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Solid partners. Flexible solutions.

Celestica's 2014
Sustainability Report

Contents

Sustainability Report Overview

At Celestica, we are committed to driving our sustainability initiative by 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.

Sustainability continues to be a key focus for Celestica as we strongly believe it is an area in which we are well positioned to lead change in our industry, drive value for our customers and improve the communities in which we live and work.

At the heart of our sustainability initiative are our 25,000 employees around the world who are committed to making a difference and to enabling Celestica to become a more sustainable company.

In recognition of these efforts, Celestica was named one of the Global 100 Most Sustainable Companies in the World for 2014, as determined by Corporate Knights, an organization dedicated to encouraging responsible business practices. In addition, we were named one of Canada's Best 50 Corporate Citizens for 2014 by Corporate Knights for our performance in sustainability metrics including greenhouse gas, water and waste productivity; health and safety performance; and leadership diversity. We are honoured to have received these prestigious awards and believe they validate the strong progress we have made at this stage in our sustainability journey.

As we continue on our path to becoming a more sustainable company, we encourage comments and suggestions from our stakeholders at sustainability@celestica.com. Your input is valuable to us and will be used to shape our sustainability strategy, moving forward.

Thank you for your ongoing interest in Celestica and I hope you enjoy reading this report.

Sincerely,

Craig Muhlhauser
President and Chief Executive Officer

A Letter from
Todd Melendy

In 2013, we established five aspirational sustainability goals for our company to guide our sustainability journey and rally our global employees around a common vision to embed sustainability into our corporate culture. Celestica is a stronger company when our employees work together, and the progress we have made on our sustainability journey is another example of what we can accomplish as a global team.

We have achieved many accomplishments throughout 2014, but for me, I am particularly proud of our leadership role in providing a reliable solar energy solution to a hospital in Haiti that desperately needed help. The implementation of this solution is a result of many different people in a number of different functions working together with a group of international partners. Working as one, this team demonstrated innovative thinking and incredible perseverance to overcome numerous obstacles that resulted in the achievement of a reliable energy solution for the hospital.

This initiative exemplifies our holistic approach to sustainability, integrating elements of our five pillars of sustainability through employee engagement, renewable energy, waste diversion, collaborative sustainable solutions and community giving into one solution for a community in need. We are extremely proud of this initiative and feel it sets the tone for our future.

In this report, we are proud to highlight our many accomplishments in 2014 that include diverting 88 per cent of waste from landfill, launching a successful sustainable workspace program and continuing to reduce greenhouse gas emissions.

Thank you to all of our stakeholders who have helped to shape our sustainability strategy. I look forward to continuing the journey.

Sincerely,

Todd Melendy
Vice President, Sustainability and Compliance

About this Report

Celestica's 2014 Sustainability Report summarizes the activities, performance and results in the 2014 calendar year.

This report is prepared in accordance with Global Reporting Initiative® (GRI®*) G4 Guidelines, Core Option. The GRI® Index may be found at the back of this report.

Since 2009, Celestica has published an annual report documenting our corporate social responsibility programs and environmental sustainability initiatives. Our previous report was published in April 2014 and contained results from the 2013 calendar year. We are committed to reporting our greenhouse gas emissions (GHG) annually and began including third-party assurance in 2013.

We welcome your feedback on our activities and performance. If you would like to share your opinion, please contact Celestica's Sustainability team at sustainability@celestica.com.

Restatement of Changes from Previous Reports

We have restated 2012 and 2013 greenhouse gas emissions and energy since the emissions for one building within one of our multi-building campuses in Johor Bahru, Malaysia was omitted. The emissions for this building have now been added into the emissions for 2012 and 2013 resulting in an increase of less than 2 per cent in each year.

We have also adjusted one of our aspirational sustainability goals to reduce absolute greenhouse gas emissions. Our original goal was to reduce 30 per cent of our normalized emissions by 2020. However, in 2014 we changed our focus to reduce our absolute greenhouse gas emissions by 30 per cent of 2012 levels by 2020. We believe this is a more practical goal for our sites to achieve at this stage in our journey, and we stand by our dedication to reduce greenhouse gas emissions regardless of fluctuations in our business. We will continue to report our progress on normalized emissions.

* The Global Reporting Initiative® (GRI®) drives sustainability reporting by all organizations. GRI® produces a comprehensive Sustainability Reporting Framework that is widely used around the world, to enable greater organizational transparency. The Framework, including the Reporting Guidelines, sets out the Principles and Indicators organizations can use to report their economic, environmental and social performance.

Photos on the Cover

Two of Celestica's employees from Laem Chabang, Thailand, planting trees on Global Earth Day.

Celestica's solar operation in Toronto, Canada.
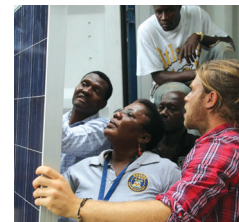
The solar project engineer examines the Celestica-donated solar panels with customs officials in Haiti before the panels made their way to the Hôpital Albert Schweitzer Haiti.

Celestica employees in Laem Chabang, Thailand, volunteer to pick up litter in their community.

Celestica employees in Valencia, Spain, celebrating the launch of the Sustainable Workspace program on Global Earth Day.

About Celestica

With 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 traded on both the New York and Toronto stock exchanges with 2014 revenue of US$5.6 billion.

Celestica employs almost 25,000 permanent and temporary (contract) employees. Eighteen per cent of our employees are protected under collective bargaining agreements or unions, and of these employees, 59 per cent are located in Asia, 30 per cent are located in Europe and 11 per cent are located in Mexico.

Headquartered in Toronto, Canada, Celestica operates in over 20 worldwide locations that include offices, design facilities and our major operations. Our operations facilities around the world specialize in supply chain management (SCM), including high-mix/low-volume manufacturing capabilities, to meet specific market and customer requirements. In an effort to drive speed, quality and flexibility for our customers, we execute our business in centers of excellence strategically located throughout our global network.

The following figure summarizes Celestica's square footage by region.

Figure 1.2: Celestica's Major Operations' Square Footage by Region

Region	Facilities	Square Footage (1,000s)
North America	Canada, United States*, Mexico*	1,860
Europe	Ireland*, Spain, Romania	527
Asia	China*, Malaysia*, Thailand*, Singapore*, Japan	4,222

* Represents multiple locations

Business Overview

Celestica delivers innovative supply chain solutions globally to customers in the following end markets: communications (comprised of enterprise communications and telecommunications); enterprise computing (comprised of servers and storage); consumer; and diversified (comprised of industrial, aerospace and defense, healthcare, energy, semiconductor equipment and other).

Figure 1.1: Celestica's 2014 Worldwide Operations

> Our innovative solutions create value for our customers by accelerating their time-to-market, and by providing higher quality, lower cost, and reduced cycle times in our customers' supply chains.

We offer a range of services to our customers, including design and development; engineering services; supply chain management; new product introduction; component sourcing; electronics manufacturing; assembly and test; complex mechanical assembly; systems integration; precision machining; order fulfillment; logistics and after-market services.

The products and services we provide serve a wide variety of applications, including servers; networking, wireless and telecommunications equipment; storage devices; optical equipment; aerospace and defense electronics, such as in-flight entertainment and guidance systems; healthcare products for diagnostic imaging; audio visual equipment; set-top boxes; printer supplies; peripherals; semiconductor equipment; and a range of industrial and energy electronic equipment, including solar panels and inverters.

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

Supply Chain Overview

Celestica has a global network of over 4,000 active suppliers and we align our preferred suppliers in close proximity to our Centers of Excellence to increase the speed and flexibility of our supply chain and to deliver the shortest overall lead times to our customers. Components and raw materials are sourced globally, with a majority of electronic components originating from Asia, in close proximity to the majority of our manufacturing locations.

We strive to provide our customers with the lowest total cost of ownership™ (TCOO). To achieve this goal, we developed a TCOO system that is focused on evaluating supplier performance by measuring the total cost to produce, deliver and support products and services beyond the invoice price. When evaluating a supplier through this system, we focus on measuring quality, delivery, technology, service, pricing and flexibility. As Celestica continues to focus on delivering value-added services to our customers, we increasingly emphasize technology, innovation and collaboration with our suppliers.

Through our global supply chain management processes and integrated information technology tools, we provide our customers with enhanced visibility to balance their global demand and supply requirements, including inventory and order management.

Historically, due to Celestica's market position as an electronics manufacturing services provider within the communications and enterprise industry, the SCM relationships within Celestica's supply base typically followed two models: Celestica having virtually complete commercial control of the purchasing relationship with the supplier, or Celestica enacting the supply arrangements that had been negotiated by the customer. However, with the

expanded use of the joint design and manufacturing (JDM) model, and the increasing focus and revenue growth in diversified markets with non-traditional suppliers, SCM relationship models have become increasingly complex and variable.

In 2011, Celestica entered the semiconductor manufacturing equipment industry through a series of acquisitions. Today, Celestica's manufacturing capabilities include precision machining and high-level assembly services for the semiconductor industry.

As we continue to diversify our business, we are expanding our supply chain in the areas of complex mechanical and build-to-print. Celestica is establishing relationships with suppliers that support this area of our business, while maintaining relationships with our traditional suppliers.

Financial Performance

The financial health of our company directly impacts our key stakeholders, including employees, customers and investors. We continue to focus on being the best performing company for our customers, while continuing to drive operational and financial improvements.

Our priorities include:

- Achieving profitable growth in our targeted markets and businesses by increasing the value we deliver to our customers

- Accelerating the diversification of our revenue through growth in the aerospace and defense, industrial, healthcare, energy and semiconductor equipment markets, and increasing the mix of higher-value-added services, including design, engineering, supply chain, logistics and after-market services

- Driving a culture of Lean and Six Sigma to achieve continuous improvement in quality, lead-time reduction and cost productivity in order to drive further operating margin expansion

- Accelerating the operational and financial improvements of our semiconductor business

We believe that continued investments in these areas in support of our long-term strategy will strengthen our competitive position, enhance customer satisfaction and increase long-term shareholder value. We will continue to focus on expanding our revenue base in our higher-value-added services and to grow our business with new and existing customers in our enterprise computing, communications and diversified end markets.

Figure 1.3: Financial Performance

	2012	2013	2014
Revenue	6,507.2	5,796.1	5,631.3
Gross profit	438.4	389.5	405.4
Selling, general & administrative expenses (SG&A)	237.0	222.3	210.3
Other charges	59.5	4.0	37.1
Net earnings	117.7	118.0	108.2
Diluted earnings per share	0.56	0.64	0.60

(In millions, except per share amounts)

Corporate Culture

At Celestica, we are dedicated to building solid partnerships and providing flexible solutions to enable our customers' success. We are adaptive and agile and help customers anticipate and prepare for unexpected changes.

Corporate Culture

At Celestica, our strategy is focused on enabling our customers' success through the development and delivery of innovative supply chain solutions that help them anticipate and prepare for unexpected changes in their respective markets. We know that our success relies on the way our employees work with our customers, suppliers and each other. Our company's Brand and Values are integral to our behaviours and shape who we are as a company. We believe that the progress we make on our strategy is critical to our success, but the way we achieve our goals is equally as important.

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 high-integrity work environment based on strong corporate Brand and Values.

Our Brand was founded on our understanding that it is our employees who differentiate us within our industry and with our customers. Our Brand engages and empowers our employees to work together to drive our company's success.

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 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

Labour and Ethics Management System

At Celestica, we are committed to ensuring our employees are treated with dignity and respect and are provided with a safe environment in which to work. In order to do so, we have established a Labour and Ethics Management System. This is designed to ensure compliance with applicable laws, regulations and customer requirements related to our operations and products, including adherence to Celestica's Business Conduct Governance Policy (BCG) and the Electronics Industry Citizenship Coalition (EICC) Code of Conduct (the Code). Each site has a governing document that includes any global policies and procedures, as well as local governing practices and regulations, that are implemented at the site.

The Labour and Ethics Management System includes the following elements:

- Stated company commitment
- Management accountability and responsibility
- Legal and customer requirements
- Supplier responsibility
- Risk assessment and risk management
- Improvement objectives
- Training
- Corrective action processes
- Documentation and records

OUR MANAGEMENT APPROACH

- Set objectives and targets in the first quarter of each year and track our performance throughout the year
- Develop measurements to track our progress and make continuous improvements
- Develop action plans for potential risks. If targets are not met, it is managed by the sites labour and ethics representatives in partnership with the site leadership team until closed
- Execute our Labour and Ethics Management System
- Follow through on our action plans
- Monitor labour conditions at each of our sites
- Conduct internal audits and assessments
- Review labour and ethics actions and status at management review meetings
- Post results on communications boards and review status at monthly operational reviews
- Revise programs to make improvements based on feedback from site leads and stakeholders
- Complete site-level risk assessments

Celestica suppliers are informed about the EICC Code and Celestica's position regarding labour conditions at numerous points in the development of their commercial relationship with Celestica. Celestica uses the EICC risk assessment methods, including the Self-Assessment Questionnaire (SAQ), a follow-up Verification Visit as well as the Validated Audit Process (VAP) report, to monitor major suppliers' management systems in regard to labour and ethics. Monitoring supplier information through these methods is explained in more detail in the Sustainable Solutions section of this report.

Compliance Training

Celestica reviews current trends and risks in the electronics industry on a continual basis to determine what training would be most beneficial and useful for our employees. In recent years, a variety of courses have been rolled out to our employees, including anti-bribery, mutual respect, conflicts of interest, diversity and inclusion, insider trading, whistle-blowing and global anti-bribery principles.

A whistle-blower course reminds our employees of our established Ethics Hotline program and reinforces the types of behaviours and activities that would be considered a violation of Celestica's BCG and/or the law. After the launch of this training, the number of cases reported through the hotline increased, which is a positive testament to the effectiveness of the training.

A global anti-bribery training course reflects the fact that repetitive training on bribery is a best practice. As bribery continues to be a significant compliance risk in our industry, our goal is to provide our employees with continued training on how to identify and avoid bribery situations in their day-to-day business dealings.

In 2015, we plan to augment our bribery training program by providing in-person training to employees in high-risk areas (e.g., sales and finance) on bribery topics. The in-person training will act as a refresher of the principles as well as provide real examples of bribery situations that employees in these high-risk areas could face while representing Celestica. It will be an interactive session to allow open dialogue on this important compliance risk.

Assessing Risk Areas

Assessing risk areas is a significant part of our Compliance and Ethics program and is done as part of our annual risk assessment program.

Understanding key trends and risks in our industry is accomplished by having all Compliance team employees complete formal compliance and ethics training and become Certified Compliance and Ethics Professionals (CCEPs). This certification allows our employees to network at various seminars and conferences so as to remain familiar with the latest topics in the industry. It also promotes information sharing and resolution to key challenges that professionals face in this line of work.

BCG Policy

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

In 2014, we updated our BCG to include an ethics decision tree, a section on corporate bribe scenarios, specific expectations for Celestica's leaders, a section on promoting a positive work environment and hyperlinks to our core corporate policies. All new employees receive BCG training within 30 days of joining Celestica. This commitment is renewed and augmented with re-certification on an annual basis. Our updated BCG can be found at www.celestica.com under the Sustainability section.

Ethics Program

Celestica's established ethics program is open to all employees, customers, suppliers and anyone else 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.

Open communication is a critical component of Celestica's culture. We strive to ensure our employees are aware of how they can voice their concerns on ethical matters. We communicate various options in our BCG Policy and through the the distribution of an ethics wallet card. In addition, there are communication boards throughout our sites that contain additional wallet cards and hotline information. Our BCG includes a section that outlines various resources for our employees to voice their concerns. Employees are encouraged to speak with their manager, a member of management or Human Resources should they have concerns or questions on legal or ethical matters. Employees can also email compliance@celestica.com should they have any questions or concerns on any compliance or ethics matter. This mailbox is confidentially maintained by the Compliance team.

If none of these options are preferred, employees can report concerns to the Ethics Hotline, by phone or through the web-based reporting tool. Celestica maintains our hotline program through a third-party vendor. All reports that come in through the hotline are managed by the Compliance team. The Compliance team ensures that the reports are properly assigned for investigation and that investigations are conducted thoroughly with appropriate outcomes. Employees who report a concern are notified when their report is received and when it is completed.

Celestica is serious about no reprisal or retaliation for reporting actual or suspected violations of the law, the BCG or other policies, or for cooperating in an investigation related to reported violations. Our Ethics Hotline program is provided to employees to ensure our work environment meets the rights and obligations of our BCG. The hotline is an avenue available to all employees to create and maintain a positive work environment.

EICC

As an EICC founding member, 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 work environment, manufacturing processes are environmentally responsible and management systems are in place to support the EICC Code. 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 sites. Pursuant to the EICC's mandate to better 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 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 suppliers on our Major Supplier List submit SAQs to identify risks within their operations. As required per EICC membership compliance, high-risk suppliers requiring a VAP are identified through the SAQ process. Any findings resulting from an audit are tracked through a Corrective Action Plan (CAP) and may result in removal from Celestica's Preferred Supplier List (PSL) if corrective actions are not closed to Celestica's satisfaction.

In addition to each site completing an annual SAQ, we also conduct internal audits at each 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 to ensure that each site is audited every two years at a minimum. In 2014, our internal auditors conducted audits at our sites in Monterey, Mexico; Kulim, Malaysia; Galway and Leixlip, Ireland; Oradea, Romania; Fremont, USA; Woodlands and Serangoon, Singapore; Miyagi, Japan; Portland, USA; Toronto, Canada; and Song Shan Lake, China. We ensure that any findings from our internal audits have Corrective Action Plans in place to close out the findings and improve the overall EICC Code compliance 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 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 who 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.

> As an EICC founding member, Celestica continues to be actively involved with the EICC membership, sharing the common membership vision of how companies should behave in the electronics industry.

In October 2014, Celestica's site in Oradea, Romania, conducted a self-audit using the EICC VAP. The audit was very successful, resulting in just one minor finding. The results of the audit confirmed that Celestica's Oradea site has put a great deal of effort and time into training its employees on the EICC Code as well as having policies and programs in place which are supported through management systems to ensure Code compliance. In November 2014, Celestica's site in Suzhou, China, also conducted a self-audit using the EICC VAP. Both Oradea and Suzhou are now in the CAP management stage to ensure adequate CAPs are put in place to close out the audit findings. Celestica's site in Laem Chabang, Thailand, successfully closed its CAP, resulting from a VAP audit conducted in 2013, and it is now planning for a closure audit to be conducted in April 2015. For more information on these programs, visit www.eicc.info.

Sustainability and Our Business

At Celestica, we are committed to leveraging our knowledge and expertise to establish ourselves as a leader in the area of sustainability through global collaboration and idea sharing with our employees, customers and suppliers.

Sustainability and Our Business

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 solutions to new and existing customers, including those 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.

Celestica's Aspirational Sustainability Goals

In 2013, we established five aspirational goals to guide our journey. These sustainability goals are common throughout our global organization and will help to ensure that all employees understand what we are working to achieve with regards to our sustainability initiative.

Figure 3.1: Celestica's Five Aspirational Sustainability Goals

Celestica's **5** Aspirational Sustainability Goals

Achieve **100%** compliance with **EICC best practices on working hours** by 2016

Reduce our absolute **greenhouse gas emissions** by **30%** of 2012 levels by 2020

Have **50%** of our **workforce take time off to volunteer** in their communities in every year by 2020

Achieve **100% waste diversion** by 2020

Have **100%** of eligible employees participate in the **Sustainable Workspace program** by 2020

Stakeholder Engagement

We value input from all of our stakeholder groups and use a variety of channels to engage with them as well as receive their feedback. We identify stakeholders as groups that have an impact, or have the potential to be impacted by our business, as well as those external organizations that have expertise in aspects that we consider material. The feedback we receive from our stakeholders helps us to determine our materiality matrix and identify our focus areas.

Figure 3.2: Stakeholder Engagement Table

Stakeholder Group	Engagement Approach	Topic	Action
Employees	• Town hall meetings • Internal communications • Leadership meetings • Employee surveys • Sustainable Workspace program • Open-Door Policy • Sustainability Report • Annual risk assessment • Sustainability Working Group (SWG) research project	• Energy • Water • Waste • Wellness • Recognition • Training • Community	• Provided employees an avenue to share, explore and enact their sustainability-related ideas as well as the budget, time and tools to experiment • Worked internally to link ideas back to other functions within Celestica • Brokered relationships with non-governmental organizations (NGOs) to explore employee ideas • Engaged with site General Managers to localize sustainability through the use of lead "Spark Change Agents"
Customers	• Teleconferences • Voluntary reporting • Surveys • Audits • Scorecards	• Energy • Emissions • Health and safety • Supplier assessment • Product compliance • Working hours • Transparency • Foreign migrant workers • Forced or compulsory labour	• Shared strategy to align resources on mutually beneficial projects • Collaborated on consortia working groups • Shared best practices • Shared conflict minerals data • Shared working hours data • Provided training on topics of interest • Provided updates on audit findings • Approached suppliers in unison • Responded to surveys
Academia	• Working group meetings • Surveys • Research projects	• Embedding sustainability • Labour relations • Waste • Energy • Water	• Sent a research student to facilities in Asia and North America • Worked with Human Resources to incorporate sustainability into performance • Improved sustainability-oriented innovation within our company • Formalized our materiality matrix and are committed to voluntarily self-regulate
Consortia	• EICC meetings • EICC working groups • EICC leadership • Seminars • Webinars	• Working hours • Energy and emissions • Supply chain • Conflict minerals	• Performed case study on working hours • Performed EICC site audits • Participated in EICC audits to update our supply chain sustainability program

Stakeholder Engagement Table Continued

Stakeholder Group	Engagement Approach	Topic	Action
Government	• Monitor regional laws and policies • Respond to mandatory compliance reports • Host auditors from local/regional government • Attend government functions and awareness sessions	• Energy • Water • Waste • Human Resources • Health and safety	• Updated energy use requirements • Updated health and safety programs • Updated waste and materials handling standards
Investors	• Survey responses • Annual meeting of shareholders • Shareholder letter	• Economic performance • Energy • Water • Waste • Labour relations	• Coordinated corporate-wide response to surveys • Continued discussions about need for transparency on remuneration and compensation with Human Resources • Created gap analysis and plan to respond to surveys for leadership
NGOs	• Face-to-face meetings • On-site tours	• Energy • Waste • Labour relations	• Continued to increase Celestica's energy and waste literacy • Performed supplier assessments • Continued to provide opportunities for new Canadians
Suppliers	• Emails • Conference calls • Questionnaires • Facility tours	• Employee health and safety • Human rights • Environmental compliance • Business conduct • Conflict minerals	• EICC Self-Assessment Questionnaires • Validated Audit Program • Performed Verification Visits

Materiality

As we continue on our sustainability journey, we understand that the aspects of sustainability that we deem material will evolve. In 2014, Celestica analyzed the economic, environmental and social topics and their impact on our business.

When re-evaluating our material issues, we worked to fully understand the aspects and indicators presented in the GRI® sustainability reporting guidelines and how they apply to the issues we review with our stakeholders. By categorizing our engagements, we were able to map our stakeholder issues to the GRI® G4 Aspects and Indicators.

We identified 57 GRI® G4 Aspects as well as four additional industry-specific topics that we deem important, which include working hours, foreign migrant workers, employee wellness and employee recognition. A ranking process was utilized to help quantify and prioritize the concerns of our stakeholders.

The next stage of mapping our materiality matrix was to examine the GRI® G4 Aspects and their potential impact to our business. Through a series of meetings with our internal stakeholders, we were able to identify mid- and high-scoring priorities. By actively engaging with our stakeholders, and assessing them against the values and goals of our business, we were able to map out the high priorities on our materiality matrix. Figure 3.3 below illustrates the 13 topics that our stakeholders and our business identified as high priorities, which represent 25 Aspects and three industry-specifics topics.

In this report, we focus on these 13 high-priority topics that were deemed important to both Celestica and our stakeholders. Unless otherwise stated, the boundary for our material issues will represent 100 per cent of Celestica's footprint. We also address emerging trends that we believe are important and have the potential to become high-priority topics as our sustainability initiative continues to evolve.

Figure 3.3: Materiality Matrix

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, environmental sustainability, material stewardship, sustainable solutions and sustainable communities.

Elements of Sustainability				
EMPLOYEE SUSTAINABILITY	**ENVIRONMENTAL SUSTAINABILITY**	**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

Our Employee Spark Change Initiative

Our Spark Change initiative is 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 this initiative, we are challenging our 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.

Recognizing that employee involvement and localization of issues 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 empower our employees to drive change and innovation in support of our sustainability goals by increasing their awareness of sustainability-related issues and giving them the tools to be successful.

To help our sites become more sustainable, we established a global network of Spark Change Agents. Nominated by the sites' General Managers, these individuals track and report on the progress our sites are making towards our aspirational sustainability goals. In addition, the General Managers are taking responsibility for tracking individual site performance relative to those goals.

We strongly believe that by sharing our ideas and working together, we can drive sustainability in a way that is good for Celestica and our customers, as well as the communities in which we operate. To engage employees around the globe in our sustainability initiative, we launched the Sustainable Workspace program and the "Ignite" tool in 2014.

Sustainable Workspace Program

The Sustainable Workspace program is a global initiative that was launched on Global Earth Day in April 2014. The program is designed to challenge all employees to re-examine their behaviours on a day-to-day basis and learn about what they can do to positively impact the environment and improve their well-being. Additional details on our Sustainable Workspace program may be found in the Employee Sustainability section of this report.

Ignite Tool

To help turn our employees' innovative ideas into sustainable solutions for both Celestica and our customers, we launched a new tool called "Ignite". The Ignite tool is designed to enable employees to submit ideas about what we can do as a company to become more sustainable.

In 2014, submissions from our employees spanned many topics, including energy, freight, recognition, water, waste and wellness. All ideas are reviewed by the Sustainability team and everyone who submits an idea is contacted within one week to discuss their suggestion. Below are some examples of initiatives that were initiated through the Ignite tool in 2014.

- In Oradea, Romania, a team submitted an idea to optimize our packaging and use of inter-modal transportation methods. As a result of this submission, we have undertaken a number of projects to examine pallet sizing and how it affects shipping-container optimization. In 2015, we have prioritized dimensional weight optimization, which we anticipate will reduce our carbon footprint and save costs.

- In Toronto, Canada, an idea was submitted to encourage employees to use public transportation and to explore the idea of carpooling. To find a potential solution, we contacted a local governmental organization with expertise on providing citizens with smart travel options. In 2014, we surveyed our employees and the results are being examined in order to help find ways to incorporate walking, cycling, public transit and carpooling into their commute.

- In Toronto, Canada, an employee submitted an idea about ways to encourage employee recycling. A pilot waste audit was conducted from a sample of employees' waste baskets from their workspace, and the results showed us that recyclable materials were being sent to landfill. To increase their level of recycling, the employees agreed to eliminate their individual waste baskets and commit to using the centralized recycling bins around the facility. In 2015, we will continue to monitor the improvement in recycling from the sample of employees and launch this "Kick the Can" program to all employees in Toronto.

Sustainability Governance

Celestica's sustainability initiative is led by a Vice President, Sustainability and Compliance. This role is responsible for driving the sustainability strategy, leading the sustainability team and overseeing all issues related to compliance at Celestica. This role reports directly to the Executive Vice President, Chief Legal and Administrative Officer, who also leads the Human Resources organization.

Sustainability updates are provided to Celestica's Chief Executive Officer on a quarterly basis and to the Board of Directors on an annual basis. During these updates, discussions focus on our sustainability strategy and the progress we are making on our metrics. Input received in these update meetings also helps to shape the strategy.

The content of this report was reviewed and approved by:

- Elizabeth DelBianco: Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary

- Glen McIntosh: Executive Vice President, Global Operations and Supply Chain Management

- Craig Muhlhauser: President and Chief Executive Officer

Councils

Sustainability councils are responsible for addressing functional group or regional issues and establishing strategies for improvement. These teams are comprised of senior functional leads, regional leaders and subject matter experts.

Working Groups

Working groups are the most numerous and the most specific in the governance structure. These teams are comprised 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 as well as helping to share best practices across the globe. The Sustainability managers also map local issues to global ones and link individuals who can help problem solve across regions.

Affiliations and Memberships

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

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 Working Group
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

Our Sustainability Performance

EcoVadis Assessment: Gold Rating

Celestica particpated in an independent, third-party assessment of our sustainability management systems. EcoVadis aims at improving environmental and social practices of companies by leveraging the influence of global supply chains. These independent third-party assessments help confirm that our program is meeting our obligations and aspirations today but they also help guide and provide feedback on the issues we need to monitor in the future. Celestica is proud to have received EcoVadis' gold rating.

In 2014, Celestica scored 63 out of 100, which is an improvement over our 2013 score of 53 out of 100. Below are the highlights from our 2014 assessment:

- Environment: Celestica is in the top 16 per cent of suppliers assessed by EcoVadis in the category Manufacture of electronic components and boards

- Labour Practices: Celestica is in the top 18 per cent of suppliers assessed by EcoVadis in the category Manufacture of electronic components and boards

- Fair Business Practices: Celestica is in the top 17 per cent of suppliers assessed by EcoVadis in the category Manufacture of electronic components and boards

- Suppliers: Celestica is in the top 12 per cent of suppliers assessed by EcoVadis in the category Manufacture of electronic components and boards

- Overall: Celestica is in the top 18 per cent of suppliers assessed by EcoVadis in the category Manufacture of electronic components and boards

- Overall: Celestica is in the top 10 per cent of suppliers assessed by EcoVadis in all categories

Awards and Recognition

Global 100 Most Sustainable Corporations in the World

Celestica is proud to have been named to the 2015 Global 100 Most Sustainable Corporations in the World (Global 100) Index by Corporate Knights, an organization dedicated to encouraging responsible business practices. Companies named to the Global 100 index are the top overall sustainability performers in their respective sectors, selected from a base of 4,609 listed companies with a market capitalization greater than US$2 billion. The Global 100 is determined using 12 quantitative sustainability indicators in areas including energy, carbon, water, waste and safety performance.

2014 Green Supply Chain Award

Celestica Green Services was recognized as a winner of a 2014 Green Supply Chain Award by Supply & Demand Chain Executive. The 2014 Green Supply Chain Awards recognize companies making green or sustainability a core part of their supply chain strategy, working to achieve measurable sustainability goals within their own operations. The awards also recognize providers of supply chain solutions and services assisting their customers in achieving measurable sustainability goals.

Canada's Best 50 Corporate Citizens

Celestica was selected for the first time by Corporate Knights as one of Canada's Best 50 Corporate Citizens and declared the Information Technology sector leader.

2015 Clean50

Under the leadership of Todd Melendy, Vice President, Sustainability and Compliance, sustainability is quickly becoming an integral part of Celestica's business strategy. In 2014, Todd was selected by Delta Management as one of the 2015 Clean50, recognizing him as an outstanding contributor to clean capitalism, as well as a Clean16 recipient for being the Clean50 leader in the Technology, Telecommunications and Media industry.

Employee Sustainability

At Celestica, we recognize that our employees play an important role in driving sustainability throughout our company and we strive to create an environment that fosters innovation, empowers people and leverages individual expertise.

Employee Sustainability

Commitment, creativity and courage have always been key to our success. We strive to create an environment that fosters innovation, empowers our people and leverages individual expertise. Building a strong, sustainable and engaged workforce is the foundation to our success. This means having programs in place that enable our employees and their managers to have meaningful conversations about performance, career aspirations and development, as well as recognizing employees for their contributions to our company's success. It also means working to achieve optimal labour conditions with a focus on the health and safety of our workforce.

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

OUR MANAGEMENT APPROACH

- Develop and implement programs to drive an engaged and sustainable workforce

- Establish key goals and targets to track our progress in employee sustainability programs

- Report on key aspects about our workforce to gauge the success of implemented programs

- Use results to make decisions on business continuity, breadth of skills, training and succession planning

- Gain feedback from our stakeholders, including our employees, and make improvements

Examples of employee sustainability programs implemented follow below.

Sustainable Workspace Program

To support our employees in increasing their sustainability efforts, we launched a Sustainable Workspace program in 2014. The Sustainable Workspace is an online community for our employees to share best practices and innovative ideas on reducing waste, saving energy and making healthier lifestyle choices at work and at home. When joining the community, employees are also encouraged to take a pledge to make their workspace more sustainable – whether they are on the production floor or in an office environment. This program encourages our employees to think about how simple tasks such as turning off their lights when they leave a room, shutting down their computer at the end of the day and making healthier food choices can have a positive impact on the environment.

To achieve maximum participation, the program is available in all of Celestica's operating languages and is tailored to reflect the diverse cultures of our employees around the globe.

Since the launch of the program, we have been reporting our global participation rate in the community in an effort to promote sustainability globally and achieve 100 per cent participation in the program by 2020. As of December 2014, 8 per cent of eligible employees joined the community. In 2015, each site will develop its own targets for participation in the community in order to achieve this goal. We believe that through

the sharing of best practices and innovative ideas, the Sustainable Workspace program is helping us to further embed sustainability into our company.

The Employee Sustainability Dashboard

In 2014, we developed an Employee Sustainability Dashboard to help sites track their status on key performance metrics, including working hours, employee voluntary turnover, peer audit site process and Time Off to Volunteer participation rates.

Sites report their results for each metric on a monthly basis in the Employee Sustainability Dashboard. Functional leaders and their direct reports will perform monthly reviews to track their results against the metrics established for that month of the year. Where results have not met the target, the root causes will be identified to understand what corrective actions are required in future.

The results are evaluated each year and metrics and targets are adjusted accordingly. The Employee Sustainability Dashboard helps to ensure that the well-being of our employees remains a top priority at Celestica.

Our Workforce

Celestica's diverse workforce spans three regions – Europe, Asia and the Americas. As an equal opportunity company, we recruit, develop and promote candidates of diverse backgrounds for every role and post job opportunities internally for all interested and qualified candidates to apply. In this report, we describe all of the demographic data pertaining to our employee population. For the metrics that are material to Celestica, we track regular, full-time employees and contract employees. We also have third-party contractors at Celestica, predominantly in our manufacturing operations.

GENDER, REGION AND EMPLOYEE TYPE

Although our gender distribution is fairly evenly distributed around the globe with males representing 47 per cent of our global workforce and females representing 53 per cent of our global workforce, there are variations within each region. At our sites in Europe and the Americas, we employ more males than females, while at our sites in Asia, we employ more females than males, primarily in operator roles. More information on diversity at Celestica may be found on page 45 of this report.

Figure 4.1: Gender Distribution of Workforce by Region
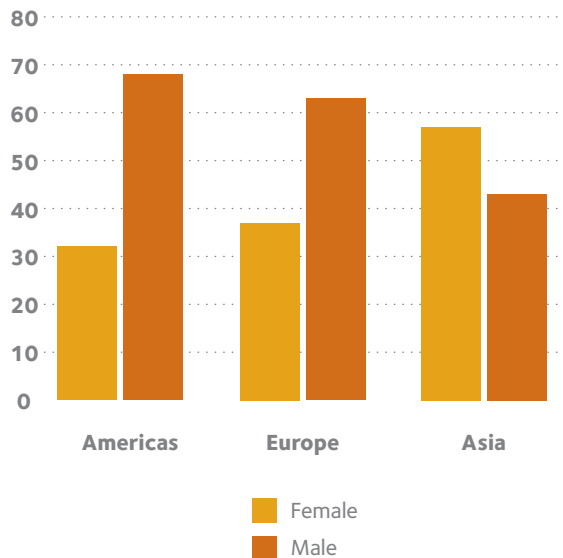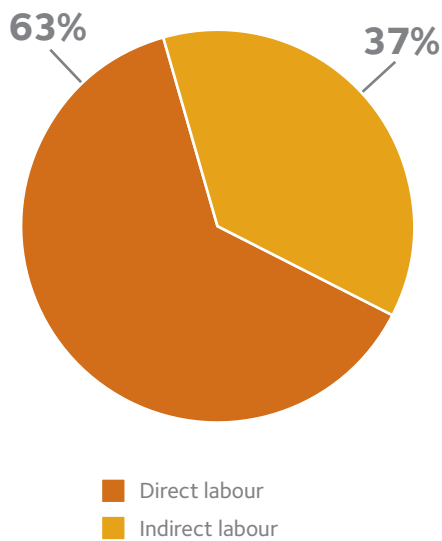

Legend:
- Female
- Male

Our gender distribution is fairly evenly distributed around the globe with males representing 47 per cent of our global workforce and females representing 53 per cent of our global workforce.

At Celestica, we categorize our employees as direct labour and indirect labour. Direct labour employees are those employees directly involved in the production of a product. Indirect employees are those not associated with the direct production of a product, such as finance and human resources. In 2014, 63 per cent of our employees were in direct labour roles and 37 per cent were in indirect labour roles.

A distribution of our workforce can be found in the figures below.

Figure 4.3: Workforce Demographics

- Regular employee
- Third-party contractor
- Contract employee

Figure 4.2: Distribution of Labour

- Direct labour
- Indirect labour
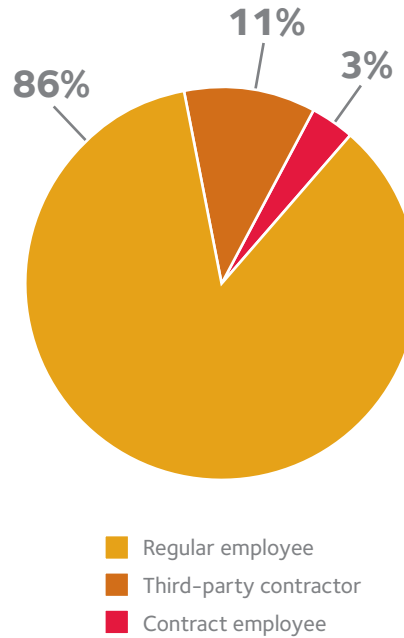
Figure 4.4: Workforce Distribution by Region

- Asia
- Europe
- Americas

The majority of our employees are regular, full-time employees, but we also employ Celestica contract employees and third-party contractors to ensure we have the workforce flexibility to rapidly respond to changes in customer demands.
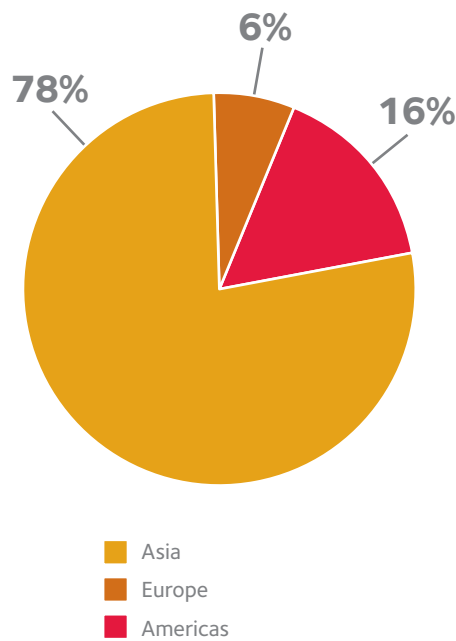
In 2013, we began a Global Workforce Flexibility initiative to improve our ability to scale our workforce in line with the variable business demands of our customers. Celestica continues to build on our experience with contracted direct labour, most often through partnerships with third-party agencies, and extending this practice to indirect labour positions within the operations of the organization. We continue to improve the management of our flexible workforce so the business can quickly scale in response to changing customer demands through the implementation of labour management and resource planning tools. The Global Workforce Flexibility initiative is one example of how Celestica is well positioned for future business growth.

NO FORCED, COMPULSORY OR CHILD LABOUR

At Celestica, forced, bonded, indentured or involuntary prison labour is strictly prohibited, as is child labour. To prevent the occurrence of forced labour, we have implemented local labour policies and practices.

OUR MANAGEMENT APPROACH

- Execute our Labour Management System (LMS)

- Monitor labour conditions at each of our sites

- Conduct internal audits and assessments

- Review labour and ethics actions and status at management review meetings

- Complete site-level risk assessments

Our policies and practices specify that all work shall be voluntary, and workers are legally entitled to leave upon reasonable notice without penalty. In addition, workers shall not be required to hand over government-issued identification, passports or work permits to the participant or labour agent as a condition of employment.

Celestica conducts audits (both internal and third-party) in accordance with the EICC audit standards. Forced or compulsory labour is a key element of the EICC audit program. Each Celestica site is audited by our internal audit program every two years. Through these audits we confirm conformance on this audit element. We do not have any operations identified as having significant risk of incidents of forced labour.

At Celestica, we also take an active role in preventing child labour in our workforce.

We have an established global policy which contains the principles and procedures that are used to guide Celestica's managers and employees regarding the prevention of child labour. This policy applies to all Celestica managers and employees and is subject to applicable local laws and/or collective agreements in the jurisdiction in which it is being applied. Each site may have a supplemental, but not contradictory, policy with respect to preventing child labour, to address additions required by such local laws and/or collective agreements. The intent of this policy is to prevent child labour within our operations, provide guidance in situations where child labour is identified and provide control practices and guidelines for protecting youth workers and discovered child workers.

In accordance with Celestica's global recruiting guidelines, offers of employment must be conditional upon successful completion of all required background checks. All candidates are required to provide government-issued photo identification after they receive a conditional offer of employment. Candidates under the age of 15 are not eligible for regular hire under any circumstances. A candidate that is between the ages of 15 and 17 may be considered for hire as a youth worker. Candidates must be at least 18 years old to be accepted for regular hire. Candidates under the legal age are not eligible for regular hire under any

circumstances. If an employee is discovered to be a child worker, site management and the site Human Resources manager must be notified immediately and actions will be taken to resolve the issue.

Although it is not Celestica's standard practice to hire youth workers, their safety and protection while they are at work is a priority for us. To protect youth workers from physical harm and to promote their educational development, they must not be given jobs or tasks that are considered hazardous, unsafe or unhealthy for those under 18 years old, or have an impact on their school attendance and/or their ability to benefit from school or other training programs. For instance, the use of legitimate workplace apprenticeship programs that comply with all laws and regulations is supported. In this program, workers under the age of 18 shall not perform work that is likely to jeopardize their health or safety.

Celestica conducts internal and third-party audits to meet the EICC audit standard. Child labour is a key element of the EICC audit program. Each Celestica site is audited by our internal audit program every two years in order to confirm that we are in conformance on this audit element.

Celestica also addresses the issue of child labour in our supply chain through our SCM Supplier Responsibility Management System. This group of process controls and monitoring addresses the BCG and the EICC Code to support the commitments of our company. This is discussed in more detail in the Sustainable Solutions section of this report.

FOREIGN MIGRANT WORKERS

The fair treatment of foreign migrant workers is important to our stakeholders and to Celestica.

OUR MANAGEMENT APPROACH

- Develop measurements to track our migrant worker population

- Ensure we meet local regulations and abide by local government approvals for each applicable site

- Develop action plans for potential risks due to a change in employee turnover of our migrant workforce. This is managed by the site with the help of our labour and ethics representatives, in partnership with the site leadership team until closed

- Follow through on our action plans

- Monitor labour conditions and conduct internal audits and assessments

- Review labour and ethics actions and status at management review meetings

- Complete site-level risk assessments

We maintain practices focused on ensuring that all work is voluntary. We make every attempt to hire direct labour locally, where possible. However, we do have a business need to hire foreign migrant workers in Singapore and Malaysia.

In the regions where we do hire migrant workers, we adhere to more comprehensive hiring policies. The foreign migrant workers we hire are free to terminate their employment with reasonable notice without penalty.

In 2014, Celestica joined an EICC Foreign Migrant Working Group. This working group will enable the sharing of best practices across the electronics industry and allow for greater progress globally in this area. Celestica conducts internal and third-party audits to the EICC standard and a review of our foreign migrant workforce is a part of this process. Each Celestica site is audited by our internal audit program every two years. Celestica is also in the process of creating a global policy to support foreign migrant workers.

LABOUR CONDITIONS: REDUCING EXCESSIVE WORKING HOURS

At Celestica, we believe that a strong work-life balance drives employee engagement, supports employee retention, maintains productivity levels and reduces workplace injuries and illness. We also have limits and controls in place to manage working hours.

OUR MANAGEMENT APPROACH

- Ensure global Working Hours Policy is reviewed and sites understand the limits on working hours

- Establish annual, global targets to make progress towards global compliance

- Report results against established metrics at each site each month

- Strive to understand and report the key root causes of excessive working hours at non-compliant sites

- Implement action plans at non-compliant sites and establish timelines for completion

- Share best practices and success stories globally within Celestica and with our customers and the EICC

- Reassess processes and make improvements, as needed, for sites globally

Reducing excessive working hours is material to our key stakeholders, including our customers and employees. Work weeks are not permitted to exceed the maximum set by local law. Further, a work week should not exceed 60 hours per week, including overtime, except in emergency or unusual situations. Employees shall be allowed at least one day off per seven-day work week.

Celestica has created a global Working Hours Policy with the intent to provide work hour limits, work week limits and compensation guidance for hours worked. Each overtime-eligible employee is responsible for knowing his or her regular scheduled hours for work. With management approval, overtime eligible employees are not obligated to, but may agree to, work beyond their regular scheduled hours of work provided that such overtime does not exceed the work hour limits and work week limits for the respective jurisdiction. The responsibilities of both the employees and managers are fully outlined in our policy.

In 2013, one of our priorities was to gain a greater understanding of our employees' working conditions, in particular, hours of work. We identified the areas where hours of work and days of work per week required improvement. We also focused on understanding the root causes of overtime. Furthermore, in collaboration with our sites, we established agreed-upon targets and developed

action plans to drive improvement. We established an aspirational goal to achieve 100 per cent compliance with EICC best practices on working hours by the end of 2016.

We continue to track and report monthly working hours for each of our sites and strive to understand the root causes that result in employees exceeding the limit of 60 hours of work per week or working more than six days per week. At the end of 2013, 8.17 per cent of our direct labour employees were working more than 60 hours per week. The target for 2014 was to reduce that to 6.13 per cent – a 25 per cent decrease. As a result of the sites' efforts to establish and implement action plans with their internal teams and customers, we significantly exceeded our targeted reduction, decreasing the percentage of direct labour employees working more than 60 hours per week from 8.17 per cent in 2013 to 3.5 per cent in 2014, a 57 per cent decline. Our 2015 target on the 60-hour-per-work-week metric is 1.75 per cent.

57% REDUCTION in the percentage of direct labour employees working more than 60 hours per week

Case Study Thailand Working Hours Success Story: Most Improved Site in 2014

At our site in Laem Chabang, Thailand, we created a cross-functional taskforce in 2013 to address the excessive overtime of our direct labour workforce. The team included members from Human Resources, Supply Chain Management, Manufacturing Operations, Information Technology, as well as the site General Manager. The team tracked the key root causes of overtime and developed a multi-faceted action plan to address the identified issues.

As a result of this action plan, the site reduced the number of employees working more than 60 hours per week from a high of 48 per cent in 2012 to a low of 0.3 per cent in December of 2014.

We are very proud of the efforts across all of our sites to become compliant with the EICC working hours standards. We will continue to actively collaborate with our internal teams and external customers to meet our 2016 aspirational goal on working hours.

Figure 4.5: Percentage of Employees Working More than 60 Hours/Week in Thailand

Legend: 2012, 2013, 2014
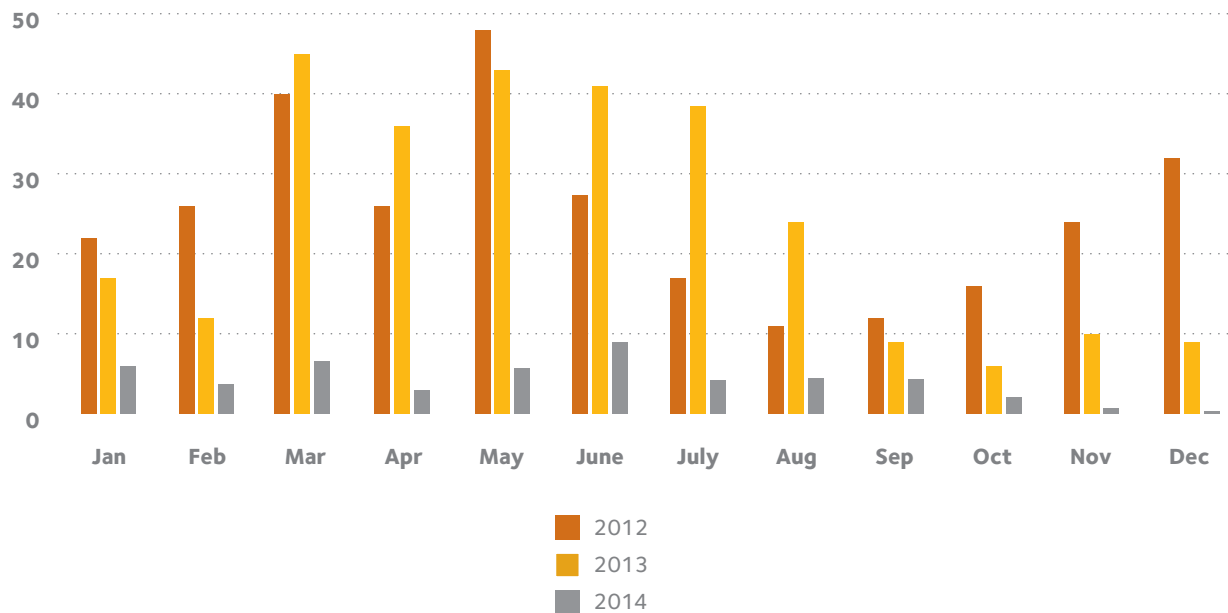
Celestica's Thailand site reduced the number of employees working more than 60 hours per week from a high of 48 per cent in 2012 to a low of 0.3 per cent at the end of 2014.

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.

OUR MANAGEMENT APPROACH

- Report on environmental, health and safety (EHS) performance on selected metrics at each site

- Evaluate processes for effectiveness

- Participate in third-party legal compliance audits

- Internal peer assessments

- Customer-focused assessments

- Align with internationally recognized EHS Management System requirements

- Work with sites on improvement plans as required

As a global company operating in traditional electronics manufacturing services 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.

Globally, we have defined a framework whereby all sites are required to measure and report on their EHS performance regularly. Through a proactive approach

to safety and risk management at Celestica, our Global EHS team is responsible for:

- Building and executing robust internal and external audit programs

- Identifying risks and proactive risk management

- Developing and communicating safety training materials

- Harmonizing key process indicators, globally

Our global EHS Management System is aligned with the principles of internationally recognized standards and codes such as ISO 14001 and ISO 18001, as well as the formality driven by the EICC Code and our own internal policies and initiatives. Our senior leaders are engaged and committed to workplace safety. All of our manufacturing facilities have designated EHS personnel responsible for ensuring and addressing compliance with local requirements and changing circumstances in the business that may require additional focus.

At Celestica, all manufacturing facilities are required to have health and safety committees that are an integral part of the sites' EHS Management System, as well as our Global EHS framework. Many of the committees are required to be in place per local regulatory requirements. Celestica has defined the minimum requirements for a committee's structure, focus and meeting frequency. The sites are responsible for execution and ensuring that the committees are visible and accessible to all affected employees. Committees can range in size from several to over 20 employees, depending on the nature and size of the facility. The committees have both management and employee representation and are typically managed by the local site's EHS representative. In 2014, there were over 200 health and safety committee meetings throughout our network. Committee members also participated in over 420 internal safety workplace inspection events in our network.

At Celestica, we track all incidents that occur at our facilities. The lost-time incident or case rate is a lagging indicator that is measured closely. This indicator is used to report both acute injuries and chronic conditions. Lost-time accident rate represents the number of accidents for every 200,000 person hours worked. Lost-days rate is the number of days lost due to accidents for every 200,000 person hours worked. Our lost-time accident rate for 2014 was 0.13, a 50 per cent improvement over the baseline year of 2006. Likewise, our lost-days rate of 2.15 was 45 per cent improvement over our baseline year of 2006.

50% Lost-time accident rate improvement

Lost-days rate improvement over our baseline year of 2006 **45%**
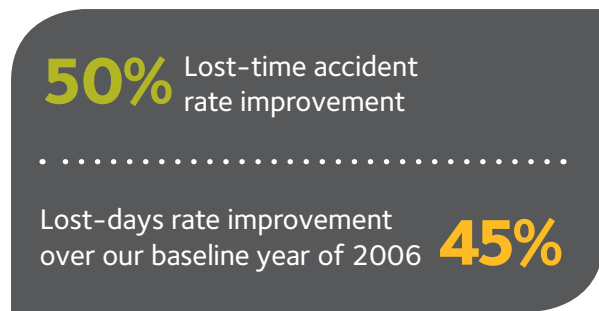
Managing Performance

Our Performance Management program is designed to be a year-round partnership between employees and managers in the planning, monitoring and evaluation of employee performance. The program is a critical tool to drive Celestica's strategy throughout the organization by more closely aligning employee objectives to our overall company strategy.

Performance at Celestica means delivering on results and demonstrating behaviours aligned to our Brand and Values. Results are the outcomes produced by an employee, often measured by objectives or standards.

Behaviours are the means used to produce the outcomes and are often observable actions demonstrated by an employee while they are achieving a result.

OUR MANAGEMENT APPROACH

- Create mutual understanding between the manager and employee of performance expectations, including measures for each objective

- Help managers clearly articulate expectations and facilitate quality conversations with their employees

- Drive increased clarity and accountability through the identification of measures for all objectives

- Encourage employees to be proactive in managing their performance

- Directly link Celestica's strategy to individual, team and development goals

- Develop our people and facilitate succession planning by identifying our employees' strength and development needs

- Differentiate total rewards based on performance to create a performance-based culture

The Performance Management program is designed to drive a high-performance culture at Celestica. Our Performance Management program helps to identify and recognize top performers, motivate above-average contributors to perform at their peak, and identify low contributors who need support and development in order to contribute effectively.

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

Our regular, full-time employees participate in annual performance reviews. In 2014, 99 per cent of employees with access to the performance review system or a hard copy review form completed a development plan. This metric was reported to our executive team.

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.

Global Learning and Development

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 by taking on new roles and responsibilities. In addition to promoting employee movement across the organization, we support work assignments that enable employees to gain global experience and interact with colleagues, suppliers and customers in other regions.

OUR MANAGEMENT APPROACH

- Align our learning and development to the company strategy

- Harmonize learning across the global organization to ensure consistency

- Align competencies and capabilities with core Values and local culture

- Implement learning and development programs to enhance an employee's ability to respond to business needs, while promoting their personal career goals

- Assess training programs from two perspectives: technical skills and leadership skills

- Review monthly reporting data from each learning and development leader

- Analyze leaders' results against metrics to help demonstrate if the program is successful or if improvements should be made in the future

A Development Planning Guide was introduced in 2014 to provide tools and tips to enable our employees to create a holistic plan with actions, experiences and activities they plan on undertaking to address their development goals, and receive ongoing feedback/coaching on their progress from their leader. The development planning process helps to strengthen our workforce, enhance the capabilities of our employees and raise the bar on learning and development. We also leverage employee feedback to ensure the programs we implement help employees to succeed in their current role, and prepare them for future career opportunities.

We encourage employees to expand their knowledge base by taking on new roles and responsibilities. We believe in focusing on employee development through training programs for functional teams that promote lifelong learning in an employee's chosen career stream.

Global Programs and Results

We have a number of global programs to support the ongoing development of soft skills for employees across the organization. Examples of these programs include:

Skillsoft Courseware
Celestica offers 45 Skillsoft courses that allow for just-in-time learning, helping employees develop soft skills in areas including communications, project management and leadership.

Skillsoft Leadership Advantage Portal (SLA)
Skillsoft Leadership Advantage is a portal featuring leadership learning tracks that leverage industry best practices and the minds of top business executives. Content is delivered in a variety of formats to meet learners' needs, including ExecBlueprints, ExecSummaries, Quicktalk videos, interactive simulations, exercises and Skillsoft Live Events.

MentorCity
MentorCity is a unique online mentor-matching tool that connects employees to meaningful mentoring relationships across our global organization. The tool is fully enabled to provide instant feedback on mentor/mentee relationship and provides valuable mentoring resources. Since the start of the program in 2013, we have developed 108 mentor-mentee relationships.

"It's Our Business" Speaker Series
Celestica has partnered with MentorCity to co-host a series of speaker sessions focusing on a variety of topics relating to mentoring and leadership development. Our intent is to "bring the outside perspective in" and to foster diverse thinking.

Talent Academy
The Celestica Talent Academy is a special development program for high-potential employees who have been identified as future leaders of the company. The carefully selected curriculum is designed to enhance development and performance in four critical areas of business acumen, including global leadership, knowledge of Celestica's business, and market segment and customer insights. In addition, Harvard ManageMentor, an on-demand e-learning solution, is available to Celestica's high-potential employees.

Global Training Hours

In addition to the soft skill development offered across the organization, in 2014 we realized significant expansion of our training programs for many global functional teams. To support the promotion and tracking of all training courses, the company invested in two technology solutions, EtQ and the Learning and Management System, with courses available in our INsight tool. With this investment, the company is able to access and report training hours globally.

Below is a summary of the average hours of training that Celestica employees have undertaken during 2014 by region, gender and employee type. As a result of implementing mandatory training requirements for functional teams and implementing better reporting processes within the EtQ tool, we have seen a significant increase in the global training hours reported year-over-year. Across all global functional teams and training applications, we logged a total of 806,580 training hours in 2014.

The training hours reported by region are proportionate to our population in each region. For instance, 81 per cent of the training hours recorded in 2014 were in Asia. Despite the fact that the distribution of our global workforce by gender is fairly even, more females took training courses in 2014. Below is a summary of the average hours of training that Celestica employees have undertaken during 2014 by region, gender and employee type. The summary charts below do not include training hours for our third-party contractors.

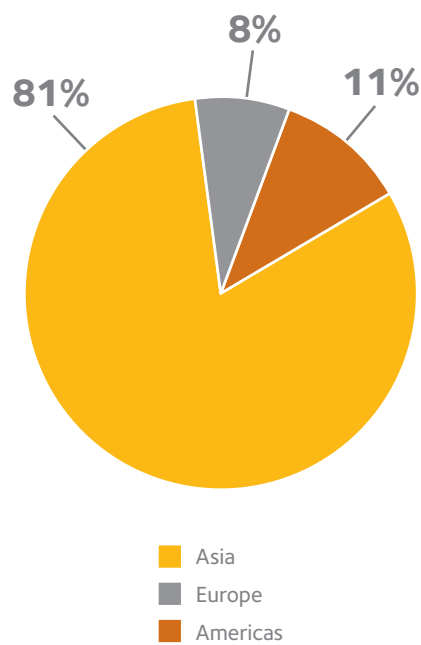**Figure 4.7: Training Hours by Gender**

65%

35%

■ Female
■ Male

Figure 4.6: Training Hours by Region

8%

81%

11%

■ Asia
■ Europe
■ Americas

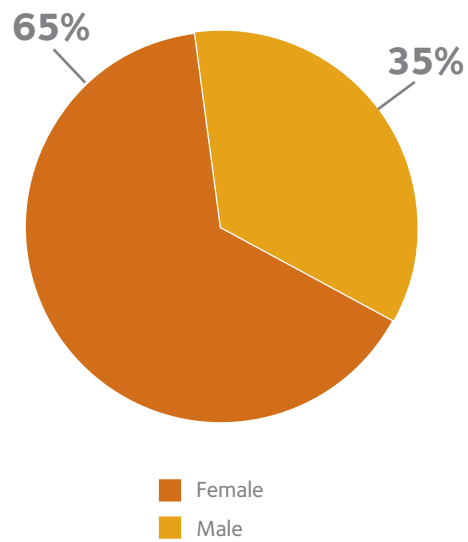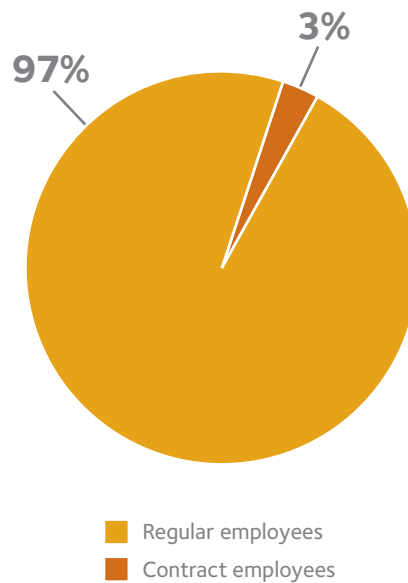**Figure 4.8: Training Hours by Employee Type**

97%

3%

■ Regular employees
■ Contract employees

Fuctional Learning and Development Programs

In addition to the global development programs, Celestica provides employees with learning opportunities that are tailored to meet the specific requirements of many of our functions. These unique programs ensure that employees have the opportunity to develop the right skills, knowledge and behaviours to be successful in their roles and in their career paths at Celestica. Several of these functional programs are highlighted below.

FINANCE

Celestica's Finance Learning and Development Organization launched the STRIVE! Campaign in November 2013. The mission of this campaign is to introduce attributes and competencies necessary to become successful finance business partners; to use new tools and materials developed and sourced by internal subject matter experts and external providers; and to show employees how they can take control of their professional development. A competency framework is now available to provide a structured listing of skills and competencies for our finance employees to follow. A Controller's Gold Standard was also established — a 40-hour curriculum of learning materials and resources that our Finance controllers completed throughout 2014.

Every year, Celestica's global Finance employees are required to complete three days of formal training. By the end of 2014, 94 per cent of the employees had completed their requirements, up 11 per cent from 2013.

INFORMATION TECHNOLOGY

The Information Technology (IT) team implemented Talent Dynamics to help employees identify their strengths and to help the IT team work together more collaboratively and efficiently. Through a Talent Dynamics test that assesses an employee's personality, strengths, productivity, values and behaviour, employees were provided with a profile. This profile helps the employees to understand how they can best add value to a team. It also helps teams to work together more efficiently, based on the profiles of those on the team, to achieve the desired result. In 2015, we will be exploring the option to expand Talent Dynamics to other functions within our organization.

LEAN UNIVERSITY

Through our Lean University program, employees participate in a combination of classroom learning and hands-on activities, where they learn to improve identified processes within Celestica. The program is aimed to help leaders at the management level to

Craig Muhlhauser and members of his executive team holding their Lean University completion certificates, accompanied by session facilitators.

understand Lean, apply it to a Kaizen event, and in turn, drive Lean methods and improvements within their roles at Celestica. The program also includes tours of other companies' factories. In 2014, Celestica ran Lean University events in each of our three regions around the globe.

These Lean University workshops provide hands-on experience about the power of Lean principles and transforming a production process through real-time simulations, 5S and Gemba walks on the factory floor.

To date, many Celestica employees at all levels have gone through a full Lean University event. In 2014, our CEO and members of the senior executive team participated in an executive Lean University day. Lean University has proven to contribute to the energy and passion our leaders have in driving Lean thinking and behaviours through our organization. The Lean University program will continue in 2015.

SUPPLY CHAIN

The Supply Chain Management Learning Academy consists of learning advocates from all Celestica supply chain disciplines, sites and regions. The mission of the academy is to unlock our employees' potential and to provide the skills, knowledge and expertise to enable our employees to excel in supply chain management. This mission is accomplished by having well trained SCM staff make the right business decisions to yield great customer service and excellent business results.

The academy ensures SCM employees have the necessary learning opportunities to acquire the right skills, knowledge and behaviours to be successful in their respective roles.

We evaluate each SCM employee through an assessment process used to identify gaps in learning within the basic, intermediate and advanced pathways. All SCM employees complete a self-assessment and receive a manager assessment. The results highlight gaps and certification at each level.

Supply Chain Management Learning Academy: 2014 Results

Added customer solutions and global/regional commodity and site quality engineering

10 sites and, **4** global functions leveraged the assessment process

22 new training materials were created and **67** existing materials were updated

68% of employees registered for various courses using the INsight Tool

10,512 new enrolments for courses

5,504 courses completed

Total SCM training hours in 2014 was **14,216** hours

Employee Recognition

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.

OUR MANAGEMENT APPROACH

- Develop and implement global employee recognition programs

- Ensure that the criteria for reward programs are communicated to all employees

- Align our recognition programs to the company strategy, Brand and Values

- Harmonize programs across the global organization to ensure consistency

- Maintain site-level reporting to gauge effectiveness of implemented programs

- Compare site-level results against metrics to help demonstrate if the program is successful or if improvements should be made

- Make improvements to programs based on feedback received by stakeholders

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. Rewards range from thank-you notes and gift cards to cash awards.

In 2014, 8,991 Bravo! awards were given to our employees. Going forward, we will continue to encourage employees to reward one another for excellence in their day-to-day work by utilizing the Bravo! program.

Operations Central "Best of Best"

Each quarter, Celestica recognizes employees who have submitted Lean Six Sigma solutions in our Operations Central portal that make a difference at Celestica. They are referred to as the "best of best" Savvy Solutions.

We recognize solutions in three specific categories:

1. Quality Improvement: This award recognizes an initiative that delivered a measurable improvement in the product or service quality to one or more of our customers.

2. Waste Elimination: This award recognizes an initiative that identified and eliminated waste that led to measurable improvements in cycle time, efficiency and material management.

3. Business Process Velocity: This award honours a solution that resulted in increased speed of delivered value in a value stream.

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 deliver strong results and model model the Brand behaviour, Values and business savvy that we aspire to as a global organization. Award categories include:

• Stellar Support Award

• Outstanding Leader Award

• Lean Six Sigma Award

• Working Together to Win Award

• Dream Team Award

• Above and Beyond Award

• Innovation Award

• Spark Change Sustainability Award (see page 72 for details on the winner from the 2013 awards)

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. The awards are selected by the award executive sponsors based on a set of pre-established metrics.

Emerging Trends

Based on our materiality assessment, the following trends were not required to be fully disclosed: diversity, inclusion and equal opportunity; new hires; turnover of the global workforce; and employee wellness. However, these trends are important to Celestica and are discussed below.

Diversity, Inclusion and Equal Opportunity

At Celestica, diversity continues to be an area of focus. While our industry has traditionally been male dominated, Celestica employs more females than males as shown in Figure 4.9 below.

Figure 4.9: Gender Distribution

- Male: 47%
- Female: 53%
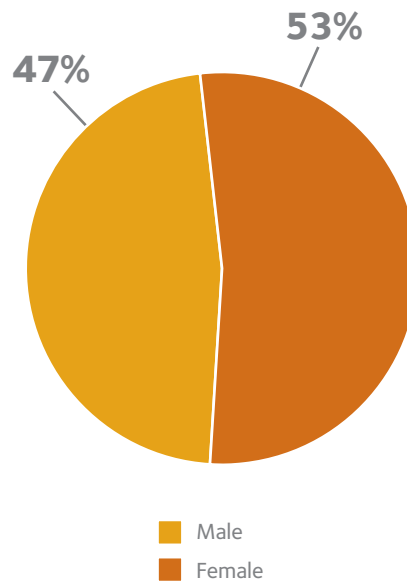
Celestica is focusing on making strides towards improving gender distribution at the leadership levels. Our Board of Directors has good gender representation with 22 per cent of board members being female. The goal is to have 30 per cent of our board members female by 2020.

At the leadership level (Director and above), females represented 19 per cent in 2014, an increase of 2 per cent over 2012. Our long-term goal is to reach 40 per cent female representation at the leadership level. To achieve this goal, we will continue to focus on programs that attract, develop and empower female leaders to reach their full potential.

New Hires at Celestica

At Celestica, we track our new hires and our voluntary turnover rates to ensure that we have enough employees with the right skills to meet the business requirements for our global customers. In 2014, Celestica hired 4,204 new employees across all regions.

The international labour organization stated in their World of Work Report 2014 that across all regions of the world, young people face higher unemployment rates than adults. In 2014, 41 per cent of our new hires were between the ages of 18 and 24 thereby confirming that Celestica is helping to employ this disadvantaged group.

Figure 4.10: New Hires by Region

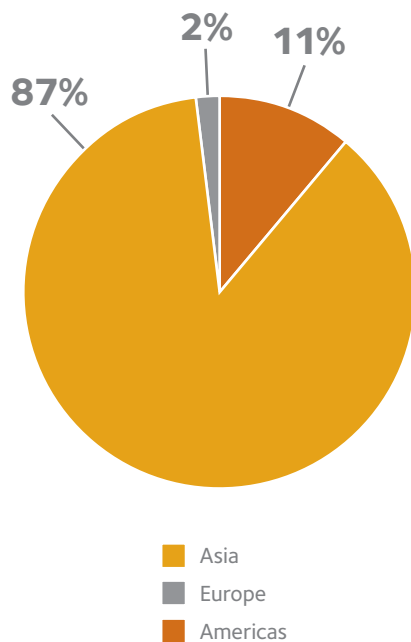**87%** **2%** **11%**

- Asia
- Europe
- Americas

Figure 4.11: New Hires by Age

30% **3%** **67%**

- 30-50 years of age
- Over 50 years of age
- Under 30 years of age

Figure 4.12: New Hires by Gender

51% **49%**

- Male
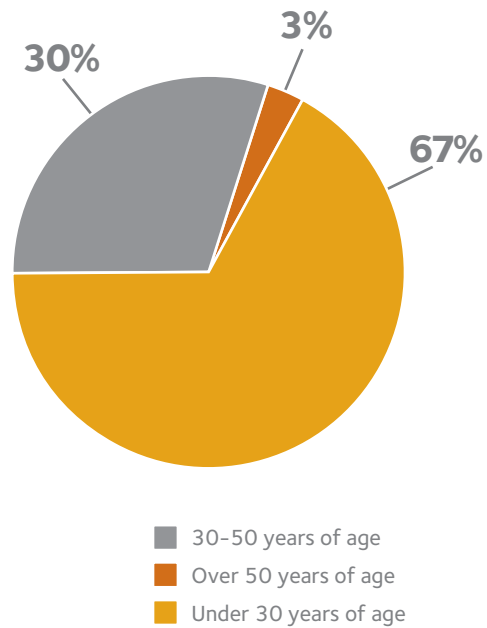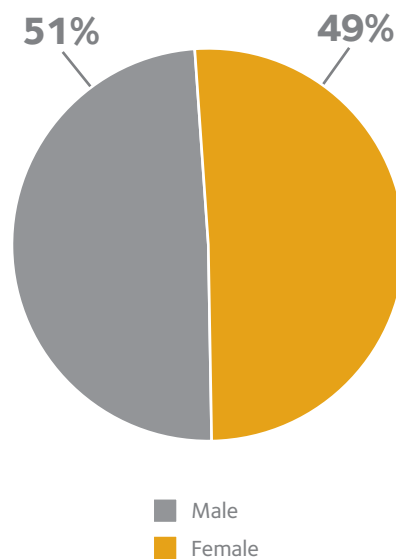- Female

Turnover of Our Global Workforce

At Celestica, we continue to develop programs that drive employee engagement and reduce turnover. To evaluate the status of our human capital, we continually track global employee turnover data as a key performance indicator by region, site and gender.

In 2014, we had a global turnover rate of 35.5 per cent, down from 40.7 per cent in 2013. Our voluntary turnover continues to be higher in our Asia region, which is quite common in our industry. Our annualized turnover in Asia was 42.2 per cent, showing a noticeable improvement from 2013 when our turnover in Asia was 49.3 per cent. We have determined that the majority of our employees who chose to leave in 2014 were below 30 years of age, and we are addressing this issue.

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.

Figure 4.13: Voluntary Turnover by Region

- ■ Americas
- ■ Europe
- ■ Asia
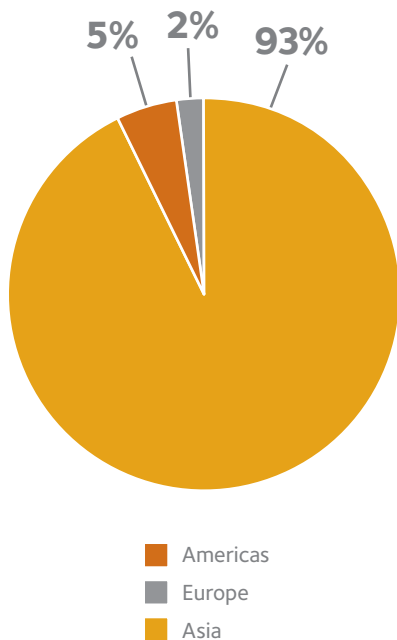
Global Employee Wellness

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 positive impact on employee morale. When employees have a sense of well-being, control and influence over their work and personal lives, the result is a potential for lower risk of injury, lower absenteeism, greater resilience, 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 improving their overall health and well-being and encourage all our employees to take an active role in their physical, mental and emotional health. In an effort to affect positive and meaningful change, some of our sites have also established wellness policies thereby forming the foundation of site programs and initiatives.

Workplace health programs help support healthy behaviours in the workplace and attempt to improve the well-being of employees at Celestica. In addition, each region has a comprehensive benefits and sick leave program that helps to support employees when they are ill.

Celestica's employee sustainability program will continue to focus on treating our employees globally with dignity, respect and equality and encouraging employees to establish safe work habits.

We have implemented many wellness programs globally. Below are a few programs that were implemented in 2014.

At our sites in China and Malaysia, we continued our peer-to-peer health training program predominantly for our female employees. To successfully implement these training programs, Celestica has partnered with the Business for Social Responsibility (BSR), the Federation of Reproductive Health Associations, Malaysia (FRHAM) and Mary Stopes International (MSI). As part of the program, select employees and volunteers were trained to become trainers and educate other female employees on key topics such as family planning, health risks and sexually transmitted diseases. The program provides participants with the knowledge and empowerment to make more informed decisions regarding their personal health and well-being. The program information has also been integrated into the employee onboarding program where possible. Since we began the peer-to-peer health training program in 2012, 5,217 employees in China and Malaysia have completed the health training program. This program continues to be well received by our female employees in both China and Malaysia. The pre-program survey results compared to the post-program results confirm an increase in knowledge in the topics covered. We look forward to continuing the program in 2015.

In Hong Kong, China, the site organizes health talks where external speakers visit the site and talk to employees about health-related topics such as the Hong Kong healthcare system and the prevention of back pain.

In Portland, Oregon, employees have access to a fitness centre and the site actively promotes cycling to work. Locker rooms are also available to employees. Health and wellness newsletters that focus on topics from cancer prevention to healthy eating are shared with employees.

In Suzhou, China, health screening was offered to employees and information on disease prevention was displayed on monitors throughout the site. In 2014, the site provided basic emergency first-aid training to 31 new employees. The site also holds a sports festival that includes bowling, table tennis, basketball, football and outdoor activities.

5,217

Employees in China and Malaysia have completed the health training program

In Monterrey, Mexico, a psychologist from the local government hospital visited the site to discuss strategies to resolve family conflicts. Other activities were organized for employees, including a weight loss program, anti-cancer campaign and CPR training.

In Miyagi, Japan, an external expert on stress management visited the site and provided employees with tips on how to manage and treat stress. Employees were also provided with mental health counselling.

In Laem Chabang, Thailand, seven sets of bicytrons were installed, allowing employees to increase activity and have fun generating electrical power to part of the facility.

In Galway and Leixlip, Ireland, cancer screening and education were provided to employees as part of the site's employee wellness program. The site also held heart beat cardiac screening, cholesterol checks and dental checkups on site.

In Valencia, Spain, 300 employees received first aid and road safety training. The site also collaborated with the Spanish Association Against Cancer (AECC) to provide information sessions on topics including the European Code of Cancer, breast cancer and skin cancer. A doctor from this association provided information and best practices about healthy nutrition in the prevention of certain cancers. A dermatologist also offered employees skin cancer screening.

In Toronto, Canada, a cross-functional wellness committee developed a wellness website with a monthly calendar of events and created a site policy on wellness. The committee held several events in 2014, including a wellness fair, CPR training, a Weight Watchers program, nature walks, regular blood donor clinics and a farmer's market.

In Oradea, Romania, a variety of wellness activities were organized, including a 26-kilometre bicycle ride and an outdoor fitness and health week that provided employees with information on adopting a healthy lifestyle and preventing diseases.

Environmental Sustainability

At Celestica, we are 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 and leveraging our expertise to support our customers' environmental sustainability programs and goals.

Environmental Management

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

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.

OUR MANAGEMENT APPROACH

• 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.

Global Environmental Policy:

Be an environmentally responsible neighbour in the communities where 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

Practise 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

Environmental Compliance

At Celestica, we recognize the importance of compliance with environmental laws and regulations and the risks that non-compliance poses for our company. Our proactive approach, documented in our EHS manual, provides direction to our sites regarding identification of the requirements and compliance to those requirements. The sites and global EH&S team exercise various programs and controls to ensure legal compliance requirements are known, understood, integrated into the management systems and deployed. Elements of the program include, but are not limited to:

- Subscription to ENHESA, a global environmental, health and safety consultancy

- Evaluation of legal compliance through third-party EHS regulatory compliance audits

- Listing of specific legal requirements per each manufacturing site

- Linkage of local legal requirements to site activities, impacts and hazards

In 2014, Celestica did not incur significant fines or non-monetary sanctions at any of our manufacturing sites for non-compliance with environmental laws and regulations.

Greenhouse Gas Emissions

Climate change is one of the major global challenges facing the world today. There is growing recognition within both the scientific community and the general public that climate change is occurring and that the global climate is being affected by an increasing level of greenhouse gas in the atmosphere.

OUR MANAGEMENT APPROACH

- Comprehensive tracking of our global emissions using internal sustainability software

- Focus on transparency by reporting emissions to the Carbon Disclosure Project (CDP) and continually improving disclosure and performance scores

- Independently verifying our emissions in accordance with ISO 14064-3:2006

- Setting short-term targets for emissions reductions at all of our sites to ensure that we stay on track to meet our 2020 goal

At Celestica, we consider climate change to be an important environmental issue, and several years ago began taking steps to mitigate our impact and publicly report on our carbon footprint. Our customers are also very concerned about the environmental impacts of GHG emissions and have begun measuring our emissions performance.

Celestica's operations in the European Union (EU) are also influenced by the EU directive on Energy Efficiency 2012/27/EU, which mandates a 20 per cent reduction in absolute GHG emissions for the EU by 2020. At Celestica, we quantify, monitor, report and verify our GHG emissions. Celestica's largest source of GHG emissions from our operations comes from the electricity we use to run our business. The second largest GHG emission source is the combustion of natural gas and fuel oil for heating our buildings. Each site enters its monthly energy consumption into a sustainability software tool which uses location specific emission factors and recognized global warming potentials to convert the energy into GHG emissions using the operational control approach. Under the operational control approach, a company accounts for 100 per cent of emissions from operations from which it or one of its subsidiaries has operational control. This tool allows each Celestica location to see where its largest sources of GHG emissions are and establish a plan for improvement. The gases included in the calculation of our emissions include CO_2, N_2O and CH_4. During monthly Energy and Waste Working Group meetings, all Celestica sites within each region meet to discuss improvement initiatives and to share best practices on further reducing GHG emissions.

Throughout 2014, we have seen the successful implementation of many ideas aimed at the reduction of energy and GHG emissions and, in several instances, ideas that were shared by one site were implemented at another. Consistent with our strategy to become more transparent, in 2014, we independently verified Scope 1 and Scope 2 GHG emissions in accordance with ISO 14064-3:2006. Verification was performed by SGS, the world's leading inspection, verification, testing and certification company, and the verification report is included in our 2014 public disclosure to the CDP, available at www.cdp.net.

As shown in Figure 5.1, approximately 94 per cent of our overall emissions are a result of the electricity we use to run our operations. We primarily use electricity for lighting, HVAC systems and to run manufacturing equipment. Small changes in the percentage of electricity we use can yield large reductions to our company-wide GHG emissions.

Combustion of natural gas and fuel oil, which are primarily used for heating, back-up generators and cooking in our canteens, accounts for approximately 4 per cent of our overall GHG emissions. These emission sources make up Celestica's Scope 1 and Scope 2 emissions.

Figure 5.1: Percentage of Greenhouse Gas Emissions Reported by Type

94% **4%** **2%**

- ■ Scope 1
- ■ Scope 2
- ■ Scope 3 – Travel and landfill waste
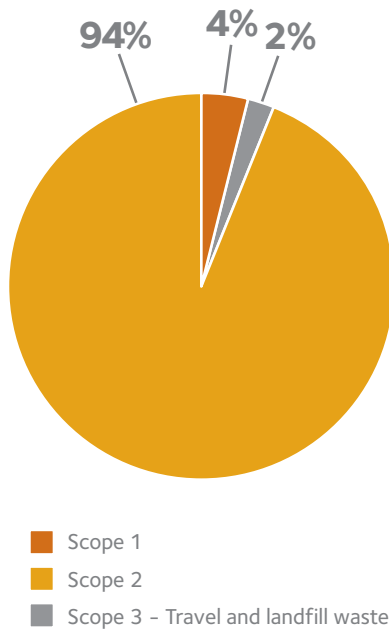
In 2014, both direct and indirect emissions continued on a downward trend when compared with the previous year. This is a direct result of energy reduction initiatives at all of our facilities. In 2014, our total Scope 1 and 2 emissions decreased by 3 per cent. Scope 3 emissions from employee travel and landfill waste, which we only began tracking in 2013, also decreased by 28 per cent.

At Celestica, we are committed to reducing our absolute GHG emissions by 30 per cent compared to 2012 levels by 2020. This goal focuses on direct and indirect emissions from our operations (Scope 1 and 2). We set our baseline at 2012 since this was the year that we began tracking our GHG emissions on a monthly basis using sustainability management software. Since 2012, our absolute emissions have decreased by 7 per cent.

Figure 5.3: Greenhouse Gas Emissions by Energy Type (metric tonnes CO2e)

Emissions 1000 tonnes CO2e

- ■ Diesel
- ■ Natural gas
- ■ Electricty
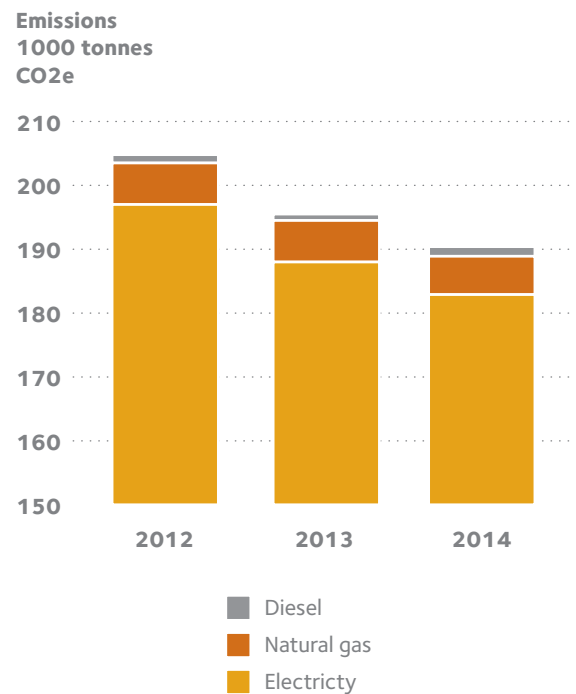
Figure 5.2: Direct and Indirect Greenhouse Gas Emissions (metric tonnes CO2e)

Emissions Type	2012	2013	2014	Notes
Direct Emissions (Scope 1)	7,829	7,523	7,512	Fuel oil/diesel, natural gas
Indirect Emissions (Scope 2)	197,055	187,969	182,925	Electricity
Indirect Emissions (Scope 3)	N/A	4,959	3,550	Travel and landfill waste
Total CO2e Emissions	204,884	200,451	193,987	

Although we have seen a steady downward trend in absolute emissions since 2012, our normalized emissions increased by 7 per cent between 2012 and 2013. In 2014, our normalized emissions were unchanged when compared with 2013 as shown in Figure 5.4 below. We normalize our emissions to revenue, and from 2012 to 2014, Celestica's declining revenue base has made it challenging to make significant progress towards reducing normalized emissions. In 2015, we will focus on identifying methods to reduce energy consumption in unoccupied parts of our buildings to ensure that we are operating our buildings as efficiently as possible.

Figure 5.4: Normalized CO2e Emissions (metric tonnes CO2e per million $ revenue)

Normalized
Emissions

In 2014, using our Toronto site a pilot, we began to evaluate the availability of ride-sharing programs that would allow our employees to connect with people looking to ride-share to work. Employees at the site were surveyed as to whether they felt this was a program that they would embrace, and we will continue to explore the feasibility of implementing such a program in the future. In addition, a discount for public transit is being explored as an option to encourage those who currently drive to work to take public transit and reduce their emissions. In 2015, we will continue to focus on employee commuting by encouraging ride-sharing as well as evaluating additional options available such as government programs that connect people who are looking for opportunities to commute to work.

Emissions Disclosure

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 to the CDP. Please visit www.cdp.net for more information.

94 B CDP disclosure score in **2014**

Scope 3

In 2013, we began tracking Scope 3 emissions from employee travel and landfill waste and have included the results in our voluntary GHG reporting. These Scope 3 emissions make up about 3 per cent of our total emissions. 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 logistics in our future reports.

We have been steadily improving our disclosure score and, in 2014, we received a score of 94, an improvement of 18 points from our score of 76 in 2013. We also improved our performance band score from a C in 2013 to a B in 2014. Where the disclosure score focuses on transparency, the performance score focuses on tangible improvements made by the organization. Celestica's improvement from a score of C to B is due in part to the fact that we developed and publicly disclosed targets for GHG emissions reductions. Celestica was included in the

CDP Canada 200 Climate Disclosure Leadership Index, which recognizes the top 10 per cent of Canadian companies for disclosure performance on the investor questionnaire.

Figure 5.5: CDP Disclosure Score and Performance Band

CDP Disclosure
Score
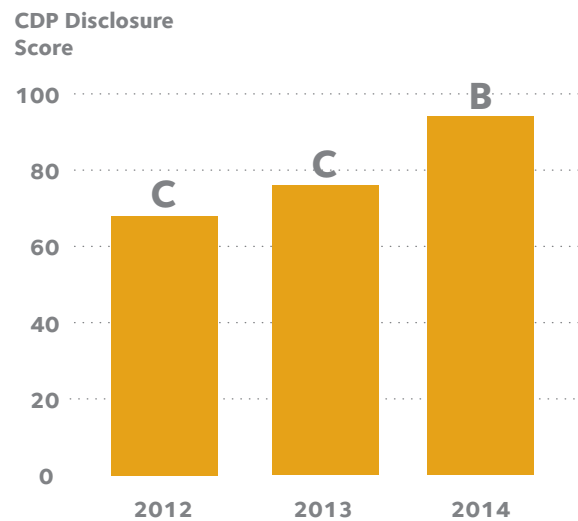
Energy

In 2014, Celestica continued its focus on resource conservation and efficiency projects to reduce energy in our operations. Energy is critical to Celestica's operations and is a major operating cost. Since the majority of Celestica's emissions are a direct result of the energy we consume, energy-related initiatives are also a prime way to reduce GHG emissions from our operations.

OUR MANAGEMENT APPROACH

- Reducing our demand for energy through conservation

- Improving energy efficiency of equipment and processes

- Certifying our sites to ISO 50001:2011

- Inclusion of renewable energy to reduce our demand on the power grid

To ensure sustainability in energy conservation, an energy roadmap was developed and rolled out globally in 2013. This roadmap is a comprehensive document with checklists, best practices, guidelines, certifications and incentives to help each site in its quest to reduce energy consumption. In 2014, energy managers at each site were trained on how to apply a Lean Kaizen approach and Lean manufacturing concepts to energy and waste reduction. This ongoing focus on energy reduction using targets, tools and training has resulted in participation by all sites in energy reduction initiatives.

Energy Management Certification

In an effort to further embed energy management into Celestica's operations, we will be globally adopting ISO 50001:2011, Energy Management Systems. The ISO 50001 standard is based on the management system model of continuous improvement also used for other well-known standards such as ISO 9001 or ISO 14001 that are already understood and implemented at Celestica. This standard provides organizations with management strategies and a recognized framework to increase energy efficiency, reduce cost and improve energy performance. At the end of 2014, Celestica's sites in Oradea, Romania, and Valencia, Spain, received ISO 50001 certification. A roadmap has been developed to certify our remaining sites by the end of 2016.

Since our baseline year of 2012, overall energy consumption has gone down by

30,574,321 kWh, which represents an **8% decrease,** the equivalent to the average annual energy use of **1,924 homes.**

As a result of energy reduction initiatives in 2014, direct energy consumption decreased by 666,719 kWh and indirect energy consumption decreased by 9,279,842 kWh. Direct energy sources are primarily made up of fuels from non-renewable sources such as natural gas for heating and diesel for back-up generators. Celestica's indirect energy source is electricity, which is used for all other energy requirements. 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 our baseline year of 2012, overall energy consumption has gone down by 30,574,321 kWh, which represents an 8 per cent decrease, equivalent to the average annual energy use of 1,924 homes. Celestica's direct and indirect consumption since 2012 is included in Figure 5.6. below.

Figure 5.6: Energy Consumption by Year (kWh)

Energy Performance Indicators	Units	2012	2013	2014
Direct Energy Consumption by Primary Energy Source	kWh	36,895,719	35,719,805	35,053,086
Indirect Energy Consumption by Primary Energy Source	kWh	360,992,657	341,540,831	332,260,979
Total	kWh	397,888,386	377,260,636	367,314,065

Recent site-led initiatives that have resulted in significant energy savings include:

• In Toronto, Canada, LED lighting retrofits in our lobby, parking lot and meeting rooms has resulted in an electricity saving of 37,648 kWh. In the parking lot, existing 400W bulbs were replaced with 40W LED bulbs. The site also installed solar window films to reduce the Air Conditioning load in the summer months.

• In Valencia, Spain, the team implemented workbench power-off switches in manufacturing to provide their operators with an easy way to power off their work station with one button. The operators were then instructed to power off their work stations each time they left for lunches, breaks or meetings. This idea resulted in energy savings of 54 kWh/day.

• In Ontario, California, inefficient T12 lighting was replaced with energy efficient T5 and T8 lighting. Infrared sensors were also installed in the warehouse to turn on lighting only when a forklift was detected.

• In Oradea, Romania, the team used the thermal energy generated by the air compressor to pre-heat the water used for factory heating during the winter time. This resulted in a 35 per cent decrease in natural gas consumption.

Through our Sustainability Working Groups, these ideas are shared and leveraged throughout our network.

Emerging Trend

Although our materiality assessment did not identify water as a top issue to be fully disclosed, it is deemed important by Celestica and is highlighted below.

Water

We know that water is a critical resource in many parts of the world where pollution and lack of supply have created shortages of clean, fresh water. Celestica's operations do not use a significant amount of water and many of the water-intensive intensive electronics manufacturing processes have been replaced with newer processes that no longer use water as a cleaning agent. Although we use water to cool equipment such as vacuum pumps that are used to generate on-site services for manufacturing, we have begun replacing older water cooled equipment with newer air cooled versions.

In 2013, we created a baseline inventory of our current water consumption by site, region and enterprise for our operations. In 2014, the volume of water consumed was 1,502,758 cubic metres, this represents a 7 per cent increase since 2013. The increase is attributed to our growth in our Diversified Markets segment. Certain processes in these operations require water to clean surfaces that require conformal coating. We will continue to monitor our water inventory and look for ways to reduce our overall consumption where possible.

Recent water conservation initiatives that have been implemented are included below.

• In Suzhou, China the team implemented a waste water treatment system to treat effluent from the site before it enters the municipal sewer system. This water is now reused within the site for non-potable needs and is saving the site more than 8,000,000 litres of water each year.

• In Toronto, Canada, high-efficiency urinals were installed in the washrooms, resulting in water savings of more than 170,000 litres per year.

Material Stewardship

At Celestica, we are dedicated to partnering with responsible vendors within the industry to ensure proper management of waste by implementing best practices and processes to reduce, reuse and recycle waste and end-of-life materials.

Material Stewardship

As landfills around the world continue to reach capacity and regulations become increasingly stringent, Celestica is focused on minimizing our impact on the environment by reducing the waste we send to landfill. Strong material stewardship is important to Celestica, our customers, governments, non-governmental organizations and the communities in which we operate.

OUR MANAGEMENT APPROACH

- Track our performance using specialized software

- Drive continuous improvement and sharing of best practices through our Energy and Waste Working Groups

- Perform waste audits identifying opportunities for focus or improvement

- Utilize the waste management hierarchy to reduce wastes generated, reuse materials where possible and recycle prior to landfill disposition

- Reduce and/or eliminate hazardous waste from our operations

Celestica's waste management program is part of our overall environmental management system, which is composed of the following:

- A Global Environmental Policy

- Environmental program standards and guidelines

- Environmental, health and safety representatives at all Celestica sites

- ISO 14001 certifications at all Celestica manufacturing sites, 86.9 per cent of our square footage

- An environmental, health and safety compliance audit program conducted by a leading third-party global environmental, health and safety consulting company

Waste Diversion

In 2013, we established the aspirational goal to achieve 100 per cent waste diversion by 2020. In order to achieve this goal, we increased our waste monitoring efforts in accordance with all applicable legislations and laws in each jurisdiction in which we operate.

Our waste generation and management is tailored to each site to facilitate reporting, since each facility has unique waste streams. Using this software, we measured 77.2 per cent of Celestica's overall square footage (or 79.5 per cent of employees) in 2014, representing a 3.9 per cent increase over the square footage measured in 2013. The increase in square

Strong material stewardship is important to Celestica, our customers, governments, non-governmental organizations and the communities in which we operate.

footage is a result of adding two sites to our reporting system that provide large volumes of waste, primarily metal and packaging materials, which are recycled and transferred to downstream suppliers. The results of our waste generation and management are shown in Figure 6.1.

Figure 6.1: Waste Generation and Management

	2013 (mt)	2014 (mt)
Square Footage Represented	73.3%	77.2%
Waste Generated		
Non-hazardous	11,330	12,588
Hazardous	484	819
Total Waste Generated	**11,814**	**13,407**
Total Waste Disposed		
Landfilled, Recovery (energy), Incineration, Deep Well Injection	1,650	1,444
Hazardous Landfill, Treatment	142	155
Total	**1,792**	**1,599**
Total Waste Recovered		
Recycling	9,514	11,448
Reuse	409	97
Organic (including composting)	104	263
Total	**10,027**	**11,808**
Waste Diversion Rate	**84.9%**	**88.1%**

As a result of adding the two new sites to our reporting system, Celestica's waste diversion rate increased to 88.1 per cent, up from 84.9 per cent in 2013. In addition, hazardous waste increased to 819 mt, up from 484 mt in 2013. Hazardous materials from our operations provide the largest risk to the environment, our employees and our customers. As we continue our focus on the proper disposition of electronic waste (eWaste) across our network, we have implemented new centralized sorting facilities that transfer the eWaste to approved, audited downstream suppliers. These materials are controlled within secure areas and are managed by highly trained operators who understand how to safely segregate the various waste commodities.

In 2014, the amount of waste reused decreased as a result of a reduction in the volume of pallets that were required to go through the pallet reuse program at our site in Toronto, Canada, where wood pallets are diverted

from landfill using a site-developed pallet wash process. We continue to reuse materials at all locations, where possible; however, tracking the reuse of materials is challenging and will be a focus for us in 2015.

We believe that increased awareness and knowledge of waste management practices has led to improved waste diversion processes across our network. Several sites, including Oradea, Romania; Laem Chabang, Thailand; and Valencia, Spain, sourced new recycling partners which increased the waste commodities that could be recycled from their facilities.

Looking ahead, we will continue to increase the amount of square footage we include in the reporting system, with the ultimate goal of reporting on 100 per cent of our square footage.

End-of-Life Materials Management

We continue to partner with responsible vendors within the industry to ensure proper management of waste. Our waste streams consist of both non-hazardous and hazardous waste. This year, to improve our reporting, we separated our packaging commodity into its constituent components. As a result, cardboard, plastic and wood represent the largest waste commodities from our operations.

Figure 6.2: Waste Commodity Breakdown

Waste Commodity	2013	2014
Chemicals	0.30%	0.69%
eWaste	1.80%	1.96%
General	2.33%	1.30%
Glass	0.17%	0.14%
Landfill	15.17%	11.18%
Metal	4.92%	16.11%
Organic	0.88%	2.63%
Cardboard	55.80%	35.18%
Paper	0.74%	2.33%
Plastic	5.64%	14.97%
Solder	0.84%	0.39%
Wood	11.41%	13.12%
Grand Total	**100%**	**100%**

Each of our locations review downstream waste partners for possible improvements to waste diversion results and audit the chosen suppliers to ensure they follow their stated disposition. Through these audits, we will continue to assess our landfill waste and identify opportunities to increase our waste diversion.

The reduction in cardboard waste from Figure 6.2 is due to the reclassification of packaging waste into its constituent components. Additional cardboard reductions are due to the expansion of initiatives such as reusable totes that are used to ship finished goods from Celestica to our customers or to ship incoming material from our suppliers to Celestica. The expansion of our reusable tote program diverted an incremental 10,200 kg of cardboard waste from recycling. Given that packaging waste continues to be a significant portion of our overall waste, we will continue to look for opportunities to reduce the volume of packaging waste, reuse packaging where appropriate and recycle the remaining packaging, as needed. We have identified packaging material that is difficult to recycle and we are working with new suppliers to transform some of our packaging waste from a material that must go to landfill to a material more easily recycled.

10,200 kg

Amount of cardboard waste eliminated from our operations in 2014

Plastic waste has increased year-over-year due to the separation of packaging into its constituent components. The increase in wood waste is attributed to some of our businesses having raw materials arrive in wooden crates, as opposed to wooden pallets and cardboard boxes. The increase in metal volumes is due to the addition of the two new sites discussed on page 60 into our reporting. These sites generate significant volumes of metal waste.

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

- In Laem Chabang, Thailand, the team performed a waste audit and identified an opportunity to increase waste diversion. During the waste audit, they became aware of small pieces of cardboard going into the general waste system rather than being diverted to recycling. By modifying the process, the team was able to direct the cardboard into the correct system and increase their waste diversion rate by 1.6 per cent.

- In Leixlip, Ireland, the team reduced the volume of cardboard generated by implementing reusable totes. The reusable totes are used to ship a finished good from a customer to Celestica or to ship incoming material from a supplier to Celestica. The reusable totes enabled the team to eliminate 3,200 kg of cardboard boxes that were normally sent to recycling. In addition, the reusable totes increase labour efficiencies by eliminating the need to make and tear down boxes, prove safer to use since no more knives or box cutters are used and provide a cleaner working environment by improving overall quality through the reduction of particulate matter in the air.

- In Monterrey, Mexico, the team developed a project designed to increase employee involvement in, and knowledge of, in environmental issues. The objective was to create a space for employees where they could grow plants that they would eventually take home with them. From the walls of the nursery, to the pots for the plants and even the soil and compost material used to grow the plants, all materials were sourced from the site and were otherwise going to be recycled or sent to landfill.

Sustainable Solutions

At Celestica, we are committed to working with our customers to realize their sustainability goals in a safe, energy efficient and environmentally conscious manner by understanding their complete product lifecycle and proactively helping them to "green" their supply chain.

Sustainable Solutions

At Celestica, we are committed to understanding the complete lifecycle of our customers' products, including the products' environmental compliance requirements and environmental footprint. Our customers are increasingly looking to us to help them "green" their supply chain and work collaboratively with them to identify new processes and materials that positively change the way their products are designed, built and recycled to support their sustainability goals.

Products and Services

Our operations, the decisions we make when designing processes and the materials we source on behalf of our customers, directly affect the environment. Through our management approach, we are able to mitigate the environmental impacts of the products and services that we provide our customers.

OUR MANAGEMENT APPROACH

- Provide analyses of the bill of materials (BOM) for product designs

- Ensure the components and assembly materials we use are Restriction of Hazardous Substances (RoHS) compliant

- Perform lifecycle assessments

- Manage our operations efficiently

- Implement continuous improvement activities to streamline processes

- Adhere to the EICC Code

Understanding the Product Lifecycle

By examining a product through its entire product lifecycle, we can optimize the product's sustainability from components and manufacturing through to transportation and reverse logistics.

Figure 7.1: Sustainability in the Product Lifecycle

DESIGN → MANUFACTURE → DISTRIBUTE → USE → END-OF-LIFE

For example, when reviewing the footprint of a customer's after-market returns operation, Celestica found an unbalanced system. Through the use of population density maps, which closely resemble the population distribution of the customer's business, we learned that their network of repair facilities was leading to excess transportation, resulting in significant carbon emissions. Based on this finding, we are working with our customer to redesign their network of repair facilities through a multi-phased solution designed to reduce their freight shipments by at least 4 million tonne-miles or 550 metric tonnes of CO_2e.

By working directly with our customers with their full product lifecycle in mind, we are able to develop green solutions that unlock new opportunities for environmental, social and financial savings. Even in instances when we are not deeply engaged in a sustainability project with our customers, there are still opportunities in the product lifecycle where Celestica can positively change the way products are built, used and recycled.

In a typical product lifecycle model, Celestica generally has the strongest influence in the areas of manufacturing, distribution and end-of-life. Given this scope, we are committed to working with our customers to realize their sustainability goals in a safe, energy efficient and environmentally conscious manner. We focus our efforts in the areas where we have the greatest influence, which include optimizing processes, distribution channels and the supply chain to ensure that our customers' sustainability goals are being met.

In a typical product lifecycle model, Celestica generally has the strongest influence in the areas of manufacturing, distribution and end-of-life.

Assembly Materials

Celestica ensures that the components and consumables that we use to build our customers' products adhere to environmental compliance requirements. Celestica's library of control documents includes policies and procedures used for purchasing compliant components or consumables.

Individuals who are responsible for purchasing components/consumables or establishing compliant manufacturing processes are trained on the subject of RoHS compliance, have knowledge of the specific customer's requirements and have full access to the required documentation to ensure component and consumable restrictions are executed as specified throughout the supply chain.

Assembly Equipment

Throughout 2013 and 2014, we worked with two of our major customers to develop a tool to estimate the electricity used for the manufacture of a printed circuit board assembly (PCBA) by examining the environmental impact of the inputs and outputs of each performed process.

Given the complexity of the electronics manufacturing process, with an average of 30 pieces of equipment being used, typical monitoring techniques were too complex and costly to

implement; therefore an alternative approach was used to model the electricity consumption during operations.

If a typical electronics manufacturing process required about 30 pieces of equipment to build a single-sided PCBA, our electricity estimator tool calculated the electricity used by three pieces of equipment would account for more than 80 per cent of the electricity required. The electricity estimator project increased our understanding of how we use electricity in our factories and led us to focus on the major consumers of electricity within our factories.

To make significant informed changes in our operations, we required more details on how these pieces of equipment operate under various modes of operation. In 2014, two follow-on projects were launched. The first was at our Oradea, Romania facility, which focused on our typical PCBA lines. The second was at our Toronto, Canada facility, which focused on our solar manufacturing lines.

We expect this project will provide insights as to how we can better manage our electricity consumption during factory operations. These two projects are helping us to look at our energy consumption differently and examine new approaches to operating our factories in a more sustainable manner.

Celestica ensures that the components and consumables that we use to build our customers' products adhere to environmental compliance requirements.

Components

The Green Services team at Celestica offers our customers a service to verify the RoHS and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) compliance of the components being used for any product. On behalf of our customers, Celestica engages with suppliers to gauge their understanding of environmental legislation, evaluate their responsiveness to requests for compliance documentation and validates the environmental compliance of those documents. This enables Celestica to assign a risk profile to the component and the supplier.

In 2014, the Green Services team analyzed 5,908 components in which 267 non-compliances were identified. A non-compliance would include any component containing lead, cadmium, polybrominated biphenyl, mercury, hexavalent chromium and polybrominated diphenyl ether flame retardants. In the case of non-compliance, the part on the bill of materials would be flagged to our customers and an alternative, compliant component would be found. In 2014, these findings represented a 4.5 per cent mitigation of environmental impacts associated with this service.

Supplier Assessment

Based on our role in the electronics supply chain, we are well positioned to encourage more sustainable practices for both our customers and our suppliers, and to drive sustainability through the supply chain.

OUR MANAGEMENT APPROACH

- Comply with industry standards to ensure that working conditions in the supply chain are safe

- Ensure workers are treated with respect and dignity

- Ensure manufacturing processes are environmentally responsible

In the Compliance and Ethics section of this report, we highlight our commitment to supporting the EICC's mandate to better the electronics supply chain. It is important to note that our commitment to the EICC is not limited to ensuring the compliance and improvement of our own operations. Pursuant to the EICC's mandate to improve the electronics supply chain, Celestica also ensures that our suppliers on the Major Supplier List have management systems in place that align with the spirit of the EICC Code. Our customers, investors, industry peers (via consortia) and suppliers have deemed corporate citizenship within the supply chain a material concern that affects the environment, labour practices, human rights and society.

We are continually working to implement, manage and audit our compliance with this Code as well as monitoring the compliance of our suppliers.

Compliance to the Code is measured in accordance with EICC membership compliance requirements. Suppliers are monitored using the approved EICC risk assessment tools which include the SAQ and the Validated Audit Process. In 2014, Celestica enhanced our SAQ management system process to add a new channel of activity known simply as the Verification Visit.

Self-Assessment Questionnaire

As part of our commitment to the EICC Code of Conduct we monitor our Major Supplier List via a Self-Assessment Questionnaire. The SAQ is a dynamic questionnaire that has over a 100 questions covering the following elements:

- Labour

- Ethics

- Environment

- Health and safety

- Management systems to identify, manage and monitor each of the four areas

Verification Visits

EICC member company suppliers and non-member company suppliers who are identified on our Major Supplier List are managed through the SCM Supplier Responsibility Management System. To enhance the level of risk mitigation for the suppliers who were being managed in this process, Celestica developed a follow-on program in 2014 called a Vendor Verification Visit. Through the Vendor Verification Visits and the use of complimentary internal supplier monitoring processes, the Celestica management system for sub-tier supplier risk assessment was enhanced. Suppliers on the Major Supplier List are expected to complete an EICC SAQ, support a Verification Visit and/or provide a VAP report if one is available. The results of this newly enhanced process are as follows:

- One supplier was removed from Celestica's PSL due to reported high-risk activity discovered through the EICC risk assessment

- 5 per cent of PSL suppliers had high-risk activity identified through the EICC risk assessment

- 100 per cent of Celestica's PSL suppliers, where any violation of the EICC risk assessment were identified, are being monitored through Corrective Action Plans

Ethical Sourcing

Celestica is committed to adhering to ethical practices and compliance with laws and regulations wherever we do business. In our materiality assessment, our customers and investors have asked us about our policy on conflict minerals. In alignment with the GRI® G4, we have classified this issue under the aspect of Supplier Assessment.

OUR MANAGEMENT APPROACH

- File an annual report to the Securities and Exchange Commission (SEC)

- Complete template provided by the Conflict-Free Sourcing Initiative (CFSI)

- Ensure proper implementation of Celestica's Conflict Minerals Policy

The mining and trading of coltan (the metal ore from which tantalum is extracted), wolframite (the metal ore from which tungsten is extracted), cassiterite (the metal ore from which tin is extracted) and gold, and their respective derivatives, originating from the Democratic Republic of Congo (DRC) or adjoining countries (the DRC Region) has financed conflict, resulting in widespread human rights violations and environmental degradation. Section 1502(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Conflict Minerals Law") requires SEC-reporting companies to undertake an inquiry as to the source and chain of custody of conflict minerals and to report their DRC conflict-free status.

Celestica fully supports the objectives of this legislation, which aims to minimize violence and environmental damage in the DRC Region.

Celestica expects all suppliers to comply with the Conflict Minerals Law and provide all necessary declarations using the EICC and Global e-Sustainability Initiative (GeSI) Conflict Minerals Reporting Template. These measures will be used in conjunction with industry initiatives such as the Conflict-Free Smelter program to reasonably assure that the tantalum, tungsten, tin or gold in the products we manufacture do not directly or indirectly finance or benefit unauthorized armed groups in the DRC Region. Celestica will assess future business with suppliers who are non-compliant with this policy.

Emerging Trend

Although our materiality assessment did not identify transportation and logistics as a top issue to be fully disclosed, it is deemed important by Celestica and discussed below.

Transportation and Logistics

Although our customers control the transportation of their products once they leave our facility, we are able to identify logistics solutions that lessen the impact on the environment.

Throughout 2014, Celestica collaborated with many of our customers to redesign packaging, optimize the pallet-to-shipping mode and improve double-stacking containers. As a result of these actions, we were able to reduce the number of shipments and port moves required. On one occasion, we reduced the need for 53 ocean containers, avoiding approximately 28.5 metric tonnes of CO_2e for a single product. For another customer, we reduced the need for 44 ocean containers, avoiding 20 metric tonnes of CO_2e. Not only did this represent significant carbon savings for our customers, it also generated concrete financial savings.

Although our materiality assessment did not identify transportation and logistics as a top issue to be fully disclosed, it is deemed important by Celestica.

Sustainable Communities

At Celestica, we strive to enhance the communities in which we operate by encouraging employee volunteerism and the donation of our expertise and funds to help shape a stronger and more sustainable future for our local 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.

OUR MANAGEMENT APPROACH

- Encouraging employees to participate in the Global Time Off to Volunteer Policy

- Recognizing employees through Celestica's Changing the Game Awards: The Spark Change Award

- Engaging employees through the annual Celestica Fireball Days event

Global Time Off to Volunteer Policy

We believe that by encouraging employee volunteerism, we can drive positive change in the communities in which we live and work. Through our Time Off to Volunteer program, all full-time Celestica employees are eligible to take up to two paid days per year (16 hours total) to volunteer with recognized charitable organizations.

Providing employees with meaningful opportunities to volunteer their time and expertise is an important component of supporting our communities. Where possible, employees are encouraged to volunteer with their Celestica colleagues in an effort to

promote teamwork across the company. Celestica teams work together to support their local communities through a variety of organizations, including Habitat for Humanity, food banks, schools and youth shelters.

The benefits of volunteerism go well beyond providing much-needed assistance to organizations in our communities. This program provides our employees with development opportunities, a chance to represent Celestica externally and an increased sense of pride.

In 2013, Celestica established a goal to have 50 per cent of our workforce participate in our Time Off to Volunteer program by 2020. To support this goal, annual targets have been set and we have begun monitoring participation rates at all of our sites around the globe. Our goal for 2014 was to have 3.35 per cent of our workforce take time off to volunteer and we exceeded this target with 4.3 per cent of our employees taking time off to volunteer. The 2014 Time Off to Volunteer participation rates are shown in Figure 8.1 below.

Figure 8.1: 2014 Time Off to Volunteer Participation Rates
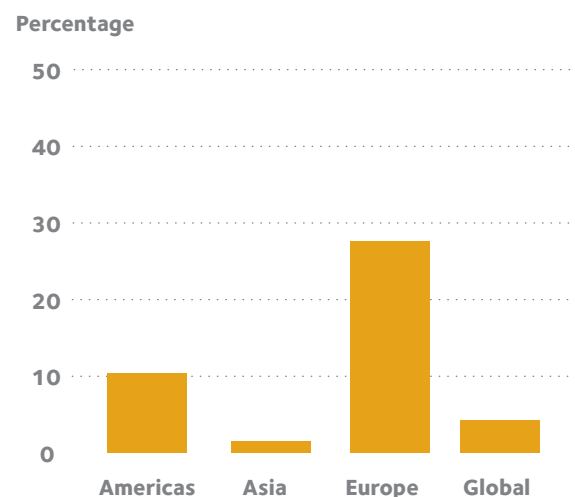

As shown in the figure above, our Europe region is well on track to meet the 50 per cent goal in 2020. In our Americas region, we believe our participation rate will increase as we work to improve the way we monitor

and track our employee volunteer efforts. In 2015, we plan to increase our focus in our Asia region to develop additional programs and volunteer opportunities for our employees. Our 2015 global target for Time Off to Volunteer participation is 6.7 per cent.

Changing the Game Awards: The Spark Change Award

Our Changing the Game Awards program, as mentioned previously in the Employee Sustainability section of this report, recognizes the individuals and teams who go above and beyond in driving business results, supporting our growth and making Celestica a great place to work. Among the various awards is the Spark Change 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: environmental sustainability, material stewardship, sustainable solutions, employee sustainability and sustainable communities.

2014 Spark Change Award Winner: Celestica's Oradea, Romania site

In 2014, the Spark Change Award was given to Celestica's Oradea, Romania Spark Change team. Over the course of 2013, the Oradea Spark Change team worked together to ensure that the site was fostering a good work environment, positively impacting their community through community-giving events and improving their environmental sustainability efforts by improving waste and energy consumption. The site, which was already focused on energy conservation, created a new energy policy and received the ISO 50001 certification for energy management —the first site at Celestica to receive the certification. The team also established a materials stewardship program that diverted water and mud from their treatment plant to the plants on the site's grounds.

In the area of community giving, the team held 27 volunteer activities throughout the year for various not-for-profit organizations from their local community, engaging with more than 870 employee volunteers and helping more than 7,000 people in the community. Some of the volunteer initiatives included building houses with Habitat for Humanity, sending food baskets to families in need and building a playground for children in their community.

As a result of their various volunteer efforts, Celestica's Romania site was also recognized externally in 2014 with three awards from the Oradea Community Foundation in the following categories:

- Most active company in the field of corporate social responsibility

- Most involved employees in corporate social responsibility

- Most involved manager in corporate social responsibility

In addition, Celestica's Romania site was recognized as the winner of the Excellence Award granted by the Alucro Association. The Excellence Award is given to companies whose employees are involved in a significant environment initiative. Celestica was recognized for its involvement in the collection of aluminum cans through the program "Every Can Counts".

sparkchange

Fireball Days

To thank our employees for their hard work and dedication throughout the year, we hold an annual event called "Fireball Days". Fireball Days has been an integral part of Celestica's culture for close to 20 years and all of our sites around the globe participate in the celebration.

Fireball Days provides an opportunity for employees around the globe to take time off to volunteer on a project in their local community or at a Celestica site.

Global Earth Day

On Global Earth Day, our sites around the world organized various sustainability initiatives to help our employees think differently about what they can to do make a difference in the world around them. Below are a few examples of how some of our sites celebrated Global Earth Day.

In Oradea, Romania, employees organized activities to promote health and sustainability, including a recycling workshop, a "Thoughts on Earth Day" wall where employees wrote their thoughts on sustainability, and a city bicycle tour to promote the use of bicycles as a clean choice of transportation.

In Kulim, Malaysia, employees participated in an environmental quiz to test their knowledge about sustainability, a recycling competition to reduce landfill waste and a park clean-up to help make the park a better place for their community.

In Johor Bahru, Malaysia, employees built a robot from recycled materials to promote proper eWaste recycling and had the opportunity to participate in a "Hazard Hunt" to identify workplace safety risks.

In Monterrey, Mexico; Valencia, Spain; and Laem Chabang, Thailand, employees planted trees to help reduce greenhouse gas, fight climate change and improve the quality of their communities and natural environments.

Haiti

Case Study:
A Holistic Approach to Sustainability

Following the devastating 7.0 magnitude earthquake that hit Haiti on January 12, 2010, early relief work was extremely difficult. The Hôpital Albert Schweitzer (HAS) Haiti was one of the key places that people looked to for help in the immediate aftermath. Although HAS successfully withstood the earthquake, it was deeply impacted in the hours and days following as it became a destination for victims requiring emergency surgery, amputation or other trauma care. Years later, Haiti continues to rebuild and stabilize its infrastructure to provide access to critical services.

Today, HAS is more important than ever before as it is the only 24/7 hospital available to some 350,000 people in the Artibonite Valley of Haiti, but it is faced with a challenge of its own – an unreliable energy solution. Each year, HAS spends over $400,000 on diesel to run its off-grid generators, a solution that is expensive and unpredictable as there is no backup for frequent brownouts. When Celestica's Sustainability team heard this news, they worked together to figure out how Celestica could help this community in need. And one word came to mind – solar.

Collaborating with many different functions in the business, the Celestica team identified an opportunity to help the people and community in Haiti by donating 800 solar panels to provide a renewable energy generation solution to HAS.

To assist with the installation of the panels, Celestica collaborated with international partners such as Switzerland's Bündner Partnerschaft and the local Haitian community. In December 2014, phase one of the solar panel installation was complete.

Through collaboration with the local community, students from a nearby solar school in Port-au-Prince, Haiti, were brought on to support the installation and maintain the panels and the infrastructure once the project is complete. By participating in this knowledge transfer, the students will be a valuable asset not only to the hospital but also to the local community and the Haitian economy.

Celestica donated
800 solar panels
to HAS hospital in Haiti

The solar panels provide **230 kw** of energy for the hospital each year

HAS saves **50%** of energy costs plus eliminates **50%** of their **CO2**

Together, we have created a renewable energy solution for the hospital to have fully independent electricity generation. This solution will enable HAS to save more than 50 per cent of its annual energy costs, savings which can be used to provide an increased level of service reliability and more doctors, nurses and hospital care. In addition, by using green energy, 554 metric tonnes of CO_2 emissions will be eliminated each year.

Celestica is proud of our involvement and our ability to leverage our expertise to make a difference in Haiti. By working together, we have helped to create a sustainable community and enrich the lives of hundreds of thousands of individuals.

Global Success Stories

Every year, our employees around the globe continue to go above and beyond to 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 Woodlands, Singapore, our employees, in collaboration with the Singapore Cancer Society, came together to break the record in the "Singapore Book of Records" for the "Most Number of People Knitting Simultaneously". The event was held in support of the Singapore Cancer Society's "Knit of Love" program, for which Celestica's Singapore site is the key corporate sponsor. The Knit of Love program seeks to help cancer patients by providing them with handmade knitted hats to increase their self-confidence and offer encouragement. On the day of the event, 212 volunteer knitters from Celestica and the general public came together to break the record and support their local community organization.

In Toronto, Canada, employees have been collecting milk bags to make sleeping mats on behalf of Milk Bags Unlimited, a non-profit, charity organization. In the developing world, one in three individuals has no shelter and is forced to sleep on the ground or on pieces of cardboard. Milk bags are ideal to create sleeping mats because they are waterproof, they last up to 25 years and the plastic is a natural insect repellant. The milk bag mats offer people without a bed an invaluable, durable and washable alternative to

sleeping on the ground. In 2014, employees from Celestica, along with a local community organization, donated 41 mats. These mats have diverted almost 20,000 bags from landfill and will provide a dry place to sleep for up to 200 people worldwide.

In Valencia, Spain, the site opened its doors to a group of nine students from the "Cabanyal Minor Center". The Cabanyal Minor Center is an educational organization that assists at-risk youth who have experienced violence in their homes to help them develop the personal and social skills that they need to succeed at school. Employees from Celestica's Valencia site volunteered to help the children by giving them a tour of the site, showing them real-life examples of the labour market and helping them to see the potential for a positive future. The response from the students was so optimistic that employees decided to continue supporting the center by providing future visits for more students.

In Kulim, Malaysia, employees held a charity sale to raise money for St. Nicholas' Home for the Blind. Employees from various departments set up 14 booths to raise money for the school. Some of the booths included a food and fruits counter, Henna hand tattoos, a makeup corner, potted plant sale and a photo studio. Employees also invited the students and teachers from St. Nicholas' to visit the facility and set up their own booths that included foot reflexology and massage, and basket weaving tutorials. Together they raised a total of RM 9,636 during the 4.5-hour event and donated it to the school.

In Monterrey, Mexico, employees volunteered with the National System for Integral Family Development (DIF), a government agency that supports underprivileged adults and children in Mexico. On one occasion, a group of employees visited the DIF Comprehensive Care Center for abused children and delivered food and personal gifts to 30 of the children at the center. On another occasion, employees visited the DIF Care and Training Center and donated 10 computers to help with skill training for people with Down Syndrome to work in the public sector.

In Hong Kong, China, employees teamed up with World Vision to participate in their "Colour the Shoes, Colour their Lives" campaign. For many children who live in China's rural areas, a pair of shoes is a luxury item that they cannot afford. The campaign strives to bring happiness to the lives of children by providing them with a pair of custom-painted shoes. Over 50 Celestica employees and their family members participated in the shoe-painting event. Together they painted over 60 pairs of shoes that were distributed to local children.

In Oradea, Romania, employees participated in arranging a sensory garden for the Inclusion School Center, a school for children with mental and physical disabilities. The sensory garden provides the children with sensory opportunities that they normally do not get to experience.

In Portland, Oregon, employees along with their family and friends, teamed up with Stop Oregon Litter and Vandalism (SOLV) to remove non-native plants from a nearby wetlands park. The invasive plants grow along the base of the tree and begin climbing up, preventing the sun from reaching the roots and therefore slowly killing the wetland's native trees. While the work was difficult and dirty, all of the volunteers felt very proud of their efforts to preserve the environment.

In Laem Chabang, Thailand, employees volunteered at a local rice farm in Chiangmai province, a city in the Northern part of Thailand to help the farmers harvest rice. The volunteer initiative resulted from the "Organic Happiness Rice Project" that was at the Thailand site. The project helps to promote employee health and well-being by providing employees with the opportunity to purchase organic rice at work that is sourced directly from the local farm. This initiative also helps to support the local farmers in Chaingmai who make it their mission to grow the rice organically, without any chemical fertilizer.

In Song Shan Lake, China, employees launched a caring program in 2013 to support the Cheqian Primary School in Huangtang town. The employees were so moved by the students and staff at this school that they planned a follow-up trip with the senior management team in 2014. To improve the children's learning environment, the team repaired leaking roofs and patched up walls, they also helped to repair the playground. In addition, they provided the teachers with some teaching equipment and set up a photo wall with wishes from the management team in the school's library. The team also visited 10 of the children's families to provide them with basic-living goods.

These are just some examples of how our employees are committed to making a difference in our communities.

Global Reporting Initiative® Index

At Celestica, we are committed to reporting on our corporate social responsibility programs and environmental sustainability initiatives to disclose our economic, environmental and social performance in accordance with Global Reporting Initiative® (GRI®).

The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines

General Standard Disclosures			
Indicator	**Description**	**Location**	**Page**
Strategy and Analysis			
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G4-2	Description of key impacts, risks, and opportunities	A Letter from Todd Melendy	3
Organizational Profile			
G4-3	Name of organization	About Celestica	5
G4-4	Primary brands, products and services	About Celestica	5
G4-5	Location of organization's headquarters	About Celestica	5
G4-6	Countries of operation	About Celestica	5
G4-7	Nature of ownership	2014 Form 20-F	2014 Form 20-F
G4-8	Markets served	About Celestica	5
G4-9	Scale of organization	About Celestica	5
G4-10	Workforce statistics by category	Our Workforce	29
G4-11	Percentage of workforce covered by collective bargaining agreements	About Celestica	5
G4-12	Description of the organization's supply chain	About Celestica	6
G4-13	Explanation of any significant changes during the reporting period regarding size, structure, ownership or supply chain	About Celestica	6
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Sustainability and our Business	16
G4-15	List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Compliance and Ethics	10
G4-16	List of memberships maintained at the organizational level	Affiliations and Memberships	23
Identified Material Aspects and Boundaries			
G4-17	List of entities included in the organization's consolidated financial statements; report whether any entity included is not covered by the report	About Celestica, 2014 Form 20-F	7 2014 Form 20-F
G4-18	Explanation of the process for defining the report content and the Aspect Boundaries; explanation of how the organization has implemented the Reporting Principles for Defining Report Content	Materiality	19
G4-19	List all the material Aspects identified in the process for defining report content	Materiality	19
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Materiality	19
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Materiality	19
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	About this Report	4
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	Sustainability and our Business	16

General Standard Disclosures Con'td			
Indicator	**Description**	**Location**	**Page**
Stakeholder Engagement			
G4–24	Provide a list of stakeholder groups engaged by the organization	Stakeholder Engagement	17
G4–25	Report the basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement	17
G4–26	Report the organization's approach to stakeholder engagement	Stakeholder Engagement	17
G4–27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	Stakeholder Engagement	17
Report Profile			
G4–28	Reporting period	About this Report	4
G4–29	Date of most recent previous report	About this Report	4
G4–30	Reporting cycle	About this Report	4
G4–31	Contact point for questions regarding the report or its contents	About this Report	4
G4–32	Report the 'in accordance' option the organization has chosen; report the GRI Content Index for the chosen option; report the reference to the External Assurance Report	About this Report	4
G4–33	Report the organization's policy and current practice with regard to seeking external assurance for the report; report the relationship between the organization and the assurance providers; report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	About this Report	4
Governance			
G4–34	Report the governance structure of the organization, including committees of the highest governance body; identify any committees responsible for decision-making on economic, environmental and social impacts	Sustainability Governance	22
Ethics and Integrity			
G4–56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Brand and Values	9

General Standard Disclosures are not verified by an external organization.

Specific Standard Disclosures Cont'd					
Indicator	**Description**	**Location**	**Page**	**Status**	**Omissions/External Assurance**
Category: Economic					
Aspect: Economic Performance					
G4-DMA	Generic disclosures on management approach	About Celestica	5	Full Disclosure	*
G4-EC1	Direct economic value generated and distributed	About Celestica	7	Full Disclosure	*
Aspect: Procurement Practices					
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	About Celestica	6	Partial Disclosure	Emerging Trend**
Category: Environmental					
Aspect: Energy					
G4-DMA	Generic disclosures on management approach	Energy	56	Full Disclosure	*
G4-EN3	Energy consumption within the organization	Energy	57	Full Disclosure	*
G4-EN6	Reduction of energy consumption	Energy	57	Full Disclosure	*
Aspect: Water					
G4-EN8	Total water withdrawal by source	Emerging Trend	58	Partial Disclosure	Emerging Trend**
Aspect: Emissions					
G4-DMA	Generic disclosures on management approach	Greenhouse Gas Emissions	53	Full Disclosure	*
G4-EN15	Direct greenhouse gas emissions (Scope 1)	Greenhouse Gas Emissions	54	Full Disclosure	2013 Scope 1 emissions have been verified
G4-EN16	Energy indirect greenhouse gas emissions (Scope 2)	Greenhouse Gas Emissions	54	Full Disclosure	2013 Scope 2 emissions have been verified
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	Greenhouse Gas Emissions	54	Full Disclosure	*
G4-EN18	Greenhouse gas emissions intensity	Greenhouse Gas Emissions	55	Full Disclosure	*
G4-EN19	Reduction of greenhouse gas emissions	Greenhouse Gas Emissions	54	Full Disclosure	*
Aspect: Effluents and Waste					
G4-DMA	Generic disclosures on management approach	Material Stewardship	60	Full Disclosure	*
G4-EN23	Total weight of waste by type and disposal method	Waste Diversion	61	Full Disclosure	*
Aspect: Products and Services					
G4-DMA	Generic disclosures on management approach	Products and Services	64	Full Disclosure	*
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Products and Services	65	Full Disclosure	*

Specific Standard Disclosures Cont'd					
Indicator	Description	Location	Page	Status	Omissions/External Assurance
Category: Environmental					
Aspect: Compliance					
G4-DMA	Generic disclosures on management approach	Environmental Management	51	Full Disclosure	*
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Compliance	52	Full Disclosure	*
Aspect: Transport					
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Emerging Trend	69	Partial Disclosure	Emerging Trend**
Aspect: Supplier Assessment					
G4-DMA	Generic disclosures on management approach	Supplier Assessment	67	Full Disclosure	*
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Supplier Assessment	68	Full Disclosure	*
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Supplier Assessment	68	Full Disclosure	*
Category: Social					
Sub-Category: Labour Practices and Decent Work					
Aspect: Employment					
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Emerging Trend	47	Full Disclosure	Emerging Trend**
Aspect: Occupational Health and Safety					
G4-DMA	Generic disclosures on management approach	Occupational Health and Safety	36	Full Disclosure	*
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and saftey programs	Occupational Health and Safety	36	Partial Disclosure	We do not track percentage of workforce represented by formal joint committees
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Occupational Health and Safety	37	Partial Disclosure	We do not track absenteeism. Occupational diseases, where reported, are incorporated into lost-time incident reporting. Region and gender is tracked but not reported herein

Specific Standard Disclosures Cont'd					
Indicator	**Description**	**Location**	**Page**	**Status**	**Omissions/External Assurance**
Category: Social					
Aspect: Training and Education					
G4-DMA	Generic disclosures on management approach	Global Learning and Development	38	Full Disclosure	*
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Global Learning and Development	41	Full Disclosure	*
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Global Learning and Development	39	Full Disclosure	*
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Global Learning and Development	38	Full Disclosure	*
Aspect: Diversity and Equal Opportunity					
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Emerging Trend	45	Partial Disclosure	Emerging Trend**
Aspect: Supplier Assessment for Labour Practices					
G4-DMA	Generic disclosures on management approach	Supplier Assessment	67	Full Disclosure	Electronics Industry Citizenship Coalition Code of Conduct
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Supplier Assessment	68	Full Disclosure	*
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Supplier Assessment	68	Full Disclosure	*
Sub-Category: Human Rights					
Aspect: Child Labour					
G4-DMA	Generic disclosures on management approach	Our Workforce	31	Full Disclosure	*
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Our Workforce	31	Full Disclosure	*

Specific Standard Disclosures Cont'd					
Indicator	**Description**	**Location**	**Page**	**Status**	**Omissions/External Assurance**
Category: Social					
Aspect: Forced or Compulsory Labour					
G4-DMA	Generic disclosures on management approach	Our Workfoce	31	Full Disclosure	*
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Our Workforce	31	Full Disclosure	*
Aspect: Supplier Human Rights Assessment					
G4-DMA	Generic disclosures on management approach	Supplier Assessment	67	Full Disclosure	*
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Supplier Assessment	68	Full Disclosure	*
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Supplier Assessment	68	Full Disclosure	*
Sub-Category: Society					
Aspect: Anti-Corruption					
G4-DMA	Generic disclosures on management approach	Compliance and Ethics	10	Full Disclosure	*
G4-SO3	Total number and percentage of operations asessed for risks related to corruption and the significant risks identified	Compliance and Ethics	11	Full Disclosure	*
Aspect: Supplier Assessment for Impacts on Society					
G4-DMA	Generic disclosures on management approach	Supplier Assessment	67	Full Disclosure	*
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Supplier Assessment	68	Full Disclosure	*
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Supplier Assessment	68	Full Disclosure	*

*Not verified by an external organization. We will explore third-party validation of portions of the report in the future.

**Emerging trends are topics that were not identified by our materiality assessment as high-priority issues to be fully disclosed but we believe they are important and have the potential to become high-priority topics as our sustainability initiative continues to evolve.

Cautionary Note Regarding Forward-Looking Statements

This report contains forward-looking statements related to our sustainability initiatives and financial and operational priorities 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 and financial and operational priorities. 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.

Celestica™

Solid partners. Flexible solutions.