

# Sustainability at Celestica



# Table of Contents

## 1

### Sustainability Report Overview

- A Letter from Rob Mionis ..... 2
- About This Report ..... 3
- Restatement of Changes from Previous Reports ..... 3
- About Celestica ..... 4

## 7

### Corporate Culture

- Corporate Culture ..... 8
- Brand and Values ..... 8
- Compliance and Ethics ..... 9

## 15

### Sustainability and Our Business

- A Letter from Todd Melendy ..... 16
- Sustainability and Our Business ..... 17
- Stakeholder Engagement ..... 18
- Materiality ..... 20
- Our Strategy for Sustainability ..... 22
- Sustainability Governance ..... 25
- Affiliations and Memberships ..... 26
- Awards and Recognition ..... 27

## 30

### Employee Sustainability

- Employee Sustainability Programs ..... 31
- Our Workforce ..... 35
- Occupational Health and Safety ..... 42
- Managing Performance ..... 44
- Global Learning and Development ..... 45
- Employee Recognition ..... 51
- Emerging Trends ..... 54

## 61

### Environmental Sustainability

- Environmental Management ..... 62
- Environmental Compliance ..... 64
- Greenhouse Gas Emissions ..... 64
- Energy ..... 69
- Material Stewardship ..... 72
- Waste Diversion ..... 73
- End-of-Life Materials Management ..... 74
- Emerging Trend ..... 76

## 77

### Sustainable Solutions

- Sustainable Solutions ..... 78
- Products and Services ..... 78
- Supplier Assessment ..... 82
- Ethical Sourcing ..... 83
- Emerging Trend ..... 84

## 85

### Sustainable Communities

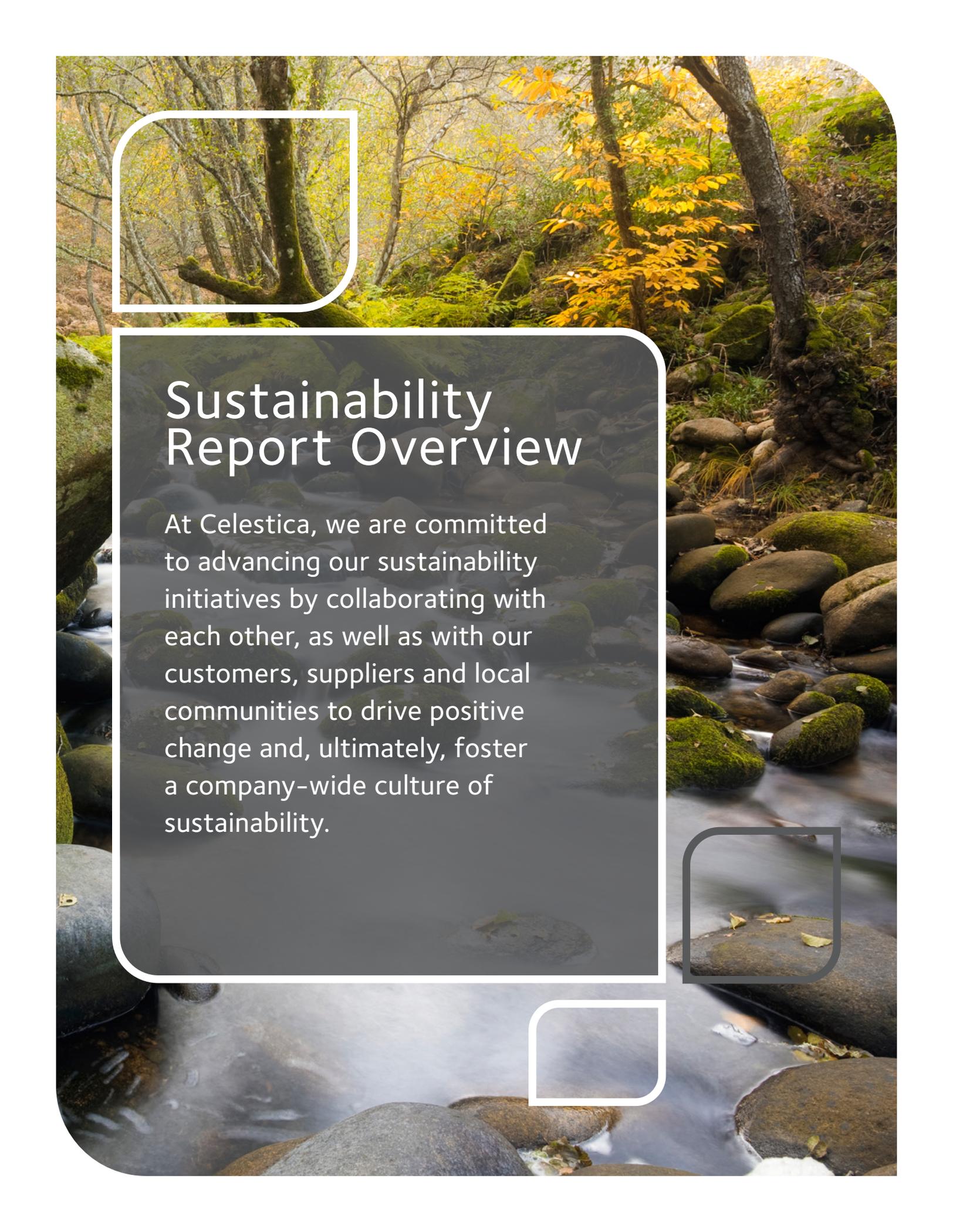
- Sustainable Communities ..... 86
- Global Time Off to Volunteer Policy ..... 86
- Global Success Stories ..... 91

## 93

### Global Reporting Initiative® Index

## 101

### Photos by Celestica Employees



# Sustainability Report Overview

At Celestica, we are committed to advancing our sustainability initiatives 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.

# A LETTER FROM ROB MIONIS

---



“Our commitment to leadership in sustainability is anchored in our company’s culture and Values. We continue to be champions for sustainability, driving continuous improvements and actively engaging in dialogue with our customers, suppliers and other stakeholders.”

**Rob Mionis**, President and Chief Executive Officer

---

Welcome to Celestica’s 2015 Sustainability Report. Since assuming the role of President and CEO last year, I have had the privilege to witness firsthand the dedication of our global team to drive sustainability throughout Celestica.

Our commitment to leadership in sustainability is anchored in our company’s culture and Values. We continue to be champions for sustainability, driving continuous improvements and actively engaging in dialogue with our customers, suppliers and other stakeholders.

Celestica employees are a dedicated team, 26,000 strong, poised to help create a more sustainable future. We intend to do this by embedding sustainable practices across our supply chain, and working with our customers to support their sustainability efforts.

Although we are still early in our journey, we have received some recent accolades for our sustainability performance. For example, for the past two years, we have been named to the Global 100 Most Sustainable Companies in the World and one of Canada’s Best 50 Corporate Citizens, as determined by Corporate Knights, an organization dedicated to encouraging responsible business practices.

As we celebrate our accomplishments, we also recognize the magnitude of the global challenges we are all looking to address. We firmly believe that, by working with our customers and partners, and by empowering our employees to exercise their own creativity and passion, we can help to drive positive change.

Thank you for your interest in Celestica’s Sustainability initiative. I hope you enjoy reading this report.

Sincerely,

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

Rob Mionis, President and Chief Executive Officer

## ABOUT THIS REPORT

Celestica's 2015 Sustainability Report summarizes the activities, performance and results in the 2015 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 2015 and contained results from the 2014 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](mailto:sustainability@celestica.com).

*\* 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.*



## RESTATEMENT OF CHANGES FROM PREVIOUS REPORTS

In our 2014 report we reported our total GHG emissions to be 193,987 metric tonnes of CO<sub>2</sub>e which represented a total energy consumption of 367,314,065 kWh. Today we are reporting that our 2014 emissions and energy consumption should have been 195,006 metric tonnes of CO<sub>2</sub>e and 370,252,204 kWh, respectively, a 0.47 per cent difference.

Celestica's water consumption of 1,502,758 cubic metres was overstated by 0.06 per cent and was actually 1,501,789 cubic metres.

Lastly, the original unit of measure of Celestica's total generated waste was incorrectly identified as kilograms and should have been listed as metric tonnes.

# ABOUT CELESTICA

Headquartered in Toronto, Canada, Celestica operates in over 20 worldwide locations spanning Asia, the Americas and Europe. Celestica is a publicly held corporation traded on both the New York and Toronto stock exchanges with 2015 revenue of US\$5.6 billion.

Celestica employs approximately 26,000 permanent and temporary (contract) employees, up from approximately 25,000 employed in 2014. Sixteen per cent of our employees are protected under collective bargaining agreements or unions, and of these employees, 53 per cent are located in Asia, 36 per cent are located in Europe and 11 per cent are located in Mexico.

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*	2,099
Europe	Ireland*, Spain, Romania	846
Asia	China*, Malaysia*, Thailand*, Singapore*, Japan, Laos	4,134

\* Represents multiple locations

**Figure 1.1:** Celestica's 2015 Worldwide Operations



# 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, smart energy and semiconductor equipment).

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.



## Financial Performance

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 (EMS) 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.

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:

- Evolving our customer and product portfolios in order to drive consistent growth with strong operating margins
- Improving the operating performance of our Diversified Markets business
- Increasing our investments in the front end of the business to accelerate growth
- Continuing to generate strong annual free cash flow and return on invested capital

We believe that we have a strong platform to build on as we continue to invest in the business to accelerate our drive to profitable growth.

**Figure 1.3:** Financial Performance

	2013	2014	2015
Revenue	5,796.1	5,631.3	5,639.2
Gross profit	389.5	405.4	391.1
Selling, general & administrative expenses (SG&A)	222.3	210.3	207.5
Other charges	4.0	37.1	35.8
Net earnings	118.0	108.2	66.9
Diluted earnings per share	0.64	0.60	0.42

*(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.

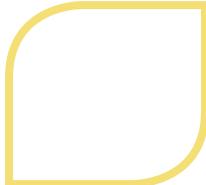
Our Brand was founded on our understanding that it is our employees who differentiate us within our industry and with our customers. Our Brand engages and empowers our employees to work together to drive our company's success.

**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:**  
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.



# 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 site's Human Resources manager 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 Report (VAR), to monitor major suppliers' management systems in regard to EICC Code elements. 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, many courses have been rolled out to our employees, including global anti-bribery, mutual respect, conflicts of interest, diversity and inclusion, insider trading, whistle-blowing, fraud, business integrity and ethical leadership.

In 2015, Celestica launched fraud and business integrity and ethical leadership courses. The fraud and business integrity course was launched to all Celestica online employees. It covered various topics such as: expense fraud, financial misstatements, kickbacks and bribes as well as supplier fraud. With such a variety of topics, employees would be able to relate to some, if not all, areas of the training.

The ethical leadership course was directed to employees at a supervisor, management and staff level. The course was a reminder to Celestica's leaders about the critical role they have in building an ethical culture at Celestica.

Similar to the experience of the whistle-blower training in 2014, we experienced an increase in hotline reports after the ethical leadership training. We believe this is a key positive indicator of the success of the program in creating awareness among employees.



### **Celestica's Ethics Hotline**

is a significant part of our ethics program as it is a grievance mechanism that is available to all employees.

Although employees are encouraged to approach management with any ethical concerns, in some instances this is not a practical option for employees. The hotline program allows employees to file an anonymous or identified report regarding misconduct in the workplace. Employees are assured that reports are managed by an independent function and investigated to the full extent. This program allows us to maintain a workplace that supports a high standard of ethics.

## 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 remain familiar with current topics and best practices 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.

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 Corporate Governance 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 distribution of an ethics wallet card. In addition, there are communication boards throughout our sites that contain additional wallet cards and hotline information. 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](mailto:compliance@celestica.com) should they have any questions or concerns on any compliance or ethics matter. This mailbox is confidentially maintained by the Compliance department.

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. These reports are properly assigned for investigation, and all 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.



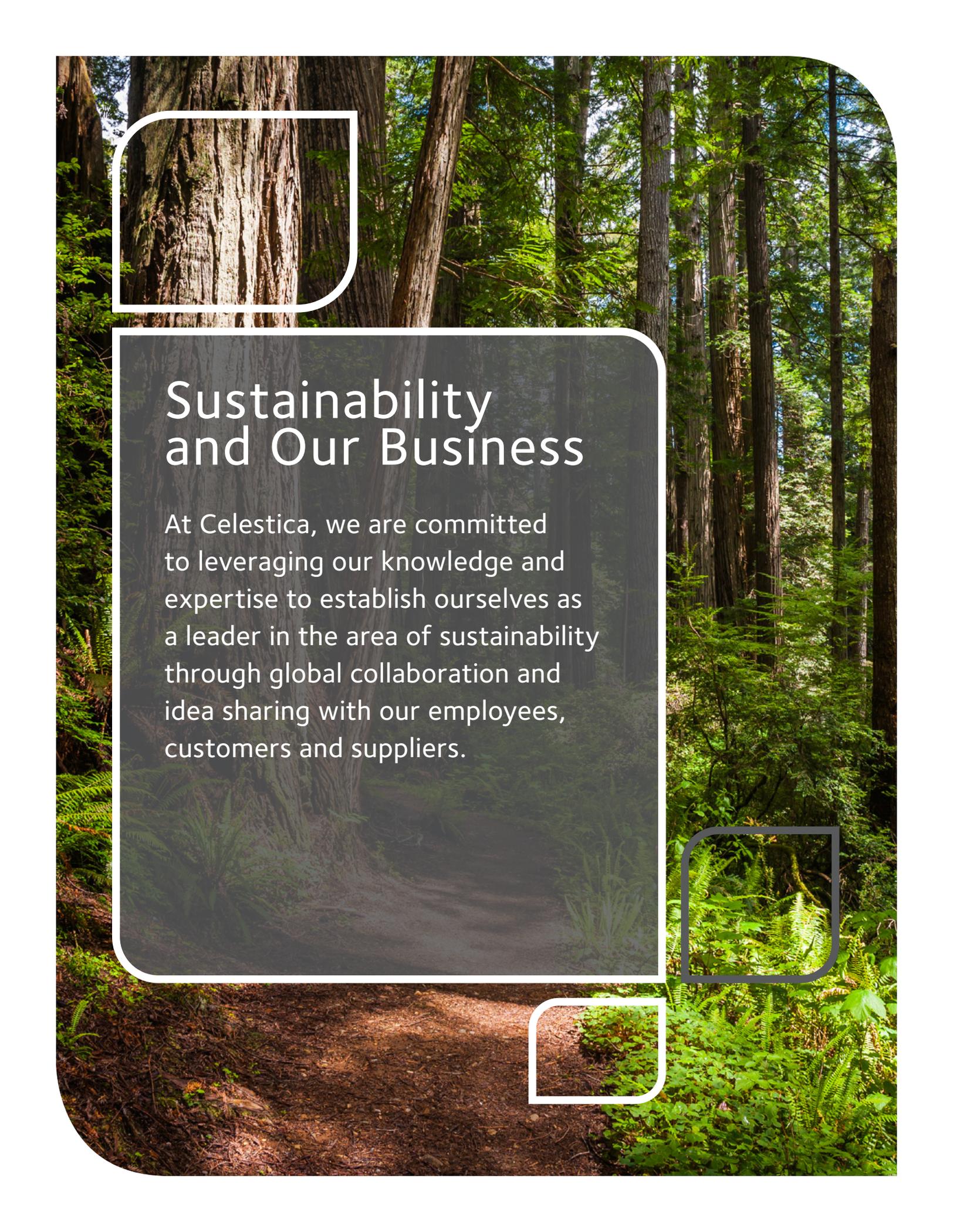
Celestica remains actively involved with the EICC by participating in working groups and has representation on the EICC Board of Directors and its Executive Committee. It is important to note that our commitment to the EICC is not limited to ensuring the compliance and improvement of our own sites. Pursuant 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 (MSL) submit SAQs to identify risks within their operations. As required per EICC membership compliance, high-risk suppliers requiring a Validated Audit Process (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 2015, our internal auditors conducted audits at our sites in San Jose, California; Johor Bahru, Malaysia; Ontario, California; and Suzhou, 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 that monitors auditor skills and quality levels of the audits conducted through this program. All EICC members are encouraged to use the EICC VAP and to accept results and reports from these audits from any member facility. For more information on these programs, visit [www.eiccoalition.org](http://www.eiccoalition.org).



# 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.

## A LETTER FROM TODD MELENDY

---



"As a trusted partner to many of the world's global technology brands, Celestica believes sustainability is not only the right thing to do, but critical for business success. This is particularly important in the face of global trends such as climate change, rapid population growth, water scarcity and extreme weather events. These trends can have a direct impact on the global electronics supply chain and we believe we have an important role to play to accelerate change within our industry."

**Todd Melendy**, Vice President, Sustainability

---

2015 was an exciting year at Celestica and I have truly enjoyed leading the effort to embed sustainability in our company's culture. Throughout the year, we focused on what we can do to make our company more sustainable, improve the electronics supply chain, help our customers meet their sustainability goals and support our local communities.

As a trusted partner to many of the world's global technology brands, Celestica believes sustainability is not only the right thing to do, but critical for business success. This is particularly important in the face of global trends such as climate change, rapid population growth, water scarcity and extreme weather events. These trends have a direct impact on the global electronics supply chain and we believe we have an important role to play to accelerate change within our industry. In fact, we believe sustainability is one area where our company is well positioned to lead change and drive innovation.

This report describes the actions we are taking within our own four walls to lead this change and how we aim to influence the larger electronics manufacturing industry.

For Celestica's sustainability program to be successful, we need your input. I encourage all stakeholders to review this report and to learn more about our sustainability initiatives. Please contact us at [sustainability@celestica.com](mailto:sustainability@celestica.com) with any comments or suggestions.

I hope you enjoy reading this report.

Sincerely,

A stylized, handwritten signature in black ink, consisting of a long horizontal stroke that curves upwards and then downwards to the right.

Todd Melendy, Vice President, Sustainability

# 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 throughout 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



# 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	■ Energy	■ Spark Change Agents inform employees about progress towards Aspirational Goals
	■ Internal communications	■ Water	
	■ Leadership meetings	■ Waste	■ Facilitate Time Off to Volunteer events in local communities
	■ Employee surveys	■ Wellness	
	■ Sustainable Workspace program	■ Recognition	■ Discuss topics on the Sustainable Workspace
	■ Open-Door Policy	■ Training	
	■ Sustainability Report	■ Community	■ Connect employees to subject matter experts on areas of interest
	■ Annual risk assessment		
Customers	■ Teleconferences	■ Energy	■ Share strategy to align resources on mutually beneficial projects
	■ Voluntary reporting	■ Emissions	
	■ Surveys	■ Health and safety	■ Share best practices
	■ Audits	■ Supply chain product compliance	
	■ Scorecards	■ Working hours	■ Share conflict minerals data
	■ Collaboration projects	■ Transparency	
		■ Foreign migrant workers	■ Provide training on topics of interest
		■ Forced or compulsory labour	
		■ Working hours	■ Provide updates on audit findings
			■ Approach suppliers in unison
			■ Respond to surveys
		■ Participate in Sustainability Supplier Conferences	
		■ Carbon Disclosure Project (CDP) report	
		■ CDP action exchange	

Stakeholder Engagement Table Continued

Stakeholder Group	Engagement Approach	Topic	Action
Academia	<ul style="list-style-type: none"> <li>■ Working group meetings</li> <li>■ Surveys</li> <li>■ Research projects</li> </ul>	<ul style="list-style-type: none"> <li>■ Embedding sustainability</li> <li>■ Labour relations</li> <li>■ Waste</li> <li>■ Energy</li> <li>■ Water</li> </ul>	<ul style="list-style-type: none"> <li>■ Sent research student to Celestica facilities in Asia and North America</li> <li>■ Brokered access for academics to sites in Asia</li> <li>■ Participated in interviews for academic papers</li> <li>■ Worked with Human Resources to incorporate sustainability into performance</li> <li>■ Created an online tool to unlock sustainability-oriented innovation in our company</li> <li>■ Increased capacity among leadership to talk about sustainability</li> <li>■ Incorporated academic research on embedding sustainability into our strategy for sustainability</li> </ul>
Consortia	<ul style="list-style-type: none"> <li>■ EICC meetings</li> <li>■ EICC working groups</li> <li>■ EICC leadership</li> <li>■ Seminars</li> <li>■ Webinars</li> </ul>	<ul style="list-style-type: none"> <li>■ Working hours</li> <li>■ Energy</li> <li>■ Emissions</li> <li>■ Supply chain</li> <li>■ Conflict minerals</li> <li>■ Foreign migrant workers</li> </ul>	<ul style="list-style-type: none"> <li>■ Performed EICC site audits</li> <li>■ Supplier assessments</li> <li>■ Active participation in EICC leadership</li> <li>■ Collaboration on EICC sponsored academic projects</li> <li>■ Reporting</li> </ul>
Government	<ul style="list-style-type: none"> <li>■ Local government regulations</li> </ul>	<ul style="list-style-type: none"> <li>■ Energy</li> <li>■ Water</li> <li>■ Waste</li> <li>■ Human Resources</li> <li>■ Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>■ Monitor local regulations and update standards to maintain compliance</li> <li>■ Provide test results</li> <li>■ Update and maintain health and safety programs to local regulations</li> <li>■ Properly handle and dispose of waste</li> </ul>
Investors	<ul style="list-style-type: none"> <li>■ Investor surveys</li> </ul>	<ul style="list-style-type: none"> <li>■ Economic performance</li> <li>■ Energy</li> <li>■ Water</li> <li>■ Waste</li> <li>■ Labour relations</li> </ul>	<ul style="list-style-type: none"> <li>■ Coordinate corporate-wide response to surveys</li> <li>■ Monitor investor surveys for emerging topics</li> <li>■ Discuss need for transparency on remuneration and compensation with Human Resources</li> <li>■ Create plan and gap analysis to respond to surveys for leadership</li> <li>■ Educate leadership on emerging trends</li> </ul>

Stakeholder Engagement Table Continued

Stakeholder Group	Engagement Approach	Topic	Action
Non-Governmental Organizations (NGOs)	■ Face-to-face meetings	■ Energy	■ Increasing energy literacy
	■ Teleconferences	■ Water	■ Increasing waste productivity
	■ On-site tours	■ Labour relations	■ Supplier assessment
	■ Collaboration projects	■ Community	■ Provide opportunities for recent immigrants
Suppliers	■ Emails	■ Health and safety	■ EICC Self-Assessment Questionnaire
	■ Teleconferences	■ Human rights	■ Validated Audit Program
	■ Questionnaires	■ Environmental compliance	■ Verification Visits
	■ Facility tours	■ Business conduct	■ Total Cost of Ownership™ Awards
		■ Conflict minerals	

## MATERIALITY

As we continue on our sustainability journey, we understand that the aspects of sustainability that we deem material will evolve. In 2014, we initially mapped our stakeholder issues to the GRI® G4 Aspects and Indicators. In 2015, Celestica continued to monitor and analyze the economic, environmental and social topics and their impact on our business.

During our review of our engagements with stakeholders, we identified 57 GRI® G4 Aspects as well as four additional industry-specific topics that were deemed important: 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.

Given our internal corporate structure, it was found that many of the Aspects were handled within common processes by our organization. Given

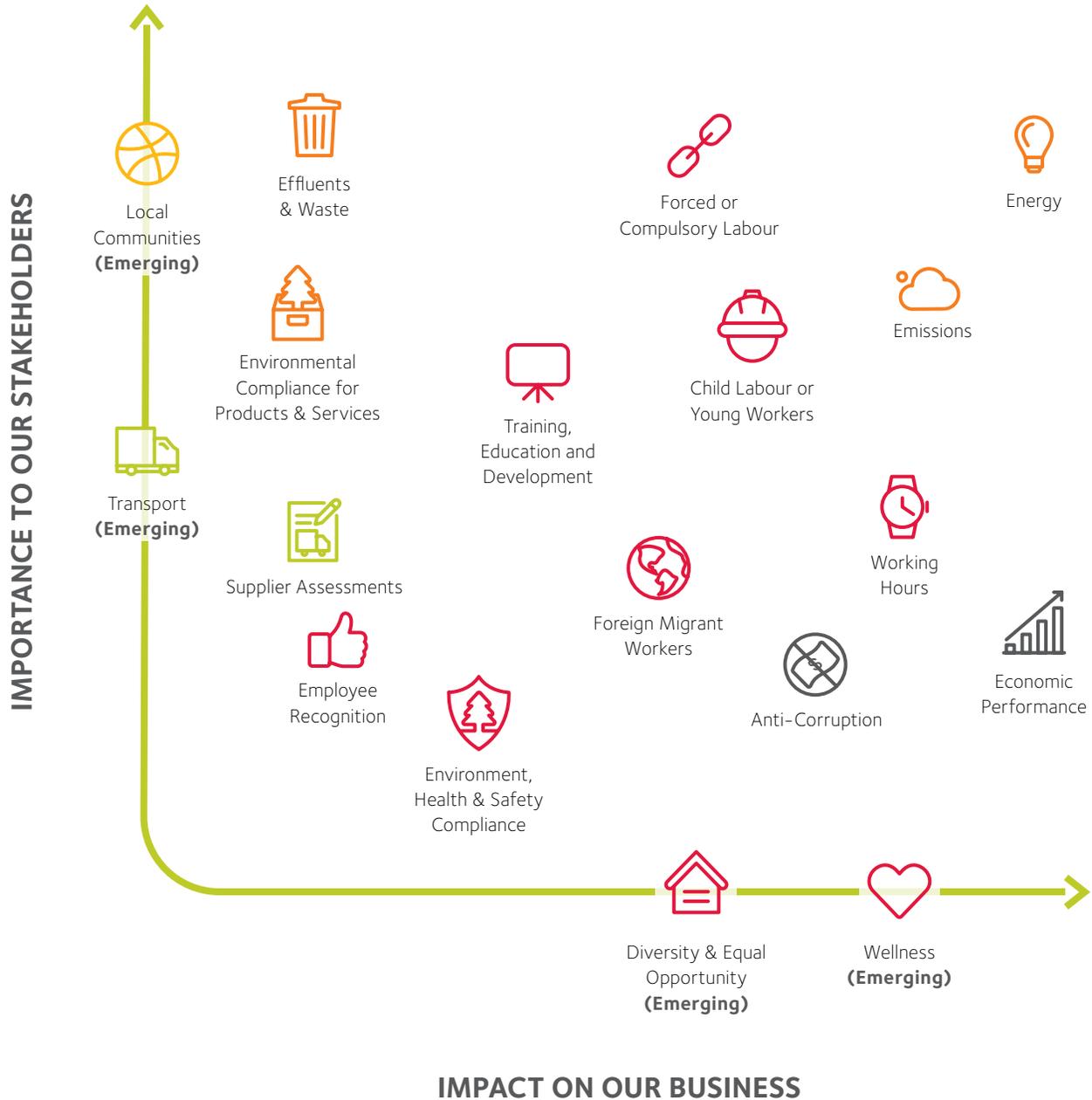
this insight, we were then able to map these 61 Aspects and industry-specific topics into 34 topics that form the basis of our materiality matrix.

The next stage of mapping our materiality matrix was to examine the GRI® G4 Aspects and their potential impact on 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 illustrates the 14 topics that our stakeholders, and our business, identified as high priorities, which represents 25 GRI® G4 Aspects and three industry-specifics topics. We also included four emerging trends on our materiality matrix that we believe are important and have the potential to become high-priority topics.

In this report, we focus on the 14 high-priority topics that were deemed important to both Celestica and our stakeholders as well as the four emerging trends.

Unless otherwise stated, the boundary for our material issues will represent 100 per cent of Celestica’s footprint.

**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

---

				
<b>Employee Sustainability</b>	<b>Environmental Sustainability</b>	<b>Material Stewardship</b>	<b>Sustainable Solutions</b>	<b>Sustainable Communities</b>
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

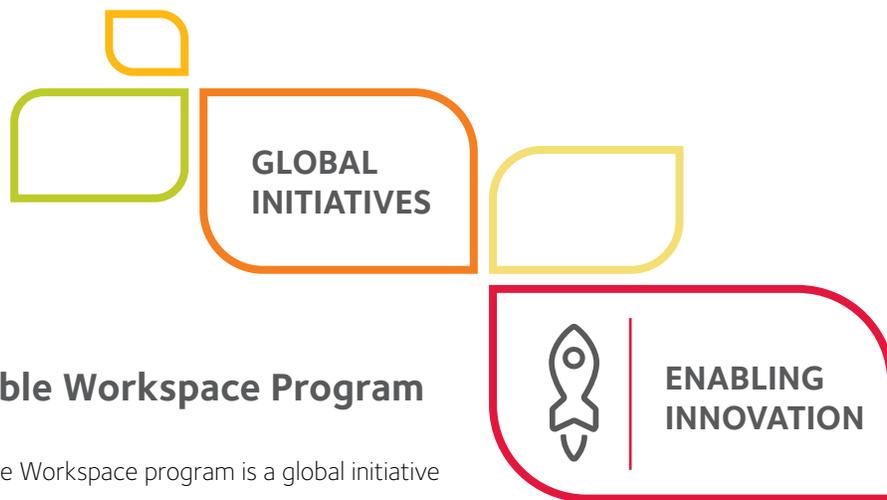
At Celestica, we believe that innovative and sustainable solutions for both our business and our customers begin with an idea. We also recognize the importance of contributions from our employees. To encourage our employees to leverage their expertise in developing sustainable solutions for both Celestica and our customers, we launched the Spark Change initiative as a call to action.

Through this initiative, we communicate our sustainability goals and successes to our employees at each of our global locations on a regular basis.

This provides employees with updated information on the company's sustainability strategy and recruits their support for the company's efforts.

To help our sites become more sustainable, our site's General Managers are responsible for tracking their site's performance, and they have nominated individuals at their sites for membership in the Spark Change Agents network. These individuals share the responsibility for tracking and reporting on the progress being made towards our aspirational sustainability goals.

This approach allows us to work together towards a common goal of driving sustainability in a way that is good for Celestica and our customers, as well as the communities in which we operate.



## Sustainable Workspace Program

The Sustainable Workspace program is a global initiative that was launched on Earth Day in April 2014. The goal of the program was to encourage Celestica employees to re-examine their behaviours on a daily basis and learn about what they can do to positively impact the environment and improve their well-being.

Part of the program is a global employee community that was designed to provide a communication vehicle for employees to post and share their day-to-day ideas and activities on sustainability. The Sustainable Workspace program has been incredibly successful at boosting employee awareness on sustainability topics. It has become an effective vehicle to share success stories and best practices with other employees globally. Additional details on the results of our Sustainable Workspace program can be found in the Employee Sustainability section of this report.

## Ignite Tool

In 2014, Celestica launched the Ignite tool to help employees turn their innovative ideas into sustainable solutions for both Celestica and our customers. Designed to cultivate sustainable ideas across the Celestica network, the Ignite tool turns employees' ideas into reality.

Two examples are listed below.

- An employee at Celestica's Portland, Oregon site submitted an idea through the Ignite tool to improve the recycling of polyethylene terephthalate (PET) bottles. Empty PET bottles and aluminum cans were already being collected, however, the employee noticed that there was an opportunity at the site to leverage a State of Oregon program that provides a refund for recycled PET bottles and cans. In the first two months, over 1,500 bottles and cans were collected and returned for a refund. Proceeds will be put towards improvements in the employee break rooms.
- An employee at Celestica's Toronto, Canada site submitted an idea through the Ignite tool to create standing workstations to provide flexibility in the office environment. The Sustainability team decided to create a shared workspace to offer this flexible work environment to employees. The pilot project included a standing meeting room table made out of reclaimed materials from our operations and a solar panel. The standing meeting room table has been well received by many employees and, in 2016, we will be looking at other ways to expand this idea when designing new workspaces for employees.



### **THROUGHOUT 2015,**

we received ideas through the Ignite tool from employees across all of our regions on topics focused on

### **WELLNESS, ENERGY, RECYCLING AND WATER.**

# SUSTAINABILITY GOVERNANCE

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

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:

- Betty DelBianco: Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary
- Glen McIntosh: Executive Vice President, Global Operations and Supply Chain Management
- Rob Mionis: President and Chief Executive Officer



## Councils

The functional leaders, regional leaders and subject matter experts that make up Celestica's sustainability councils share in the responsibilities of addressing regional issues as well as functional group issues, and in recommending improvements to our sustainability strategy.

## Working Groups

Within Celestica's governance structure, working groups are the most numerous and play a significant role in monitoring sustainability. Team members who participate in these groups are subject matter experts, volunteers and local representatives whose work is guided by sustainability managers. In addition to undertaking specific projects, working group members focus on gathering information as well as communicating best practices to other global teams. To support their work, sustainability managers map local issues to global ones and link individuals who can assist in problem solving across regions.



## AFFILIATIONS AND MEMBERSHIPS

Celestica's commitment to sustainability is demonstrated through our wide range of affiliations and memberships in organizations that address both global citizenship and environmental issues. Some examples are listed below.

Organization	Participation
Electronics Industry Citizenship Coalition	Board of Directors and Executive Committee
Electronics Industry Citizenship Coalition	VAP Working Group
High Density Packaging Users Group	Board of Directors
High Density Packaging Users Group	Lead-Free Board Materials Phase Three
High Density Packaging Users Group	Lead-Free Copper Erosion
High Density Packaging Users Group	Pad Cratering and the Lead-Free High Speed Laminate Performance Characterization study
International Electronics Manufacturing Initiative	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

# AWARDS AND RECOGNITION



## EcoVadis Assessment: **Gold Rating**

Celestica participated 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 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 2016, Celestica scored

**67/100,**

which is an improvement over our 2014 score of 63 out of 100.



Below are the highlights from our 2016 assessment:

### **ENVIRONMENT:**

Celestica is in the

**Top 6%**

of suppliers assessed by EcoVadis in the category  
Manufacture of electronic components and boards.

### **SUPPLIERS:**

Celestica is in the

**Top 5%**

of suppliers assessed by EcoVadis in the category  
Manufacture of electronic components and boards.

### **LABOUR PRACTICES:**

Celestica is in the

**Top 21%**

of suppliers assessed by EcoVadis in the category  
Manufacture of electronic components and boards.

### **OVERALL:**

Celestica is in the

**Top 6%**

of suppliers assessed by EcoVadis in the category  
Manufacture of electronic components and boards.

### **FAIR BUSINESS PRACTICES:**

Celestica is in the

**Top 18%**

of suppliers assessed by EcoVadis in the category  
Manufacture of electronic components and boards.

### **OVERALL:**

Celestica is in the

**Top 2%**

of suppliers assessed by EcoVadis in all categories.



“Sustainability is not just about doing the right thing – it’s also about doing what makes the most business sense. We are proud that our sites in Thailand and Oradea have been recognized by the EICC for the successful completion of an EICC audit, making Celestica the first EMS provider to receive this recognition. This accomplishment is really just scratching at the surface of what’s next for Celestica.”

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

## CDP Canada Climate Disclosure Leadership Index

Celestica was recently named to the Canada Climate Disclosure Leadership Index (CDLI) by CDP, earning its position on the index by disclosing high-quality carbon emissions and energy data through CDP’s climate change program. The reported data has been independently assessed against CDP’s scoring methodology and marked out of 100. Those organizations graded within the top 10 per cent constitute the CDLI. Celestica scored 98 B.

In 2015, CDP scored respondents with two categories; a numerical disclosure score from 0-100 and a letter-grade for performance from A-E. The numerical disclosure score assesses the respondents level of detail and comprehensiveness of their disclosure. The performance score assesses the level of action taken on climate change evidenced by the company’s CDP response.

At the request of 822 investors who represent US\$95 trillion in assets, thousands of companies submit annual climate disclosures to CDP. Top scores indicate a high level of transparency in the disclosure of information related to climate change, providing investors with a level of comfort to assess corporate accountability and preparedness for changing market demands and emissions regulations.

98 B

**CDP DISCLOSURE SCORE IN  
2015 AND NAMED TO THE  
CANADA CLIMATE DISCLOSURE  
LEADERSHIP INDEX**

## Electronic Industry Citizenship Coalition Recognition

In 2015, Celestica’s Oradea, Romania and Laem Chabang, Thailand sites were recognized by the Electronic Industry Citizenship Coalition for the successful completion of an EICC audit.

Celestica is the first EMS provider to receive this recognition. EICC audits are designed to assist companies in identifying risks and driving improvements and robust management systems for labour, ethics, health and safety and environmental conditions in the supply chain.

Celestica’s site in Oradea, Romania conducted a self-audit in 2014 using the EICC Validated Audit Process. 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 that are supported through management systems to ensure Code compliance. In March 2015, the site successfully completed the audit.

The Thailand team spent much of 2014 on Corrective Action Plan management to close out the findings from the initial EICC audit in 2013. The team implemented many action plans such as reducing excessive working hours, creating new reporting tools, making improvements to the supplier audit program and implementing environmental, health and safety (EHS) required signage, to name a few. As a result of the CAP on reducing excessive working hours alone, the team reduced the number of employees working more than 60 hours per week from a high of 48 per cent in 2012 to full compliance in April 2015. The focus and dedication to CAP management prepared the Thailand team for a successful closure audit in April 2015.



### **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. The Global 100 is determined using 12 quantitative sustainability indicators in areas including energy, carbon, water, waste and safety performance.



### **2015 Green Supply Chain Award**

Celestica Green Services was recognized as a winner of a 2015 Green Supply Chain Award by Supply & Demand Chain Executive. The 2015 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 by Corporate Knights in 2015 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, sustainability is quickly becoming an integral part of Celestica's business strategy. 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 PROGRAMS

Building a strong, sustainable and engaged workforce is the foundation of our success. We strive to create an environment that fosters commitment, creativity, courage and innovation, as well as one that leverages individual expertise. The programs in place at Celestica aim to encourage our employees and their managers to have meaningful conversations about their performance on the job, career aspirations and professional development, and achieve optimal labour conditions with a focus on health and safety. Our programs also recognize employees for their contributions to our company's success.

### Sustainable Workspace Program

In 2014, we launched the Sustainable Workspace program. This online community encourages our employees to make their workspace more sustainable, whether they are working on the production floor or in an office environment. When joining the community, employees are encouraged to take a pledge, available in all operating languages, to increase their sustainability efforts through sharing best practices and ideas on reducing waste, saving energy and choosing a healthier lifestyle both at work and at home.



### OUR MANAGEMENT APPROACH

- Develop and implement programs to drive an engaged and sustainable workforce
- Establish aspirational goals and yearly site targets to track our progress in employee sustainability programs
- Report on key aspects about our workforce and the results against our aspirational goals to gauge the success of implemented programs
- Use the results to make business decisions on program continuity, breadth of skills, training requirements and succession planning
- Continue to embed sustainability into our global sites through strategic employee programs and initiatives to boost engagement
- Gain feedback from our stakeholders, including our employees, on making improvements to existing programs and implementing new programs

We are in our second year of the Sustainable Workspace program and there has been a significant boost in our global membership and pledge participation. This year, employees embraced the opportunity to post their sustainability stories and share successfully implemented ideas globally. These employees are proud to share their success stories, best practices and innovative ideas on reducing waste, saving energy and making healthier lifestyle choices at work and at home. The program has provided employees with an easy way to share best practices and collaborate with other employees from around the globe.

We took a strategic approach to boost our participation by creating an aspirational goal to have 100 per cent of eligible employees participate in the program by 2020. All of our sites have created their own targets for participation in the community, and the efforts to boost participation at each operational site have helped increase the success in the program. 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.



## Take the Pledge Campaign

Part of the success of the participation in the Sustainable Workspace program can be attributed to the “Take the Pledge” campaign. Take the Pledge was a new campaign introduced in 2015 and is geared towards Celestica’s executive team with the intention of increasing their participation in the Sustainable Workspace program. The goal is to have each executive join the program, take the pledge and sit down for an interview with Todd Melendy, Vice President, Sustainability, to discuss their efforts as a leader to improve environmental stewardship at home and in the workplace. Following the interview, a feature story is published for all employees.



“At Celestica, sustainability is an employee-driven initiative and I am extremely proud of the way that our employees have embraced it. Their passion and enthusiasm is what really embeds sustainability into our company’s culture and makes a meaningful impact in our industry.”

**Betty DelBianco**, Chief Legal and Administration Officer

## Reducing Emissions: Employee Commuting Programs

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. There is also an added benefit of reducing emissions when employees are able to work from home or take a greener form of transport to work. Below are a few of the programs that were implemented in 2015.



### EMPLOYEE TELECOMMUTING POLICY

In 2015, we created a global telecommuting policy to provide a level of workspace flexibility to employees. Telecommuting is the concept of sharing work time between a standard designated office location and a remote location. It is an alternative method of successfully meeting the needs of Celestica while providing flexibility to employees and also reducing our carbon footprint.



### CARPOOL

In 2015, to comply with the Government of China's Earth Day theme of "Cherishing the Earth's Resources," a group of employees from our Song Shan Lake, China site established a carpool platform designed to reduce the use of vehicles to commute to work. Over 50 employees participated in the program. Within the first six months of the program, an estimated 45,000 kg of CO2 emissions were diverted.

In Toronto, Canada, the site announced the launch of a pilot carpool database for employees. By choosing to carpool, employees can help reduce traffic congestion, decrease the amount of time commuting to work, lower GHG emissions and save money. With a small sample of roughly 30 carpools, the site has diverted an estimated 28,000 kg of CO2 emissions.

In 2016, we are looking to expand carpool programs to other sites.



### BIKE DAY

Employees at our Oradea, Romania site decided they would ride their bike to work on Fridays in an event called "Critical Mass," which was aimed at promoting the importance of using alternative transportation. Every Friday during the month of April and throughout the summer, employees biked to work promoting a healthy lifestyle and reducing emissions into the environment. The participants had an estimated reduction in CO2 emissions of 510 kg.



## Measuring Our Employee Sustainability Programs

We have developed an Employee Sustainability Dashboard to measure the results of our Sustainable Workspace pledge participation, working hours and our global Time Off to Volunteer participation rates. Results are also posted on our Spark Change site, allowing employees to see how their site is progressing against the 2020 aspirational goals and their yearly set targets.

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

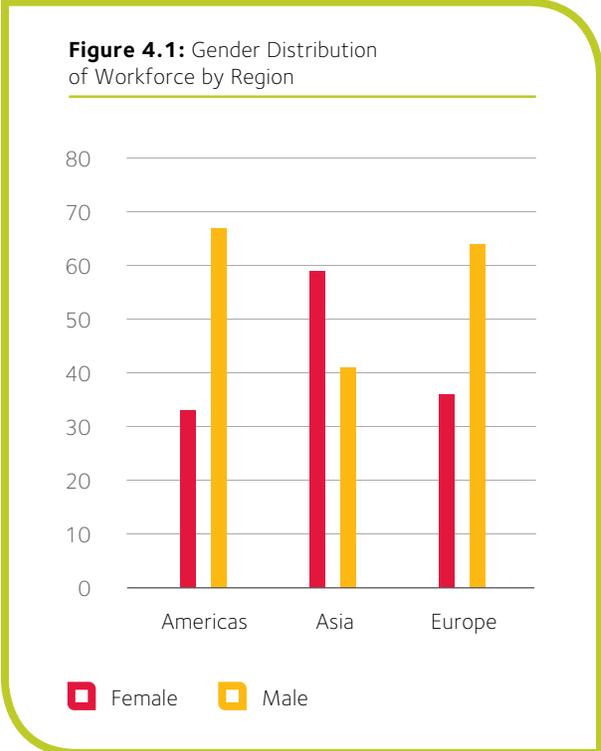
# OUR WORKFORCE

Our diverse workforce spans the regions of Europe, Asia and the Americas. Within these regions, we recruit, develop and promote candidates for every role. We post all job opportunities internally and invite qualified candidates to apply. Both strategies reflect Celestica's commitment to being an equal opportunity company. 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 employ third-party contractors at Celestica, predominantly in our manufacturing operations.

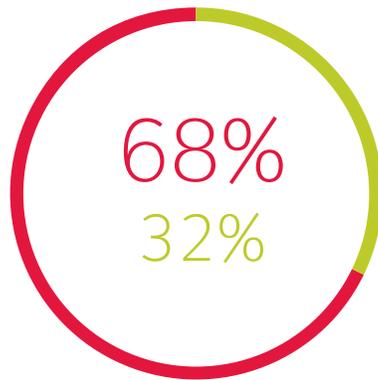
## Gender, Region and Employee Type

At Celestica, our gender distribution is fairly evenly distributed around the globe with males representing 46 per cent of our global workforce and females representing 54 per cent of our global workforce. Our gender distribution has 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 54 of this report.

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 the professional roles, such as Human Resources, Finance, Information Technology, Engineering, Supply Chain, Sales and Business Development. In 2015, 68 per cent of our workforce were in direct labour roles and 32 per cent were in indirect labour roles. Our direct labour workforce has increased slightly from 63 per cent in 2014.



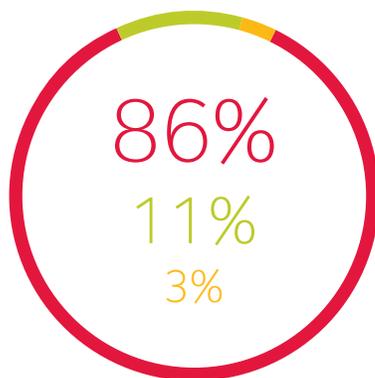
**Figure 4.2:** Distribution of Labour



■ Direct Labour   ■ Indirect Labour

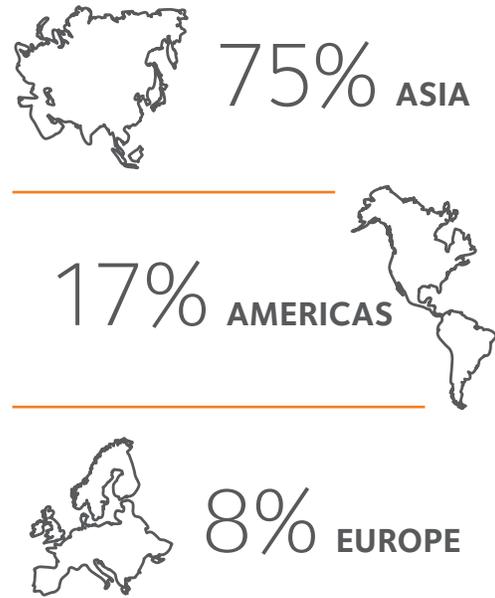
The majority of our employees are regular, full-time employees, but we also employ a small percentage of Celestica contract employees and third-party contractors to ensure we have the workforce flexibility to rapidly respond to changes in customer demands. A distribution of our workforce demographics can be found in the following figures.

**Figure 4.3:** Workforce Demographics



■ Regular Employee   ■ Third-party Contractor  
■ Contract Employee

**Figure 4.4:** Workforce Distribution by Region



We continue to focus on improving our ability to scale our workforce to meet the changing demands of our customers through our Global Workforce Flexibility initiative. This process enables us to manage our staffing, hiring and retention strategies proactively.

Our Global Workforce Flexibility initiative involves hiring employees and making the best staffing choices available to address the core business needs by using advanced headcount planning, balancing the mix of permanent and flexible employees, combining internal and external hiring as well as retention strategies and predictable cost management. By using this approach, participating sites have been able to define specific roles and skill plans for potential business wins, particular hiring channels and costs to execute this plan.

In 2016, we plan to expand the program by developing and implementing an enhanced comprehensive staffing planning process to address short-term and long-term staffing needs.

## Prevention of Slavery and Human Trafficking

At Celestica, the use of slavery and human trafficking and child labour is strictly prohibited. To prevent the occurrence of forced or child labour, we have implemented local labour policies and practices.

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. At Celestica, workers shall not be required to pay employers or agent recruitment fees or other aggregate fees.



### OUR MANAGEMENT APPROACH

- Execute our Learning 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 Supplier Responsibility Management System mirrors the LMS



For further details on our policy statement, please refer to the Sustainability section at [WWW.CELESTICA.COM](http://WWW.CELESTICA.COM)



## Prevention of Child Labour

We have an established global policy that contains the principles and procedures used to guide Celestica's managers and employees regarding the prevention of child labour. The intent of this policy is to prevent child labour within our operations, provide guidance in situations if child labour is identified and provide control practices and guidelines for protecting youth workers and discovered child workers.

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.

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.

To ensure that incidents of slavery, human trafficking or child labour are absent from our operations, Celestica conducts audits in accordance with the EICC audit standards. These audits are both internal and third-party audits, of which slavery, human trafficking and child labour are key elements. Every two years an internal audit is conducted at each of Celestica's sites and, after each audit, it is confirmed that we do not have any operations at significant risk of being exposed to slavery, human trafficking or child labour.

Making sure our supply chain is not at risk of these elements is as critically important. The process controls and monitoring initiated through our SCM Supplier Responsibility Management System addresses the BCG and the EICC Code to which our company is committed. A more detailed discussion of these issues can be found in the Sustainable Solutions section of this report.

## Foreign Migrant Workers

To Celestica and our stakeholders, it is extremely important that our foreign migrant workers are treated fairly and with dignity.

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 some countries or regions.

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.

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.



### 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



## Labour Conditions: Reducing Excessive Working Hours

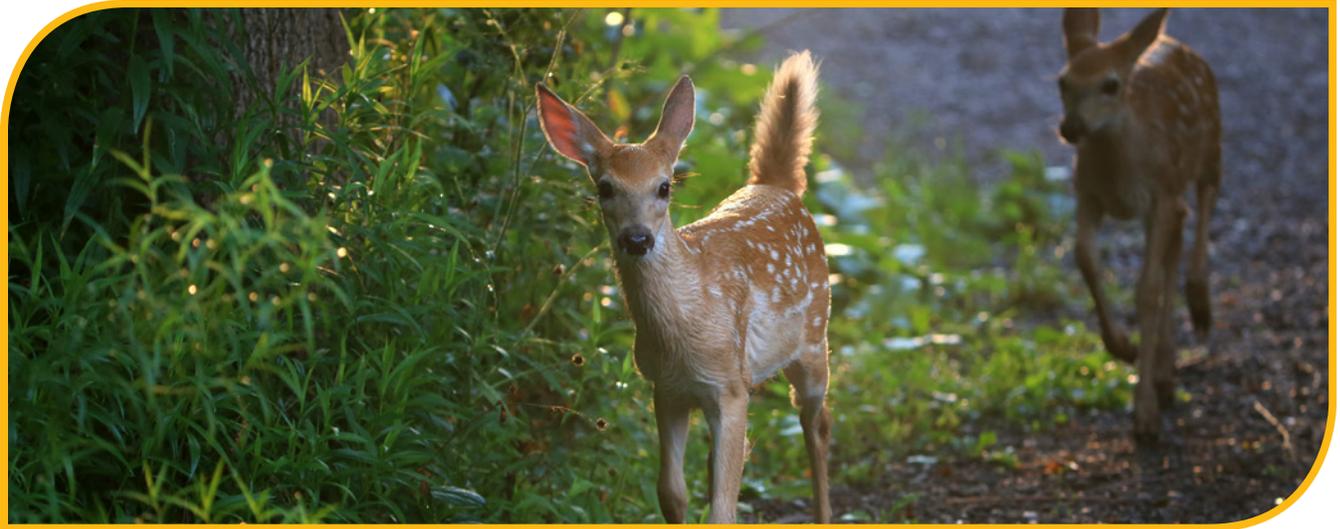
It is important to both our customers and our employees that working hours at Celestica be monitored and controlled. A work week should not be in excess of 60 hours, and this includes overtime. In emergency or unusual situations, additional hours may be worked. Celestica has limits and controls in place to manage these working hours, to promote employee wellness, and to ensure that employees have one day off per seven-day work week.

Celestica's Working Hours Policy is a global program that specifies the allowable limit of working hours and the compensation for hours worked. When management approves overtime, employees may agree to additional hours but are not obligated to work beyond their regular scheduled hours. If they agree to work these additional hours, management and employees must be sure that these hours do not exceed the work hour limits and work week limits for their respective jurisdiction. Each overtime-eligible employee is responsible for knowing their regular scheduled hours of work. If overtime is approved, both employees and managers are accountable for knowing their individual responsibilities, which are outlined in the policy.



### OUR MANAGEMENT APPROACH

- Ensure the global Working Hours Policy is reviewed and that 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

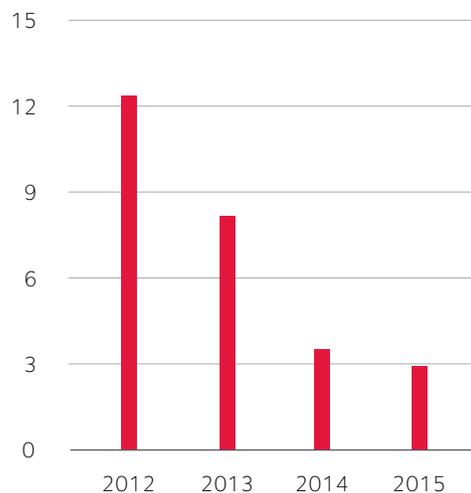


In 2013, we shared our 2016 year-end aspirational goal to achieve 100 per cent compliance with EICC best practices on working hours. In 2015, we have continued our efforts to identify root causes of overtime, develop and implement specific site action plans to improve excessive overtime in the affected sites.

We also collaborated with our customers and external partners to understand areas of improvement.

We will continue to leverage our experience in the regions and put forth our best efforts next year to achieve our 2016 aspirational goal on working hours.

**Figure 4.5:** Annual Percentage of Employees Working More Than 60 Hours



**1.53%**

Ended December 2015 with only 1.53% of employees working more than 60 hours per week

# OCCUPATIONAL HEALTH AND SAFETY

Across our global workforce, the prevention of occupational illness and injury is a top priority. Celestica's leadership is committed to promoting and maintaining a safe and healthy workplace for all our employees.

Employees at our global operations work in electronics manufacturing, automated manufacturing, as well as in complex mechanics, which can mean they are subject to a variety of hazards and risks. While accounting for individual site program differentiation and focus, Celestica has found that using the foundations of internationally recognized standards and codes, coupled with our own internally developed minimum requirements, allows us to integrate and align our global operations to maintain high safety standards.

Globally, we have defined a framework whereby all sites are required to measure and report on their EHS performance regularly. Our proactive approach to safety and risk management at Celestica enables us to achieve and maintain safe workplaces throughout our network. Our global EHS team is responsible for the following:

- Creating, managing and executing robust internal and external audit programs
- Identifying risks and proactive risk management measures
- Developing and communicating safety training materials
- Harmonizing key process indicators, globally



## OUR MANAGEMENT APPROACH

- Make responsibility for safety a core value of our operations for everyone
- Report on environmental, health and safety performance on selected metrics at each site
- Evaluate processes for effectiveness
- Conduct third-party legal compliance audits
- Perform internal peer assessments within each region
- Conduct customer-focused audits
- Align with internationally recognized EHS Management System requirements
- Provide additional support to sites requiring improvements

Our lost-time accident rate for 2015 was 0.06, a

**75% IMPROVEMENT**

over the baseline year of 2006.

Our global EHS Management System is aligned with the principles of internationally recognized standards and codes such as ISO 14001 and OHSAS 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. Our manufacturing sites have designated EHS personnel responsible for managing and addressing compliance with local requirements and changing circumstances in the business that may require additional focus. EHS highlights from 2015 include:

- Creation and deployment of custom global EHS training for all employees throughout the network in the language understood by the workers
- Our lowest recorded lost-time incident rates to date
- Multiple sites held EHS weeks or days to promote safety and environmental awareness
- Our manufacturing sites conducted over 200 safety committee meetings and 625 EHS-focused workplace inspections
- Our leadership conducted over 300 safety-focused Gemba walks
- Creation and deployment of “Safety Posters” throughout the network that were translated into the local languages

Our lost-days rate of 1.13 was a

**70% IMPROVEMENT**

over our baseline year of 2006.

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

Our sites around the world engage in emergency response drills and training – often attended by local authorities and/or hosted by industry professionals. In fact, our Oradea site even entered a nationwide firefighting skills competition and came in second place. Our lost-time incident rates improved dramatically in 2015. One of the reasons was the focus and determination of our Singapore and Malaysian sites, each of which participated in joint workshops and improvement plans with global EHS.

# MANAGING PERFORMANCE

Celestica's Performance Management program is a critical tool for aligning employee objectives to our overall company priorities.

We believe that a fair and objective Performance Management process is vital to the ongoing development, success and engagement of our employees. Our Performance Management program is designed to drive a high-performance culture by identifying and recognizing top performers, motivating above-average contributors to perform at their peak and supporting the development of low contributors so they can contribute effectively. As equally important, it informs employees on how their roles support the company strategy.

In addition, the Performance Management program enables regular dialogue between employees and managers in the planning, coaching, monitoring and evaluation of employee performance. Annual performance reviews are conducted each year, and all of our full-time employees participate in these reviews. Performance reviews for contract or third-party employees are not conducted.



## 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



## GLOBAL LEARNING AND DEVELOPMENT

At Celestica, we promote employee growth within, and movement across, the organization. Because we believe in building a strong global workforce, we design learning and development programs that not only attract, retain and develop employees, but also encourage employees to expand their knowledge and to foster personal growth and development by taking on new roles and responsibilities.

### OUR MANAGEMENT APPROACH

- Align our learning and development to the company strategy
- Harmonize learning across the global organization to ensure consistency
- Align with our Brand, core Values and local culture
- Implement learning and development programs to enhance the ability of our employees 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

## Strive Learning and Development Program

To support employees in their development journey and to raise awareness of the importance of ongoing learning as a strategic imperative, we launched our Strive program.

Through the Strive program, we offer over 100 courses and links to training in specific areas of expertise that can help employees increase their knowledge and capabilities.

In addition to the online courses offered through Celestica's Strive program, practical on-the-job work experience is highly effective in helping employees develop professionally and meet their individual career goals.

## Global Programs

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 44 Skillsoft courses that allow for just-in-time learning, helping employees develop soft skills in such areas as communications, project management and leadership.

### Skillsoft Leadership Advantage Portal

The Skillsoft Leadership Advantage is a portal featuring leadership learning tracks that leverage industry best practices and the minds of top business executives.

### Harvard ManageMentor®

The Harvard ManageMentor® program, an on-demand e-learning solution, was available to Celestica's high-potential employees and was opened up to all managers and above for the last half of 2015.

### 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 market segment and customer insights.



## Functional Learning and Development Programs

At Celestica, we have a continued focus on learning and development in each functional area of our company. We believe in providing employees with learning opportunities tailored to their chosen career paths.

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.

Many functional teams have implemented Talent Dynamics to help employees identify their strengths and to help teams work together more collaboratively and efficiently.

### Finance

In 2014, the Controller's Gold Standard certification process was introduced and was followed up in 2015 with a comprehensive Finance Business Partner training program which consisted of four modules: strategic decision-making, Excel modelling, executive presentations and continuous improvement. This innovative program aligned with Celestica's Finance NEXT vision to provide employees with the skills and attributes necessary to be strong business partners who offer strategic insight while driving profitable growth.

Celestica's Toronto site also became certified as a Chartered Professional Accountant (CPA) Approved Training Office in October 2015. CPA candidates are now able to fulfill their 30-month practical experience requirements required to obtain their CPA designation through a number of roles within Celestica's corporate finance departments. Each year, Celestica's global Finance employees are required to complete three days of formal training. By the end of 2015, 97 per cent of Finance employees had completed this requirement, up from 94 per cent in 2014.

In 2016, we will continue our focus on continuous improvement opportunities through the implementation of Lean Six Sigma practices in finance, targeting global standardization and simplification of processes.



## Human Resources

In 2015, the Human Resources development strategy was focused on enhancing knowledge, skills and abilities that help Human Resources to add value to the business. By the end of 2015, 80 per cent of the Human Resources leadership team attended development sessions that focused on data analytics, Lean and change management.

## Information Technology

Celestica's IT team recently adopted an innovative analytics-based approach to talent development and increased employee engagement, improved cross-team collaboration and delivered results in uncommonly challenging transformational programs. This approach integrates additional insights and the principles of "strength-based leadership" into our overall talent development strategy.

The IT development strategy continued to leverage Talent Dynamics to help teams work more collaboratively and efficiently. In 2015, 78 per cent of full-time IT employees participated in Talent Dynamics to understand how their strengths can be best utilized within their function.

In 2015, the IT team created a Learning and Development platform called AmbITion. This platform allows employees to unlock the potential of their natural strengths and reach new heights in their

professional development. The AmbITion portal also allows employees within the IT organization to collaborate more effectively by understanding how their natural strengths and skills complement a given project or initiative. In 2016, this platform will be implemented globally as a part of the Strive program across all functional teams.

## Lean University

Lean University is a Celestica-run program aimed at providing the company's leadership team with a week-long Lean training event and Kaizen experience. In a Lean University event, managers, directors and executives participate in a combination of classroom learning and hands-on activities in order to 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. Celestica has run multiple Lean University events in each of our three regions around the globe.

Throughout 2015, multiple week-long events were run. In addition, leadership teams from the support functions participated in one-day executive Lean University events. These one-day, abbreviated training events have proven to contribute to the energy and passion our support function leaders have in driving Lean thinking and behaviours through our broader enterprise. The Lean University program will continue in 2016.



## Supply Chain Management Learning Academy

The Supply Chain Management Learning Academy ensures that SCM employees have the necessary learning opportunities to acquire the right skills, knowledge and behaviours they need to fulfill their roles. The Academy consists of learning advocates from all of Celestica's supply chain disciplines, sites and regions whose teaching and programming provide the necessary skills, knowledge and expertise to unlock the potential of our SCM professionals.

Employees attending the Academy are evaluated through an assessment process, which identifies gaps in learning within the basic, intermediate and advanced levels. All SCM employees complete a self-assessment and receive an assessment from their managers, the results of which highlight gaps and certification at each level.

At Celestica, we know that having well-trained SCM employees leads to the right business decisions that yield great customer service and excellent business results. As of this year, more than 10,000 SCM employees have completed the courses, which exceeds our target, and we have expanded from 12 learning paths to 13, which now include customer program management.

## Global Learning and Development Hours

Celestica has invested in two technology solutions, EtQ and the Learning Management System. With this investment, Celestica has been able to access and report learning and development hours globally. In 2015, we realized significant expansion of our training programs for many global functional teams.

As a result of continuing to expand programs and implement mandatory functional training requirements, we have seen a significant increase in the global training hours reported year-over-year.

In 2015, 92 per cent of the recorded training hours were in Asia, 5 per cent of the training hours were recorded in the Americas and 3 per cent were recorded in Europe. Similar to 2014, more females took development courses in 2015 despite the fact that the gender distribution of our global workforce is fairly even. Finally, in 2015, 99 per cent all of courses were taken by regular employees and 1 per cent of the courses were taken by contract employees.

In 2016, we will be expanding the Learning and Development program to include a Customer Focused Team Academy that will concentrate on developing the capabilities of our global customer focused leaders and their teams.



# EMPLOYEE RECOGNITION

Celestica’s goal is to create an environment of engaged employees who feel acknowledged for their contributions. Employee recognition is essential to creating that environment and is important to our investors and major stakeholders. Our programs are designed to recognize Celestica employees, who are achieving business results by living our Brand and Values – behaviours that are essential to our success.

The three recognition programs that we have implemented at Celestica are the Bravo! program, Operations Central and our annual Changing the Game Awards program described in further detail in this section.



## 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

## Bravo! Program

Celestica’s Bravo! program was created to foster employee engagement and all employees are invited to recognize those who support Celestica’s strategic goals. The rewards can range from thank-you notes to gift cards to cash awards. The program continues to increase in usage and employees are encouraged to reward one another for excellence in their day-to-day work.



10,771

Bravo! Awards were given to employees in 2015, a 16% increase from 2014.

## Operations Central “Best of Best”

Employees with outstanding Lean Six Sigma solutions are honoured each quarter at Celestica. Known as the Operations Central “Best of Best” Savvy Solutions, the awards are given to employees who have improved operations at Celestica by submitting a successful solution to our Operations Central collaboration tool. Lean Six Sigma solutions are recognized in three specific categories: quality improvement, waste elimination and business process velocity.

In 2015, we began encouraging users to share their sustainability solutions in the Operations Central collaboration tool. To better accommodate these types of solutions, we have added “Sustainability” as a solution type and have added sustainability tags for energy/greenhouse gas reduction, overtime reduction, waste diversion and water conservation to aid in solution searches, data gathering and report building. In 2016, we plan to add a fourth Operations Central “Best of Best” Award category for Sustainability. This award will recognize a solution that has a significant impact on our aspirational sustainability goals through energy/greenhouse gas reduction, overtime reduction, waste diversion or water conservation.

## Changing the Game Awards

Celestica’s Changing the Game Awards program was created to recognize the individuals and teams that go above and beyond in driving business results, supporting our growth and making Celestica a great place to work. The Changing the Game Awards recognize the individuals and teams who deliver strong results and model the Brand behaviour, Values and business savvy that we aspire to as a global organization. There are nine award categories:

- 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 Award
- Rising Star Award

As part of the Changing the Game Awards program, Celestica also recognizes sites and teams with prestigious Pinnacle Awards. These awards honour 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.



In 2015, we received 286 Changing the Game Awards nominations and had 2,200 individual nominees, including over 1,600 employees who received one or more nominations.



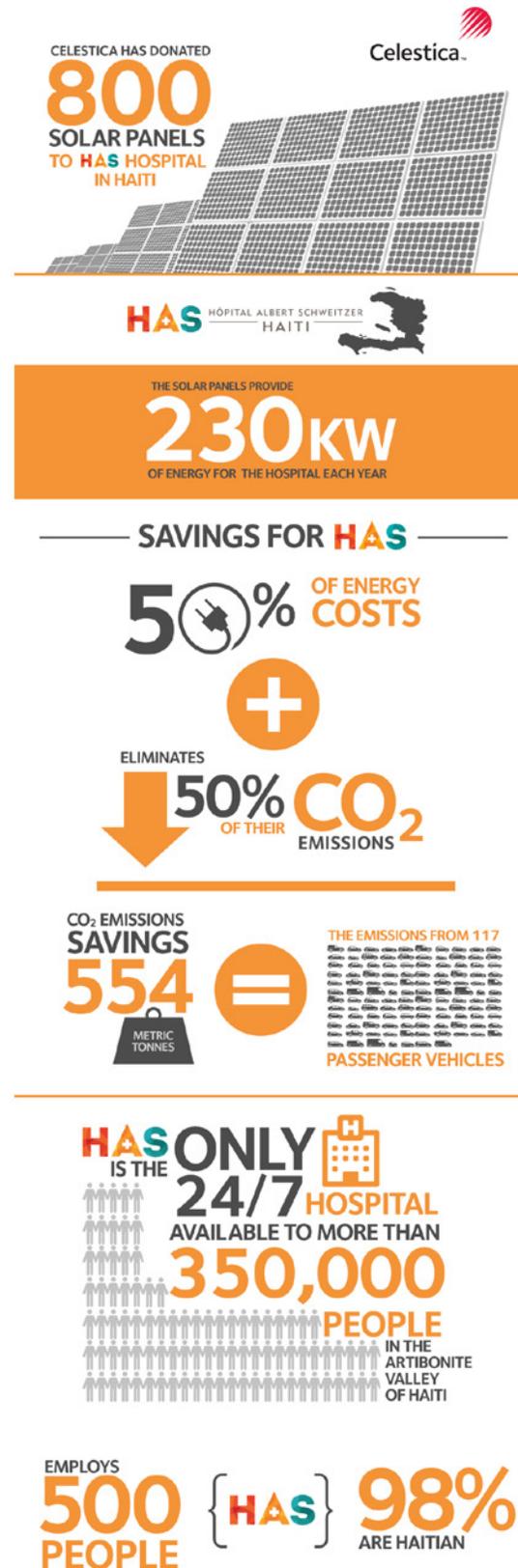
In 2016, we will be celebrating our 10-year anniversary of the Changing the Game Awards program.

## Changing the Game Awards: Spark Change Award Winner

The Spark Change Award honours an individual or a team that 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.

In 2015, the Spark Change Award was given to the Haiti Solar implementation team. This story was featured in our 2014 Sustainability Report. The idea for the project grew from an observation during an employee's visit to Haiti that the Hôpital Albert Schweitzer (HAS) could leverage solar power as a source of energy. Each year HAS spent over \$400,000 on diesel to run its off-grid generators, an expensive and unreliable solution as there is no backup for frequent brownouts. The employee, along with our sustainability manager and a cross-functional team, worked tirelessly over the next two years to turn this idea into reality.

The team worked with the hospital to build their case for change, collaborated with an international consortium to manage the installation of the panels in Haiti. In October 2014, 800 solar panels donated by Celestica were delivered to the Haiti hospital. In 2015, the solar project made great strides. The diesel generators can now be completely shut down for a portion of the day, providing considerable reductions in energy costs and carbon dioxide emissions. The hospital will continue to strive to achieve peak performance in an effort to reduce energy costs by 50 per cent and reduce CO2 emissions of roughly 554 metric tonnes each year.



# EMERGING TRENDS

The trends below emerged in 2014 and continue to increase in importance at Celestica. These trends are not required to be fully disclosed, but we have found them to be important at Celestica and discuss them below: diversity, inclusion and equal opportunity; new hires at Celestica; turnover of our global workforce; and global wellness.

## Diversity, Inclusion and Equal Opportunity

At Celestica, gender 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 4.6 below.

Celestica is focusing on 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 21 per cent in 2015, an increase of 2 per cent over 2014. 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. Celestica also encourages lateral job movement as an important means of development. Celestica increased the lateral moves for women at the leadership level in 2015.

Celestica’s Toronto site also has a volunteer women’s organization, the Women’s Collaboration Forum, that is committed to developing and enabling women, engaging men and creating an organization that promotes an inclusive and diverse environment. In 2016, the Women’s Collaboration Forum is looking to expand into other Celestica sites.

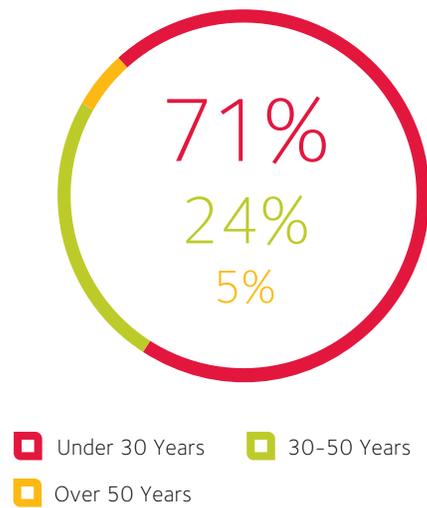
Celestica continues to focus on improving gender diversity in our workplace and helping minority groups where possible through inclusive activities, local community outreach programs and employee volunteer driven events.



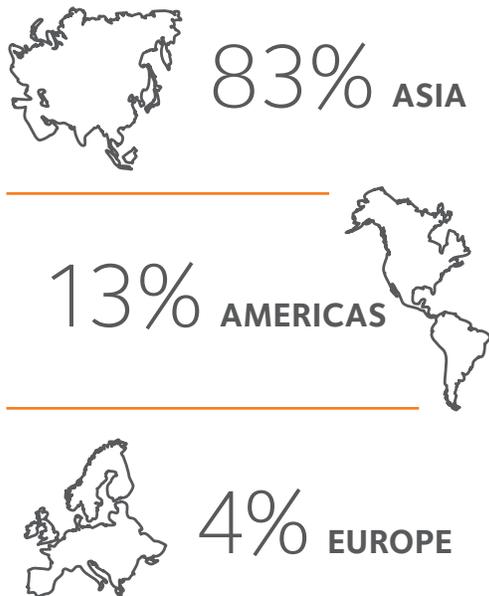
## New Hires at Celestica

At Celestica we track our new hires and our voluntary turnover rates by region to ensure that we have enough employees with the right skills to meet all of the business requirements for our global customers. In 2015, Celestica hired or re-hired 6,716 employees, up from 4,204 new employees hired across all regions in 2014.

**Figure 4.8:** New Hires by Age



**Figure 4.7:** New Hires by Region



**Figure 4.9:** New Hires by Gender

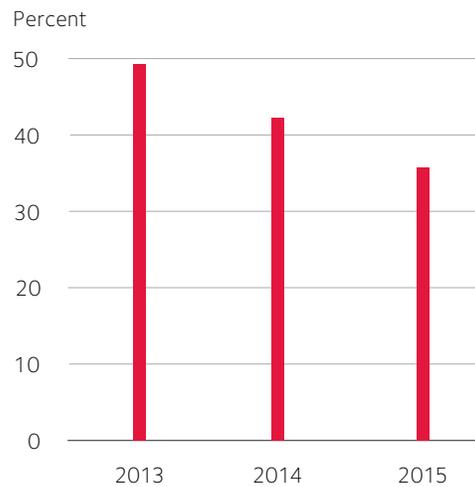


## Turnover of Our Global Workforce

We continue to focus on developing and implementing programs that drive employee engagement and help reduce global turnover. On an ongoing basis, we track global employee turnover data as a key performance indicator by region, site and gender.

In 2015, our global voluntary turnover rate was 30.4 per cent, down from 35.5 per cent in 2014 and from 40.7 per cent in 2013, demonstrating great progress in employee retention over the last two years. Historically, our voluntary turnover has been higher in Asia than the other regions in which we operate, which is common for our industry. However, we have seen considerable improvement from our annualized voluntary turnover in Asia over the past few years as shown in Figure 4.10.

**Figure 4.10:** Voluntary Turnover In Asia



We will continue to maintain open dialogue with employees and monitor employee feedback to determine which programs to implement globally, or regionally, that will drive employee engagement across our organization. In 2016, we plan to launch our Your Voice employee engagement survey to all members of our global workforce that will provide valuable insights on employee retention.

# Global Wellness

At Celestica, the health and wellness of our employees is of paramount importance to us. Our sites around the globe design and initiate programs that facilitate employee awareness and knowledge at their sites that foster employee engagement and reduce the risk of illness or injury.

Some examples of these programs include implementing local wellness policies to effect positive change; annual employee health checks; and some of our sites in Asia have also implemented medical centres to help provide better medical care to employees. In addition, sick leave programs, paid time off and other benefits exist on a regional or site level to support employees when they become ill.



Employees at each site actively contribute to Celestica’s wellness programs and their input also helps drive improvements in subsequent years by determining which health topics are of most interest to our employees in each region. As a result, many sites implement different wellness initiatives and programs each year. Below are a few examples.

In Monterrey, Mexico, the site organized a health and wellness campaign that included a conference to discuss disease prevention, breast cancer, vision, hearing, diabetes, cholesterol and managing a healthy weight, and chronic degenerative diseases. They also learned how to make organic milk and held an organic products exhibition.



In Toronto, Canada, the site organized a Farm to Table program by partnering with a local community-shared agriculture company. An annual wellness fair, physical activity challenge and on-site exercise classes – Zumba, Pilates, Tai Chi and Yoga – were made available to employees. Workshops on cancer prevention and diabetes and a body analyzer event for employees to be tested on health metrics, including a BMI, were also held.

In Oradea, Romania, 100 employees attended a “Let’s Ride for Nature” event in an effort to bring awareness to environmental issues and to help protect the environment. The Oradea health week focused on a positive attitude and a better life.



In Laem Chabang, Thailand, the site focused on family care training programs and disease prevention seminars for health issues found more prevalent in this geographical location. The site organized events including blood donor clinics, community food markets offered at the canteen, and growing vegetables, rice and other sustainable foods. The employees also implemented a bicytron station to encourage exercise and wellness: 250 employees rode one of seven bicytrons for an average of five minutes per day to generate 4.4 kWh of energy daily that was used to power the LED lighting in the motorcycle park during the night shift.



In Hong Kong, China, the site implemented an Employee Relations Committee that organized recreational activities, including dragon boat training, stretch/exercise classes, as well as an Environmental Hygiene Protection event with regular cleaning, pest control and water and air quality testing. Employees were provided with fruit and vegetables at monthly events to promote health and wellness.

At the Shanghai Design Center in China, organized sports clubs were made available for employees that included basketball and badminton. The social aspects of these team sports were equally important for employee wellness.



In Miyagi, Japan, stretch and exercise classes to improve metabolism were promoted together with healthy meals provided by the site canteen. The measurement of wellness included stress checks for managers to raise their awareness of employee mental health.



In Song Shan Lake, China, there were on-site recreational clubs that boosted activities through ping pong, dancing and soccer.

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

In 2016, we hope to continue to make wellness a priority at Celestica. We will continue to focus on our employees' well-being by implementing a global policy and establishing committees with regional leaders to promote a healthy and strong workforce.



## 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. We also leverage 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

Celestica has developed, documented and deployed a streamlined global approach to Environmental Management Systems at our locations. Our Environmental Management System is well-suited to our business diversification and unique corporate culture. We believe that having standard corporate Environmental Management System guidelines for our sites provides us with a strong platform on which to serve our customers, mitigate our impact on the environment, reduce risk and realize year-over-year improvements.

### OUR MANAGEMENT APPROACH

- Globally deployed Environmental Policy
- Environmental program standards, guidelines and management programs (e.g., resource conservation and pollution prevention, waste management and energy management)
- Environment, health and safety representatives at all Celestica sites
- ISO 14001 certification at most 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 environment, health and safety consulting company
- Globally deployed EHS training

Each of Celestica's sites is responsible for its own Environmental Management System that depends on the specific nature of its operations including infrastructure, products manufactured, services provided and on local environmental requirements. Currently, 80.4 per cent of our square footage is registered to ISO 14001. Each site is also guided by our Global Environmental Policy and our associated program standards. To achieve full conformance with the EICC Code, local regulatory requirements and sustainability goals, we have implemented robust management frameworks that assist our sites in attaining these objectives.



## 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

The importance of Celestica's compliance with environmental laws and regulations is of paramount importance at each of our sites, and the risks of non-compliance are well understood. Our proactive approach to mitigating and controlling risk is outlined in our top-level EHS manual, which directs each site on the requirements for identifying and complying with local applicable regulations and outlines risk assessments for identifying operational impacts. All legal compliance requirements are overseen by EHS teams. Both site and global teams exercise controls that ensure the requirements are known, understood and integrated into the site's management systems and daily business operations. Together, these components ensure an environmental compliance program that includes, but is not limited to:

- Evaluation of EHS legal compliance through third-party EHS regulatory compliance audits
- Subscription to ENHESA, a global environmental, health and safety consultancy
- Identification and deployment of site-specific legal requirements per manufacturing location
- Linkage of local legal requirements to site activities and environmental impacts

## GREENHOUSE GAS EMISSIONS

Climate change continues to be a concern and, years ago, Celestica began taking important steps towards mitigating our impact on the environment to drive improvements on our emissions performance globally. Various initiatives and projects have been put in place, as well as publicly reporting on our overall carbon footprint.



### OUR MANAGEMENT APPROACH

- Leverage sustainability software to track and gain insights on our global emissions
- Focused transparency through reporting emissions to the CDP and continually improving disclosure and performance scores
- Independently verifying our emissions in accordance with ISO 14064-3:2006
- Setting annual targets for emissions reductions at all of our sites to ensure we stay on track to meet our 2020 goal

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 monitor, report and verify our GHG emissions. Electricity remains the largest source of GHG emissions at our operations. The second largest GHG emission source is the combustion of natural gas and fuel oil used in the heating of our buildings. Using dedicated sustainability software, our sites track their monthly environmental data, including energy consumption. The software manages specific emission factors for each location to convert the energy data into GHG emissions. Celestica accounts for 100 per cent of the emissions from our operations from which we or one of our subsidiaries has operational control.

This tool allows each Celestica location to see where its largest sources of GHG emissions are and help to establish a plan for improvement. The gases included in the calculation of our emissions are CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub>. 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.

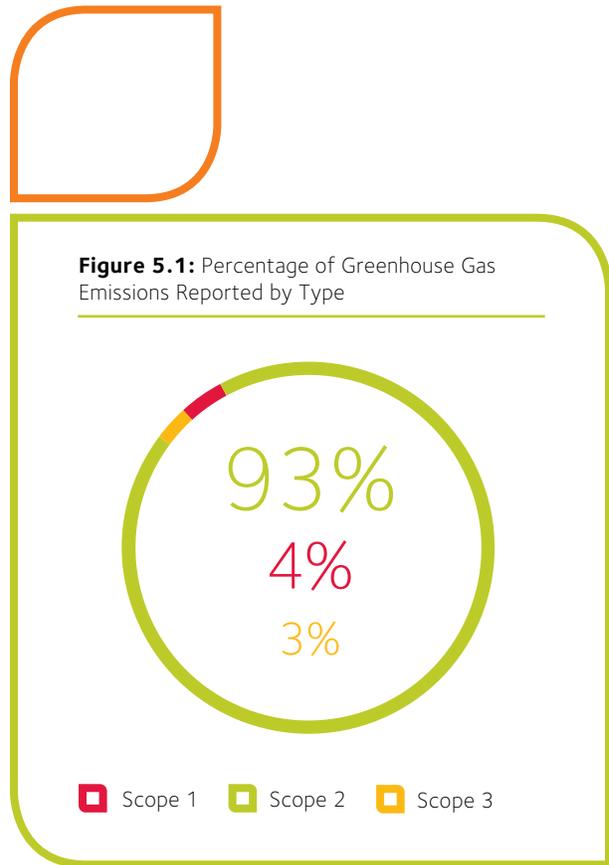
Based on successful projects from previous years, as well as newly identified ideas in 2015, we continued to find opportunities to reduce our GHG emissions primarily through energy reductions. Many ideas that were shared by one site were implemented at other locations worldwide.



Seeing value in previous independent verification of our GHG emissions, Celestica once again 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 will be included in our 2015 public disclosure to the CDP, available at [www.cdp.net](http://www.cdp.net).

As shown in Figure 5.1 approximately 93 per cent of our overall emissions are a result of the electricity (Scope 2 emissions) we use to run our operations. Electricity is primarily used for lighting, HVAC systems and to run manufacturing equipment. Combustion of natural gas and fuel oil (Scope 1 emissions) are primarily used for heating, back-up generators and cooking in our cafeterias/canteens. This accounts for approximately 4 per cent of our overall GHG emissions. These emission sources make up Celestica's Scope 1 and Scope 2 emissions.

In 2015, total emissions decreased by approximately 3 per cent when compared with the previous year, which is a direct result of energy reduction initiatives at our facilities. In 2015, our Scope 1 emissions increased by 11 per cent, caused by an increase in natural gas usage, outweighing a decrease in fuel oil consumption. Scope 2 emissions, representing 93 per cent of our overall emissions, decreased by 5 per cent compared to 2014. Our Scope 3 emissions now represent 3 per cent of our total emissions, up from 2 per cent in 2014, due to an increase in employee travel.



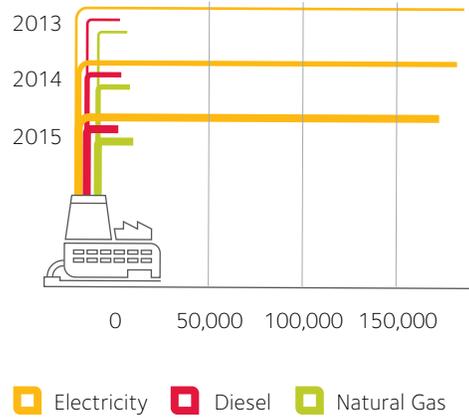
**Figure 5.2: Direct and Indirect Greenhouse Gas Emissions (metric tonnes CO2e)**

Emissions Type	2013	2014	2015	Notes
Direct Emissions (Scope 1)	7,523	7,524	8,331	Fuel oil/diesel, natural gas
Indirect Emissions (Scope 2)	185,585	183,484	174,742	Electricity
Indirect Emissions (Scope 3)	4,959	3,998	5,932	Travel and landfill waste
<b>Total CO2e Emissions</b>	<b>198,067</b>	<b>195,006</b>	<b>189,005</b>	

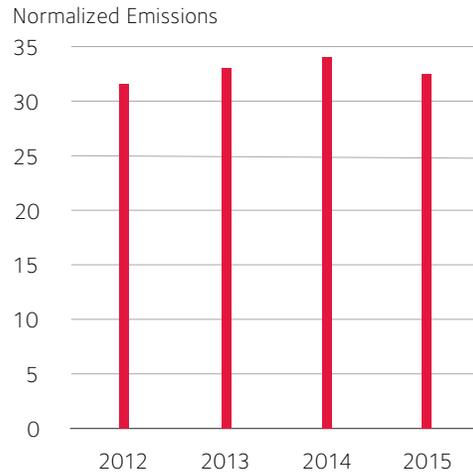
At Celestica, we are committed to reducing our absolute GHG emissions by 30 per cent compared to 2012 levels by 2020. This goal focuses on direct and indirect emissions from our operations (Scope 1 and Scope 2). We set our baseline in 2012, as this was the year that we began tracking our GHG emissions on a monthly basis using sustainability management software. Since 2012, our absolute emissions have decreased by 10.6 per cent.

Although we have seen a steady downward trend in absolute emissions since 2012, our normalized emissions have fluctuated over the last three years. In 2015, our normalized emissions were reduced compared with 2014, as shown in Figure 5.4. In 2016, we will focus on identifying methods to reduce energy consumption through ISO 50001 implementations and through projects targeting energy consumption from direct production equipment usage.

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



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



## Scope 3

In 2013, we began tracking Scope 3 emissions from employee travel and from 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.

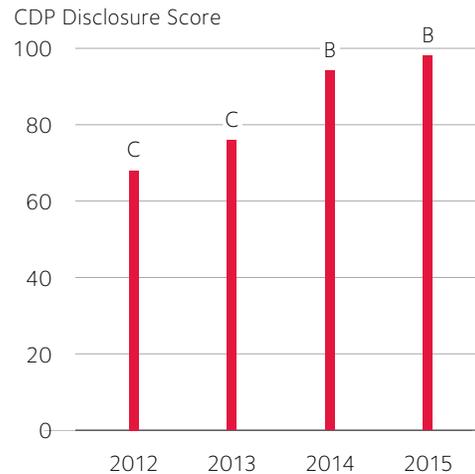
## Emissions Disclosure

Comprehensive disclosure of our sustainability performance is key as we move forward on our sustainability journey. Celestica continues to be committed to reporting our progress transparently, and, since 2009, we have disclosed our GHG emissions to the CDP. Please visit [www.cdp.net](http://www.cdp.net) for more information.

In 2015, we improved our disclosure score year-over-year, receiving a disclosure score of 98 out of 100. Our performance band score was maintained at a B. The disclosure score focuses on transparency and the performance score focuses on tangible improvements made by the organization.

Improvements from 2014 to 2015 are attributed to more thoroughly identifying risks and opportunities and incorporating these into action plans. This year, Celestica was included in the CDP Canada 200 CDLI, 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



# ENERGY

In 2015, 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
- Increasing our use of renewable energy to reduce our demand on the power grid

In 2013, Celestica developed an energy roadmap to ensure our energy conservation was sustainable, and Celestica continues to use this roadmap at each of our global operations.

During the second half of 2015, new opportunities and projects were identified that led to additional reductions in emissions. Examples of projects included lighting retrofits, replacing old production support equipment and HVAC upgrades. Through the ongoing implementation of targets, tools and training at each of our sites, participation in energy reduction initiatives continues to improve.

## Energy Management Certification

Celestica has adopted ISO 50001:2011 Energy Management Systems for its global operations. This standard provides our sites with management strategies and a recognized framework to increase energy efficiency, reduce costs and improve energy performance. The ISO 50001 standard is based on the management system model of continuous improvement, also used for both ISO 9001 and ISO 14001 standards, which are already understood and implemented at Celestica. These efforts ensure that energy management continues to be embedded into our operations. Currently our locations in Oradea, Romania and Valencia, Spain are registered to ISO 50001. It is expected that by the end of 2016 sites representing over 55 per cent of the electricity demand will be registered to the ISO 50001 standard with the balance completed in a reasonable time frame.

Celestica's direct energy sources are primarily made up of fuels from non-renewable sources such as natural gas for heating and diesel for backup generators, whereas Celestica's indirect energy source is electricity. Notwithstanding many energy reduction initiatives completed in 2015 and an overall GHG emissions decrease of 3 per cent, both direct and indirect energy consumption slightly increased by 1.4 per cent over the past year. The increase in direct energy consumption is primarily attributable to a colder than average winter for our Toronto, Canada operations. Our indirect energy consumption increased primarily as a result of the addition of a new site in Mississauga, Canada; excluding this addition, our indirect energy consumption decreased by 1.5 per cent.

Since our baseline year of 2012, energy consumption for these sources has decreased by 22,338,118 kWh.

Celestica's direct and indirect consumption since 2012 is included in Figure 5.6.



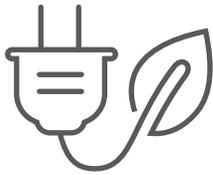
Our decrease in energy consumption represents a **5.6%** decrease in total kWh since 2012, equivalent to the average annual energy of **1,405 HOMES.**

**Figure 5.6:** Energy Consumption by Year (kWh)

Energy Performance Indicators	Units	2012	2013	2014	2015
Direct Energy Consumption by Primary Energy Source	kWh	36,895,719	35,719,805	36,093,810	40,320,040
Indirect Energy Consumption by Primary Energy Source	kWh	360,992,657	341,540,831	334,158,394	335,230,218
Total	kWh	397,888,376	377,260,636	370,252,204	375,550,258



Recent site-led initiatives have resulted in significant energy savings. Through our Sustainability Working Groups, these ideas are shared and leveraged throughout our global network. Examples of these initiatives are described below.



**SUSTAINABILITY  
WORKING  
GROUPS  
INITIATIVES**

In Laem Chabang, Thailand, updated operational flows resulted in

**120,000 kWh  
OF ENERGY SAVINGS AND OVER  
3.1 million  
cubic metres  
OF NATURAL GAS ANNUALLY.**

For further details, please see the Case Study in the Sustainable Solutions section of this report.

In Suzhou, China, the team worked on projects

**REDUCING THE ENERGY  
DEMANDS OF THE SITE BY**

**850,000 kWh**

annually. Projects included replacing old building infrastructure equipment, using excess heat from process equipment and installing solar LED lamps outside of the facility to replace old lamps and a system consisting of solar panels and LED lighting to cover employee parking areas.

In Valencia, Spain, the team worked on identifying leaks in the compressed air system that runs through the majority of the facility. By identifying and correcting all of the air leaks

**THE SITE WILL SAVE**

**60,000 kWh**

**OF ENERGY CONSUMPTION  
ANNUALLY.**

LED lighting projects were implemented in a number of factories, including Johor Bahru, Malaysia; Kulim, Malaysia; Hong Kong, China; Ontario, California; San Jose, California and Oradea, Romania.

**THESE PROJECTS SAVE**

**1.85 million kWh**

**OF ELECTRICITY ANNUALLY.**



## MATERIAL STEWARDSHIP

Material stewardship is important to Celestica. As global waste production continues to increase, and with reduced capacity and increased regulations, Celestica is focused on minimizing our impact on the environment by reducing the waste we send to landfill. 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. These initiatives are equally important to our customers, as well as governments and non-governmental organizations, and to 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 to identify opportunities for focus or improvements
- Utilize the waste management hierarchy to reduce wastes generated, reuse materials where possible and recycle prior to landfill disposal
- Reduce and/or eliminate hazardous waste from our operations

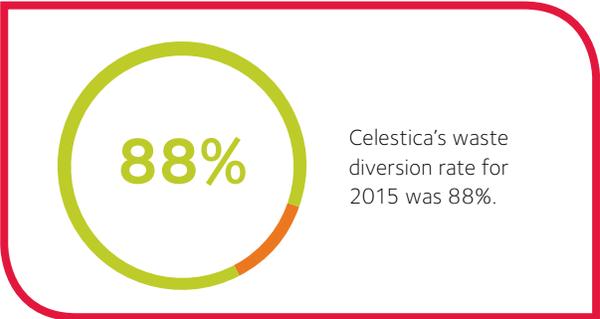
# WASTE DIVERSION

Celestica has consistently increased our waste monitoring efforts in each of the jurisdictions in which we operate in accordance with applicable legislations and laws. These efforts support our commitment to reaching our aspirational goal of achieving 100 per cent waste diversion by 2020.

Each of our facilities has a unique waste composition, and a waste generation and management system is tailored for each location. In 2015, we measured waste from 97.9 per cent of Celestica’s overall square footage (or 93.6 per cent of employees). This represents a 20.7 per cent increase over the square footage measured in 2014, which is a result of adding five sites to our reporting system. These additional sites provide large volumes of waste, most of which is packaging materials and chemicals, which are primarily transferred to downstream recycling partners. Figure 5.7 illustrates the results of our waste generation and management.

**Figure 5.7:** Waste Generation and Management

	2014	2015
	(mt)	(mt)
<b>Square Footage Represented</b>	<b>77.2%</b>	<b>97.9%</b>
Non-hazardous	12,588	13,306
Hazardous	819	2,507
Total Waste Generated	13,407	15,813
<b>Total Waste Disposed</b>		
Landfilled, Recovery (energy), Incineration, Deep Well Injection	1,444	1,370
Hazardous Landfill, Treatment	155	533
Total	1,599	1,903
<b>Total Waste Recovered</b>		
Recycling	11,448	13,370
Reuse	97	90
Organic (including composting)	263	346
Recovery (energy)	0	103
Total	11,808	13,909
<b>Waste Diversion Rate</b>	<b>88.1%</b>	<b>88%</b>



In 2015, hazardous waste increased to 2,507 mt, up from 819 mt in 2014. The increase in hazardous waste is primarily attributable to our increased reporting to include Senai-AMS, Malaysia, that was not previously reported. Celestica recognizes that hazardous waste materials provide the largest risk to the environment, our employees and our customers. One of our largest challenges is the management of electronic waste (eWaste) from our operations. We are continuing to develop systems to properly dispose of this waste across our network. One initiative is the implementation of our new centralized sorting facilities that handle eWaste and transfer eWaste to pre-approved and audited downstream suppliers. At these facilities, the hazardous waste is secured within controlled areas and is managed by highly trained operators. Under their supervision, the waste is safely separated and disposed of.

In 2015, we continued our efforts to track reused materials. Our operations continue to reuse materials such as wooden pallets, ESD bags, plastic trays and cardboard boxes. We are currently unable to measure the full extent of such reuse in our operations, however we do prioritize reuse and will continue to encourage employees to reuse where possible and report if systems are available.

We believe that increased awareness and knowledge of waste management practices has led to improved waste diversion processes across our network. Several sites, including Portland, Oregon; Fremont, California and Johor Bahru, Malaysia, sourced new recycling partners which increased the waste commodities that could be recycled from their facilities.

We 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 in the future.



## 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, separated into their constituent components for more accurate reporting. The results of the 2015 data show that cardboard, wood and plastic represent the largest waste commodities from our operations as shown in Figure 5.8.

**Figure 5.8:** Waste Commodity Breakdown

	2014	2015
Cardboard	35.18%	30.58%
Chemicals	0.69%	9.59%
eWaste	1.96%	1.81%
General	1.30%	0.64%
Glass	0.14%	0.17%
Landfill	11.18%	12.51%
Metal	16.11%	11.63%
Organic	2.63%	2.19%
Paper	2.33%	1.29%
Plastic	14.97%	15.64%
Solder	0.39%	0.53%
Waste-to-energy	0%	0.65%
Wood	13.12%	12.77%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Building reliable partnerships at our facilities begins with choosing downstream waste partners and regularly reviewing their practices for possible improvements to waste diversion. In addition, chosen suppliers are audited to ensure they follow their stated protocols. Celestica will continue to assess our landfill waste through these regular audits, and make every effort to identify opportunities that can increase our overall waste diversion.

After the expansion of our reusable tote program, which uses reusable totes to ship material between Celestica and our suppliers, the proportion of cardboard waste has decreased year-over-year. The reduction is also attributed to the overall waste material composition due to the additional reporting sites. Sites continue to increase their efforts to reduce cardboard waste through additional reuse and reduction initiatives.

Packaging continues to be a significant portion of our overall waste. We will continue to look for opportunities to reduce the volume and, reuse packaging where appropriate and recycle the remaining quantity as needed. We have identified packaging material in our current operations which is difficult to recycle and are working with suppliers to integrate an alternative, more recyclable packaging.

In addition to the waste commodities highlighted in Figure 5.8, the overall percentage of recycled metal waste decreased. This reduction is attributed to quality and operational improvements in locations that historically generate scrap metal waste and to increased metal weights being reported in 2014 as a result of clean-up activities.

We continue our efforts to reduce waste, as well as increase the reuse and recycling of the materials from our operations. In 2015, we began diverting our landfill waste through waste-to-energy methods through approved and regulated facilities. Going forward, we are committed to reducing our overall landfill waste including waste-to-energy volumes.

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



Celestica held its first  
**GLOBAL WASTE  
REDUCTION WEEK**

to promote proper waste recycling practices. Sites conducted various activities, including waste reduction trivia, upcycling competitions, waste sorting challenges and waste awareness talks.

In Toronto, Canada, the

**KICK THE CAN  
PROGRAM**



continued to expand. The program aims to eliminate individual waste baskets to promote the use of centralized recycling bins around the facility.

This initiative helped the site reduce its recycled and landfill waste by

**32%** compared to 2014. After hearing of the success, our site in Monterrey, Mexico, has also eliminated individual waste baskets.

## EMERGING TREND

Water emerged in 2014 and continues to increase in importance at Celestica. This trend is not required to be fully disclosed, but we have found it to be important at Celestica and discuss it below.

### Water

Celestica's water use is generally through consumption in support areas, such as washrooms, drinking fountains and kitchens/canteens. In addition, there are areas within our business where water is used in production processes, and we are committed to reductions through development of closed-loop systems and modified processes in order to reduce or eliminate the need.

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

- Our sites in Suzhou, China and Valencia, Spain replaced existing wash-processing equipment with new and more efficient equipment, saving 915 cubic metres of water annually.
- In Laem Chabang, Thailand, the site implemented a back-wash water recycling for tree watering. This initiative saves Celestica 28,710 cubic metres annually.
- Our Johor Bahru, Malaysia EMS site is recycling water for use in cooling towers, which saves 2 cubic metres per day with an annualized savings of 520 cubic metres.

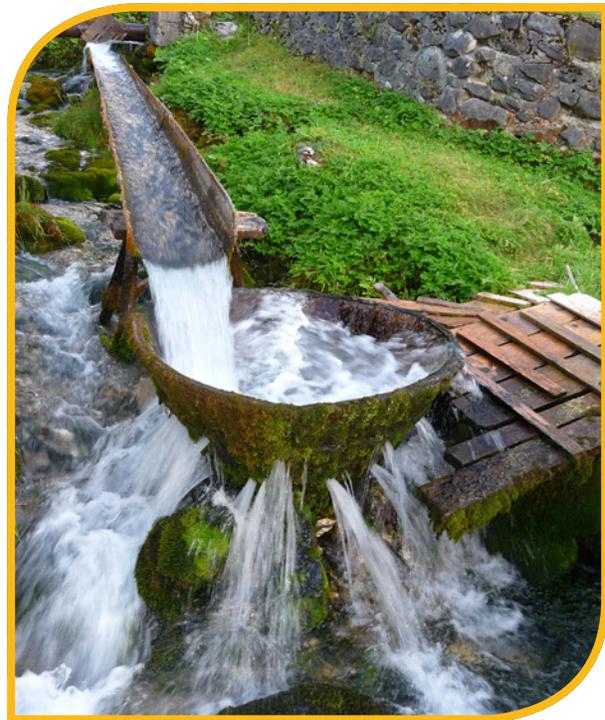


In 2015, the volume of water consumed was

1,449,694

cubic metres, this represents a

3.5% decrease since 2014.





# 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

As our customers continue to look to us for ongoing collaboration in assisting them “green” their supply chains, we are taking greater measures to understand each customer’s products through their entire lifecycle. These measures include reviewing each product’s environmental compliance requirements and environmental footprint, identifying new processes and materials that can help us alter the design of their products so that they are built to meet sustainability goals, and improving end-of-life recycling. Celestica is committed to collaborating with each of our customers to ensure these goals are achieved.

## PRODUCTS AND SERVICES

Celestica’s management approach is designed to monitor and minimize effects on the environment throughout our production process. Our commitment to “greening” our operations includes that we continue to monitor how our sourcing of materials and the designing processes affect the environment in order to meet our sustainability targets while providing ongoing excellent service to 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

An important first step in sustainability is to understand the entire lifecycle of our products. When we examine each product's lifecycle closely, we can optimize its sustainability by making improvements to the components being used, how the manufacturing process is utilized and how the final product itself is delivered to our customer.

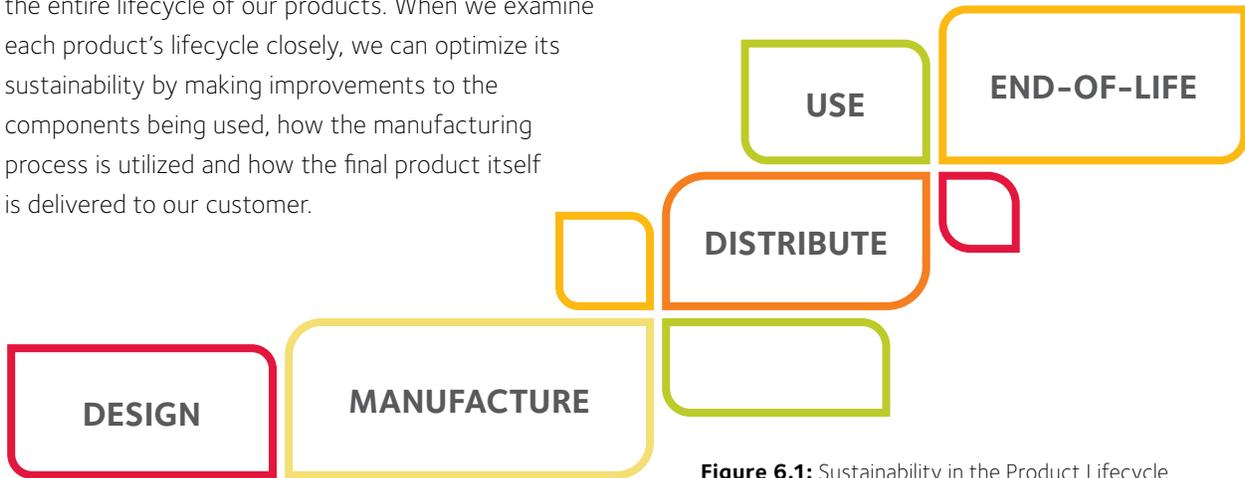


Figure 6.1: Sustainability in the Product Lifecycle

With a strong understanding of each product's lifecycle, we are able to develop green solutions that unlock new opportunities for environmental, social and financial savings. Celestica has the strongest influence in the areas of manufacturing, distribution and end-of-life for a product's lifecycle, which means we can work directly with our customers to realize their sustainability goals in a safe, energy efficient and environmentally conscious manner. By focusing our efforts in the areas where we have the greatest influence – optimizing processes, distribution channels and the supply chain – we can ensure that we meet our customers' sustainability goals.

### Case Study: Sustainability in the Product Lifecycle

One of our major customers is committed to reducing the environmental impact of their supply chain, and as one of their major suppliers, we are well positioned to help them achieve this goal. An assessment of this nature, impacting multiple organizations, is complex

and requires an increased level of trust and open communication to ensure that all parties share the responsibilities and benefits associated with any decisions and changes.

Since 2013, the customer's sustainability team and Celestica have been working together to identify operations in the lifecycle of a printed circuit board assembly (PCBA) to determine the social and environmental impacts that could be reduced, specifically as it relates to electricity consumption. This research – dubbed the electricity estimator project – was a cross-company collaboration to map processes and test equipment for energy consumption. Results of this project revealed which of the manufacturing processes was the most energy intensive. This information led to a follow-on project in which equipment in the factory was physically monitored in order to create consumption profiles. These profiles have helped us to better understand how decisions during the process design affect energy consumption in the factory.



By having a greater awareness of when, where and how we consume electricity, we are able to collaborate across internal and inter-company boundaries to lessen our overall consumption. As a result, Celestica and our customer are collaborating on a business case project to highlight the social, environmental and financial benefits of reducing energy consumption in the product lifecycle. A sustainability account plan was written for this customer's account at Celestica to understand how each other's actions affected the entire ecosystem of the customer's account from a sustainability point of view. Identifying those areas where roles and responsibilities interconnected was pivotal in creating a plan that aligned the goals of all stakeholders involved.

Through this process, all stakeholders within both companies were able to articulate how their best practices could improve their sustainability. As a result, energy consumption has become more front of mind for those running the business and is no longer a hidden cost.

In 2016, the customer account team has a sustainability account plan that covers demand planning, operations consumption and sustainability engagement for the manufacturing cells.

We anticipate that this initiative will expand to other customers and other operations in our global network throughout 2016.

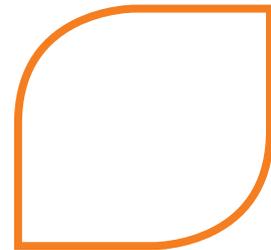
## Assembly Materials

Celestica takes every measure to ensure that the components and consumables used to build our customers' products adhere to the strictest of environmental compliance requirements. Our supply chain team relies on Celestica's library of policies and procedures when selecting these materials and are trained according to RoHS and EICC compliance. In addition, they have full knowledge of each customer's specific requirements. These guidelines ensure that the acquisition of each component and consumable throughout the supply chain meets established requirements.



## Components

Celestica's supply chain team verifies the RoHS and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) compliance of the components being used for any product. On behalf of our customers, Celestica engages with suppliers to ensure their understanding of environmental legislation and their responsiveness to requests for compliance documentation. Celestica then validates the environmental compliance of those documents. This approach facilitates Celestica's assigning of a risk profile to both the component and the supplier.



## SUPPLIER ASSESSMENT

Celestica is well positioned to drive sustainability through the electronics supply chain. Our active role and innovative solutions encourage both our customers and suppliers to strive for greater sustainability.



### 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

The Compliance and Ethics section of this report highlights Celestica's ongoing support of the EICC mandate in our commitment to improving the electronics supply chain. This commitment not only includes ensuring compliance and improvement of Celestica's operations but also those of our suppliers. We ensure that all suppliers on our Major Supplier List honour the spirit of the EICC Code by aligning their management systems with the Code's requirements. Celestica is continually working to implement, manage and audit our compliance with this Code as well as monitoring the compliance of our suppliers.

In addition to our suppliers, our customers, investors and industry peers (via consortia) have identified the importance of corporate citizenship. Through better practices, the environment, labour practices, human rights and society will benefit.

Overall compliance to the Code is measured by assessing how members conform to EICC requirements. Celestica monitors our suppliers through application of approved EICC risk assessment tools. These include the SAQ and the Validated Audited Process. In 2014, we added a new channel of activity known as the Verification Visit through the enhancement of our SAQ management system process.

### Self-Assessment Questionnaire

The SAQ is a self-assessment questionnaire that Celestica's major suppliers complete on an annual basis. The SAQ demonstrates our commitment to the EICC Code of Conduct. The questionnaire asks over 100 questions that cover the key elements of labour, ethics, the environment and health and safety. It also covers our suppliers' management systems that are used to identify, manage and monitor each of these elements.

### Verification Visits

Celestica's Major Supplier List includes suppliers that are EICC members and suppliers that are not EICC members. All of our suppliers are managed through our SCM Supplier Responsibility Management System. Through this system, Celestica assesses the level of risk for each supplier, having updated these activities in 2014 with the Vendor Verification Visit. Each supplier on our MSL is expected to complete an EICC SAQ, support a Verification Visit and/or provide a VAP report if one is available. Along with the use of complementary internal supplier selection and monitoring processes, Celestica has a solid risk assessment system in place to evaluate subtier suppliers.

In 2015, the results of this overall process were as follows:

- One supplier was removed from Celestica's MSL due to reported high-risk activity discovered through the EICC risk assessment
- 10% of MSL suppliers had high-risk activity identified through the EICC risk assessment
- 100% of Celestica's MSL suppliers that reported any violations of the EICC risk assessment are being monitored through Corrective Action Plans

## ETHICAL SOURCING

Celestica is committed to adhering to ethical practices and to complying 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 the 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 in the Democratic Republic of Congo (DRC) or adjoining countries (the DRC Region) has financed conflict that has resulted 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 into the source and chain of custody of conflict minerals and to report their DRC conflict-free status.

The objectives of this legislation are to minimize the violence and environmental damage in the DRC region; objectives that are fully supported by Celestica. Furthermore, Celestica expects all of its suppliers to comply with this legislation and to provide all required declarations using the EICC and Global e-Sustainability Initiative (GeSI) Conflict Minerals Reporting Template.

In conjunction with the measures of this legislation, Celestica will make every effort to apply industry initiatives such as the Conflict-Free Smelter program to assure that the tantalum, tungsten, tin and gold we derive for the manufacture of our products do not directly or indirectly finance or benefit unauthorized armed groups in the DRC Region.

Celestica will assess any future business with suppliers that do not comply with this policy.

## EMERGING TREND

Transportation and logistics emerged in 2014 and continues to increase in importance at Celestica. This trend is not required to be fully disclosed, but we have found it to be important at Celestica and discuss it below.

### Transportation and Logistics

Celestica is focused on identifying and implementing logistics solutions which lessen the impact on the environment, for both transportation and logistics controlled by Celestica and by our customers.

Through analysis of our logistics data, we have created a baseline of the emissions directly under our control.

Celestica works with logistics partners to obtain CO2 emissions data from freight forwarders, integrators and ground providers. As of year end 2015, 83 per cent of our partners, representing approximately 75 per cent of our global logistics spend, provided relevant CO2 emissions data.

We have upgraded our Enterprise Carbon Accounting System to allow us to put this alongside our energy, waste and water information in the database.



In 2016,  
Celestica expects to have a  
**FULL BASELINE OF OUR  
CARBON FOOTPRINT**  
associated with our controlled  
logistics projects.



## Sustainable Communities

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





## SUSTAINABLE COMMUNITIES

Celestica is committed to shaping a stronger and more sustainable future for the local communities in which our company operates. This goal is being achieved through encouraging employees to volunteer and participate in their community, and through donating our expertise in support of educational programs and ongoing health services.



### OUR MANAGEMENT APPROACH

- Encouraging employees to participate in the global Time Off to Volunteer program
- Engaging employees through the annual Celestica Fireball Days event

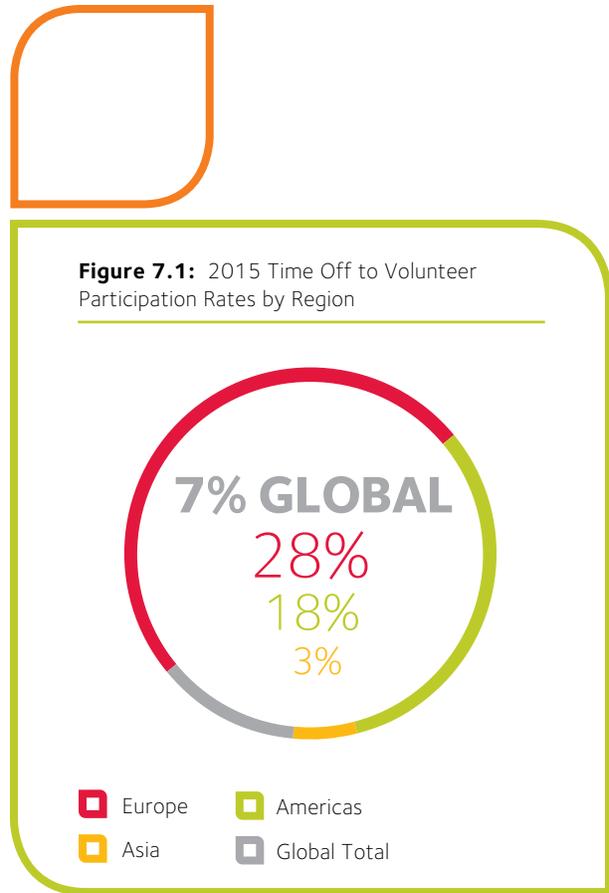
## GLOBAL TIME OFF TO VOLUNTEER POLICY

At Celestica, we encourage our employees to take time off to volunteer in our local communities. We know from experience that volunteerism can drive positive and constructive change in both our communities and our workplaces. In 2015, we expanded our Time Off to Volunteer program to allow all Celestica employees to volunteer, including contract, part-time and full-time employees.

We encourage our employees to volunteer in teams with other Celestica colleagues. This effort promotes teamwork across the company while fulfilling meaningful initiatives in a variety of organizations. Our volunteers have worked with Habitat for Humanity, local food banks, schools and youth shelters offering their expertise and support. This year we also expanded our volunteer opportunities by allowing our employees to volunteer with unregistered charities and participate in sustainability activities such as planting trees and landscaping.

The opportunity to offer assistance and expertise to a wide range of organizations in their local communities benefits our employees in important ways. Not only do they develop new skills, expand their expertise and take a sense of pride in their efforts, they also take on the responsibility of representing Celestica in their community.

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 been monitoring participation rates at all of our sites around the globe. Our goal for 2015 was to have 6.7 per cent of our workforce take time off to volunteer and we exceeded this target with 7 per cent of our employees participating. The 2015 Time Off to Volunteer participation rates are shown in Figure 7.1.



As shown in Figure 7.1, our Europe region continues to show promising results to meet the 50 per cent goal in 2020. In our Americas region, participation nearly doubled year-over-year, increasing to 18 per cent from 10 per cent in 2014. We will continue to encourage our employees to take time off to volunteer and track their hours. In 2016, we plan to continue our efforts in Asia to encourage time off to volunteer activities. It is our hope that by expanding our program this year and making it more inclusive, employees will have access to additional volunteer opportunities. Our 2016 global target for participation in the Time Off to Volunteer program is 12 per cent.

## Fireball Days

For over 20 years, Celestica has been hosting “Fireball Days” as a way to thank all of our employees for their hard work and dedication. This annual event is an integral part of our global culture and each of our sites participate in the celebrations.

In 2015, the Fireball Days theme was “My health. Our world”. The goal was to promote health and sustainability at home and at work through fun and interactive activities. Celestica held two global events, an “Upcycle Competition” and a “Wellness Challenge”, as well as various site-organized events to celebrate Fireball Days. The Upcycle Competition challenged employees to convert existing materials that would likely end up in landfill into new products that could be used at home or at work.

The Wellness Challenge encouraged employees to submit photos of themselves and their colleagues while participating in their favourite wellness activity.

The goal of both events was to encourage our employees to share ideas and foster a global community surrounding the theme of health and well-being.

## Global Earth Day

At our sites around the world, employees organize sustainability events to celebrate Global Earth Day each year. A few of these celebrations are described below.

In Valencia, Spain, the site planted Mediterranean species in their garden that require little water, such as lavender, rosemary, broom and mastic. This has improved the exterior appearance of the site’s green areas while restoring the local plant life with little requirement for water and maintenance.



In Laem Chabang, Thailand, the site held a “Green Rangers” campaign that encouraged employees to participate in sustainability activities and share posts on the Sustainable Workspace community. There were 85 employees who participated and over 100 posts were shared.



In Toronto, Canada, the site held various activities that included Tai Chi sessions and a litterless lunch program.

In Miyagi, Japan, employees participated in a site cleanup. Together, over 30 employees participated in collecting litter and filling dozens of bags with waste from around the site.



## SUSTAINABLE COMMUNITIES FEATURE: ZEROTOSTARTUP

For decades, university graduates have completed their education and secured a job in their chosen field. However, today, youth are highly educated, but there are few job opportunities available for them in their area of study.

The Internet of Things (IoT) is projected to be worth trillions of dollars by 2020, and offers unique opportunities for youth to create their own opportunities in the technology field. However, to be relevant in today's economy, youth need to learn to create technology solutions that solve problems that matter.

In 2015, Celestica and Ryerson University helped to establish an extra-curricular program for youth called ZerotoStartup. ZerotoStartup is a 13-week program, where youth ages 12 to 17 have the opportunity to work in teams to ideate, design and develop solutions that tackle an issue in the City of Toronto. In the inaugural session, 33 students formed 12 teams and developed solutions for issues ranging from parking accessibility to encouraging commuters to take environmentally conscious methods of transportation.

Each week the students learned a different skill to help them turn their idea into reality. These skills included coding, robotics, industrial design and prototyping. Throughout the program, the youth also discovered their personal strengths as well as the importance of working as a team, developing entrepreneurial skills and finding their passions to ultimately get a jump-start on careers of the future. By encouraging youth to think outside the box, they will not only prepare themselves for their future, but will also learn to solve some of the world's largest problems.



The teams that participated in ZerotoStartup's inaugural program continue to work with leaders and organizations in the City of Toronto to further develop and establish their solutions, and ultimately contribute to building a more sustainable community.

# GLOBAL SUCCESS STORIES

Every year, our employees around the world continue to go above and beyond to volunteer their time and donate their expertise in their local communities. These voluntary initiatives range from donating clothing, toys and funds, to fundraising for specific causes, and to packing and distributing food and other essential goods. The examples that follow illustrate the compassion with which Celestica employees continue to support their local communities.

In Laem Chabang, Thailand, volunteers visited Princess Mother School, to bring school supplies, stationary and kitchenware to the students. During the visit, the students taught Celestica’s volunteers how to grow organic rice in the school’s rice field. The volunteers returned in December to harvest their rice.



In Zurich, Switzerland, employees partnered with an organization called Terre des Hommes (Tdh) to participate in its annual orange sale campaign. The orange sale, which Tdh has been organizing for over 50 years, is a street sale with all proceeds going towards providing children with medical examinations, clean drinking water, medical treatment in the hospital and more. In 2015, 1,100 companies raised over 400,000 Swiss francs (\$406,277) for children in need.

Members of Celestica’s leadership team volunteered at Food Angel in Hong Kong, China. Approximately 3,600 tonnes of food waste is produced in Hong Kong every day. The methane produced by food waste is twice as damaging to the environment than emissions from global automobile traffic. Food Angel collects edible surplus that would otherwise be disposed of as waste, prepares it with professional chefs and then distributes hot meals to those in need. A total of 934 lunch boxes were prepared that were later delivered by the Food Angel’s logistic team. Celestica volunteers also served a hot dinner to 55 elderly residents in the Food Angel community centre.



In Toronto, Canada, employees participated in the Big Bike to raise money for the Heart and Stroke Foundation of Canada. The team surpassed their \$1,500 fundraising goal and raised a total of \$4,150.



Twenty-four volunteers from Celestica's Global Operations and Supply Chain Management executive team together with Celestica's Kulim, Malaysia leadership team volunteered to build a Sensory Garden for the Deaf-Blind and Multi-Handicapped (DBMH) of St. Nicholas. The Sensory Garden is designed to stimulate senses for the children as part of their learning activities.

Employees from Celestica's Monterrey, Mexico site volunteered with the National Forestry Commission (CONAFOR) and the Secretariat of Environment and Natural Resources (SEMARNAT) to plant trees as part of a reforestation program in the community of Tapias in Galeana, Nuevo León. Together they planted a total of 296 trees.



In Ontario, California, 30 employees volunteered at the Feed the Children's "Box Brigade" event. Feed the Children is a worldwide organization that provides a long-term solution for many of the most common problems children face around the world, providing food, education, essentials and disaster relief (FEED). At the event, they helped to package 1,160 boxes. One box will help support a family of four.



# Global Reporting Initiative<sup>®</sup> 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 the Global Reporting Initiative<sup>®</sup> (GRI<sup>®</sup>).

# THE GLOBAL REPORTING INITIATIVE'S (GRI) SUSTAINABILITY REPORTING GUIDELINES

## GENERAL STANDARD DISCLOSURES

Indicator	Description	Report Section(s)	Page(s)
<b>Strategy and Analysis</b>			
G4-1	Statement from the most senior decision-maker of the organization	A Letter from Rob Mionis	2
G4-2	Description of key impacts, risks and opportunities	A Letter from Todd Melendy	16
<b>Organizational Profile</b>			
G4-3	Name of organization	About Celestica	4
G4-4	Primary brands	About Celestica	4
G4-5	Location of headquarters	About Celestica	4
G4-6	Countries of operations	About Celestica	4
G4-7	Nature of ownership	2015 Form 20-F	2015 Form 20-F
G4-8	Markets served	Business Overview	5
G4-9	Scale of organization	About Celestica	4
G4-10	Workforce statistics by category	Our Workforce	35
G4-11	Percentage of workforce covered by collective bargaining agreements	About Celestica	4
G4-12	Description of the organization's supply chain	Supply Chain Overview	5
G4-13	Explanation of any significant changes during the reporting period regarding size, structure, ownership or supply chain	Supply Chain Overview, 2015 Form 20-F	5, 2015 Form 20-F
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Assessing Risk Areas	11
G4-15	List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	Labour and Ethics Management System	9
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>- Holds a position on the governance body</li> <li>- Participates in projects or committees</li> <li>- Provides substantive funding beyond routine membership dues</li> <li>- Views membership as strategic</li> </ul>	Affiliations and Memberships	26

## GENERAL STANDARD DISCLOSURES CONTINUED

Indicator	Description	Report Section(s)	Page(s)
<b>Identified Material Aspects and Boundaries</b>			
G4-17	List of entities included in the organization's consolidated financial statements; report whether any entity included is not covered by the report	2015 Form 20-F	2015 Form 20-F
G4-18	Process for defining the report content and the Aspect Boundaries; explain how the organization has implemented the Reporting Principles for Defining Report Content	Materiality	20
G4-19	List all the material Aspects identified in the process for defining report content	Materiality	20
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Materiality	20
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Materiality	20
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Restatement of Changes from Previous Reports	3
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	Materiality	20
<b>Stakeholder Engagement</b>			
G4-24	Provide a list of stakeholder groups engaged by the organization	Stakeholder Engagement	18
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement	18
G4-26	Report the organization's approach to stakeholder engagement	Stakeholder Engagement	18
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	Stakeholder Engagement	18
<b>Report Profile</b>			
G4-28	Reporting period	About this Report	3
G4-29	Date of most recent previous report	About this Report	3
G4-30	Reporting cycle	About this Report	3
G4-31	Contact point for questions regarding the report or its contents	About this Report	3
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	3
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, Sustainability Governance, Greenhouse Gas Emissions	3, 25, 64

## GENERAL STANDARD DISCLOSURES CONTINUED

Indicator	Description	Report Section(s)	Page(s)
<b>Governance</b>			
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	25
<b>Ethics and Integrity</b>			
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Compliance and Ethics	9

## SPECIFIC STANDARD DISCLOSURES

GRI Indicator	Description	Reference	Page(s)	Omissions and Assurance
<b>Category: Economic</b>				
<b>Aspect: Economic Performance</b>				
G4-DMA	Management Approach	About Celestica	2015 Form 20-F	2015 Form 20-F
G4-EC1	Direct economic value generated and distributed	Financial Performance, 2015 Form 20-F	6, 2015 Form 20-F	
<b>Aspect: Procurement Practices</b>				
G4-EC9	Proportion of spending on local suppliers	Supply Chain Overview	5	Localization is a component of the TCOO™ metric by which we assess and prioritize our suppliers. These scores are internal and we do not disclose the percentage for proprietary reasons.
<b>Aspect: Energy</b>				
G4-DMA	Management Approach	Energy	69	
G4-EN3	Energy consumption	Energy Management Certification	69	
G4-EN6	Reduction of energy consumption	Energy Management Certification	69	

## SPECIFIC STANDARD DISCLOSURES CONTINUED

GRI Indicator	Description	Reference	Page(s)	Omissions and Assurance
Category: Economic				
Aspect: Water				
G4-EN8	Total water withdrawal	Water	76	Celestica complies with all local laws governing water discharge. Due to the large number of regions and variety of regulations, we track compliance not volume by discharge method.
Aspect: Emissions				
G4-DMA	Management Approach	Greenhouse Gas Emissions	64	
G4-EN15	Direct greenhouse gas emissions (Scope 1)	Greenhouse Gas Emissions	64	2015 Scope 1 Emissions have been verified.
G4-EN16	Indirect greenhouse gas emissions (Scope 2)	Greenhouse Gas Emissions	64	2015 Scope 2 Emissions have been verified.
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	Greenhouse Gas Emissions	64	
G4-EN18	Greenhouse gas emissions intensity	Greenhouse Gas Emissions	64	
G4-EN19	Reduction of greenhouse gas emissions	Greenhouse Gas Emissions	64	
Aspect: Effluents and Waste				
G4-DMA	Management Approach	Material Stewardship	72	
G4-EN23	Total weight of waste	Waste Diversion	73	
Aspect: Products and Services				
G4-DMA	Management Approach	Sustainable Solutions	78	
G4-EN27	Environmental impact mitigation of products and services	Sustainable Solutions, Products and Services	78	
Aspect: Compliance				
G4-DMA	Management Approach	Environmental Compliance	64	
G4-EN29	Monetary value of significant fines, and non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Compliance	64	

## SPECIFIC STANDARD DISCLOSURES CONTINUED

GRI Indicator	Description	Reference	Page(s)	Omissions and Assurance
Category: Economic				
Aspect: Transport				
G4-EN30	Significant environmental impacts of transport	Transportation and Logistics, Supply Chain Overview	84, 5	Our baseline in 2016 will allow us to examine transport by mode using our carbon accounting tool.
Aspect: Supplier Assessment				
G4-DMA	Management Approach	Supplier Assessment	82	
G4-EN32	Percentage of new suppliers screened using environmental criteria	Supplier Assessment	82	We monitor only the Celestica-controlled suppliers in our direct procurement supply chain area, this number is not reported.
G4-EN33	Significant negative environmental impacts in the supply chain and actions taken	Supplier Assessment, Ethical Sourcing	82, 83	We monitor only the Celestica-controlled suppliers in our direct procurement supply chain area, this number is not reported.
Category: Social				
Sub-Category: Labour Practices and Decent Work				
Aspect: Employment				
G4-LA1	Total number and rates of new employee hires	New Hires at Celestica, Turnover of Our Global Workforce	55, 56	
Aspect: Occupational Health and Safety				
G4-DMA	Management Approach	Occupational Health and Safety	42	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	Occupational Health and Safety	42	While many of our committees are recognized by the local authority and have written rules and procedures, they are not integrated into the organizational structure in all locations. This percentage is not reported
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities	Occupational Health and Safety	42	We do not track absenteeism. Occupational diseases, where reported, are incorporated into lost-time incident reporting. Region and gender are tracked but not reported.

## SPECIFIC STANDARD DISCLOSURES CONTINUED

GRI Indicator	Description	Reference	Page(s)	Omissions and Assurance
Category: Social				
Sub-Category: Labour Practices and Decent Work				
Aspect: Training and Education				
G4-DMA	Management Approach	Global Learning and Development	45	
G4-LA9	Average hours of training per year per employee	Global Learning and Development Hours	50	We do not record training hours for our third-party contractors.
G4-LA10	Programs for skills management and lifelong learning	Strive Learning and Development Program, Global Programs, Functional Learning and Development Programs	46, 47	
G4-LA11	Percentage of employees receiving regular performance and career development reviews	Managing Performance	44	
Aspect: Diversity and Equal Opportunity				
G4-LA12	Composition of governance bodies and breakdown of employees per employee diversity category	Our Workforce	35	We track but do not report the percentage.
Aspect: Supplier Assessment for Labour Practices				
G4-DMA	Management Approach	Ethical Sourcing	83	Electronic Industry Citizenship Coalition Code of Conduct
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Supplier Assessment	82	We monitor only the Celestica-controlled suppliers in our direct procurement supply chain area, this number is not reported.
G4-LA15	Significant negative impacts for labour practices in the supply chain	Verification Visits	82	We monitor only the Celestica-controlled suppliers in our direct procurement supply chain area, this number is not reported.
Aspect: Child Labour				
G4-DMA	Management Approach	Prevention of Slavery and Human Trafficking	37	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour	Prevention of Child Labour, Supplier Assessment	38, 82	

## SPECIFIC STANDARD DISCLOSURES CONTINUED

GRI Indicator	Description	Reference	Page(s)	Omissions and Assurance
Category: Social				
Sub-Category: Labour Practices and Decent Work				
Aspect: Forced or Compulsory Labour				
G4-DMA	Management Approach	Prevention of Slavery and Human Trafficking	37	
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour	Prevention of Slavery and Human Trafficking	37	
Aspect: Supplier Human Rights Assessment				
G4-DMA	Management Approach	Supplier Assessment, Ethical Sourcing	82, 83	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Supplier Assessment	82	We monitor only the Celestica-controlled suppliers in our direct procurement supply chain area, this number is not reported.
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain	Verification Visits	82	We monitor only the Celestica-controlled suppliers in our direct procurement supply chain area, this number is not reported.
Aspect: Anti-Corruption				
G4-DMA	Management Approach	Compliance and Ethics	9	
G4-SO3	Total number and percentage of operations assessed for risks related to corruption	Compliance and Ethics	9	
Aspect: Supplier Assessment for Impacts on Society				
G4-DMA	Management Approach	Ethical Sourcing	83	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Ethical Sourcing	83	We monitor only the Celestica-controlled suppliers in our direct procurement supply chain area, this number is not reported.
G4-SO10	Significant actual and potential negative impacts on society in the supply chain	Verification Visits	82	We monitor only the Celestica-controlled suppliers in our direct procurement supply chain area, this number is not reported.

# PHOTOS BY CELESTICA EMPLOYEES

For this year's Sustainability Report we held a photography contest and invited our employees around the world to participate. Below are the winning submissions.



Photographer: Heng Zhang, Suzhou, China



Photographer: John Verhoog, Toronto, Canada



Photographer: Claudio Yin, Toronto, Canada



Photographer: Nawawi Bin Ahmad, Kulim, Malaysia



Photographer: John Verhoog, Toronto, Canada



Photographer: Carmen Toie, Oradea, Romania



Photographer: Heng Zhang, Suzhou, China



Photographer: Carmen Toie, Oradea, Romania



Photographer: Zahari Bin Hashim, Kulim, Malaysia



Photographer: David Thebeau, Toronto, Canada



Photographer: Vicente Gimenez, Valencia, Spain



Photographer: Nawawi Bin Ahmad, Kulim, Malaysia



Photographer: John Verhoog, Toronto, Canada



Photographer: Roden Cortero, Toronto, Canada



Photographer: Yupin Seetachai, Laem Chabang, Thailand



Photographer: Nawawi Bin Ahmad, Kulim, Malaysia



Photographer: Mirabela Georgina Hosu, Oradea, Romania



Photographer: Nawawi Bin Ahmad, Kulim, Malaysia



Photographer: Heng Zhang, Suzhou, China



Photographer: Makoto Ito, Miyagi, Japan



Photographer: Matthew Pottinger, Toronto, Canada



Photographer: Francisco Javier Prieto Lopez, Valencia, Spain



Photographer: Cosmina Popescu, Oradea, Romania



Photographer: Heng Zhang, Suzhou, China



Photographer: Abu Bakar Bin Mohd Yusoff, Kulim, Malaysia



Photographer: Carmen Toie, Oradea, Romania



Photographer: Abu Bakar Bin Mohd Yusoff, Kulim, Malaysia



Photographer: Abu Bakar Bin Mohd Yusoff, Kulim, Malaysia



Photographer: Stuart Rushbury, Remote Employee, Europe



Photographer: Carmen Toie, Oradea, Romania

## 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](http://www.sedar.com) and [www.sec.gov](http://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.

Issued: April 21, 2016