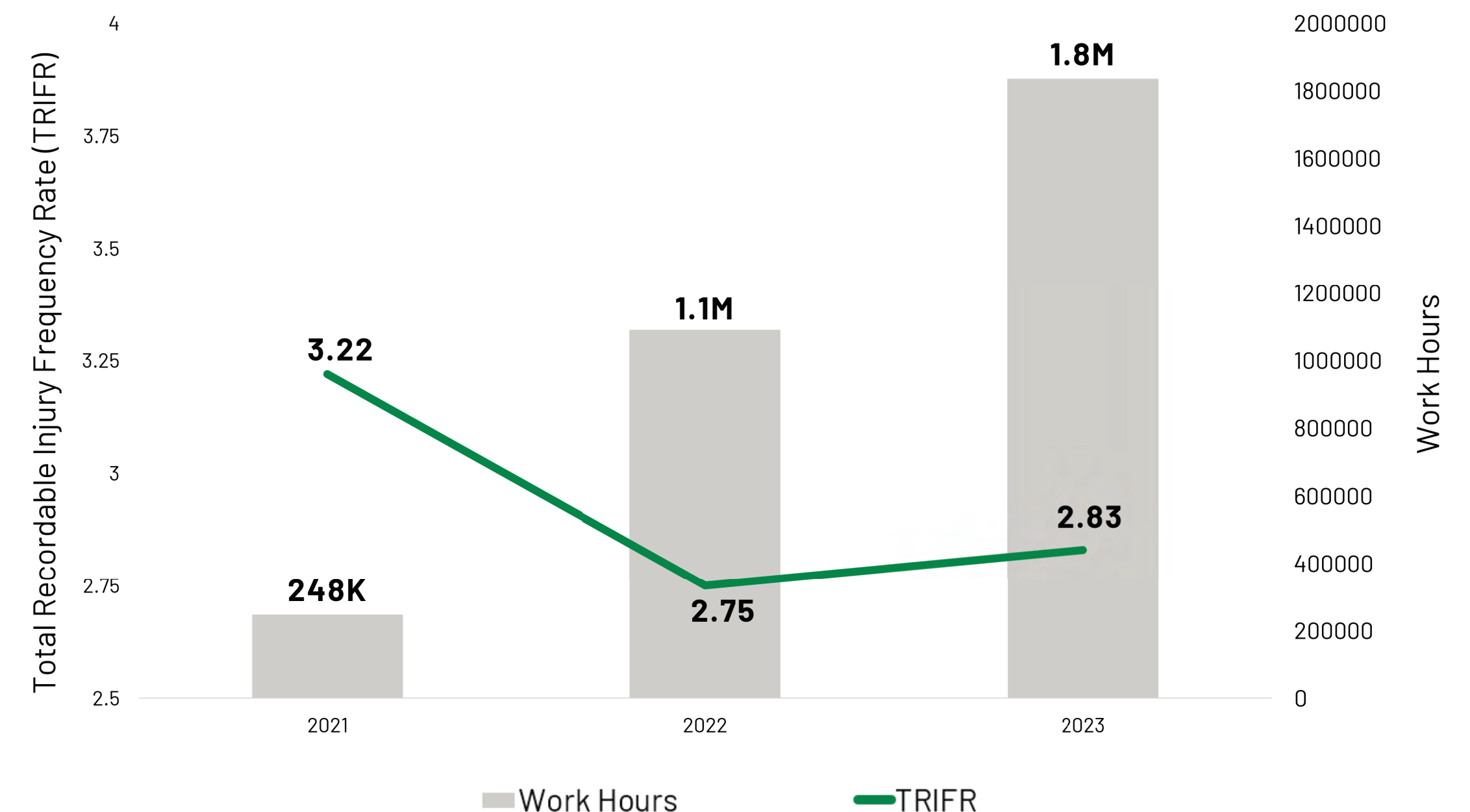
Li-Cycle's consistent achievement of zero fatalities and zero critical safety incidents can be attributed to the proactive health and safety measures we have taken to date. This includes the identification of critical hazards and controls, the implementation of our ['Blue Shift Initiative'](#), and the comprehensive integration of safety protocols and discussion at both operational and leadership levels. These collective efforts form the foundation for our continued strong safety performance.

# ZERO

Throughout Li-Cycle's operations to date, there have been zero fatalities, and zero critical safety incidents (permanently disabling injuries).

Throughout Li-Cycle's sustained growth both in terms of working hours and intensity of operations over the past year, which included the operationalization of the Germany Spoke and the increase of Hub construction activities throughout the first 10 months of 2023, we maintained a consistent level of safety performance.

### Li-Cycle's Global Total Recordable Injury Frequency Rate (TRIFR)



Over the past three years, Li-Cycle's total work hours has increased significantly while we have maintained a consistent level of safety performance.



# Case Study: Blue Shift Initiative

In 2023, Li-Cycle launched the Blue Shift initiative, a program where Spoke operations identify and implement safety improvements, sharing those improvements for adoption across the Company's larger Spoke network.

The improvements can apply to any operational area—the only criteria being that they improve Li-Cycle's metrics around health and safety, environment, quality, or productivity. To date, we have implemented more than 180 safety improvements across our North American Spokes, resulting in safer and more productive work environments.

The Blue Shift initiative directly impacts the safety of our production areas and creates a culture of accountability where employees contribute to the overall safety of their work environments. What's more, employees are recognized and rewarded for bringing forward improvement ideas through a quarterly production bonus that is measured against established metrics, including safety.



**Initiative Example 1:**  
At all three U.S. Spoke locations, 2nd level Spoke equipment platforms were extended to ensure safe access to equipment during recycling process operations.



**Initiative Example 2:**  
Blue Shift initiative which involved the installation of an overhead hoist for effortless and safer removal of a heavy access hatch for the plastics tank at the New York Spoke.





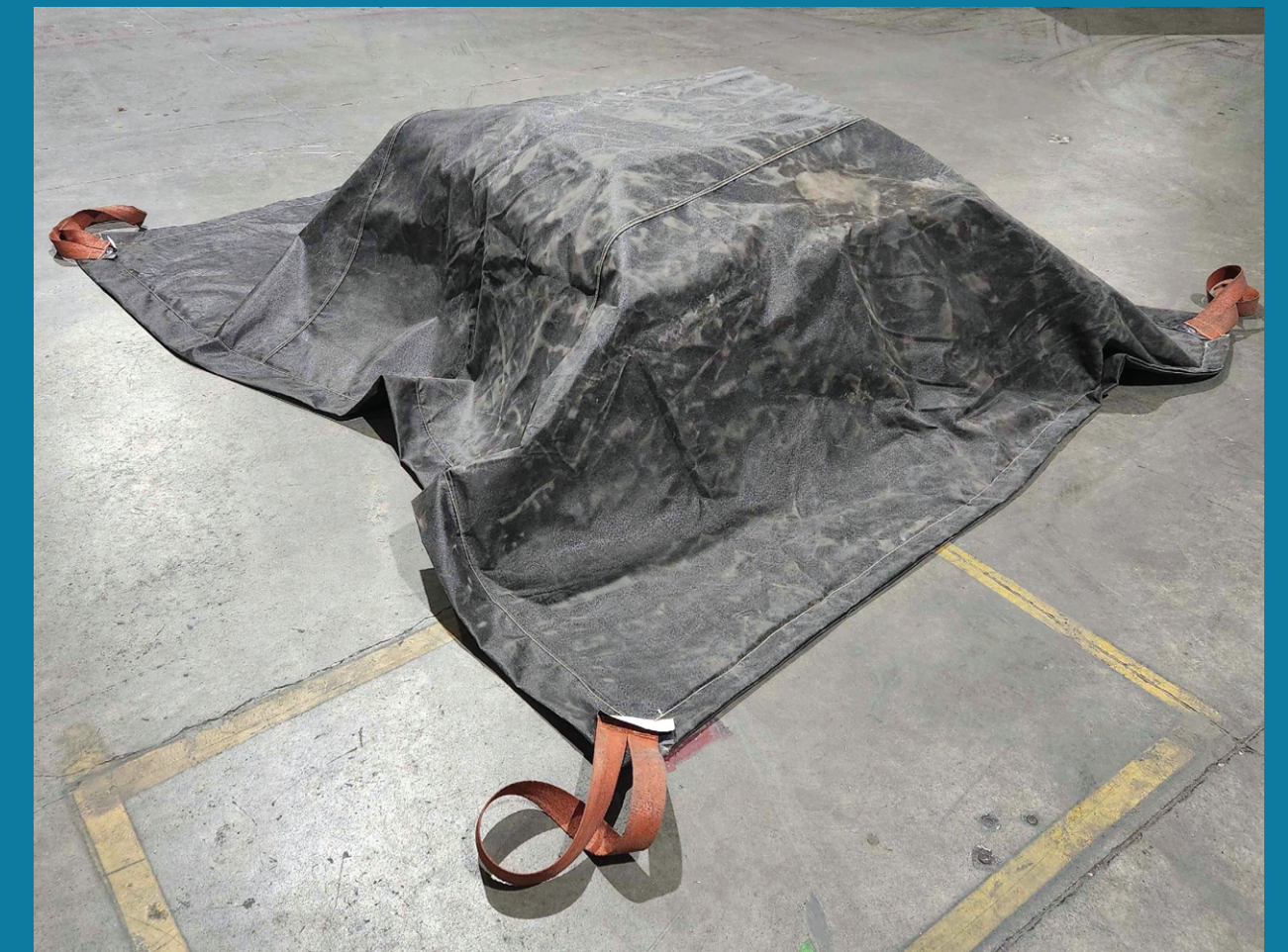
# Case Study: Managing Thermal Runaway Risks

**The potential volatility of lithium-ion battery components poses a significant safety risk for manufacturers, recyclers, and other stakeholders within the lithium-ion battery supply chain.**

This volatility can lead to thermal runaway, a phenomenon in which a lithium-ion battery undergoes an uncontrollable self-heating reaction, potentially resulting in overheating, gas generation, and, in extreme cases, fire or explosion. To address this concern, we have implemented a thorough risk mitigation program across our Spokes, starting with how our facilities are designed.

We routinely engage in hazard identification exercises, identify effective controls including critical controls, and develop comprehensive action plans, governance, training and monitoring, to manage these risks. These initiatives are aligned with local, state/provincial, and national building and

fire codes. Our safety measures include adherence to packaging and transportation standards, compliance with warehouse storage standards, installation of fire suppression systems, implementation of thermal detection (temperature monitoring) systems, and the establishment of a comprehensive training and competency program. A new initiative that was rolled out at all our Spoke facilities in 2023 was incorporating lithium-ion battery fire blankets as part of our fire protection toolbox. These blankets are specifically designed for use as an additional response control in the event of potential small, localised thermal events.



**The fire blankets are specifically designed for use with potential fires involving lithium-ion batteries and can help to contain and suppress small fires caused by thermal runaway events.**



# Training

Li-Cycle has established a robust training program across a wide range of functional areas to help employees in their professional development, support the undertaking of work in a safe and environmentally responsible manner, and to meet compliance requirements. Our commitment to continuous improvement is demonstrated through our formalized programming that focuses on meeting job-related requirements for our operators, risk reduction and job hazard analysis, and leadership development.



## Training Strategy and Learning Management Systems

Li-Cycle's comprehensive training strategy is underpinned by the effective implementation of a Learning Management System (LMS), which plays a pivotal role in our overall employee development initiatives. The adoption of an LMS introduces numerous benefits that significantly contribute to our organizational success. Our LMS serves as a centralized platform for training across all regions, delivering consistency and standardization in our learning initiatives. Its versatility allows us to reach employees globally, ensuring a cohesive approach to training programs.

Notably, our system automates learning assignments, aiding in the accessibility and delivery of essential training programs, ultimately supporting our operational efficiency and overall business objectives. Training deployment and tracking are

core functions of our LMS, as exemplified by the successful delivery of two critical training programs in 2023: employee onboarding and our improved 'on-demand' Spoke Operator training.

With its pivotal role in deploying our general onboarding and Spoke Operator training programs, our LMS tracks training information for requirements identified by our various functions, such as following job hazard analyses and/or compliance with regulatory requirements, including Occupational Safety and Health Administration (OSHA) standards. It monitors completion rates and opportunities for continuous improvement.

The LMS provides a mechanism for monitoring effectiveness of the training programs, and for personalized follow-ups with individuals who may require additional support. Our LMS ensures that our workforce is well-equipped with the necessary skills and knowledge for their roles, achieving effective management of work-related risks while meeting regulatory requirements, and contributing to the overall success and growth of Li-Cycle and its employees.

The LMS also provides Li-Cycle management with the ability to generate worker training status reports and updates that enable effective management of required renewals to meet regulatory requirements and satisfy auditing evidence expectations.



### Improved 'On-Demand' Spoke Operator Onboarding Program

Under Li-Cycle's improved Spoke Operator Onboarding Program, operators must complete an average of 80 hours of compulsory training. As a safety-first culture, the Company believes it is imperative that our Spoke operators are trained to understand appropriate health and safety standards and protocols and to effectively identify and address critical safety hazards. Beyond health and safety, our Spoke operator training program includes elements of compliance, operational performance, and equipment troubleshooting.

In 2023, improvements were made to Li-Cycle's Operator Onboarding program, which includes delivering of a portion of the training 'on-demand.' The training format improvements were built around the 70-20-10 principle, where operators learn and grow from a ratio of three types of experience:

- 70% hands-on experience
- 20% developmental relationships
- 10% coursework and training material

The coursework and training materials were also updated to facilitate centralized 'on-demand' sessions, providing the Company with greater flexibility as we replace the need for individual trainers to provide physical classroom training sessions at each location. This enhanced program resulted in tangible benefits such as more flexibility in terms of training times, further transparency and consolidation of training topics, and 100% alignment with training procedures across all operations.

Overall, a more efficient Operator Onboarding program has emerged from the format and 'on-demand' improvements.

Our improved 'On-Demand' Spoke Operator Onboarding program focuses on the following core topics:

- Orientation- and compliance-related training materials
- Health and safety specific training
- Operational performance training
- Hands-on experience with Production Manager and HSE representative



Beyond health and safety, Li-Cycle's Spoke operator training program includes elements of compliance, operational performance, and equipment troubleshooting.



## Case Study: Germany Spoke Training

In August 2023, Li-Cycle launched its first Spoke recycling facility in Europe, a significant milestone for the Company. The Spoke, located near Magdeburg, Germany, leveraged Li-Cycle's North American training framework to support the onboarding of its German team.

By strategically implementing this framework, the Company was able to build on past successes and effectively train its operators in Germany on Li-Cycle's policies and procedures, while also adhering to local regulations and practices.

Prior to the launch of the Germany Spoke, members of Li-Cycle's North American training team travelled to Germany to conduct in-depth training sessions for German operators, in collaboration with the Europe, Middle East and Africa (EMEA) HSEQ team.



Between May and November 2023, the team completed five sessions and trained more than 65 employees. The overall response received from operators has been positive and the team looks forward to building on this success.



# Employee Wellness

At Li-Cycle, we believe that employee wellness is foundational to the overall health of our organization. To support our team’s wellness, Li-Cycle has developed programming that helps deliver an employee experience that drives engagement and deepens our employee relationships.



Li-Cycle’s benefits plans are available to all eligible employees. To ensure that our teams have access to tools to help them manage their health and wellbeing, Li-Cycle conducted a full review of the benefits plans offered in each of our geographies. Through this exercise, we found opportunities to demonstrate equity

across our plans by providing comprehensive coverage that is market competitive. In 2023, Li-Cycle enhanced our wellness offerings and increased awareness through targeted communication and education campaigns. In addition to the services found within a typical benefits plan, which include medical and dental care, disability coverage, and extended health care, Li-Cycle provided optional coverages such as Pet, Home, and Auto insurance that employees can choose to participate in and improved its program to include regional supports for mental health and mindfulness, such as:

- **Canada Enhancements:** A meditation application launched to Canadian employees, via an industry-leading mental health support tool that helps with sleep, meditation, and relaxation
- **US Enhancements:** Li-Cycle rolled out new wellness and mental health resources, including expanded digital and virtual providers through our insurer for our U.S. employees
- **EMEA Enhancements:** A tailored wellness program was rolled out to our EMEA colleagues, offering individual and anonymous coaching on topics relating to work, family life, mental health, or other personal issues through professional coaches free of charge
- **APAC Enhancements:** Li-Cycle extended its Employee Family Assistance Program (EFAP) to employees in APAC



Li-Cycle enhanced our wellness offerings and increased awareness through targeted communication and education campaigns.



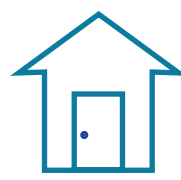
Employees have responded positively to the introduction of our new wellness initiatives and improved benefits and have shared this feedback both anecdotally and through surveys following targeted teach-in and awareness sessions. Our benefits programs had a high utilization rate when compared to plan and market benchmarks, speaking to the added value that our employees find with our offerings.

In late 2023, Li-Cycle paused construction on our Rochester Hub and commenced a comprehensive review of the business. As part of this exercise, Li-Cycle had to make difficult decisions and take immediate steps to maintain liquidity, including reducing its workforce and non-essential operational spending.

Li-Cycle provided affected employees with support such as extended benefits and severance packages to help them through their transition period. Additionally, Li-Cycle ensured that remaining employees were aware of wellness and confidential counselling offerings available through our benefits programs, including our EFAP and by providing in-office support.



Li-Cycle's benefits programs had a high utilization rate when compared to plan and market benchmarks.



# Diversity, Equity, and Inclusion

At Li-Cycle, we work hard to provide an environment where our global and diverse employee base feels accepted, valued, and respected. This approach is foundational to our diversity, equity, and inclusion (DEI) program and has informed how we build our DEI strategy and roadmap.



We plan to implement tactics regarding these four core elements in a phased approach that allows us to thoughtfully consider the needs of our stakeholders and provide our teams with ongoing education on core DEI topics including allyship, awareness, and equity, among other DEI concepts. We believe that addressing these core elements will provide a holistic approach to ensuring strong DEI performance across the company.



Throughout 2023, Li-Cycle has continued to enhance DEI performance by incorporating DEI principles into our performance management processes by providing our leaders with materials to help recognize unconscious bias. We are also undergoing a thorough review of our policies to address gaps and ensure compliance with legislative requirements. As an extension of this work, proactive efforts were made to apply a DEI sensitive lens to all employee communications. While our Code of Business Conduct embodies our company-wide commitment to DEI, reinforcing our dedication to fostering a workplace culture that celebrates diversity and promotes equity and inclusion, we have also developed a formal DEI strategy which has been approved by leadership and is expected to be implemented in a phased approach.

At a high level, our DEI strategy is based on addressing four core elements:

- Building leadership awareness
- Implementation and review of strategies and policies
- Shaping the company’s culture
- Demonstrating and communicating commitment

DEI Strategy: High-Level Framework	
 <p><b>Build Leadership Awareness</b></p> <p>Engage and hold leaders accountable as champions to create a more inclusive environment.</p>	 <p><b>Strategy and Policies</b></p> <p>Ensure programs and policies are inclusive, identify opportunities to enhance diversity and remove unintentional barriers.</p>
 <p><b>Shaping Culture</b></p> <p>Programs intended to impact the employee experience to build inclusion and foster belonging.</p>	 <p><b>Commitment and Communication</b></p> <p>Demonstrate commitment to DEI through sponsorship, memberships, communications, and other visible signals.</p>



# Community Engagement

Li-Cycle aims to create a positive impact through sustainably and responsibly processing lithium-ion batteries, diverting these materials from landfills, thereby protecting the environment while also contributing meaningfully to the communities in which we live and operate.



A key component of our ESG strategy involves effective and transparent engagement with our local communities and external stakeholders. We recognize the importance of being a valued and trusted community partner, actively building relationships that consider the socio-economic needs and priorities of the communities in which we operate, now and into the future.

In October 2023, Li-Cycle initiated the development of a formal external stakeholder engagement and social performance strategy, building on the existing grassroots initiatives which have been a priority activity for the Company since inception. This project is currently on pause and slated for formal re-launch, pending the Company's completion of its comprehensive business review. As part of the re-launch, this strategy will form the foundation for Li-Cycle's community engagement, ensuring a methodical and transparent approach that aligns with Company and community priorities.

We recognize that maintaining transparency and fostering an open dialogue with our communities is critical to building trust and fostering mutual respect.

In 2023, Li-Cycle provided regular updates on the Rochester Hub's construction to the local community through a newsletter. This newsletter ensures that local stakeholders are informed about important project milestones, including the installation of our crystallizer— the largest piece of process equipment for the Rochester Hub— and the expected impacts to the local area associated with its delivery.

## Contributing to Communities

Li-Cycle actively works to identify and establish constructive partnerships with a range of organizations, focused on creating lasting and beneficial social and environmental impacts. Through our donation and sponsorship strategy and initiatives to date, we have focused on advancing education and environmental initiatives in our local communities, while also supporting lower income families and disadvantaged youth.



Li-Cycle recognizes the importance of being a valued and trusted community partner, and actively builds relationships that considers the socio-economic needs of our communities.





# Case Study: Supporting the Local Community in Germany

In August 2023, we announced the start of operations at our first European lithium-ion battery recycling facility, located near Magdeburg, Germany.

With the goal to be a carbon-neutral economy in 2050 and achieve a reduction of at least 55% in carbon emissions by 2030 (compared with 1990), Li-Cycle’s Germany Spoke operations are fully aligned with the EU’s commitments to decarbonization and advance the circular economy as expressed in the European Green Deal.

Beyond achieving this key milestone in the European market, the development and initiative of operations at the German Spoke also provided an opportunity to proactively engage and establish positive relationships with the local community in Osterweddingen.

As part of these efforts, Li-Cycle became an official partner of the Osterweddingen primary school, located near our Germany Spoke.

In our first year of partnership, we worked on two initiatives:

- A donation to fund the construction of a garden house for the school; and
- A donation to support the creation of 40 care packages for primary students to help them start off the school year and empower their success.

As we advance our operations at our Germany Spoke, we look forward to further engagement with community members and building on these important initiatives.



Tim Johnston, Li-Cycle Co-founder (right) and Frank Pommerenke, Germany Spoke Plant Manager, (left) present a cheque to the Osterweddingen Fire Department.



# Case Study: Enhanced Access to Technology for Rochester Local Community

At Li-Cycle, we believe that the technological advancements required to enable a clean energy future will also require engaged and inspired people to champion them.

Li-Cycle’s clean technology evolution provides an opportunity for our community members to learn new skills and develop capacity in the workforce.

Since 2021, Li-Cycle has partnered with Shift2 (formerly the Shore Foundation) to collect and restore used laptops, desktops and tablets for redistribution to students and other community members, thereby improving access to technology and associated skills. Beyond supporting access to technology and capacity development, Li-Cycle’s partnership with Shift2 supports the mission to make a positive impact on the environment through diversion of these materials from landfills.

In 2023, in partnership with Shift2, Li-Cycle sponsored the donation of 75 previously-used

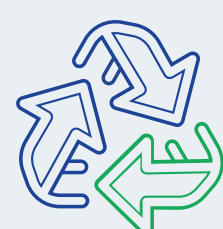
laptops within the Rochester area. We also extended our partnership with the organization through the signing of a formal commitment of support for a further three years.

Sixty of the 75 laptops were distributed to senior students at Edison Career & Technology High School in Rochester, New York, and the remaining 15 computers were donated to low-income families through a local primary school. In line with our commitment to sustainability, the donated laptops were expertly refurbished by Shift2 and provided valuable tools for the educational advancement and success of the recipients.

Beyond the laptop donation partnership, Li-Cycle also assists Shift2 in recycling the lithium-ion batteries from computers and other devices they receive but which cannot be restored.



Li-Cycle and Shift2 presented laptops to local Rochester students who completed a college application, a financial aid application, or actively pursued employment in the trades.



# 3,000 lbs

Since 2021, Li-Cycle has collected and transported over 3,000 lbs (1,360 kg) of batteries from Shift2 to our New York Spoke for recycling.



# Thought Leadership

Since its founding in 2016, Li-Cycle has established itself as an industry authority, contributing a trusted voice to the global dialogue regarding the lithium-ion battery industry and the transition to electrification.

Our leaders are innovative thinkers whose opinions and perspectives helped further enhance the public discourse around battery recycling throughout 2023:

- CEO and Co-founder, Ajay Kochhar, provided expert testimony before the U.S. Senate Committee on Environment and Public Works, offering insights on electronic waste and lithium-ion battery solutions. He also spoke at the inaugural Demonstrate Deploy Decarbonize (Deploy 23) event, highlighting how effective community partnerships enable large-scale projects.
- Contributed to a [SYSTEMIQ study](#) which focused on the need for advancing sustainable electric vehicle battery recycling in Europe
- Co-founder, Tim Johnston, spoke at the International Energy Agency (IEA) Critical Minerals and Clean Energy Summit, addressing the critical need for international collaboration in maintaining the global supply of essential minerals through innovation and technology.
- Li-Cycle was featured in several top-tier podcasts and publications that discussed the current and future-state of the industry.

- Li-Cycle also received several awards in 2023, including the Bloomberg New Energy Finance (BNFE) Pioneers Award, Corporate Knights' Fastest Growing Cleantech and Sustainable Company, and MIT Technology Review's Battery Recycling: 10 Breakthrough Technologies 2023.

This industry recognition underscores the critical role that our innovative and environmentally-friendly technologies are playing in accelerating global decarbonization.





### Industry Associations & Partnerships

Li-Cycle is an active member of several industry associations and partnerships. These platforms are a way to not only keep abreast of trends and issues, but also positively influence policy that impacts our industry.



ADVANCED RECHARGEABLE & LITHIUM BATTERIES ASSOCIATION



**BDE**

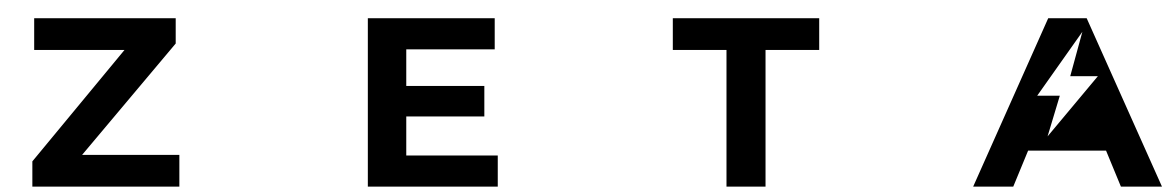
Bundesverband der Deutschen Entsorgungs-, Wasser- und Kreislaufwirtschaft e.V.



RECHARGE is a European battery industry association advocating for the sustainable development of an innovative and competitive rechargeable and lithium batteries value chain in Europe.

The BDE (Federal Association of the German Waste Management, Water and Raw Materials Industry) is Germany's biggest waste association. Membership helps Li-Cycle to align with the industry to promote the growth of a circular economy in the country.

The Battery Materials & Technology Coalition (BMTC) is an industry advocacy organization for the critical mineral and battery sectors that supports policies, programs, and funding for the battery manufacturing base.



ZERO EMISSION TRANSPORTATION ASSOCIATION

The Zero Emission Transportation Association (ZETA) promotes the full adoption of EVs in America and improving America's global EV manufacturing base.



The Rechargeable Battery Association (PRBA) represents the U.S. rechargeable battery industry on legislative, regulatory and standards issues at the state, federal and international level



# Corporate Governance

A strong governance framework is not only critical to how we operate as a business, but it also ensures compliance and informs how we engage with stakeholders at all levels of our organization. This leadership in good governance is exemplified by our Board of Directors and Board Committees.

Our Corporate Governance Guidelines offer direction that facilitates effective governance of the Company, including the size of our Board, the independence of our Directors, Board membership criteria, diversity, committee oversight and Board self-assessment.

Li-Cycle’s Board comprises of an independent Lead Director and the Independent Directors who make up our Audit, Compensation, and Nominating and Corporate Governance committees. The Company’s Board members bring a wealth of knowledge and perspectives shaped by their extensive relevant professional experience, but also through their diversity, which includes gender, national origin and ethnicity, industry experience, and education.

In 2023, Li-Cycle bolstered the diversity, skills, and experiences of its Board members through the selection of three new Independent Directors. To demonstrate our ongoing commitment to diversity, inclusion and equity, the Nominating and Corporate Governance Committee established a 30% target for



gender diversity on the Board, a milestone that was successfully achieved in 2023. The addition of these experienced new Directors enhanced the Board's independence, expertise and gender representation, while aligning with our commitment to build an inclusive and representative governance structure.

# 30%

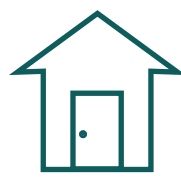
Li-Cycle achieved its Board gender diversity target of 30%, reflecting our dedication to fostering an inclusive and equitable corporate culture

## ESG Oversight and Management

The Health, Safety, Environment, and Sustainability (HSE&S) Committee of our Board is responsible for oversight of Li-Cycle’s ESG and Sustainability performance and meets quarterly with Li-Cycle functional leads to review past performance, current and future initiatives, and provide guidance.

This committee oversees the development and implementation of Li-Cycle’s health, safety, environment, and sustainability programs, policies, and procedures in a compliant manner, as outlined in our HSE&S Committee Charter.

For a complete breakdown of Li-Cycle’s Board of Director’s governance committee memberships, please refer to the [Committee Composition](#) page on Li-Cycle's website. For more information on Li-Cycle's governance approach to ESG, please see [‘Our ESG Strategy’](#)



# Human Rights and Modern Slavery

Li-Cycle remains steadfast in its commitment to upholding human rights, combatting modern slavery, and eradicating child labor across its supply chains.



Through our [2023 Modern Slavery Report](#), a transparent disclosure mandated by Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (effective January 1st, 2024), we outline our proactive approach in addressing these critical issues and our commitment to continuous improvement in this important area. We recognize that modern slavery and human trafficking are grave violations of human rights, and we are resolute in our efforts to prevent and mitigate any potential risks associated with these practices.

Building on Li-Cycle's commitment as an official signatory to the United Nations Global Compact in June 2023, Li-Cycle's Executive Leadership and Board also approved the Company's [Human Rights Policy](#), which underscores our commitment to ethical conduct and responsible sourcing. In line with the UNGC Ten Principles, Li-Cycle's new Human Rights Policy articulates our commitment and ambitions in supporting human rights, protecting our workers and communities, and ensuring that our operations adhere to the highest ethical and safety standards.

These commitments are supported by internal mechanisms and governance policies, such as our Code of Business Conduct and Ethics, Anti-Corruption

Policy, and "Know Your Vendor" screening process. By prioritizing ethical sourcing, conducting due diligence, and fostering a culture of accountability, Li-Cycle is committed to promoting a sustainable and responsible business where human dignity is upheld, and exploitation is never tolerated.



Li-Cycle's new Human Rights Policy articulates our commitment and ambitions in supporting human rights, protecting our workers and communities.



# Enterprise Risk Management

**We are committed to identifying, managing, and mitigating risks across our business and at all levels. In addition to financial and operational risks, effectively addressing ESG risks and opportunities is imperative for our communities, employees, investors and other stakeholders.**

In the past year, Li-Cycle's Enterprise Risk Management (ERM) strategy has continued to evolve. Throughout the first half of 2023, Li-Cycle's Executive Leadership team conducted strategic discussions and an Enterprise Risk Review, involving key functions across all regions. In these discussions, key risks beyond financial considerations were analyzed and incorporated into our strategic framework.

This included ESG risks and reviewing the dynamic and evolving lithium-ion battery market landscape to identify both risks and opportunities notable to our company. Additionally, 2023 provided clear learnings with regards to enterprise risk management which will be incorporated into future ERM strategy and plans.

Following the completion of this group-wide ERM review, a Regional Strategic Risk workshop program format was developed, with initial implementation launched by our EMEA team, facilitated by external consultants and corporate subject matter experts, in October 2023.

This two-day workshop resulted in the identification of top EMEA risks and opportunities, enabling the development of effective action plans for improved management and tracking. A similar program for North American operations was scheduled for Q4 2023, but was put on hold following the decision to pause construction of the Rochester Hub project.





Through our global efforts in 2023, we enhanced the Li-Cycle risk and opportunity classification matrix template to strengthen our risk management system. Subsequently, the improved risk classification matrix and definitions were integrated into enhancements made to Li-Cycle’s Incident Reporting System.

In 2023, we also launched a global multifunctional consultation process to support development of Li-Cycle’s Critical Risk Management program, focusing on identifying and prioritizing the hazards and associated controls that are most crucial for reducing the potential for material unwanted events and mitigating risks to health and safety.

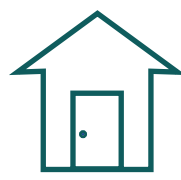
Overall, adopting a Critical Risk Management approach enables Li-Cycle to streamline our risk management efforts, reduce the likelihood of fatal or catastrophic events, and foster a safer working environment for all stakeholders. While launched in 2023, this program development will continue into 2024 and beyond.

These initiatives underscore our commitment to proactive risk mitigation and continuous improvement, aligned with our operational developments, and contributing to a culture of safety, agility and resilience.

Our Critical Risk Management program includes the following key elements:

- **Identification of Key Controls:** To more efficiently allocate resources to ensure their effectiveness.
- **Risk Prioritization:** To help prioritize risks based on their severity and potential impact, ensuring that the most critical risks are addressed first.
- **Clear Responsibility:** Assigning responsibility for the implementation of critical controls to avoid confusion about who is accountable for ensuring that these controls are in place and effective.
- **Resource Optimization:** Optimizing resources, so there is increased focus on strengthening the controls that are most crucial for preventing catastrophic events.
- **Continuous Improvement:** Aligned with our commitment to the principles of ISO, embedded in our integrated HSEQ Management System (IMS), our critical risk management program encourages a culture of continuous improvement and evolution of risk management strategies, through monitoring of evolving risks and assessment of insights gained from incidents or near-misses.
- **Compliance and Assurance:** Establishing well-defined critical controls helps ensure compliance with regulations and standards related to health and safety. It also provides stakeholders with assurance that the organization is taking proactive measures to mitigate risks effectively.





# Information Management and Cyber Security

As cybersecurity threats become more common and sophisticated, companies are required to employ evermore complex defenses. At Li-Cycle, we approach cyber security not as a singular undertaking, but as a sustained effort.

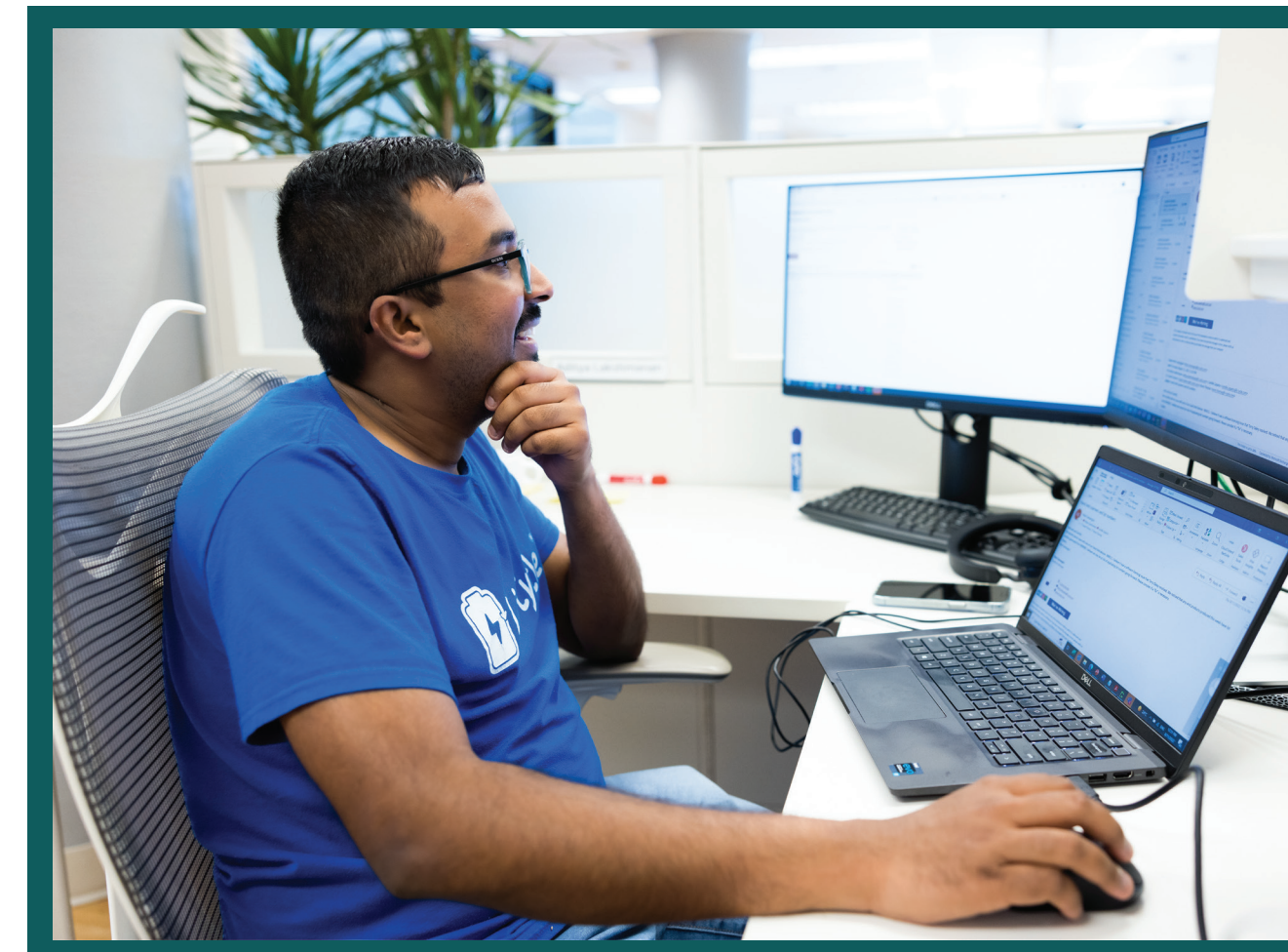
As part of our ongoing strategy, we work to continually strengthen our ability to identify, mitigate, and adapt, in real time, to the evolving landscape of cyber threats. This commitment is reinforced across all levels of our organization and championed by our Cybersecurity Committee, which provides regular updates to our Leadership team and the Board’s Audit Committee, helping to build awareness of cybersecurity initiatives and risks as well as the strategic technology enhancements we implement.

At a high level, the protective measures we take include firewalls and continuous monitoring across all Li-Cycle owned assets. Cybersecurity and the protection of our intellectual property has also been identified as a key risk category in our Enterprise Risk Management program.

In 2023, we also launched a comprehensive enterprise-wide communication campaign focused on defending against cyber threats. This initiative provides enhanced employee training on how to effectively recognize and respond to potential threats while reminding our teams of the critical role each individual plays in safeguarding our technology. This campaign includes a variety of tactics, such as bi-weekly training videos, company-wide teach-in sessions, and regular

reminders on best practices for detecting phishing attempts. To date, we have not experienced any cybersecurity event that materially affected Li-Cycle's operations or finances.

[Li-Cycle’s Privacy Policy](#), which has been in effect since 2020, details our commitment to securely manage any personal information that we collect in our own system and to respect the privacy of any information that is shared with us. Li-Cycle consistently monitors regional and global security initiatives, including the Trusted Information Security Assessment Exchange (TiSAX) standard, complies with applicable data privacy and security regulations, and actively conducts reviews to determine necessary actions, as mandated.



Li-Cycle complies with all applicable data privacy and security regulations and is committed to mitigating cyber security risks.



# Greenhouse Gas Emissions

SASB Code	Sustainability Metric	Unit of Measure	Response
<b>IF-WM-110a.1.</b>	Gross global Scope 1 emissions	Metric tons (t) CO2e	61,807
	Percentage covered under emissions-limiting regulation	Percentage (%)	8.44%
	Percentage covered under emissions-reporting regulation	Percentage (%)	0%
	Total landfill gas generated	Million British Thermal Units (MMBtu)	N/A
<b>IF-WM-110a.2.</b>	Percentage flared	Percentage (%)	N/A
	Percentage used for energy	Percentage (%)	

SASB Code	Sustainability Metric	Unit of Measure	Response
<b>IF-WM-110a.3</b>	Discussion of long-term and short-term strategy or plan to manage Scope 1 and lifecycle emissions, emissions reduction targets, and an analysis of performance against those targets		<p>Understanding and managing our GHG emissions is a cornerstone of our environmental strategy. Collaborating with our ESG and environmental teams, we've crafted a GHG Inventory Management Manual to meticulously identify all sources of Scope 1 and Scope 2 emissions. This manual standardizes tracking procedures across all our locations, empowering our operators to effectively monitor and record crucial data such as fuel consumption, mileage, and energy sources. As we continue to monitor and track our Scope 1 and Scope 2 emissions, we're dedicated to establishing an emissions baseline and setting future GHG reduction targets.</p> <p>Our KPIs and targets for emissions reductions will be refined upon the completion of the first full year of operation of Li-Cycle's future Rochester Hub (construction paused). Furthermore, as part of our ongoing commitment to ESG, plans are underway to update our Life Cycle Assessment (LCA) to incorporate the latest operational data availability, providing a more detailed carbon footprint analysis of our Spoke &amp; Hub recycling process. Concurrently, we've commenced a climate change risk assessment and gap analysis, aligning with TCFD recommendations slated for 2025. In tandem, Li-Cycle maintains a continuous review of opportunities to integrate low/zero emissions solutions across our operations. For example, we've already integrated 24 electric forklifts into our fleet at Spoke and Warehouse facilities and 3 electric vehicles for personal transportation.</p>



# Fleet Fuel Management

SASB Code	Sustainability Metric	Unit of Measure	Response
<b>IF-WM-110b.1.</b>	Fleet fuel consumed	Gigajoules (GJ)	913
	Percentage natural gas	Percentage (%)	0
	Percentage renewable	Percentage (%)	0
<b>IF-WM-110b.2</b>	Percentage of alternative energy vehicles in fleet	Percentage (%)	88%

# Air Quality

SASB Code	Sustainability Metric	Unit of Measure	Response
<b>IF-WM-120a.1.</b>	NO <sub>x</sub> (excluding N <sub>2</sub> O)	Metric tons (t)	Li-Cycle's Spokes operate in compliance with air emissions approvals relevant to the jurisdictions in which they are located.
	SO <sub>x</sub>	Metric tons (t)	Li-Cycle's Germany Spoke is required to complete stack testing within 6 months of full operational startup. The planning process for this testing has been initiated.
	Non-methane volatile organic compounds (NMVOCs)	Metric tons (t)	
	Hazardous air pollutants (HAPs)	Metric tons (t)	All Spokes employ a carbon bed technology to filter and mitigate any potential air emissions. Additionally, indoor air testing is completed as part of the company's Industrial Hygiene Program.
<b>IF-WM-120a.2.</b>	Number of facilities in or near areas of dense population	Number	9 (Li-Cycle's operational Spoke and Warehouse facilities)
<b>IF-WM-120a.3.</b>	Number of incidents of non-compliance associated with air emissions	Number	0



# Management of Leachate and Hazardous Waste

SASB Code	Sustainability Metric	Unit of Measure	Response
<b>IF-WM-150a.1.</b>	Total toxic inventory (TRI) releases	Metric tons (t)	0
	Percentage of TRI releases to water	Percentage (%)	0
<b>IF-WM-150a.2.</b>	Number of corrective actions implemented for landfill releases	Number	N/A (Li-Cycle does not operate landfills)
<b>IF-WM-150a.3.</b>	Number of incidents of non-compliance associated with environmental impacts	Number	0 formal enforcement actions

# Labour Practices

SASB Code	Sustainability Metric	Unit of Measure	Response
<b>IF-WM-310a.2.</b>	Number of work stoppages	Number	0
	Total days idle	Days	0
<b>IF-WM-310a.1.</b>	Percentage of active workforce covered under collective bargaining agreements	Percentage (%)	0%



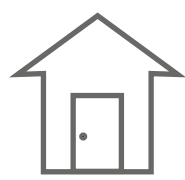
# Workforce Health & Safety

SASB Code	Sustainability Metric	Unit of Measure	Response
IF-WM-320a.1.	Total recordable injury rate (TRIR) for (a) direct employees and (b) contract workers	Rate	(a) 2.7 (b) 2.9
	Fatality Rate for (a) direct employees and (b) contract workers	Rate	0
	Near Miss Frequency Rate (NMFR) for (a) direct employees and (b) contract workers	Rate	(a) 13.5 (b) 1.7
IF-WM-320a.2.	Unsafe Driving	Percentile (%)	N/A
	Hours-of-Service Compliance	Percentile (%)	
	Driver Fitness	Percentile (%)	
	Controlled Substances/Alcohol	Percentile (%)	
	Vehicle Maintenance	Percentile (%)	
IF-WM-320a.3.	Number of road accidents and incidents	Number	0



# Recycling & Resource Recovery

SASB Code	Sustainability Metric	Unit of Measure	Response
IF-WM-420a.1.	Amount of waste incinerated at owned and operated facilities	Metric tons (%)	N/A
	Percentage of waste incinerated that is hazardous	Percentage (%)	
	Percentage of waste incinerated for energy recovery	Percentage (%)	
IF-WM-420a.2.	Percentage of customers receiving recycling services, by customer type	Percentage (%)	100% Industrial
	Percentage of customers receiving composting services, by customer type	Percentage (%)	N/A
IF-WM-420a.3.	Amount of material recycled	Metric tons (t)	In 2023, we received 8,357t
	Amount of material composted	Metric tons (t)	N/A
	Amount of material processed as waste-to-energy	Metric tons (t)	N/A
IF-WM-420a.4.	Amount of electronic waste collected	Metric tons (t)	Li-Cycle's business model is to collect and process lithium-ion battery waste, in 2023 we received 8,357t.  A Spoke recycling efficiency rate of 73.8% has been externally verified by a third-party based on battery material processed at Li-Cycle's Ontario Spoke (operations paused) in 2021 as a representative operation. This is the minimum expected recycling efficiency rate, as the Ontario Spoke (paused November 2023) is the oldest generation of Spoke Technology and does not include further recovery from Li-Cycle's future Hub Technology. The company's overall recycling efficiency rate is expected to improve further upon completion of Li-Cycle's Rochester Hub (construction paused).
	Percentage recovered through recycling	Percentage (%)	



# Activity Metrics

SASB Code	Sustainability Metric	Unit of Measure	Response
IF-WM-000.A	Number of customers by category: (1) municipal, (2) commercial, (3) industrial, (4) residential, and (5) other	Number	Industrial = 149
IF-WM-000.B	Vehicle fleet size	Number	33 total fleet vehicles
IF-WM-000.C	Number of: (1) landfills, (2) transfer stations, (3) recycling centres, (4) composting centres, (5) incinerators, and (6) all other facilities	Number	Recycling centres = 5
IF-WM-000.D	Total amount of materials managed, by customer category: (1) municipal, (2) commercial, (3) industrial, (4) residential, and (5) other	Metric tons (t)	Industrial: In 2023, we received 8,357t from industrial customers



# Contact Information

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## Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this 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 report include but are not limited to statements about: Li-Cycle’s commitment to support the creation of a domestic closed-loop battery supply chain and contribute to the shift towards global decarbonization; Li-Cycle’s future Hubs; Li-Cycle’s ESG commitments; the planned adaptation of Li-Cycle’s IMS for implementation at its future Rochester Hub; the expected alignment of the updated LCA with ISO 14040 Life Cycle Assessment standards; the efforts to optimize the accuracy and reliability of Li-Cycle’s water usage data; the efforts to improve Li-Cycle’s management of end-of-life and discarded battery materials; Li-Cycle’s commitment to reduce greenhouse gas emissions; the expected advancement of transparency on climate-related financial risks and opportunities; Li-Cycle’s plans under its DEI strategy; the initiatives under Li-Cycle’s partnership with Shift2; Li-Cycle’s commitment to identify, manage, and mitigate risks across its business and all levels, including cyber security risks. These statements are based on various assumptions, whether or not identified in this report, including but not limited to assumptions regarding the timing, scope and cost of Li-Cycle’s projects, including paused projects; the processing capacity and production of Li-Cycle’s facilities; Li-Cycle’s expectations regarding further workforce reductions and the ability to right-size and right-shape the organization; 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 or execute any strategic transactions; Li-Cycle’s ability to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners; the success of Li-Cycle’s cash preservation plan, the outcome of the review of the go-forward strategy of the Rochester Hub, Li-Cycle’s ability to attract new suppliers or expand its supply pipeline from existing suppliers; general economic conditions; currency exchange and interest rates; compensation costs; and inflation. There can be no assurance that such estimates or 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. These forward-looking statements are provided for the purpose of assisting readers in understanding certain key elements of Li-Cycle’s current objectives, goals, targets, strategic priorities, expectations and plans, and in obtaining a better understanding of Li-Cycle’s business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes and is not intended to serve as, and must not be relied on, by any investor as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. 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 are not guarantees of future performance. Li-Cycle believes that these risks and uncertainties include, but are not limited to, the following: Li-Cycle’s inability to economically and efficiently source, recover and recycle lithium-ion batteries and lithium-ion battery manufacturing scrap, as well as third party black mass, and to meet the market demand for an environmentally sound, closed-loop solution for manufacturing waste and end-of-life lithium-ion batteries; Li-Cycle’s inability to successfully implement its global growth strategy, on a timely basis or at all; Li-Cycle’s inability to manage future global growth effectively; Li-Cycle’s inability to develop the Rochester Hub as anticipated or at all, and other future projects including its Spoke network expansion projects in a timely manner or on budget or that those projects will not meet expectations with respect to their productivity or the specifications of their end products; Li-Cycle’s history of losses and expected significant expenses for the foreseeable future as well as additional funds required to meet Li-Cycle’s liquidity needs and capital requirements in the future not being available to Li-Cycle on acceptable terms or at all when it needs them; risk and uncertainties related to Li-Cycle’s ability to continue as a going concern; uncertainty related to the success of Li-Cycle’s cash preservation plan and related past and further workforce reductions; Li-Cycle’s inability to attract, train and retain top talent who possess specialized knowledge and technical skills; Li-Cycle’s failure to oversee and supervise strategic review of all or any of Li-Cycle’s operations and capital project and obtain financing and other strategic alternatives; Li-Cycle’s inability to service its debt and the restrictive nature of the terms of its debt; Li-Cycle’s potential engagement in strategic transactions, including acquisitions, that could disrupt its business, cause dilution to its shareholders, reduce its financial resources, result in incurrence of debt, or prove not to be successful; one or more of Li-Cycle’s current or future facilities becoming inoperative, capacity constrained or disrupted, or lacking sufficient feed streams to remain in operation; the potential impact of the pause in construction of the Rochester Hub on the authorizations and permits granted to Li-Cycle for the operation of the Rochester Hub and the Spokes on pause; the risk that the New York state and municipal authorities determine that the permits granted to Li-Cycle for the production of metal sulphates at the Rochester Hub will be impacted by the change to MHP and the reduction in scope for the project; Li-Cycle’s failure to materially increase recycling capacity and efficiency; Li-Cycle expects to continue to incur significant expenses and may not achieve or sustain profitability; problems with the handling of lithium-ion battery cells that result in less usage of lithium-ion batteries or affect Li-Cycle’s operations; Li-Cycle’s inability to maintain and increase feedstock supply commitments as well as secure new customers and off-take agreements; a decline in the adoption rate of EVs, or a decline in the support by governments for “green” energy technologies; decreases in benchmark prices for the metals contained in Li-Cycle’s products; changes in the volume or composition of feedstock materials processed at Li-Cycle’s facilities; the development of an alternative chemical make-up of lithium-ion batteries or battery alternatives; Li-Cycle’s expected revenues for the Rochester Hub are expected to be derived significantly from a limited number of customers; uncertainty regarding the sublease agreement with Pike Conductor Dev 1, LLC related to the construction, financing and leasing of a warehouse and administrative building for the Rochester Hub; Li-Cycle’s insurance may not cover all liabilities and damages; Li-Cycle’s heavy reliance on the experience and expertise of its management; Li-Cycle’s reliance on third-party consultants for its regulatory compliance; Li-Cycle’s inability to complete its recycling processes as quickly as customers may require; Li-Cycle’s inability to compete successfully; increases in income tax rates, changes in income tax laws or disagreements with tax authorities; significant variance in Li-Cycle’s operating and financial results from period to period due to fluctuations in its operating costs and other factors; fluctuations in foreign currency exchange rates which could result in declines in reported sales and net earnings; unfavorable economic conditions, such as consequences of the global COVID-19 pandemic; natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, cyber incidents, boycotts and geo-political events; failure to protect or enforce Li-Cycle’s intellectual property; Li-Cycle may be subject to intellectual property rights claims by third parties; Li-Cycle may be subject to cyber security attacks, including, but not limited to, ransomware; Li-Cycle’s failure to effectively remediate the material weaknesses 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; the potential for Li-Cycle’s directors and officers who hold Company common shares to have interests that may differ from, or be in conflict with, the interests of other shareholders; and risks related to adoption of Li-Cycle’s shareholder rights plan and amendment to the shareholder rights plan and the volatility of the price of Li-Cycle’s common shares. These and other risks and uncertainties related to Li-Cycle’s business are described in greater detail in the sections titled “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operation—Key Factors Affecting Li-Cycle’s Performance” in its Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission and the Ontario Securities Commission in Canada. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Actual results could differ materially from those contained in any forward-looking statement. 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 report.