Environmental Sustainability

Energy and Emissions

GRI 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7

Celestica utilizes the ISO 31000 Risk Management Standard and internal company procedures to annually complete an environmental risk assessment and evaluate the actual and potential impacts of our energy consumption and emissions. Stakeholders are involved in the process of identifying impacts, as well receiving updates on how the material topic affects our operations. Celestica examines contextual issues that can occur as a result of our operations.The following are examples of contextual issues that are examined during the assessment to have actual or potential impacts on our operations:

- Environmental impact of our energy consumption
- Procurement of Energy Attributes Certificates (EACs) and renewable energy on an annual basis
- CAPEX/OPEX allocation for energy conservation initiatives
- Extreme weather events pose a threat to our operations

In 2020, Celestica committed to a new company-wide target to reduce absolute Scope 1 and 2 GHG emissions 30% by 2025 from a 2018 base year. Our absolute Scope 1 and 2 GHG emissions reduction target covers 100% of our facilities in which we have operational control. The target has been verified and approved by the Science-based Target Initiative. To meet our emissions reduction targets aligned with a 1.5°C world, Celestica formalized a global process called the Energy Consumption Roadmap Reviews (ECRR) in 2021. The ECRR is a process for our facilities to set energy reduction targets, track and measure progress, and encourage collaboration and knowledge sharing across our network of operations. Sites meet quarterly to discuss projects and initiatives, encourage conversations and education, and to establish a common set of best practices that can be utilized at all sites. Celestica undergoes third-party verification for the emissions covered under our targets on an annual basis to ensure transparency and progress towards our target.

Our Management Approach

- Follow and maintain Celestica's Global Environmental Policy, promoting energy efficiency and reducing Celestica's environmental impact from energy usage
- Leverage carbon accounting software to track and gain insights on our global energy use and emissions
- Reduce our demand and consumption for renewable and non-renewable energy through conservation, and improving the energy efficiency of equipment and processes

- Include renewable energy sources in our energy mix, by installing on-site generation, procuring renewable energy directly from utility providers, and purchasing energy attribute certificates
- Share best practices and communicate innovative ideas through bi-monthly Energy and Waste Working Group meetings
- Identify energy experts at our sites, where possible
- Certify site-level energy management systems to the ISO 50001 standard

- Utilize a community platform for employees to share personal stories about energy reduction
- Verify our emissions through an independent third-party in accordance with the WRI/WBCSD GHG Corporate Accounting and Reporting Standard (Revised) and The GHG Protocol Scope 2 Guidance
- Set global emissions reduction targets based on science-based reductions recommendations, and use these to create annual targets for all of our sites
- Focus on transparency by reporting energy use to the CDP; and continually improve disclosure and performance scores through Celestica's sustainability team and appropriate representatives from each site
- Review quarterly site progress on greenhouse gas emissions reductions with the Chief Operations Officer and other senior executives

Waste

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Celestica utilizes the ISO 31000 Risk Management Standard and internal company procedures to annually complete an environmental risk assessment and evaluate the actual and potential impacts of waste generation and management. Stakeholders are involved in the process of identifying impacts, as well receiving updates on how the material topic affects our operations. Celestica examines contextual issues that can occur as a result of our operations.The following are examples of contextual issues that are examined during the assessment to have actual or potential impacts on our operations:

- Implications on air quality due to waste incineration
- Job opportunities to support waste management
- Impact of hazardous waste on the environment, employees, and surrounding communities
- Waste-to-Energy

Celestica is committed to sustainable consumption through the proper disposal of our waste materials within our operations. Our facilities follow a robust waste and recycling management system to reduce, reuse, repurpose, refurbish, and recycle materials. We track our data using dedicated sustainability software and share best practices among our sites by hosting bi-monthly meetings. Celestica will continue to focus on waste by auditing our facilities, tracking materials through our internal program and assessing for opportunities to align with recognized standards such as relevant Zero Waste to Landfill standard (UL2799). Celestica measures the success of our waste and effluents initiatives by our annual progress towards our global waste diversion rates, number of waste minimization projects implemented and our global recycling and

waste-to-energy metrics. Additionally, Celestica ensures compliance to the Responsible Business Alliance Code of Conduct.

Our Management Approach

- Follow and maintain Celestica's [Global Environmental Policy](#), promoting ethical and impactful waste standards for use, collection, and removal
- Leverage software to track and gain insights on our global waste and recycling metrics
- Set global waste diversion targets and use these to create annual targets for all of our sites
- Share best practices and communicate innovative ideas through bi-monthly Energy and Waste Working Group meetings
- Utilize a community platform for employees to share personal stories about waste diversion
- Perform site waste audits to identify opportunities for improvement
- Utilize the waste management hierarchy to reduce wastes generated, reuse materials where possible and recycle prior to landfill disposal
- Review quarterly site progress on waste diversion with the Chief Operations Officer and other senior executives

Water and Effluents

GRI 303-1, 303-2, 303-3, 303-4, 303-5

Celestica operations are considered light to medium industry. However, we are aware of the impacts our operations can have on local economies, the environment, social and human rights. Celestica utilizes the WRI Aqueduct tool, ISO 31000 Risk Management Standard and internal company procedures to annually complete an environmental risk assessment and evaluate the actual and potential impacts of water security. Data collection and assessment occurs on an annual basis, and progress is tracked by measuring the amount of water that was reused and recycled, as well as water conservation initiatives that have been implemented. Celestica examines contextual issues that can occur as a result of our operations.The following are examples of contextual issues that are examined during the assessment to have actual or potential impacts on our operations:

- Water availability
- Water quality and impact of effluents on environment and surrounding communities
- Sites operating in water-stressed areas
- Implications of water on commodities/raw materials
- Access to fully-functioning, safely managed WASH services for all employees

As a global employer we act diligently to mitigate environmental impacts of our operations. We engage with local authorities and leverage consulting expertise to review our operations emissions, effluents and wastes generated. We take seriously the responsibility of the handling and disposal of hazardous wastes and discharge of any process waters. Through modeling and testing we ensure we meet the parameters provided by local authorities.

We take a proactive approach to environmental management, however incidents do occur. In the event of an incident e.g spill, we have defined procedures to ensure containment and reporting. We use technology to reduce impacts - from simple tools such as spill skids to more complex methods such as air scrubbers. Stakeholders are involved in the process of identifying impacts, as well receiving updates on how the material topic affects our operations.

Being a good neighbor in the communities we operate in is a top priority and we engage our employees to help us do better. We track the performance of all of our operations monthly and communicate results throughout the organization to ensure best practices are shared and incidents are learned from. Our global EHS KPI measures show the effectiveness of our actions and help us determine which particular operations or sites require more attention.

Our Management Approach

- Establish and maintain Celestica's [Global Environmental Policy](#), ensuring all sites protect the environment and meet applicable environmental laws and regulations
- Act to conserve water in our operations and recognize the importance of responsible global water management to local communities and the environment
- Utilize good water management practices to reduce our impact on local and global water resources and conduct our operations in accordance with local regulatory requirements
- Identify and maintain awareness of our responsibilities to protect biodiversity and ecosystems in the areas where we operate
- Implement water management programs across all sites that documents, characterizes, and monitors water sources, use and discharge
- Conserve water resources at our manufacturing operations, and conduct site-specific activities related to such efforts, such as water quality monitoring, waste-water treatment, and proper waste storage
- In water stressed areas, commit to conducting business continuity exercises to understand operational impacts of reduced water availability due to quality or quantity
- Commit to use technology to help solve environmental problems relating to water security, such as use of no-clean processes, technology to reduce water flow, and environmentally friendly chemicals

Environmental Compliance

GRI 307-1

Our Management Approach

- Establish and maintain Celestica's [Global Environmental Policy](#), ensuring all sites protect the environment and meet applicable environmental laws and regulations
- Evaluate site-level Environmental, Health and Safety (EHS) legal compliance through third-party EHS regulatory compliance audits as per a defined schedule based on risk, location and past performance
- Identify and deploy site-specific legal requirements for each manufacturing location
- Link local legal requirements to site activities and environmental impacts

- Certify site-level management systems to the ISO 14001 standard
- Establish mutually beneficial relationships with local authorities to ensure good communication and access to their expertise
- Focus on continuous improvement and growing network expertise through peer audit programs that allow our trained peer auditors to assess sites within their region in accordance with the [Responsible Business Alliance Code of Conduct](#)

Materials

GRI 301-2, 301-3

Celestica utilizes the ISO 31000 Risk Management Standard and internal company procedures to annually complete an environmental risk assessment and evaluate the actual and potential impacts of the materials we use in our operations. Stakeholders are involved in the process of identifying impacts, as well receiving updates on how the material topic affects our operations. Celestica examines contextual issues that can occur as a result of our operations. The following are examples of contextual issues that are examined during the assessment to have actual or potential impacts on our operations:

- Incorporating environmentally-friendly materials such as recyclable and/or biodegradable materials
- Circularity practices to minimize raw material extraction
- Environmental impact due to extensive extraction of materials, overconsumption, extraction methods
- Human safety for dismantling products into specific materials for reuse

Celestica completes due diligence in auditing our material management services as well as auditing our on-site processes for material management. The corporate audit team regularly completes an assessment of all material management processes for exiting a site. By completing audits such as these, Celestica avoids climate-related risk arising from misleading or "greenwashing" services. By ensuring materials are being reused and recycled, less energy is required to extract new materials and keep material in its highest form to reduce emissions caused by further manipulation and manufacturing.

Where possible, processes and products are designed with circularity in mind, ensuring recovered materials are used in manufacturing and that the materials have a high level of recoverability, through either reuse, remanufacturing or recycling. Material optimization projects such as increasing recycled content in packaging and chemical recovery are documented and shared on a bi-monthly basis with our sites. The initiatives are also documented and highlighted in our annual sustainability report. Celestica measures the success of our material enhancement initiatives by the number of implemented projects annually.

Our Management Approach
- Follow and maintain Celestica's [Global Environmental Policy](#), aligning with our commitment to sustainable resource use
- Leverage software to track reused materials where feasible

- Offer After-Market Services through customized support (hardware & software) to enable maximum lifetime value for products
- Utilize shop floor controls systems to track reuse / redeployed materials for our service offerings
- Monitor recycled content of materials, specifically packaging materials
- Conserve, reuse, and recycle materials and give preference to the procurement of supplies and commodities made from recycled materials when feasible