

Sustainability at Celestica **2013**



Celestica[™]

Solid partners. Flexible solutions.

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Sustainability Report Overview





A Letter From Craig Muhlhauser

At Celestica, our goal is to be the partner of choice in our industry by delivering unique and creative solutions that generate exceptional value for our customers. Providing innovative solutions that drive our customers' success will help us to create a highly differentiated experience for our customers and reinforce our brand promise as a trusted partner.

To achieve this goal, Celestica's strategy continues to be focused on making our customers successful and strengthening their competitive positions by helping them anticipate and prepare for unexpected changes in their respective markets.

A key element of this strategy is transformation, which includes leveraging innovation to drive meaningful change for both Celestica and our customers. One area where innovation can transform our business and provide strategic value to our customers is sustainability. Over the last year, sustainability has become a differentiator with our customers and is an area where we are committed to being a leader in our industry, particularly as we begin to extend our sustainability strategy beyond our four walls through collaboration with customers, suppliers and partners. Making changes to each link in the supply chain can create game-changing benefits for all of our stakeholders that address global concerns such as urbanization, explosive population growth, climate change and deforestation.

I invite all of our stakeholders, both internal and external, to read this report, learn about our sustainability initiatives and share your feedback with us as we continue our journey toward becoming a more sustainable company.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Muhlhauser', written in a cursive style.

Craig Muhlhauser
President and Chief Executive Officer



About This Report

A Letter From Todd Melendy

2013 was an exciting year at Celestica as we launched a new sustainability initiative and began our journey to embed the principles of sustainability at every level of the company. Our sustainability initiative called “Spark Change” is one area where we are collaborating with each other, as well as with our customers, suppliers and local communities to drive positive change and, ultimately, foster a company-wide culture of sustainability.

Over the last year, I have been inspired by what many employees across our global network are doing to improve the way we do business through the lens of sustainability. For example, in Laem Chabang, Thailand, employees built a small wind turbine at a rooftop air ventilator that converts exhaust into enough energy to light walkways between buildings. In Toronto, Canada, employees developed a pallet wash process that reuses pallets from our solar manufacturing operations and prevents them from going to landfill. And, in Oradea, Romania, employees put an action plan in place for the site to achieve ISO 50001 Certification, which represents the latest best-practice thinking in energy management.

Several of our sites have also been formally recognized externally for their efforts in driving sustainability initiatives. For example, Celestica was named to Canada’s Top 30 Green Companies list for the third consecutive year. Our Hong Kong site was recognized with a Caring Company award for the 10th consecutive year; and our Romania operation was recognized for making corporate social responsibility a priority in the workplace.

This recognition is a reflection of the collective spirit of the Celestica teams across the world who are working together to make a difference. By encouraging employees to share their ideas and unlock innovative thinking, we can drive our sustainability strategy in a way that is good for Celestica and our customers, as well as the communities in which we operate.

I am proud to be sharing our company’s 2013 accomplishments in this report. Here, we will also highlight the next steps of our journey, which include working with our stakeholders to identify key issues that we need to address and further integrating sustainability into our business strategy. If you have any questions or comments on this report, please contact us at sustainability@celestica.com.

Sincerely,

Todd Melendy
Vice President, Sustainability and Compliance



Business Overview

With close to 27,000 employees throughout a global network spanning Asia, the Americas and Europe, Celestica is dedicated to providing innovative supply chain solutions that accelerate our customers' success. Celestica is a publicly-held corporation (NYSE, TSX: CLS) with 2013 revenue of US\$5.8 billion.

Celestica delivers innovative supply chain solutions globally to customers in the communications, enterprise computing and consumer end markets, as well as the diversified markets (comprising industrial, aerospace and defense, healthcare, solar, green technology and semiconductor equipment).

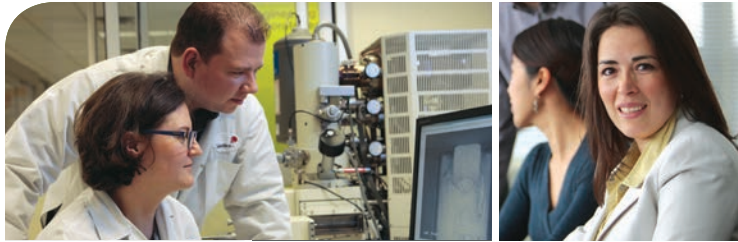
Celestica offers a range of services from design, engineering services and electronics manufacturing through to systems integration, logistics and after-market services. We also help customers design "green" supply chains and product roadmaps that access the latest and most cost-effective technologies. We also provide services to the "clean energy" sector. Through our product launch process, we support our customers in bringing renewable energy products including inverters, solar modules and energy storage solutions to market quickly.

Our innovative solutions create value for our customers by accelerating their time-to-market, and by enabling higher quality, lower cost, and reduced cycle times in our customers' supply chains, resulting in lower total cost of ownership, greater flexibility and improved competitive advantage for our customers in their respective markets.

We operate facilities around the world with specialized supply chain management and manufacturing capabilities to meet specific market and customer product lifecycle requirements. In an effort to drive speed, quality and flexibility for our customers, we execute our business in Centres of Excellence strategically located in North America, Europe and Asia. We strive to align our preferred suppliers in close proximity to these Centres of Excellence to increase the speed and flexibility of our supply chain, deliver higher-quality products, and reduce time-to-market.

Corporate Culture





Corporate Culture

2014 marks our twentieth anniversary as a company, and we are extremely proud of our history. As in our past, our future success relies on the way we work with our customers, suppliers and each other. While business results are important, the behaviours we demonstrate to achieve these results are equally important to determining who we are as a company.

Brand and Values

Our customers trust us to provide them with flexible and innovative solutions that enable them to overcome challenges and drive their competitive advantage. To ensure we consistently live up to their expectations, we foster a motivated, high-integrity work environment based on a strong corporate Brand and Values.

Our Brand was founded on our understanding that it is our employees who differentiate us within our industry, and that they are a large part of why our customers choose to do business with us. Our Brand is about our engaged and empowered employees working together to drive our company's success. Our Brand attributes – agile, adaptive and savvy – guide how we act, both with each other and with those external to our organization.

Our Brand Promise: At Celestica, we are solid partners who deliver informed, flexible solutions that enable our customers' success. We are adaptive and agile, and help our customers anticipate and prepare for unexpected changes.

Our Values: Our Values are Teamwork, Trust and Commitment, Creativity and Courage. They form the basis of our corporate culture. They guide the decision making of individual employees and represent a call to action for our people. We hold ourselves and each other accountable to our Values every day and in all of our interactions.

CELESTICA'S BRAND ATTRIBUTES

- Agile: We are active, energetic and responsive, and move quickly to anticipate changes
- Adaptive: With our open, can-do attitude, we work together to prepare for the unexpected
- Savvy: We listen closely and make informed decisions that are smart for business

CELESTICA'S VALUES

- Teamwork: We act as one global team with one vision
- Trust and Commitment: We deliver on our promises with integrity, respect and quality
- Creativity: We strive for innovation
- Courage: We act courageously in the pursuit of business excellence



Compliance and Ethics

BCG Policy and Electronics Industry Citizenship Coalition

Our company was founded on the strong principles of respect for individuals, the health and safety of employees and the protection of the environment. Today, as we represent our customers' brands in the marketplace, we continue to demonstrate that we are a truly ethical organization by living our Values and following the business ethics outlined in our Business Conduct Governance Policy (BCG) and the Electronics Industry Citizenship Coalition (EICC) Code of Conduct (the Code). Through these policies, we have established standards to help ensure that we all do the right thing.

Our BCG Policy is a natural extension of our Values. It summarizes for employees the legal and ethical behaviours that are an important part of our culture. Areas of focus in the BCG Policy include ethical behaviour, responsible corporate citizenship, the protection of assets and accountability.

Employees receive BCG training within 30 days of joining Celestica. This commitment is renewed and augmented with re-certification on an annual basis.

Additional information on our BCG Policy can be found at www.celestica.com in the Corporate Responsibility section.

As a founding member of the EICC, Celestica continues to be actively involved with the EICC membership, sharing the common membership vision of how companies should behave in the electronics industry. The EICC Code outlines industry standards to ensure that employees are treated with respect and dignity; employees are provided with a safe environment in which to work; manufacturing processes are environmentally responsible; and members have adequate management systems in place. Celestica continues to implement, manage and audit our compliance with the EICC Code.

It is important to note that our commitment to the EICC is not limited to ensuring the compliance and improvement of our own operation. Pursuant to the EICC's mandate to improve the electronics supply chain, Celestica also ensures that we partner with socially responsible supply partners. Our preferred suppliers must have management systems in place that align with the spirit of the EICC Code.

Each Celestica site is required to submit an annual Self-Assessment Questionnaire (SAQ) utilizing the EICC's data collection tool known as EICC-ON. The SAQ is used to identify any conformance risks or gaps that exist at each site. We also require that our preferred suppliers submit SAQs to identify risks within their operations. Corrective action plans must be put in place to remedy any non-compliance. Failure to do so may result in removal from Celestica's preferred supplier list.



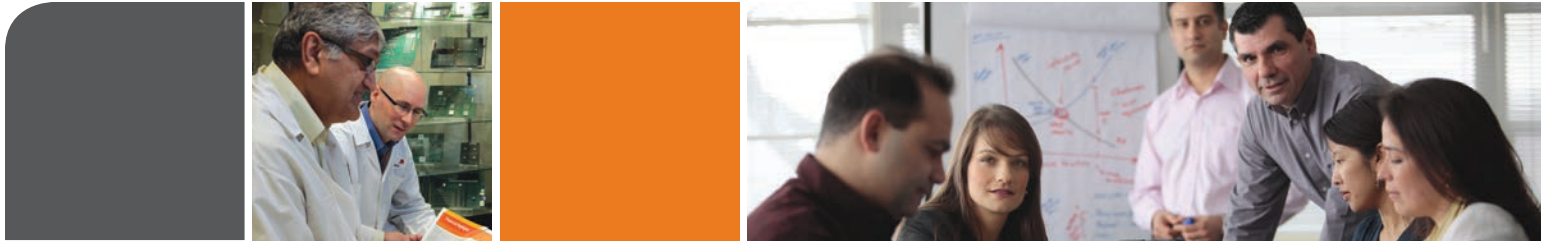
In addition to requiring each site to complete an annual SAQ, we also conduct internal audits of our sites to measure EICC compliance. Our internal audit program mirrors that of the EICC, in part to facilitate each site becoming familiar with the EICC audit program and expectations. Our sites are audited on a rotational basis with each site audited every two years at a minimum. We ensure that any findings from our internal audits have corrective action plans in place to correct such findings and improve the overall EICC Code elements at each site. The end goal is to close any gaps and manage all risks to the EICC Code.

At times, our sites are audited under the EICC Validated Audit Process (VAP). The EICC VAP is considered a best-in-class, robust and comprehensive audit program in the electronics industry. The audits are conducted by EICC-approved audit firms and managed by an appointed audit program management firm that monitors auditor skills and quality levels of the audits conducted through this program. All EICC members are encouraged to use the EICC VAP and to accept results and reports from these audits from any member facility. In October 2013, Celestica's site in Laem Chabang, Thailand decided to conduct a self-audit using the EICC VAP. This was a highly anticipated audit as many of Celestica's customers have products and services supported out of the Thailand site. The results of the audit confirmed that Celestica's Thailand site has put a great deal of effort and time into training

their employee population on the EICC Code as well as having policies and programs in place that are supported through management systems to ensure Code compliance. The end result was a relatively small number of findings, which are now being addressed through the EICC's Corrective Action Plan (CAP) management process. Once the EICC has confirmed that the CAPs in place are acceptable then Celestica can share these results with the same customers who have received the audit report. Using both the VAP and the EICC CAP management program demonstrates to us and our customers that Celestica is committed to ensuring our Thailand facility lives the values outlined in the EICC Code. For more information on these programs, visit www.eicc.info.

Ethics Program

Our Ethics Hotline program is open to all employees, customers, suppliers or anyone who has dealings with a Celestica employee. The message is very simple: if illegal or unethical behaviour is witnessed, employees have a responsibility to report it immediately. The first point of contact for all employees is their manager or Human Resources. If neither of these resources is appropriate, employees can call the Ethics Hotline or use the web-based reporting tool at www.ethics.celestica.com.



We are serious about ensuring no reprisal or retaliation for reporting actual or suspected violations of the law, Celestica's BCG Policy or other policies, or for cooperating in an investigation related to reported violations. Our hotline program is provided to employees to ensure our work environment meets the principles set out in our BCG to maintain a positive work environment for all employees.

We also provide a Global Leadership Excellence program for all supervisors in all of our geographies. Through this program, supervisors are provided critical information on how they can build an ethical culture at Celestica, their role when misconduct is witnessed or brought to their attention, as well as how to escalate issues to the Compliance department.

Compliance Training

On an ongoing basis, we review trends and risks in the electronics industry to determine what training would be most beneficial and useful to our employees. In recent years, a variety of courses have been rolled out to our employees including: anti-bribery, mutual respect, avoiding conflicts of interest, diversity and inclusion, and insider trading. This year, we plan to launch a whistleblower course to remind our employees of our established hotline program, and of the behaviours and activities that are considered violations of Celestica's BCG and/or the law.

In addition to the formal training to be launched, we will introduce videos to our employees that reinforce critical messages on key compliance-related topics.



Sustainability and Our Business





Sustainability and Our Business

At Celestica, we realize that businesses will face significant challenges over the next 20 years as a result of 10 mega-forces, namely climate change, volatility in energy and fuel markets, material resource scarcity, water scarcity, population growth, urbanization, the growing global middle class, food security, ecosystem decline and deforestation.

At a time when resources are becoming increasingly scarce, the world is facing explosive population growth and, in emerging markets, an exponentially growing middle class that will consume more than any previous generation. Simply put, if patterns of consumption and production do not change, demand will continue to exceed supply for many of our world's vital resources. As a company that is committed to sustaining our planet's natural resources, we collaborate with customers, suppliers and one another to achieve our social and environmental objectives. In order to do this, we have developed a sustainability blueprint with a clear mandate, allocation of adequate resources and a collaborative plan for implementation.

As a large consumer of resources, we know that we must first fully understand our own consumption at every level within our organization, with the goal to drive year-over-year improvements. Second, as a supplier of goods and services, we must constantly re-examine and challenge our output in order to provide our customers with the most sustainable choices available.

As a company that designs, manufactures, repairs and reuses technology, we are well positioned to leverage our knowledge and expertise to establish ourselves as a leader in providing sustainable manufacturing services to new and existing customers who are developing sustainability-enabling technologies. We are committed to driving sustainability through Celestica, as well as sharing knowledge and insights with our customers and suppliers.

Recognizing that employee involvement is critical to driving change throughout our organization and industry, we are creating a culture of sustainability by embedding key sustainability principles throughout the organization and positioning sustainability as an extension of our Brand and Values. We encourage our employees to take ownership and to drive the necessary change and innovation to achieve our sustainability goals by increasing their awareness of sustainability-related issues and giving them the tools to make it happen.





Stakeholder Engagement

We value input from all of our stakeholder groups in developing our sustainability strategy and initiatives. By working collaboratively with other organizations, we can align our sustainability initiatives more closely to society's needs and prioritize issues.

In 2013, we formally introduced a stakeholder engagement component to our sustainability strategy as a guiding principle. Our stakeholder engagement plan is the first step in creating our materiality matrix and identifying our key areas of focus. As our sustainability program matures, we will continue to add more stakeholders and flow those issues into our materiality matrix.

We recognize that we cannot achieve measurable results alone in the face of the social and environmental issues affecting our planet. Through collaboration and partnerships we can address issues beyond the realm of influence of a single company.

Figure 3.1 Stakeholder Engagement Table

STAKEHOLDER GROUP	HOW WE ENGAGE	ACTIONS
Employees	<ul style="list-style-type: none"> • Regular informal team meetings • Internal communications • Quarterly update meetings • Annual CEO and executive leadership all-employee meetings • Employee surveys • Annual ethics training and certification to the BCG guidelines • Open-door policy designed to give all employees access to management at all levels • Skip-level interviews • Email addresses for employees to contact the Compliance team directly • Annual Sustainability Report • Annual risk assessment 	<ul style="list-style-type: none"> • Share what we are doing in the area of corporate social responsibility and receive employee feedback • Develop action plans based on the feedback received from our "Your Voice" and "Pulse" surveys • Provide Ethics Hotline to encourage employees to report unethical, illegal or unsafe activities

Continued on next page

Stakeholder Engagement Table, (cont'd)

STAKEHOLDER GROUP	HOW WE ENGAGE	ACTIONS
Customers	<ul style="list-style-type: none"> • Voluntary environmental reporting Carbon Disclosure Project (CDP) greenhouse gas (GHG) questionnaire • EICC carbon reporting initiative • Annual Sustainability Report • Strategy alignment • Working meetings • Industry consortia • Ongoing customer communications 	<ul style="list-style-type: none"> • Respond to all customers requesting information on our sustainability programs • Submit details of our GHG inventory and emissions strategy to both the CDP and the EICC. These reports provide customers with a centralized repository of GHG data and minimizes the need for custom surveys • Make Sustainability Report available to all stakeholders on our website • Share sustainability strategy with customers in order to align and collaborate on key issues • Collaborate directly with customers on projects relating to sustainability (such as, packaging, life cycle analysis and waste diversion) through working meetings • Collaborate on key projects (such as low-melt solder and pb-free manufacturing) through consortia-driven projects
Suppliers	<ul style="list-style-type: none"> • Celestica supports the EICC requirements for sub-tier supplier code compliance • Annual Supplier Awards Program 	<ul style="list-style-type: none"> • Require preferred suppliers to submit an SAQ to Celestica on a bi-annual basis. Suppliers who decline to participate in the SAQ process or do not correct any non-compliance may be removed from our preferred supplier list
Communities	<ul style="list-style-type: none"> • Community giving programs • Employee volunteering in local communities 	<ul style="list-style-type: none"> • Support the communities in which we operate through the donation of funds and expertise
Investors	<ul style="list-style-type: none"> • Regular interaction with investors through face-to-face meetings, investor conferences and quarterly conference calls • Annual meeting of shareholders • Annual Report • Proxy • Management discussion and analysis • Annual Sustainability Report • Investor Relations email account for all investors and shareholders to reach the Investor Relations team in a timely manner 	<ul style="list-style-type: none"> • Provide investors and analysts with access to timely information • Consistently communicate with transparency and timeliness and strive for open, two-way dialogue with investors • Provide information on corporate social responsibility as requested
Non-Governmental Organizations (NGOs)	<ul style="list-style-type: none"> • Participation in consortia groups that interact with NGOs 	<ul style="list-style-type: none"> • Work with consortia groups in the electronics industry to address the issues of concern for NGOs
Academia	<ul style="list-style-type: none"> • Working groups • Research projects 	<ul style="list-style-type: none"> • Participate in a working group investigating how companies embed sustainability into their corporate culture • Work with local and global academic institutions to draw out the best tools, techniques and solutions to mitigate the risks associated with pb-free assembly for high-reliability applications



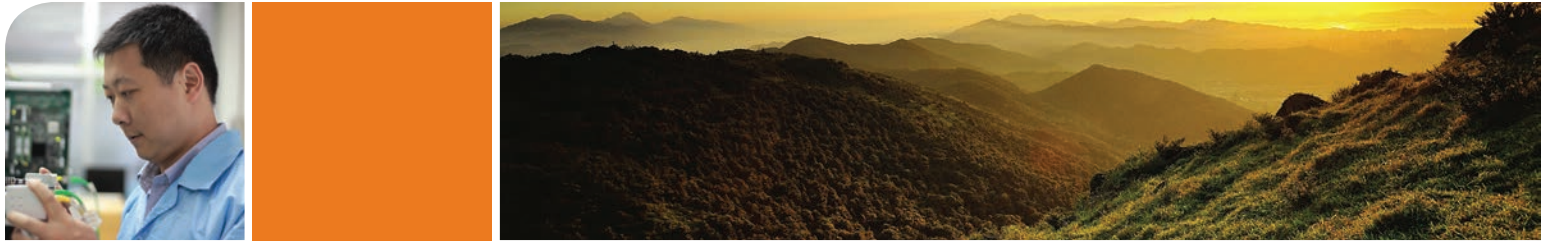
Materiality

With input from our stakeholders, we have started to identify the issues that are most important to our business and our stakeholders. This will enable us to prioritize and rank the identified issues against the potential impacts to our business, our employees, the communities in which we operate and the environment.

Because we are early in our sustainability journey, we will use a simplified priority matrix in order to assess materiality. As our sustainability initiative matures, we will develop a more formalized system to measure, assess and prioritize issues and initiatives in a materiality matrix.






Figure 3.2 Identified Issues





Our Strategy for Sustainability

Our strategy for sustainability is to embed sustainability into our corporate culture and to focus on the areas where we can make a positive impact in our industry and drive the most significant improvements. The five elements of our sustainability program are employee sustainability, energy and water, material stewardship, sustainable solutions and sustainable communities.

Elements of Sustainability				
EMPLOYEE SUSTAINABILITY	ENERGY AND WATER	MATERIAL STEWARDSHIP	SUSTAINABLE SOLUTIONS	SUSTAINABLE COMMUNITIES
				
Foster a positive and engaged workforce that drives innovation and empowers people to make a difference	Reduce our impact on the environment resulting from energy and water consumption	Reduce, reuse and recycle products and materials at end-of-life and generate value from the waste	Understand the environmental footprint of our customers' products, and proactively help our customers to "green" their supply chain	Leverage our collective expertise to drive positive change in the communities in which we operate

To create a more sustainable world, we need to harness the ideas of every employee across our global network. Sustainability is not the responsibility of one person or one team – it is everyone's responsibility.

In 2013, we launched a sustainability initiative called "Spark Change". This initiative was positioned as an individual call to action for all employees to leverage our expertise to create a more sustainable world and inspire others to do the same. We named our initiative Spark Change because we strongly believe that innovative and sustainable solutions for both Celestica and our customers begin with an idea.

Through Spark Change we are challenging employees to re-examine their day-to-day activities and improve on them in a way that is good for business and good for the planet. To ensure employees understand our sustainability strategy and how they can support our company's efforts, we communicate our sustainability goals and successes with our global employees on a regular basis.

To engage all employees at Celestica, we created a Spark Change intranet site that enables us to share information with our employees. On this site, employees share best practices that inspire others to think differently about how they can drive change within their own team or site.

In 2013, we informally launched a tool called “Ignite” that allows employees to submit ideas on what we can do as a company to become more sustainable. Since the informal launch, we have already received ideas from several of our sites and initiated a number of pilot projects. We will formally launch the tool in 2014 to further enable our employees to drive sustainability initiatives at their sites.

In 2014, we plan to develop and launch a sustainable workspace program that will allow employees to contribute to reducing the carbon footprint of their direct work space. This program will promote energy, water and waste reduction as well as the adoption of healthier work habits and will provide participating employees with the tools to change their behaviours in a fun and interactive way. Employees who participate in this program make small changes that contribute to a healthier work environment and a more resource-conscious world. We hope to demonstrate year-over-year improvement in employee participation in this program.

Sustainability Governance

Successfully incorporating sustainability into our core business strategy requires the integration of sustainable principles into our corporate governance. At Celestica, our business decisions are guided by our core Values and corporate governance guidelines. As our program matures in direction and scope, the structure required to support it will be updated.

To drive objectives throughout our organization, we have created several steering committees, councils and working groups. These cross-functional teams, in various stages of implementation, are focused on identifying opportunities for change and leading sustainability projects across the organization.

Steering Committee

The steering committee is comprised of senior, cross-functional and cross-regional leadership that provides insight on corporate level strategy and acts as a sounding board for the initiatives and projects being proposed by the sustainability team. The focus of this team is embedding sustainability into corporate culture, setting guiding principles for the company and removing roadblocks within organizations.

Councils

Under the direction of the steering committee, sustainability councils address functional group or regional issues. These teams are made up of senior functional leads, regional leaders and subject matter experts. Sustainability managers facilitate and provide guidance so that the sustainability councils establish their own strategies for their subject area or region. These teams will align to steering committee objectives by defining, managing and creating project lists.

Working Groups

Working groups will be the most numerous and the most specific in the governance structure. These teams are made up of subject matter experts, volunteers and local representatives. These teams are guided by sustainability managers and are focused on gathering information or undertaking specific projects.



Affiliations and Memberships

Celestica belongs to, or participates in, a wide range of organizations addressing global citizenship or environmental issues including:

ORGANIZATION	PROJECT
Electronics Industry Citizenship Coalition (EICC)	EICC Senior Executive Advisory Council
Electronics Industry Citizenship Coalition (EICC)	Working Hours Working Group
Electronics Industry Citizenship Coalition (EICC)	Conflict-Free Smelters (CFS)
Electronics Industry Citizenship Coalition (EICC)	Environmental Sustainability
Electronics Industry Citizenship Coalition (EICC)	VAP WG
High Density Packaging Users Group (HDPUG)	Board of Directors
High Density Packaging Users Group (HDPUG)	Lead-free Board Materials Phase Three
High Density Packaging Users Group (HDPUG)	Lead-free Copper Erosion
High Density Packaging Users Group (HDPUG)	Pad Cratering and the Lead-free High Speed Laminate Performance Characterization study
International Electronics Manufacturing Initiative (iNEMI)	Lead-free Alloy Characterization and Pad Cratering projects
Aerospace Industries Association	Pb-free Electronics Risk Management (PERM) Consortium
Network for Business Sustainability	Embedding Sustainability into Corporate Culture Working Group

Employee Sustainability





Employee Sustainability

We are committed to making Celestica a great place to work and we recognize that our employees play an important role in driving sustainability throughout our company.

Commitment, creativity, and courage have always been the keys to our success. Accordingly, we strive to create an environment that fosters innovation, empowers people and leverages individual expertise. Our approach to ensuring that we have a sustainable workforce is simple. It is based on our Brand and Values, which we believe set the tone for our corporate culture.

We have established programs that we feel are necessary to drive a sustainable workforce based on the feedback we have received from many stakeholders – the most important being our employees themselves. We believe that building a strong, sustainable, diverse and engaged workforce is key to our success. This means having programs in place that enable a manager and employee to have meaningful conversations about performance and career development, as well as recognizing employees for their contributions to our company. It also means ensuring a safe and healthy place to work for our diverse workforce.

We believe that employees who have a balanced lifestyle are more engaged in their jobs and more committed to the success of our company. Promoting a flexible work schedule and providing employees with the option to work remotely, where possible, increases employees' commitment to Celestica.

As an equal opportunity company, we recruit, develop and promote candidates for every role and post job opportunities for all interested candidates to apply.

Our Workforce

Celestica's global workforce spans three regions and is composed of many different employee types. The figures below demonstrate the distribution of our global workforce by employee type and by region.

Figure 4.1 2013 Distribution of Workforce by Employee Type

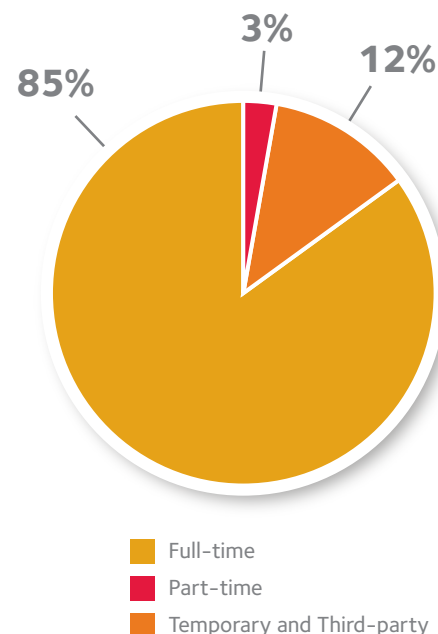
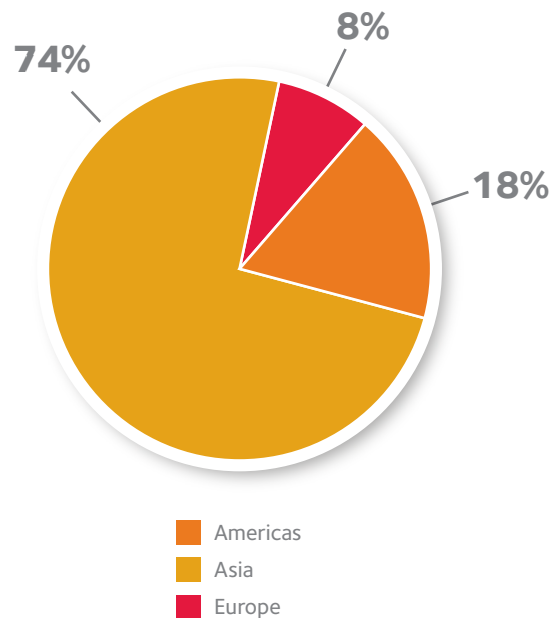


Figure 4.2 2013 Distribution of Workforce by Region



In addition, some of our employees are protected under collective bargaining or work council agreements. The number of employees with such agreements represents 31.6 per cent of our total global workforce.

We are focused on developing programs that drive employee engagement in all of our regions and for several years we have been tracking global employee turnover data as a key performance indicator. We track voluntary turnover by region and by site and use this data to determine which areas require improvement.

In 2013, our global voluntary turnover remained relatively stable year-over-year. The largest percentage of our voluntary turnover came from our sites in Asia, which is common in our industry according to external industry benchmarks. However, our annualized total turnover was well below the industry standard.

We will continue to promote open dialogue with our employees to better understand why they enjoy working at Celestica and what we can do to make our company a better place to work. In addition, we will continue to monitor employee feedback and engagement scores to determine which programs to implement globally, or regionally, that will drive employee engagement across our organization.

Developing Our Employees

We believe in building a strong workforce and fostering personal growth for our employees globally. Our learning and development programs are designed to attract, retain and develop employees at Celestica. We encourage employees to expand their knowledge base by taking on new roles and responsibilities. In addition to promoting moves into other functional areas, we support work assignments that enable employees to gain global experience and interact with colleagues, suppliers and customers in other regions.

We also leverage employee feedback to ensure the programs we implement help employees to succeed in their current role, as well as develop for their next career opportunity. We receive ongoing feedback from our employees regarding development opportunities and ensure action plans are in place to address key issues in each geographic region.

Managing Performance

We believe that a fair and objective performance management process is integral to the ongoing development, success and engagement of employees. Our performance management process enables regular dialogue between employees and managers in the planning, monitoring and evaluation of employee performance. It also ensures all employees understand how their role supports company strategy.

As part of the performance management process, employees and managers work together to develop Individual Development Plans (IDPs) that serve as an employee's roadmap for career development. Employees are accountable for driving their own personal development, with support from their managers. To enable employee development and to identify learning opportunities to support the IDPs, we provide employees with full visibility to all learning and training opportunities, including traditional classroom training, virtual training, e-learning and self-study.

All full-time employees at Celestica, who represent 85 per cent of our total workforce, participate in the performance management program throughout the year.

"We are focused on unleashing the full potential of every employee".

Betty DelBianco,
Chief Legal and Administrative Officer

Celestica's mandate for global learning and development includes the following key elements:

1. Aligning our learning and development to the company strategy
2. Harmonizing learning across the global organization
3. Providing learning and development solutions that enhance an employee's ability to respond to business needs, while promoting their personal career goals

In 2012, we established a three-year learning and development plan that focuses on strengthening our workforce, increasing the capabilities of our employees and raising the bar on learning and development. In 2013, we expanded our training for many functional teams globally. Across all global functional teams, we logged a total of 73,184 training hours.

The figures below show training hours by employee type and region.

Figure 4.3 Total Training Hours by Employee Type

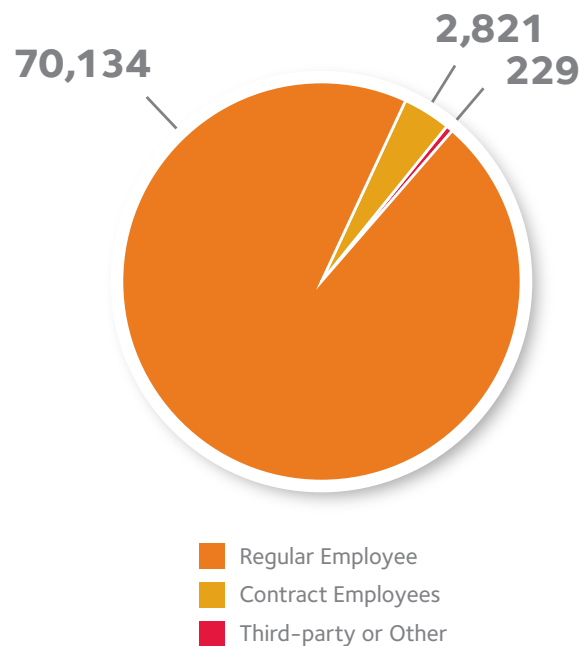
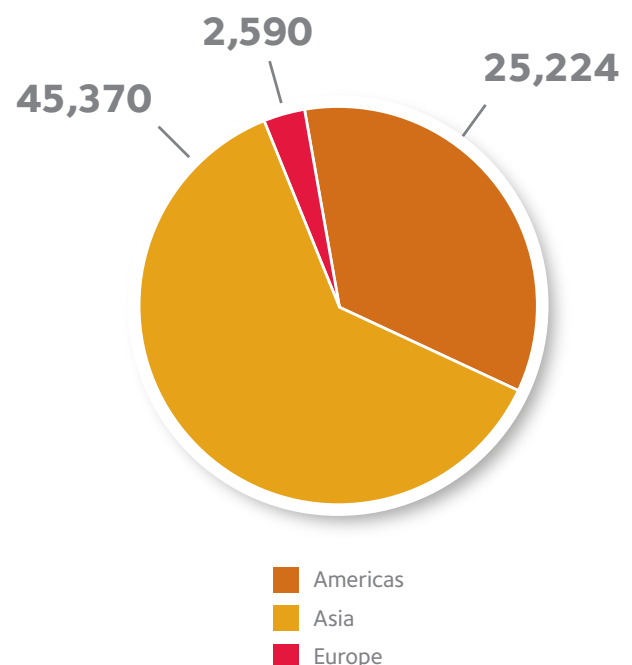


Figure 4.4 Total Training Hours By Region



We believe in developing training programs for functional teams that promote life-long learning in an employee's chosen career stream. Below are just a few examples of the programs we have implemented at Celestica.

1. MentorCity

In 2013, we launched MentorCity, a unique online program that helps employees form meaningful mentoring relationships across our global organization. In the short time since its introduction, employees have actively become involved in a mentoring relationship or are in the process of finding a suitable match.

2. Lean University

Lean University is a Celestica-run program designed to expose members of Celestica's leadership team to the methods and principles of Lean, ensuring that they use the same approach to continuous improvement as our broader population who are participating in and leading Lean activities throughout our operations network. As part of this program, the global operations and supply chain management leadership teams, along with senior members of other functions such as Global Finance, Information Technology and Human Resources participate in classroom training, visit external organizations to benchmark best practices and experience Kaizen events.

Plans are being developed to have Lean University events in the Asia, Europe and Americas regions throughout 2014.

3. Supply Chain Management Learning Academy

The Supply Chain Management (SCM) Learning Academy consists of learning advocates from all Celestica supply chain disciplines, sites and regions. Their mission is to unlock our employees' potential and to provide the skills, knowledge and expertise to enable our employees to excel in supply chain management.

Together, the team has developed clear learning pathways based on supply chain roles and made them available globally through a virtual SCM Learning Academy. These learning pathways provide a three-level training and certification process, with the highest level being a globally recognized industry certification (APICS).

Gartner recognized Celestica as their "2013 Supply Chain Innovator" for creativity in developing a virtual academy and for incorporating a mature behaviour assessment process in supply chain talent management.

Figure 4.5 SCM Learning Pathways



Similar programs are in place for other functional teams including Information Technology and Global Finance.

4. Women's Forum Learning Series

At Celestica's corporate headquarters in Toronto, Canada, Celestica established a program called the Women's Forum Learning Series in 2013. All employees are welcome to join the sessions and topics are based on feedback from female participants.



5. Global Dialogue Week

In November 2013, employees around the world shared their thoughts and ideas on the Global Dialogue Week online discussion forum, and attended a number of face-to-face events that were organized at their site.

Global Dialogue Week is an online forum that fosters collaboration between employees and executives around the world to help build a greater sense of a global community. In this forum, key discussion themes that generated thought-provoking conversation included: driving profitable business growth, continuous improvement and employee engagement.



6. Conversations With Series

A new communications forum, “Conversations With...” was introduced in 2013 to increase information exchange, learning and the sharing of new ideas across the company. It is a cross-company conversation that allows employees to discuss the strategies and tactics they use when overcoming challenging situations, both internally and externally.

Employee Feedback

From a labour perspective, each region of our organization is unique. Through the use of employee surveys, including our “Your Voice” survey and “Pulse” survey, we continue to gain valuable feedback from our employees around the globe.

Recognizing Our Employees

Our goal is to create an environment of engaged employees who feel acknowledged for their contributions. This is a powerful way to reinforce the behaviours required to drive business success and foster a culture of recognition across the company.

The global employee recognition programs we have in place today are outlined below.

Bravo! Program

The Bravo! program was created to foster employee engagement and to recognize and reinforce the actions and behaviours that will lead to business success. All employees can use the Bravo! program to recognize those who support our strategic goals, and as a result, have made a difference to our company and for our customers. Rewards range from thank-you notes and gift cards to cash awards.



Going forward, we will continue to encourage employees to reward one another through Bravo! in an effort to increase the number of awards given year-over-year.

Changing the Game Awards

Celestica's Changing the Game Awards program was created to recognize the individuals and teams who go above and beyond in driving business results, supporting our growth and making Celestica a great place to work. An important aspect of our overall rewards and recognition program, the Changing the Game Awards recognize the individuals and teams who model the Brand behaviours, Values and business savvy that we aspire to as an organization.

As part of the Changing the Game Awards program, Celestica also recognizes sites and teams with prestigious Pinnacle awards. These awards include the Best Performing Site, the Most Improved Site and the Best Performing Global Customer Business Units. These Pinnacle awards are selected by the award executive sponsors based on pre-established metrics.

Among the Changing the Game Awards is our newly added Spark Change sustainability award. This award honours an individual or team who has driven significant improvements in sustainability and made a positive impact at their site and in their community. The nominees have demonstrated successes in one or more of Celestica's sustainability elements: water and energy sustainability, material stewardship, sustainable solutions, employee sustainability and sustainable communities. In 2013, the award went to Celestica's Toronto, Canada site. The story can be found on page 46.

Living the Brand

Each quarter, functional leads and site general managers hold quarterly update meetings with their teams. As part of the meeting, employees are recognized for living the Brand and for their contributions to our business success.



Diversity, Inclusion and Equal Opportunity

At Celestica, we are committed to leveraging our diverse global workforce for creative ideas that will help to drive our success. We foster an environment that is open to input from our customers and functional teams around the world, and we are committed to listening to our employees' perspective.

One of our key performance metrics is gender representation within the leadership ranks. In 2013, females represented 19 per cent of the leadership population, up from 17 per cent in 2012, but slightly below external benchmarks at 20 per cent. The year-over-year increase in female representation is attributed to promotions of females into the leadership ranks through focused accelerated development and targeted external hiring, as well as reduction in the turnover of our female employees.

We believe in ensuring each career opportunity is given to the right candidate. Almost an equal number of men and women were promoted globally in 2013 across different levels in our organization; 56 per cent and 46 per cent of our total promotions in 2013 were given to men and women respectively. Recognizing the progress to date, we will continue to focus on gender diversity to ensure a sustainable pipeline of future female leaders.

The gender distribution of our full-time global population overall is fairly even as indicated in the graphs below. A further breakdown of each region by gender shows that we have a higher population of males in both our Americas and Europe sites. Our sites in Asia employ higher percentage full-time female employees, primarily in manufacturing.

Figure 4.6 2013 Gender Distribution of Full-Time Workforce

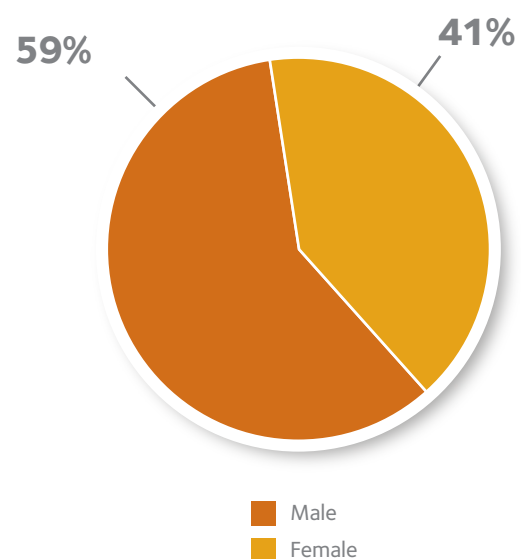
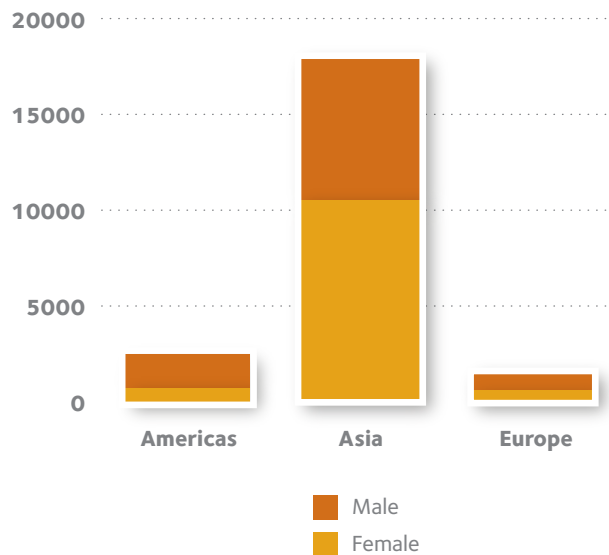


Figure 4.7 2013 Gender Distribution by Region for Full-Time Workforce



Labour Conditions

As outlined in the compliance and ethics section of this report, Celestica is committed to complying with the EICC Code and ensuring our employees are treated with dignity and respect and provided with a safe environment in which to work.

We are committed to monitoring the labour conditions at our sites and will continue to develop measurements to track our progress and make continuous improvements.

Labour and Ethics Management System

Celestica has established a Labour and Ethics Management System that is designed to ensure compliance with applicable laws, regulations and customer requirements related to our operations and products; adherence to Celestica's corporate social responsibility; conformance with the EICC Code of Conduct; and identification and mitigation of operational risks related to the EICC Code.

Our Labour and Ethics Management System contains the following elements:

- Company commitment
- Management accountability and responsibility
- Legal and customer requirements
- Risk assessment and risk management
- Improvement objectives
- Training
- Corrective action process
- Documentation and records

As part of this management system, we perform annual labour and ethics risk assessments for each region and develop improvement plans at our sites around the world. To improve ethical behaviour and labour practices at our sites year-over-year, we set objectives in the first quarter of each year. At all of our sites, targets are set, performance is tracked and the status is posted on our communications boards on a monthly basis. The status is reviewed monthly by the site general manager and site leadership team and action plans are put in place if targets are not met. The site labour and ethics representative, in partnership with the site leadership team, manage the corrective actions to closure.

Working Hours Committee

In 2013, we created an Employee Sustainability Working Hours Committee that consists of a diverse, cross-functional group of employees from our sites around the globe. The role of this committee is to provide input on best practices, and share lessons learned on labour, ethics and employee engagement. They provide input and guidance on employee sustainability programs, goals, policies and practices. In addition, they help to identify immediate priorities, risks and opportunities, as well as monitor progress in key focus areas.



Reducing Excessive Working Hours

In 2013, one of our priorities was to gain a greater understanding of our employee working conditions globally, in particular, hours of work. We identified the areas where hours-of-work and days-of-work per week required improvement, and focused on understanding the root causes of the overtime concerns. Furthermore, in collaboration with our sites, we established agreed-upon targets and developed action plans to drive improvement. The results of our efforts in 2013 include the following:

- The reporting of working hours for 23 sites and/or teams, including service teams
- Decline in the percentage of employees working more than 60 hours, from 12.37 per cent in 2012 to 8.17 per cent in 2013
- Full compliance with our EICC working hours targets at 12 additional sites globally

Our goal is to achieve 100 per cent compliance with EICC best practices on working hours by 2016.

Occupational Health and Safety

Celestica is committed to promoting and maintaining a safe and healthy workplace. The prevention of occupational illness and injury at our sites is a top priority for our leadership.

As a global company operating in traditional electronics manufacturing services (EMS) markets, as well as automated manufacturing, repair and complex mechanical markets, employees at our operations are subject to a variety of hazards and risks. We have found that using the foundations of internationally recognized standards and codes, coupled with our own internally developed minimum requirements, affords us the greatest integration and alignment of our operations globally, while accounting for individual site program differentiation and focus. This results in a proactive approach to safety and risk management. Our health and safety framework is composed of the following:

- Robust environmental, health and safety audit programs, including internal peer assessments and external third-party audits
- Harmonized key performance indicators for all sites



- Standardized minimum requirements that are developed to align with ISO 14001, OHSAS 18001, EICC and base regulatory requirements
- Knowledgeable and empowered EHS representatives at all sites that are supported by a global EHS lead
- Effective identification of opportunities to reduce potential hazards, risks and negative impacts to employees working for or on our behalf
- Engagement with all personnel to continuously participate in safety practices and improve our performance
- Regular release of safety talks from global EHS and sharing of such information across the network



Lost-time Accident Reporting

It is our philosophy that all accidents are preventable. Sites take action to ensure employees are educated on workplace risks and hazards. We continue to provide an open-door policy so all employees working at our sites have a safe environment in which to report injuries, illnesses, near misses and potentially hazardous working

conditions. Safety is everyone's responsibility and our expectation is that all employees work in a safe manner consistent with our global policy and programs. The success of our health and safety programs are dependent on the entire workforce driving a proactive and disciplined culture. Our leadership team continues to demonstrate support and commitment by engaging the workforce and consistently challenging all sites to improve performance and ensure effective and timely actions are taken to address any deficiencies discovered.

We have been collecting lost-time accident (LTA) data for several years, and review our LTA statistics in monthly operations review meetings as a key performance metric.

Our LTA rates are comparable to the rates published by major original equipment manufacturers. When we experience an LTA that could potentially affect other sites or operations, we promptly provide notification and required actions to eliminate the hazardous condition. The LTA rate is tracked through our LTA reporting resulting from workplace injuries or illnesses.

The baseline 2006 lost-time accident rate and lost-days rate* was 0.26 and 3.86 respectively. In 2013, the lost-time accident rate and lost-days rate was 0.11 and 1.09 respectively. The 2013 LTA rate represents a 64 per cent decrease and the 2013 lost-days rate represents a 72 per cent decrease from 2006 baseline year.



* **Lost-time accident rate represents the number of accidents for every 200,000 man hours worked. Lost-days rate is the number of days lost due to accidents for every 200,000 man hours worked.**

Below are several examples of what our sites around the globe are doing with regards to occupational health and safety.

In Singapore, the site held a safety week that included blood donor clinics, spill training, safety training, displays of safety information and safety week gifts and souvenirs.

Figure 4.11 Singapore Safety Week



In Johor Bahru, Malaysia, tuberculosis (TB) education and awareness is required. TB is an infectious disease that is still common in some parts of the world. Educating employees on symptoms, actions to take and prevention is important to their health and the health of the workplace.

In Monterrey, Mexico, the team introduced a chemical management application that can manage the introduction and authorization process for new chemicals required for manufacturing and non-production. Chemicals are assessed prior to purchase and the application tracks inventory all the way from the receiving area to the final disposal as a hazardous waste. Expired chemicals must be disposed of. The application alerts us when they are due to expire, which enables us to limit the amount of chemical waste. The application also restricts the use of chemicals in areas where the chemical has not been approved for use and does not allow expired chemicals to be used in production.

In Suzhou, China, the site met the acceptance assessment requirements of Safety Production Governance Standardization organized by the safety supervision Bureau of Suzhou. The site also received an energy efficiency award along with a financial reward from the municipal government of Suzhou.

Emergency Preparedness

We take a proactive approach to emergency preparedness and response. Many of our sites have on-site emergency response teams that are trained to respond to incidents such as medical emergencies, fires and chemical spills. Our training drills often involve local authorities who provide guidance and feedback, and critique our site preparedness.

We have a global communicable disease (pandemic) preparedness plan that ensures we can manage and react to the ongoing global risk of communicable diseases. We regularly monitor and track World Health Organization (WHO) outbreak notifications and publish updates to our regional representatives, and internally as required. Furthermore, our sites undertake awareness education regarding communicable diseases that may impact their employees and operations.



Global Wellness Programs

The health and wellness of our global workforce is of paramount importance to Celestica and is central to our employee sustainability strategy. By providing a healthy and safe workplace, we have the ability to foster strong employee engagement and employee well-being that will generate a high-performing organization.

We believe that our wellness programs have a substantial effect on employee morale. When employees have a sense of well-being, control and influence over their work and personal lives, the result is a lower risk of injury, lower absenteeism, greater resilience and improved employee commitment and engagement.

Building a strong workforce integrates the implementation of education initiatives and learning programs that promote overall wellness. We endeavour to assist our employees in achieving overall health and well-being and encourage all employees to take an active role in their physical, mental and emotional health. In an effort to affect positive and meaningful change, our Employee Wellness Policy forms the foundation of our programs and initiatives going forward.

Workplace health-promotion programs to support healthy behaviour in the workplace and to improve health outcomes are common employee well-being initiatives at Celestica. In addition, each region has a comprehensive benefits program that helps to support employees when they are ill. We have implemented many wellness programs globally. Below are a few examples from some of our regions:

In Johor Bahru, Malaysia, 450 employees from two sites participated in a pink ribbon ceremony to promote breast cancer awareness. As part of the ceremony, breast cancer survivors and healthcare professionals spoke on topics related to breast cancer education and detection. During the training session, an employee realized that she was experiencing symptoms of breast cancer and discussed her symptoms with a nurse at the event. The nurse and additional staff provided her with first-hand knowledge and medical guidance as a result of the health training they had received. The employee was in fact diagnosed with breast cancer, which reaffirms our belief that these programs do make a difference.

In Laem Chabang, Thailand, a new on-site medical centre was opened. This new clinic is officially licensed by the Public Health Office in the province of Chonburi under the Thailand Ministry of Public Health. The clinic is open six days per week and 24 hours per day, with full-time nurses and scheduled doctors.

Figure 4.12 Thailand Medical Facility



In Toronto, Canada, a cross-functional wellness committee delivers wellness programs and initiatives for employees at the site. The wellness committee consists of a group of volunteers who are committed to enhancing well-being through the implementation of health initiatives.

In Monterrey, Mexico, doctors visited the facility to discuss health-related topics including anxiety, depression, the prevention of sexually transmitted diseases, smoking cessation, alcoholism, accident prevention and nutrition. A total of 872 employees participated in the information sessions. In addition, the site organized many individual wellness initiatives including a weight-watch program and family planning session.

In Galway, Ireland, a cardiac screening program was offered to employees, which consisted of electro-cardiac screening, blood pressure recording, a physical examination, family history questionnaire and body mass index evaluation, providing an overall view of the individuals' health. The Galway site also organized a 10k run for charity to promote health, exercise and cancer awareness among its employees; all proceeds went to a local cancer organization.

In Oradea, Romania, employees organized a Health Week to celebrate more than 500 days without any accidents at work. During the course of the week, employees participated in healthy living workshops at the site. The workshops were led by doctors and covered a variety of topics, including healthy eating, diet and exercise, dental care and stress management. A healthy menu of grilled meats, vegetables and fruits was also available in the canteen.

Health Training Programs

Since 2012, we have implemented a successful health training program predominantly for our female employees in Asia. We continue to engage with third-party healthcare partners such as Business for Social Responsibility (BSR) and the Federation of Reproductive Health Associations, Malaysia (FRHAM) for the implementation of the health training. Since we began the program, 3,667 employees in Malaysia and China have completed, or are in process of completing, the program. This program continues to boost employee engagement and awareness of health risks including sexually transmitted diseases. Our own employees volunteer to be trained as peer-health educators, and through the peer-to-peer training concept, educate other employees in the program.

In Song Shan Lake, China, employees developed a health education program to support men's health, using a peer-to-peer training model. To date, 2,299 male employees have participated in this program.

We will continue to share best practices and work with other companies in the industry to provide training and health programs for our employees. Every day we see examples of activities at our sites that promote employee sustainability. We will continue to leverage our own employee population for ideas that will spark a positive change in our organization.

Energy and
Water





Energy and Water

Since our company's inception, our sites have upheld a commitment to environmental responsibility.

Celestica is committed to being an environmentally responsible partner in the communities in which we operate by:

- Ensuring we have safe, efficient and environmentally conscious operating and manufacturing processes in place
- Planning, implementing and involving all employees in activities aimed at environmental sustainability
- Leveraging our commitment, experience and expertise to support our customers' environmental sustainability programs and goals

Environmental Management

To ensure a streamlined global approach to environmental management, we have invested in establishing a core Environmental Management System for Celestica. This system is well-suited to our business and unique corporate culture. We believe that having standard corporate environmental management system guidelines for our sites globally provides us with a strong platform on which to serve our customers, mitigate our impact on the environment and realize year-over-year improvements.

Celestica's Environmental Management System is composed of the following:

- A Global Environmental Policy
- Environmental program standards and guidelines
- Environmental management programs (e.g., resource conservation and pollution prevention, waste management and energy management)
- Environmental, health and safety representatives at all Celestica sites
- ISO 14001 certification at all Celestica manufacturing sites
- Implementation of a management system consistent with the requirements of the EICC Code at each site
- An environmental, health and safety compliance audit program conducted by a leading third-party global environmental health and safety consulting company

While our sites are guided by our Global Environmental Policy and program standards, each site manages its own environmental management program according to the unique nature of its operations (i.e., infrastructure, products manufactured, services provided and processes required) and local environmental requirements. A management framework is available to assist sites in their progress towards full conformance with the EICC Code.

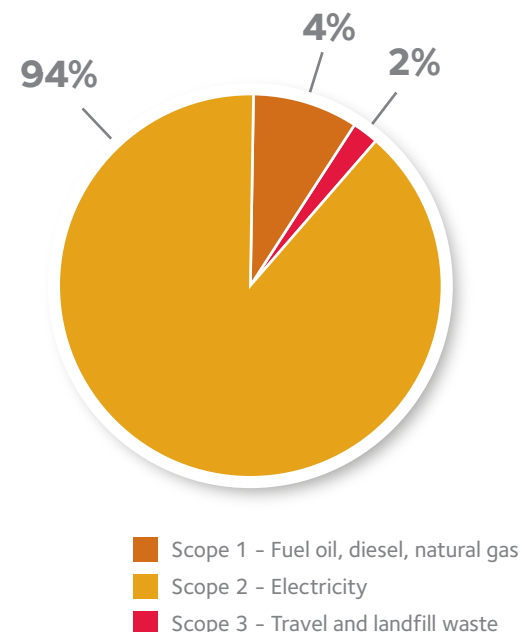
OUR GLOBAL ENVIRONMENTAL POLICY

- Be an environmentally responsible neighbour in the communities in which we operate. We will act responsibly with respect to conditions that impact health, safety or the environment
- Commit to a “prevention of pollution” program and achieve continual improvement of our environmental objectives
- Commit to environmental objectives and targets each year, based on legislative and regulatory requirements and the previous year’s results and trends
- Practice conservation in all areas of our business
- Develop safe, energy-efficient and environmentally conscious products and manufacturing processes
- Assist in the development of technological solutions to environmental problems
- Conduct rigorous self-assessments and audits to ensure our compliance with this policy and legislative and regulatory requirements on an ongoing basis

Greenhouse Gas Emissions and Energy Efficiency

The largest source of GHG emissions from our operations comes from the electricity we use to run our business. Approximately 94 per cent of our overall emissions is a result of the electricity we use. Small changes in the amount of electricity we use will yield large impacts to our company-wide GHG emissions. The second largest GHG emission source is the combustion of natural gas and fuel oil for heating our buildings. These emissions sources make up Celestica’s Scope 1 and Scope 2 emissions. In 2013, we began tracking employee travel and are, for the first time, reporting Scope 3 emissions. In 2014, as we strive to increase the depth and breadth of our GHG reporting, we will evaluate other Scope 3 items for inclusion in our report such as employee commuting.

Figure 5.1 2013 Percentage of Greenhouse Gas Emissions Reported by Type



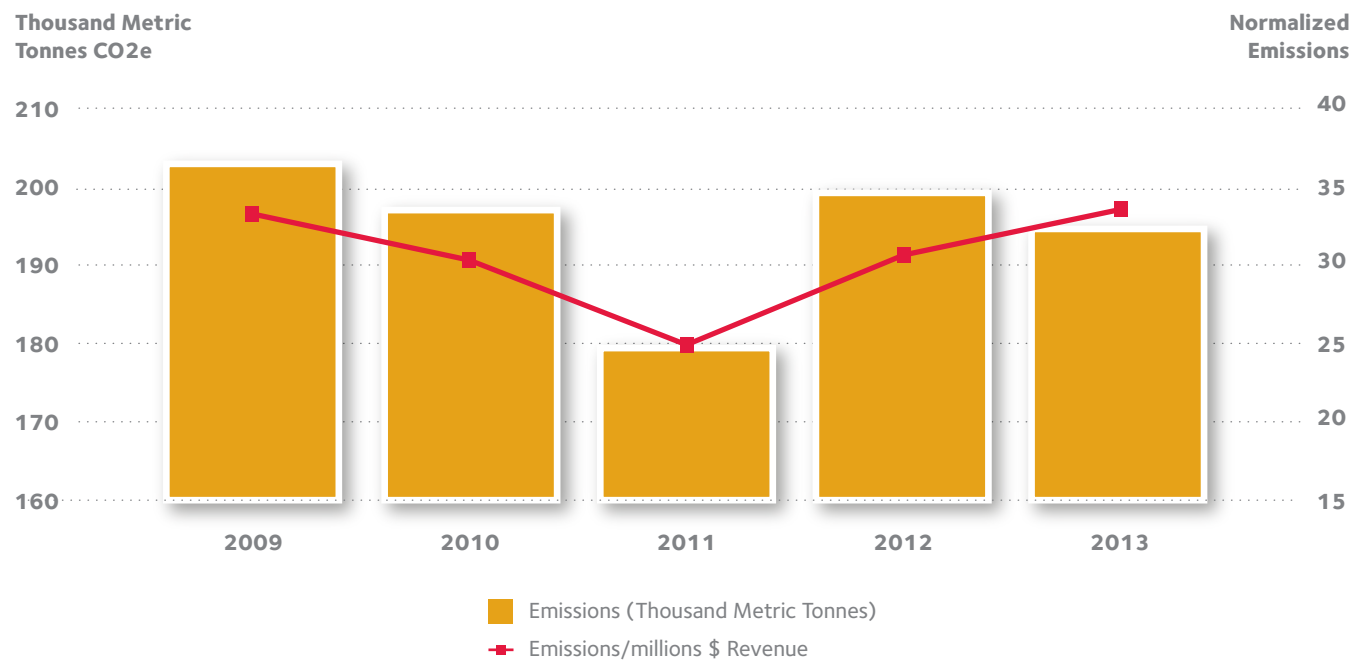


Since the GHG sources we are reporting on this year are within our operational control, they offer the most immediate opportunities for improving our environmental footprint. Energy efficiency-related initiatives are a prime way to reduce energy consumption, thereby reducing greenhouse gas emissions from our operations. As such, our energy and climate change strategy focuses on the following key areas:

1. Reducing our demand for energy
2. Improving energy efficiency of equipment and processes
3. Inclusion of renewable energy

We began measuring our GHG emissions in 2009. Between 2009 and 2011, our absolute emissions and our emissions intensity by revenue (the amount of global GHG we emit per \$million we earn) was on a steady decline. However, in 2012, revenue decline in addition to increased emissions due to new facility startups resulted in an increase in overall emissions and total emission intensity. Although absolute emissions went down in 2013, a lower revenue base resulted in an increase in emission intensity by revenue as shown in the chart below.

Figure 5.2 Absolute and Normalized Greenhouse Gas Emissions Reported by Year



Greenhouse Gas Emissions Tracking and Reporting

Celestica is committed to reducing its normalized carbon footprint by 30 per cent compared to 2012 levels by 2020. This goal encompasses direct carbon emissions from our own operations (Scope 1 and 2). In 2013, we reduced our absolute emissions by four per cent (or 8,290 tonnes of CO₂e – the equivalent of taking 1,745 cars off the road). The absolute emissions for 2013 are listed in the table below by scope.

Figure 5.3 2013 Greenhouse Gas Emissions Reported by Type (metric tonnes CO₂e)

SCOPE	EMISSIONS	NOTES
Scope 1	8,970	Fuel oil, diesel, natural gas
Scope 2	185,585	Electricity
Scope 3	4,959	Travel and landfill waste

A key aspect of our sustainability journey is the comprehensive disclosure of our sustainability performance. We are committed to reporting our progress transparently, and since 2009, have disclosed our GHG emissions and sustainability performance to the Carbon Disclosure Project (CDP) (www.cdp.net).

In 2013, we earned a score of 76 for our CDP report, an improvement of 14 points from our score of 62 in 2012. We also report our sustainability performance to the EICC Carbon Reporting System. We continue to focus on improving the completeness of our reporting with a goal of being recognized in the Canada 200 Climate Disclosure Leadership Index by 2015. In furtherance of this goal, in 2014 we will seek third-party assurance of our CDP report.

Scope 3

Based on the 15 categories of Scope 3 emissions included in the World Resources Institute (WRI) Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, we see an opportunity to include additional Scope 3 items such as employee commuting and waste generation in our future reports.

We have begun tracking employee travel to better understand its impact on our Scope 3 emissions. In 2014, we will begin to focus on employee commuting by encouraging ride-sharing by employees at our Toronto site. We are evaluating available options such as government programs that connect people who are looking for opportunities to commute to work. 2013 was a baseline year for waste tracking. As we improve the completeness of waste reporting, we will look to convert all waste sources to a GHG emission calculation.

Energy Management Certification

ISO 50001 is a specification created by the International Organization for Standardization (ISO) and supports organizations in all sectors to use energy more efficiently, through the development of an energy management system. In 2013, our facility in Oradea, Romania was the first Celestica facility to receive ISO 50001 certification. In 2014, we will be creating a roadmap to certify other Celestica facilities.

Energy Reduction Roadmap

In early 2009, we launched an energy footprint program. The program was aimed at examining our energy usage and related costs, with the objective of implementing solutions to use energy more wisely, eliminate waste and ultimately reduce our overall carbon footprint and costs.

The Toronto site was selected as a pilot site to conduct a two-day “energy treasure hunt” event. A cross-functional team was formed consisting of facilities, environmental, site engineering and mechanical/electrical/HVAC/central utilities plant contractors to identify opportunities for energy savings. A Lean Kaizen approach using Lean manufacturing concepts related to energy was utilized with a Lean facilitator.

From the energy treasure hunt, a template was created and shared with all Celestica sites in order for them to conduct their own treasure hunts.

An energy savings scorecard was established identifying energy savings opportunities. The majority were found in the installation of programmable timers on HVAC units, lighting retrofits/upgrades, installation of light switches, and turning off lighting and HVAC units in unoccupied areas.

The facilities energy management teams also investigated incentives and rebates provided by local utility companies and government programs.

Across all sites, the energy treasure hunts conducted by the site energy management teams resulted in a 13 per cent absolute GHG emissions reduction and \$9 million in savings.

To ensure sustainability in energy/water conservation, an energy roadmap was developed and rolled out globally in 2013. The roadmap is a comprehensive document with checklists, best practices, guidelines, certifications and incentives to help each site in its quest to reduce consumption and waste of energy/water. As a result of energy reduction initiatives in 2013, direct energy consumption went down by 560,749 kWh. Since Celestica’s GHG emissions are primarily derived from direct and indirect energy consumption, the trend in GHG emissions closely follows the trend in energy consumption. In addition, since 2009, overall energy consumption has gone down by 48,683,906 kWh. Celestica’s direct and indirect consumption since 2009 is included in Figure 5.4 below.

Figure 5.4 Total Energy Consumption by Year (kWh)

ENERGY PERFORMANCE INDICATORS	UNITS	2009	2010	2011	2012	2013
Direct Energy Consumption by Primary Energy Source	kWh	73,121,000	84,304,000	12,812,000	41,428,118	40,867,369
Indirect Energy Consumption by Primary Energy Source	kWh	354,681,306	340,786,048	334,916,589	356,772,701	338,251,031
Total Energy Consumption	kWh	427,802,306	425,090,048	347,728,589	398,200,819*	379,118,400

**Previously stated emissions for 2012 were changed from 199,158 to 202,844 metric tonnes CO2. This small difference was due to the fact that we transitioned to a sustainability management software tool for our emissions calculations and small differences in emissions factors have resulted in the change.*

For three consecutive years, Celestica's Toronto site has been named to Canada's Green 30, an annual list of top companies based on Aon Hewitt's Employee Green Index. Whether we are ensuring our day-to-day operations are safe, efficient and environmentally conscious or demonstrating our leadership in the area of environmental legislation, our dedication to being a solid corporate citizen is evident in all that we do.

Recent initiatives that have resulted in significant energy reduction include the following:

In Miyagi, Japan, the site was faced with electricity shortages and government-ordered restrictions due to the shut down of the Fukushima power plant. The Miyagi team used a Lean Kaizen approach to identify many energy saving opportunities, including partially removing fluorescent lights from lighting fixtures and improving air conditioner efficiency through improved maintenance of the heat exchanger.

In Valencia, Spain the team implemented a single on/off workstation switch within its manufacturing operations whereby an operator can disconnect the power when the workstation is not in use. This idea applies to easily reconnected equipment such as soldering and de-soldering equipment, ionizers, monitors and microscopes. A total of 108 work benches were retrofitted with the new switches, which has resulted in a saving of 54 kWh per day.

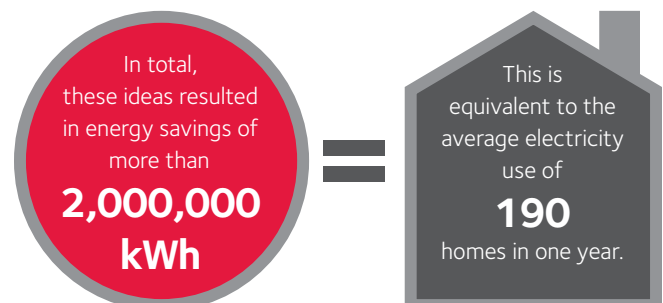
In Suzhou, China, a heat exchanger uses the cold outdoor air in the winter to cool hot areas within the building. This allows the site to avoid using high power-consuming chillers when the outside temperature drops below 10 degrees Celsius. This initiative saves 300,000 kWh per year. In addition, reducing power consumption at our sites on national holidays has resulted in an additional annual saving of 1,017,600 kWh. In 2013, the site in Suzhou was recognized with a Three-Star Energy Efficiency Award by the Government of Suzhou Industrial Park.

In Toronto, Canada, the team implemented numerous energy conservation ideas including energy-efficient lighting retrofits, lighting and HVAC shut down in unoccupied areas, transformer shut downs and occupancy sensor installation in meeting rooms. These ideas resulted in an annual electricity saving of 621,069 kWh.

In Monterrey, Mexico, high power-consumption lighting was replaced with LED-type LL-150 lamps. This change resulted in an annual energy saving of 152,424 kWh.

In Laem Chabang, Thailand, employees built a small wind turbine at a rooftop air ventilator. The turbine converts exhaust into enough energy to light walkways between buildings.

In Oradea, Romania, employees reduced energy consumption on the manufacturing floor by changing all fluorescent light bulbs with LED lights. They also reduced energy consumption by using optimal parameters for compressed air and utilizing higher efficiency air dryer for compressed air preparation.





Conserving Water

While Celestica's operations do not consume a great deal of water, we recognize that water is a critical resource that has become increasingly scarce in many parts of the world due to pollution and mismanagement. A small number of manufacturing processes still require the use of water as a circuit board cleaning agent. For most of our customers, the development of a "no clean" assembly process has eliminated the need for circuit board cleaning. To prevent overheating for certain equipment, we also use water indirectly to cool equipment that generates these services. The nature and extent of corporate impacts on water scarcity will differ by geographical region.

To develop a water management program, we are creating a baseline inventory of our current water consumption by site, region and enterprise for our operations. In 2013, the volume of water consumed was 1,136,042,637 cubic metres. This baseline will allow us to develop and prioritize our water reduction strategies and allocate resources and funding to areas where we will realize the largest impact.

By understanding the baseline and identifying opportunities to save water, we will be well positioned to set long-term reduction targets and phased interim goals.

Recent water conservation initiatives that have been implemented include the following:

In Toronto, Canada, a reverse osmosis system was installed in the central utilities plant to reclaim waste water with annual water saving of 9,700,000 litres. An additional 75,000 litres of water was saved annually by using recycled water for a solar panel xylene gel test process.

In Monterrey, Mexico, the team developed a water conservation plan that included employee training, piping reviews to look for leaks and control of garden watering.

Material Stewardship





Material Stewardship

By changing the way we view waste, we can significantly reduce the impact we have on the environment.

The primary objective of our materials stewardship program is to eliminate the waste being sent to landfill from our sites around the globe. We are working to achieve this by implementing best practices and processes to reduce, reuse and recycle waste and end-of-life materials. Ultimately, our environmental impact is reduced by following a waste management system whereby we minimize waste generation at its source; reuse waste materials in whole or part; separate waste materials into constituent commodities using appropriate and approved downstream suppliers; and finally, dispose of the remaining waste in an environmentally friendly manner.

Best-in-class sites throughout our global network have implemented centralized collection and sorting systems, which prioritize reuse over recycling. At these sites, if material cannot be redeployed into the operations, it is broken down into the available commodities and transferred to approved downstream recycling partners. All of these systems align with Celestica's overall management approach to environmental responsibility and sustainability and are key contributors to Celestica's Global Environmental Policy and ISO 14001 certifications (see approach outlined in the Energy and Water section).

End-of-Life Materials Management

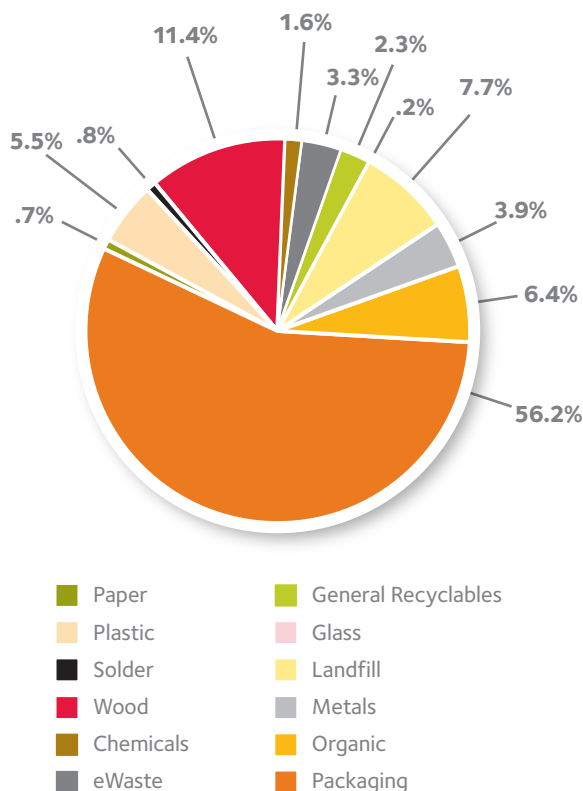
Unwanted electronic equipment is widely recognized as a global issue, and is a top-priority concern for Celestica and our customers. Governments and NGOs have been focusing on reducing hazardous waste generation and ensuring that hazardous waste is disposed of in an environmentally responsible manner. Electronic waste (eWaste) isn't our largest waste commodity, but since the environmental concerns associated with eWaste represent significant risk for our customers, it is an area of focus for us.

Procedures have been established to respond to end-of-life material concerns and will be replicated throughout the network where applicable. Using specialized software, we can track material from original assemblies into constituent materials. Product demanufacturing is managed by highly trained operators who understand how to separate electronics into valuable constituent materials and prepare them for recycling or disposal when recycling is not possible. Celestica selects responsible local vendors to convert recyclable materials into other usable products.

Celestica's goal is to partner with responsible vendors within the industry to ensure proper management of waste both on and off our premises. In order to identify waste reduction opportunities, we must first understand the composition of our waste, as the disposition approach used for each waste stream varies based on the commodity.

Celestica's waste streams consist of both non-hazardous waste (e.g. paper, cardboard, wood, organics) and hazardous waste (e.g. conformal coating chemicals, solder dross, solder paste, flux); packaging, wood and organics represent the largest three commodities by volume in our networks as depicted in the chart below.

Figure 6.1 Waste Commodities

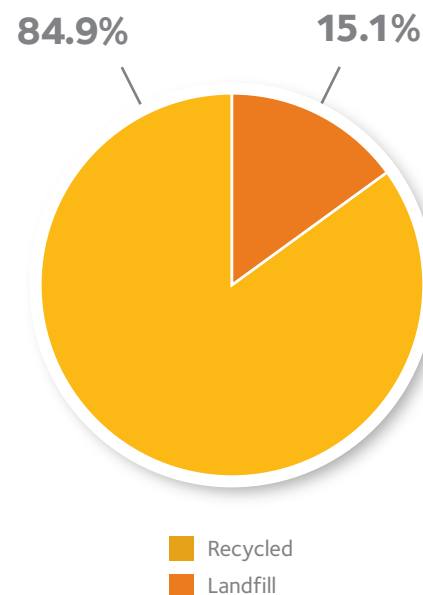


Waste Diversion

Currently, waste diversion is measured at key Celestica locations representing 73.3 per cent of the overall square footage (or 87.5 per cent of employees) and is determined by the total volume of waste generated from each facility and the total volume sent to approved downstream recycling partners.

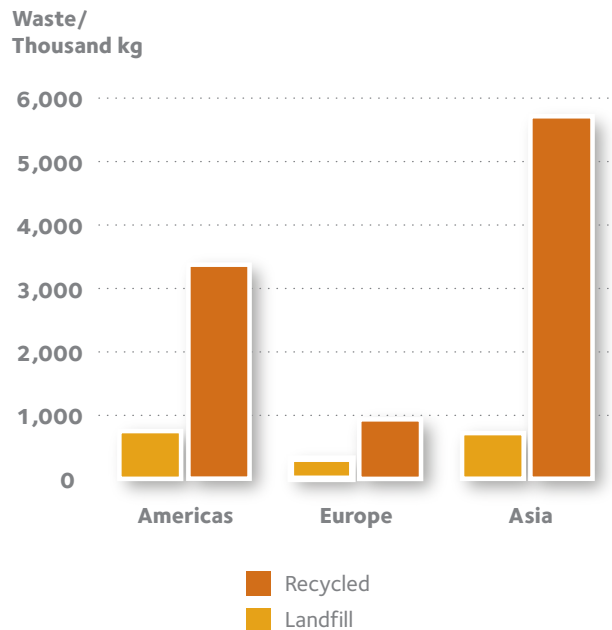
In 2013, Celestica generated approximately 11,814 tonnes of total waste. Through our current programs, Celestica diverted 10,027 tonnes away from landfill, achieving a waste diversion rate of 84.9 per cent as shown in Figure 6.2 below.

Figure 6.2 Recycle vs Landfill



Our facilities located in the Americas and Asia have had greater success at identifying recycling partners for their waste streams. This is due to the availability of downstream recycling partners and their maturity in the process of waste management.

Figure 6.3 Landfill vs. Recycled



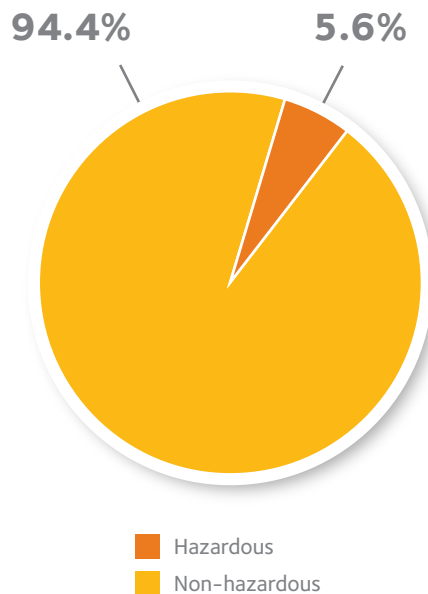
We are in the process of identifying more local and regional recycling partners for our European-based locations. Greater impacts to the waste diversion rate will be realized through our operations in Asia and the Americas, given that they represent a larger proportion of our production base and projects have already been identified to minimize certain waste commodities.

Overall, 24.7 kg of waste is generated per square metre of floor space in our operations, where 20.9 kg of waste is diverted away from landfill.

Hazardous Waste

Currently, hazardous waste represents 5.6 per cent of our overall waste. We continue to identify opportunities to reduce the volume of hazardous materials and work to ensure that materials are properly recycled, reused or disposed of in an environmentally friendly manner.

Figure 6.4 Hazardous vs. Non-hazardous Waste



Our commitment to the elimination of as many hazardous waste materials as possible from our operations will remain a top priority, as those materials provide the largest risk to the environment, our employees and our customers.

Packaging Material

Packaging material remains our largest single source of waste. Opportunities have been identified to reduce the total volume (6,636 tonnes generated in 2013) where appropriate (e.g. reusable totes, ESD bag replacement, foam/plastic reuse). These materials have traditionally been recycled; however, we will look to reduce the total volume of packaging waste our operations generate.

During the past year, much of the focus has been on creating a baseline for waste diversion across the organization. Gaining a proper understanding of our waste streams and commodities is an important aspect of the waste management equation. Further understanding of our downstream suppliers' capabilities, processes and requirements will allow Celestica to drive continuous change within a site, within our supply chain and with our customers.

Below are several examples of what our sites around the globe are doing to reduce waste.

In Toronto, Canada, the site has historically been a global network leader in waste diversion. In 2013, the site won the Recycling Council of Ontario's Silver award for its commitment to environmental protection. The site provides responsible end-of-life management of all customers' products, as well as an innovative approach to recycling some of the generated waste at the site. Some highlights of the site's end-of-life materials management include:

- Diversion of 39,000 kg of glass from landfill by finding a supplier to process the solar glass into quartz counter tops
- Implementation of a multi-bin system within the solar factory for employees to sort paper recycling, organics, glass and plastics, and waste

- Diversion of wood pallets from landfill using a site-developed pallet wash process. The process itself required minimal investment and included key principles of the waste management system. The process is a closed-loop system, which uses water that is filtered and reused throughout the day. Defective pallets are sent to a wood recycler where they are converted into animal bedding. This initiative alone has saved 407 tonnes of wood from going to landfill. To date the Toronto site has processed over 10,000 pallets, 5,000 tops and 80,000 corner guards, saving over 5,000 new trees from being harvested. A video highlighting the pallet wash story in Toronto can be found here: <http://youtube/SY8lbpMetws>.

In Galway, Ireland, the team identified an opportunity to update packaging for a high-volume component to reduce the preparation time and the overall volume of packaging. After implementation, the initiative resulted in 24.7 tonnes less cardboard and 12.3 tonnes less plastic being sent to landfill. The team also reduced the number of man hours previously required for handling and preparation by more than 3,000. Additionally the team saved 45.3 tonnes of emissions from being sent into the atmosphere.

In Oradea, Romania, the site changed its recycling company and is now recycling 82 per cent of its waste. Reduction initiatives include using mud from its waste treatment plant in agriculture and using water from its waste treatment plant to irrigate grass.

Moving forward, waste audits will help sites to identify specific opportunities to increase diversion results and ensure the effectiveness of current activities. Through collaboration, best practice sharing and identification of key waste streams and commodities, Celestica is well-positioned to improve overall waste diversion results.

Sustainable
Solutions





Sustainable Solutions

Understanding the complete lifecycle of our customers’ products, including environmental compliance requirements and the environmental lifecycle footprint, as well as proactively helping our customers to “green” their supply chain, is a major component of our sustainability strategy.

To account for a product’s complete carbon footprint, we consider all elements including the design, manufacturing, distribution, usage and end-of-life conditions.

We are committed to working with our customers to realize their sustainability goals in a safe, energy-efficient and environmentally conscious manner. This includes influencing product design and optimizing the manufacturing and transportation stages of the product lifecycle.

We work in close partnership with a number of our customers to optimize product sustainability throughout the product lifecycle, from components to top-level assemblies. By collaborating with our customers and suppliers, and by looking beyond our own operations, we can share best practices throughout our global network and affect positive change in the way products are built, used and recycled.

Understanding the Product Lifecycle

Manufacturing, including materials extraction and product usage, is a significant contributor to the carbon footprint of a product. To help our customers reduce the carbon footprint of their products, we offer design feedback consulting services that include design for environment and bill of material analysis. In addition, our engineering teams focus on process design to help drive energy waste out of the manufacturing processes.

Environmental Impact Assessment

In 2013, we created a tool to help us to understand our electricity usage at the product level. The online tool measures our energy impact using power specifications of the equipment during manufacturing. Ultimately, the goal of this tool is to provide manufacturing teams with information to make informed decisions about process design and how we might run our manufacturing lines differently to reduce electricity usage.

Figure 7.1 Sustainability in the Product Lifecycle



We assessed the tool using two product families, which consist of 24 individual products with annual volumes in the thousands. The initial results from the assessment have been shared with the appropriate teams and follow-up projects are being identified in the areas of test-time reduction, process design and factory layout.

Packaging

Packaging is a shared issue that affects all companies in the electronics industry, including the supply chain and original equipment manufacturers (OEMs). As products and components move through the supply chain, one company's packaging becomes the next company's waste stream. The downstream flow of materials requires all parties to collaborate to determine how to effectively drive change and tackle the issues related to packaging. We are working with our customers and suppliers to examine the issue across the product lifecycle and to collaborate on a set of shared and context-based best practices.

The electronics supply chain is a complex ecosystem. The bill of materials for a fully configured electronics solution can include hundreds of thousands of individual components. Whether provided to the top-level manufacturer in mass amounts or individually, these individual components or subassemblies arrive in some form of packaging to either protect the component, whether physical or electrostatic, or conform it to an assembly method, such as a reel for surface mount assembly. This incoming packaging becomes part of the waste stream that must be managed, while new packaging is used for the outgoing materials. This effect is demonstrated in Figure 7.2.

The by-product of the interconnected supply chain is the waste created at each transaction. Most of the packaging is in a recyclable form, yet there is a large amount of packaging that is created for short-term use that must be dealt with. There has been great effort made by individual organizations to mitigate the waste generated upstream, but further collaboration across the industry may uncover new efficiencies to decrease waste.

Figure 7.2 The Electronics Industry Packaging Waste Stream

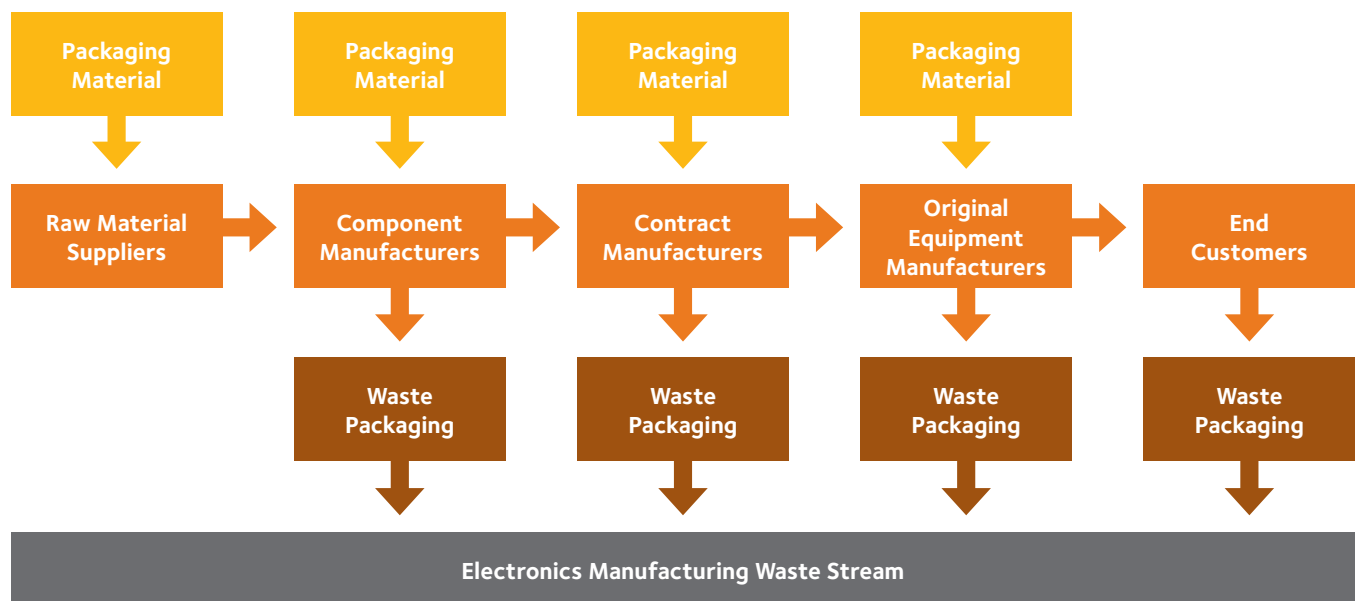




Figure 7.3 Prioritizing Less Impactful Logistics Solutions

Logistics

To minimize our impact on the environment, we have prioritized “greener” forms of transportation associated with logistics. We created a playbook that provides best practices in lessening the impact of our logistics solutions, as illustrated by the graphic above. By managing lead-time through collaborative forecasting with customers, we are able to move shipments to ocean and rail and minimize our usage of truck and air travel. This prioritization practice can result in significant carbon footprint reductions for our customers.

We have been working to reduce the carbon footprint associated with transportation of our customers’ products by optimizing the shipping channels and practices we use. Below are several examples of how we have lessened emissions entering the environment through smarter logistics solutions.

For one customer, we were able to reduce the carbon footprint associated with its repair logistics solution by 94 per cent. This was achieved through optimizing shipping routes from 30 to eight and by consolidating suppliers. This environmentally friendly solution saved the customer more than 35 per cent on its annual returns processing and repair costs.

For another customer, an alternative packaging design was recommended in order to lower freight costs. The recommendation allowed 44 per cent more finished product on one pallet.



In Laem Chabang, Thailand, the team developed a sustainable solution for a customer that involved switching from a customer-mandated shipping pallet to a Celestica-designed two-way pallet system. This innovative solution allows for the pallets to be packed more efficiently into the ocean container, enabling 20 pallets to fit into the same space that 16 previously occupied. This solution saved the customer money by reducing the number of ocean containers needed, and it also improved operational efficiencies by reducing the set-up time of the shipping container by 25 per cent. On an environmental scale, this solution reduces the carbon impact of our customer's product by 17 metric tonnes, which is the equivalent of planting almost 500 trees.

In Oradea, Romania, the team implemented a triple-stacking versus double-stacking solution for shipping steel from a supplier overseas. This solution resulted in a decrease in the number of ocean shipping containers required from 32 containers to 21 containers, reducing CO2 emissions by 412 tonnes per year.

Supply Chain

As a key supplier in the electronics supply chain, Celestica is positioned to encourage change for both our customers and our suppliers, but with hundreds of customers and thousands of suppliers, this is no small feat. To get started, we are rolling out a plan to integrate sustainability into our supply chain practices.

As part of the EICC's mandate to better the electronics supply chain, Celestica partners only with socially responsible supply partners. Our commitment to driving sustainability through the supply chain is outlined in the compliance and ethics section of this report.

Ethical Sourcing

Celestica is committed to ethical practices and compliance with applicable laws and regulations wherever it does business. We have established a conflict minerals policy that can be found on our website in the Environmental Sustainability section.

We are engaged with our supply partners to help ensure our compliance with conflict materials regulations under the *Dodd-Frank Act*. Celestica takes the necessary steps with our supply partners to strive for full compliance on Celestica-sourced parts, materials, components and goods. We also work with our customers to assist them in their *Dodd-Frank Act* compliance initiatives.

Continuous improvement underpins everything we do including the way we provide value to our customers and empower our employees to innovate. With a focus on customer satisfaction, defect prevention and elimination, and process management and control, our culture of continuous improvement enables us to maintain our technology leadership, set the industry benchmark for product quality, and develop new sustainable solutions for our customers.

Sustainable Communities





Sustainable Communities

Celestica strives to enhance the communities in which we operate. By encouraging employee volunteerism, and through donations of our expertise and funds in support of programs in the areas of education, health and community services, we are helping to shape a stronger and more sustainable future for our local communities.

Community Involvement

Celestica believes that by encouraging employee volunteerism, we can drive positive change in the communities in which we operate. Through our Time Off to Volunteer program, all full-time Celestica employees are eligible to take up to two paid days per year to volunteer with recognized charitable organizations. By 2020, we aim to have 50 per cent of our workforce take time to volunteer in their communities in every year.

Every year, we are inspired by the generosity of our employees around the globe who volunteer their time, as well as contribute goods, clothing, toys and dollars to their communities. Below are several examples of how Celestica employees are supporting their local communities.

In Suzhou, China, our employees have contributed in many ways over the past year to support the community. They hosted a blood bank, visited the elderly, collected food donations, planted trees and organized car-free days. The Suzhou site was also awarded the Ethical and Cultural progress award by the Suzhou government.

In Oradea, Romania, our team has demonstrated outstanding commitment to its community through volunteer and community outreach efforts over the last several years. For example, through Habitat for Humanity, employees worked to help make the dream of homeownership a reality for a family in need. Executives worked alongside Oradea site employee volunteers and the future homeowners to build the house. In addition, employees worked with an association for the deaf-mute by organizing the Sports without Words Bowling Competition. This event encouraged individuals with physical handicaps to practice sports, be positive and develop a can-do attitude. Celestica's sponsored team won second place.

In Toronto, Canada, our employees participated in a Junior Achievement (JA) company program throughout the school year. In this weekly after-school program that takes place at Celestica, a team of employee volunteers mentored a group of 30 local high school students as they created and operated their own company. This year, our students designed and produced UV bracelets with special beads that change colour when exposed to sunlight. The students generated over \$9,000 in sales and donated \$1,020 to Sunnybrook Hospital's Odette Cancer Centre. Celestica's student-run company, dOt's, was awarded Junior



Figure 8.1 Celestica's student-run Junior Achievement company dOts

Achievement's top honour of Company of the Year for best overall performance, leadership and innovation, out of 50 programs across Central Ontario. dOts was also selected as the 2012 Canadian Chamber of Commerce, National Company of the Year.

In San Jose, USA, our employees volunteered at the Sacred Heart Community Center as part of a team-building activity. The group assisted in food preparation and clothing distribution for the community centre. Sacred Heart's mission is to build a community free from poverty by creating hope, opportunity and action.



Figure 8.2 Employees from Celestica's Valencia, Spain site at the ADISA day care centre

In Valencia, Spain, our employees assisted with rebuilding the Alfafar Association for the assistance of mentally challenged people (ADISA) Day Care Centre. Activities included: maintaining air conditioning equipment, repairing fitness equipment and fixing the roof of one of the bathrooms. ADISA is a non-profit organization whose objective is to assist children with mental and physical disabilities. The centre currently works with 40 children, helping them develop physical and functional skills, enhance learning and rehabilitation, and assist them with their daily activities.

Employees at this site also launched a drive to collect toys for underprivileged children at the Colegio Santiago Apostol School in Valencia. The site donated 17 boxes of toys and educational games that would be used as birthday presents and Christmas gifts for the children. The team was invited to return at Christmas to distribute the toys to the children.



Figure 8.3 Song Shan Lake employees at Chequian Public School

In Song Shan Lake, China, our employees support Cheqian Primary School in Huangtang town. The Celestica team met with the school and the local community to identify how they could best support the needs of the children. They established a computer lab for the school and gave the children books and paper. They also visited the school and provided music lessons for the children.

In Woodlands, Singapore, our employees worked with the Singapore Cancer Society to donate, pack and distribute food donations to cancer patients. The Singapore Cancer Society helps more than 1,000 cancer patients annually who require assistance during difficult periods in their lives.

In Monterrey, Mexico, the team is focused on supporting the local community by addressing challenges such as drug abuse, domestic violence, divorce and single parenthood. Activities included visits to local schools for children with special needs and care centres for abused children, as well as the collection of plastic bottle caps that were sold in order to pay for chemotherapy treatment for children with cancer.

In Hong Kong, employees support the local community through the following community events: working with Against Child Abuse to help single-parent families repair their relationships with a day of baking; working with the elderly to paint the gates of their homes and bringing them handmade fortune baskets and lanterns; and volunteering with Hong Kong Christian Service to assist with the

Parenthood Christmas Day at Tin Heng Nursery School where employees helped facilitate games and activities designed to enhance the parent-child relationship



Figure 8.4 Hong Kong employees at Against Childhood Abuse

Lending our Expertise to Foster Sustainable Communities around the Globe

In addition to supporting the communities in which we operate, Celestica also looks for opportunities to support regions around the globe that are in need of assistance. For example, we are currently working with our customers and suppliers to explore the development of a solar solution for a charitable hospital in Haiti that would make use of excess solar panels from our solar operation in Toronto. This solar solution could provide sustainable and reliable power for the hospital.

Deepening our Commitment with Board Participation

We also encourage our executives to participate on non-profit boards. For example, one of our senior executives holds the role of Chair, Technology Industry, United Way of Greater Toronto's Annual Campaign, and another is a member of the Board of Directors, Scientists in School.

To encourage more employees to participate on boards, in 2013, Celestica hosted a workshop on using a not-for-profit board match program.



Community Giving Recognition

Celestica's site in Hong Kong was recognized with the Caring Company award by the Hong Kong Council of Social Service for the tenth consecutive year. This award recognizes companies in Hong Kong that demonstrate good corporate citizenship and outstanding involvement in corporate social responsibility programs. It is specifically geared towards building strategic partnerships among businesses and non-profit organizations to create a more cohesive community. To be eligible for the award, Celestica's Hong Kong site had to meet the following criteria: caring for the community, caring for the employees and caring for the environment.



Celestica's site in Romania won three awards during the Community Foundation's Corporate Social Responsibility Event. The event recognizes various programs and projects organized by local companies who make corporate social responsibility a priority for their workplace. Celestica received awards in the following categories:

- Most active company in the field of corporate social responsibility
- Most involved employees in actions of corporate social responsibility
- Most involved manager in corporate social responsibility activities



Figure 8.4 Romania employees receiving corporate social responsibility awards

GRI



The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines are a set of internationally recognized indicators covering a company's social, economic, and environmental impacts. The table in this section covers the GRI G3.1 indicators found in our 2013 Sustainability Report, 2013 Annual Report and company website. It includes all of the standard disclosures and performance indicators to support a G3.1 level B report. In future reports, we will transition to a G4 sustainability reporting guideline.

GRI G3.1 Guideline		Location
STRATEGY & ANALYSIS		
1.1	Statement from key decision maker about relevance of sustainability to organization and its strategy	CEO Letter
1.2	Description of key impacts, risks and opportunities	2013 Carbon Disclosure Project Report
PROFILE		
2.1	Name of reporting organization	2013 20-F
2.2	Primary brands, products, and/or services	Business Overview
2.3	Operational structure of organization	2013 20-F
2.4	Location of organization's headquarters	2013 20-F
2.5	Number of countries where organization operates	2013 20-F
2.6	Nature of ownership and legal form	2013 20-F
2.7	Markets served	2013 20-F
2.8	Scale of reporting organization	2013 20-F
2.9	Significant changes during the reporting period regarding size, structure, or ownership	2013 20-F
2.10	Awards received during the reporting period	This Sustainability Report
REPORT PARAMETERS		
3.1	Reporting period for information provided	About This Report
3.2	Date of most recent previous report (if any)	2012 Corporate Social Responsibility Report
3.3	Reporting cycle	Stakeholder Engagement
3.4	Contact point for questions regarding the report or its contents	About This Report

GRI G3.1 Guideline		Location
REPORT SCOPE AND BOUNDARY		
3.5	Process for defining report content, including: Determining materiality, Prioritizing topics within the report, Identifying stakeholders the organization expects to use the report	Sustainability and Our Business
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities)	2013 20-F
3.7	State any specific limitations on the scope or boundary of the report	2013 20-F
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	2013 20-F
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	2013 Carbon Disclosure Project Report
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reason for such restatement	Energy Reduction Roadmap
GRI CONTENT INDEX		
3.12	Table identifying the location of the standard disclosures in the report	GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	Energy and Water
GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks such as setting strategy or organizational oversight	2013 20-F
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, state his or her function within the organization's management and the reasons for this arrangement)	2013 20-F
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	2013 20-F
4.4	Mechanism for stakeholders and employees to provide recommendations or direction to the highest governance body	2013 20-F
STAKEHOLDER ENGAGEMENT		
4.14	List of stakeholder groups engaged by the organization	Sustainability and Our Business
4.15	Basis for identification and selection of stakeholders with whom to engage	Sustainability and Our Business
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Sustainability and Our Business
ECONOMIC PERFORMANCE INDICATORS		
EC1	Direct economic value generated. Include revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	2013 20-F
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2013 Carbon Disclosure Project Report
EC3	Coverage of the organization's defined benefit plan obligations	2013 20-F
EC4	Significant financial assistance received from government	2013 20-F
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement	Sustainable Communities

GRI G3.1 Guideline		Location
PERFORMANCE: ENVIRONMENTAL		
	Disclosure on management approach	Energy and Water
ENVIRONMENTAL PERFORMANCE INDICATORS		
EN3	Direct energy consumption by primary energy source	Energy and Water
EN4	Indirect energy consumption by primary source	Energy and Water
EN5	Energy saved due to conservation and efficiency improvements	Energy and Water
EN7	Initiatives to reduce indirect energy consumption, and reductions achieved	Energy and Water
EN8	Total water withdrawal by source	Energy and Water
EN9	Water sources significantly affected by withdrawal of water	Energy and Water
EN11	Location and size of land owned, leased, or managed in, or adjacent to, protected areas and areas of high biodiversity outside protected areas	Not applicable
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Not applicable
EN13	Habitats protected or restored	Not applicable
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Not applicable
EN15	Number of IUCN Red List Species and national conservation list species with habitats in areas affected by operations, by level of extinct risk	Not applicable
EN16	Total direct and indirect greenhouse gas emissions, by weight	Energy and Water
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Energy and Water
EN19	Emissions of ozone-depleting substances, by weight	Not applicable
EN20	NO, SO, and other significant air emissions, by type and weight	Not applicable
EN22	Total weight of waste, by type and disposal method	Material Stewardship
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Not applicable
EN27	Percentage of products sold and their packaging materials that are reclaimed, by category	Not applicable
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-c 2013 20-F compliance with environmental laws and regulations	2013 20-F
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and of transporting members of the workforce	Energy and Water
PERFORMANCE: LABOR PRACTICES AND DECENT WORK		
	Disclosure on management approach	Employee Sustainability
LABOUR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS		
LA1	Total workforce, by employment type, employment contract and region	Employee Sustainability
LA4	Percentage of employees covered by collective bargaining agreements	Employee Sustainability
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Employee Sustainability
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Employee Sustainability
LA10	Average hours of training per year per employee, by employee category	Employee Sustainability
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their careers	Employee Sustainability
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	Employee Sustainability

GRI G3.1 Guideline		Location
PERFORMANCE: HUMAN RIGHTS		
	Disclosure on management approach	Employee Sustainability
HUMAN RIGHTS INDICATORS		
HR1	Percentage and total number of significant investment agreements that include human rights, clauses or that have undergone human rights screening	Not applicable
HR4	Total number of incidents of discrimination, and actions taken	Not applicable
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights	Not applicable
HR6	Operations identified as having a significant risk for incidents of child labour, and measures taken to contribute to the elimination of forced or compulsory labour	Not applicable
HR7	Operations identified as having a significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	Not applicable
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Compliance and Ethics
HR9	Total number of incidents of violations involving rights of indigenous people, and actions taken	Not applicable
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	Not applicable
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	Not applicable
PERFORMANCE: SOCIETY		
	Disclosure on management approach	Compliance and Ethics
SOCIETY PERFORMANCE INDICATORS		
SO2	Percentage and total number of business units analyzed for risks related to corruption	Compliance and Ethics
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Compliance and Ethics
SO4	Actions taken in response to incidents of corruption	Compliance and Ethics
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions, by country	2013 20-F
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices, and their outcomes	2013 20-F
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	2013 20-F
SO9	Operations with significant potential or actual negative impacts on local communities	2013 20-F

SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	2013 20-F
GRI G3.1 Guideline		Location
PERFORMANCE: PRODUCT RESPONSIBILITY		
	Disclosure on management approach	Not applicable
SOCIETY PERFORMANCE INDICATORS		
PR1	Lifecycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Not applicable
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their lifecycle, by type of outcomes	Not applicable
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning market communications, including advertising, promotion, and sponsorship by type of outcome	Not applicable
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable
PR9	Monetary value of significant fines for non-compliance with laws and regulation concerning the provision and use of products and services	2013 20-F

Safe Harbour and Fair Disclosure Statement

This report contains forward-looking statements related to our sustainability initiatives including, but not limited to, goals, targets and future plans. Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as “believes”, “expects”, “anticipates”, “estimates”, “intends”, “plans”, “continues”, “project”, “potential”, “possible”, “contemplate”, “seek”, or similar expressions, or may employ such future or conditional verbs as “may”, “might”, “will”, “could”, “should” or “would”, or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws.

Forward-looking statements are provided for the purpose of assisting readers in understanding management’s current expectations and plans regarding our sustainability initiatives and objectives. Readers are cautioned that such information is not appropriate for other purposes. Forward-looking statements are not guarantees of future performance and are subject to risks that could cause actual results to differ materially from conclusions, goals, targets, forecasts or projections expressed in such statements, including, among others, risks related to employee, stakeholder, customer, supplier and NGO engagement and commitment to these initiatives, the cost of implementing these initiatives and the impact of changing legislation and social goals on sustainability initiatives generally, and risks related to our operational and financial performance as discussed in our public filings at www.sedar.com and www.sec.gov, including in our MD&A, our Annual Report on Form 20-F and subsequent reports on Form 6-K filed with the U.S. Securities and Exchange Commission, and our Annual Information Form filed with the Canadian Securities Administrators.