

Together, we are building a better world

Sustainability Report 2017



Celestica™



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Sustainability Report Overview

We advance our sustainability initiatives by collaborating with each other, as well as with our customers, suppliers and local communities in an effort to drive positive change and, ultimately, foster a company-wide culture of sustainability.



A Letter From Rob Mionis

GRI 102-14

In 2017, Celestica embarked on a new course for our future. We launched a refreshed Brand and with that came an exciting new chapter in our evolution as we focused on delivering bold solutions that solve customer challenges, drive innovation and create value.

At the heart of our company is our commitment to unlock the potential of the future. As a partner to some of the world's best brands, we are proud of the impact we are having on this world and take pride in everything that we do. We believe that when you unlock potential, you can drive positive change, and this holds true for our sustainability strategy.

Our global team works hard to uphold our position as a leader in sustainability. Although today we are a diverse team of 27,000 people, our commitment to sustainability unites us all. Together, we are focused on building a better world, protecting the environment and making a difference in the communities in which we live and work.

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

GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55, 102-56

Celestica's 2017 Sustainability Report summarizes the activities, performance and results in the 2017 calendar year. No major changes in reporting have occurred since our previous report.

This report has been prepared in accordance with Global Reporting Initiative® (GRI®)* Standards: Core Option. The GRI® Content Index may be found at the end of this report.

Since 2009, Celestica has published annual reports documenting our corporate social responsibility programs and environmental sustainability initiatives. We published our previous report in August 2017, which contained results from the 2016 calendar year. There are no restatements of changes since the previous report. We are committed to reporting our greenhouse gas emissions (GHG) annually and began including third-party assurance in 2013; however, this report has not been verified externally.

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.

* The 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 that organizations can use to report their economic, environmental and social performance.



About Celestica

Celestica enables the world's best brands. We build trusted relationships and solve complex technology challenges to help our customers realize greater value, potential and outcomes.

About Celestica

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-7, 102-8, 102-9, 102-41

Celestica is a publicly held corporation traded on both the New York and Toronto stock exchanges with 2017 revenue of US\$6.1 billion.

Headquartered in Toronto, Canada, Celestica operates in over 30 worldwide locations spanning Asia, the Americas and Europe.

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 sites and Centers of Excellence strategically located throughout our global network. Figure 2.2 summarizes Celestica’s major operations’ square footage by region.

Figure 2.1: Celestica’s Worldwide Locations



Celestica employs approximately 25,000 permanent and temporary (contract) employees and 2,400 third-party contractors. Twenty-one per cent of our employees are protected under collective bargaining agreements or unions, and of these employees 32 per cent are located in Asia, 34 per cent are located in Europe and 34 per cent are located in Mexico.

Figure 2.2: Celestica’s Major Operations’ Square Footage by Region

REGION	FACILITIES	SQUARE FOOTAGE (1,000S)
North America	Canada*, United States*, Mexico*	2,400
Europe	Ireland*, Spain, Romania	860
Asia	China*, Malaysia*, Thailand*, Singapore*, Japan*, Laos	5,253

*Represents multiple locations

Business Overview

GRI 102-2, 102-6, 102-10

Celestica delivers innovative supply chain solutions globally to customers in the following end markets: Advanced Technology Solutions (comprised of consumer, industrial, aerospace and defense, healthcare, smart energy and semiconductor capital equipment) and Connectivity and Cloud Solutions (comprised of enterprise communications, telecommunications, servers and storage).

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. Our end-to-end product lifecycle solutions support the most complex products across multiple markets. This results in lower total cost of ownership, greater flexibility and improved competitive advantage for our customers in their respective markets.

We pride ourselves on our deep market expertise and technical knowledge. In 2017, we opened our Silicon Valley Customer Experience Center in Santa Clara, California, which showcases our world-class capabilities and hardware solutions. At this Center, customers can access a collaborative team of engineers, designers and market experts to help solve their most complex problems.



Technology is driving advancements that are revolutionizing the way we live and work.

In Europe, we expanded our operation in Oradea, Romania. The 96,000-square-foot expansion increased existing manufacturing services for Celestica's customers.

Market Expertise Technical Knowledge

Brand and Values

GRI 102-16

To ensure we consistently live up to our customers' expectations, we foster a high-integrity work environment based on strong corporate Brand and Values. In 2017, we redesigned our Brand to reflect who we are as an organization. At our core, we are a leader in high-reliability design, manufacturing, hardware platform and supply chain solutions. We bring global expertise at every stage of product development – from the drawing board to full-scale production and after-market services. With our talented teams across North America, Europe and Asia, we imagine, develop and deliver a better future with our customers.

Teamwork
Ingenuity
Confidence
Care

Mission

Celestica enables the world's best brands. We build trusted relationships and solve complex technology challenges to help our customers realize greater value, potential and outcomes.

Values

Our corporate culture is based on the key Values of teamwork, ingenuity, confidence and care. These Values guide individual employee's decision making 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

ETHICS PROGRAM

GRI 102-16, 102-17, 406-1

Celestica's established ethics program is open to all employees, customers and suppliers, and to anyone else who interacts with Celestica employees. The message is very simple: If illegal or unethical behaviour is witnessed, employees have a responsibility to report it immediately.

Celestica supports an environment that is free from discrimination and harassment. Our company is a great place to work when all employees contribute to a safe, clean, healthy and secure workplace.

We believe all of our employees are accountable for ensuring that our culture is free from discrimination and harassment based on race, colour, religion, gender, gender identity, citizenship and/or origin, age, disability, sexual orientation, marital status or other factors.

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 Business Conduct Governance (BCG) Policy and through the distribution of an ethics wallet card. In addition, there are Ethics Awareness Centers throughout our sites that contain additional compliance and ethics information. We encourage our employees to speak with their manager, a member of management or human resources should they have concerns or questions on legal or ethical matters. Employees can also email compliance@celestica.com should they have any questions or concerns on any compliance or ethics matter. Celestica's Compliance department maintains this mailbox in the strictest of confidence.



OUR MANAGEMENT APPROACH

- Maintain a workplace with a high standard of ethics that is free from discrimination and harassment
- Ensure that our employees are aware of how they can voice their concerns on ethical matters in the Business Conduct Governance Policy and through the distribution of an ethics wallet card
- Maintain Ethics Awareness Centers within our sites
- Maintain Celestica's Ethics Hotline as a grievance mechanism available to all employees
- Promote open communication within the ethics program, ensure that all incidents of misconduct are investigated and actions taken without delay

If none of these options is preferred, employees can report concerns to the Ethics Hotline by phone or through the web-based reporting tool. Maintained by a third-party vendor, Celestica's Ethics Hotline is a significant part of our ethics program as a grievance mechanism that is available to all employees. The hotline program allows employees to file an anonymous or identified report regarding misconduct in the workplace. Our employees are assured that their reports are managed by an independent function and investigated to the fullest extent. This program allows us to maintain a high standard of ethics within the workplace. The ethics program is managed by the Compliance department acting as an independent function within the business. For each investigation the report is acknowledged as being received and the reporter is notified when the case is closed. This encourages open communication with the reporter during the investigation whether they are anonymous or not. It also reassures the reporter that Celestica has received their report and is looking into the matter without delay.

Celestica is serious about no reprisal or retaliation for reporting actual or suspected violations of the law, of the BCG Policy or other policies, or for cooperating in an investigation related to reported violations. Our ethics program ensures our work environment meets the rights and obligations of our BCG Policy.

Celestica takes all reports of possible misconduct seriously and will investigate the matter confidentially, make a determination whether the BCG or the law has been violated and take appropriate corrective action.

Of the incidents involving discrimination in 2017, eight were found to have merit. All were fully investigated by Celestica and, with appropriate actions taken, are now closed.

Our ethics program ensures our work environment meets the rights and obligations of our BCG Policy.

Figure 2.3: 2017 Ethics Hotline Reports by Category

CATEGORY	NUMBER OF REPORTED CASES
Conflicts of Interest	4
Discrimination	12
Environmental, Health and Safety	5
Employee Relations	12
Fraud	1
Harassment	6
Misconduct	34
Violation of Policy	21
Other (Kickbacks, Retaliation)	2

LABOUR AND ETHICS MANAGEMENT

GRI 102-16

At Celestica, we are committed to ensuring our employees are treated with dignity and respect and that they are provided with a safe environment in which to work. To fulfill this mandate, we have established a Labour and Ethics Management System. This system ensures compliance with applicable laws, regulations and customer requirements related to our operations and products, including adherence to Celestica's BCG Policy and the Responsible Business Alliance (RBA) Code of Conduct. 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.

Celestica informs our suppliers about the RBA Code and our position regarding labour conditions at numerous points in the development of their commercial relationship with Celestica. Celestica uses the RBA 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 RBA Code elements.

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



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 risks identified in the risk assessment. If targets are not met, the risk is managed by the site's Human Resources manager in partnership with the site Leadership team until targets are reached
- 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
- Revise programs to make improvements based on feedback from site leads and stakeholders
- Complete site-level risk assessments

COMPLIANCE TRAINING

GRI 412-2

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, we have rolled out many courses to our employees, including global anti-bribery, mutual respect, conflicts of interest, diversity and inclusion, insider trading, whistle-blowing, fraud and business integrity, ethical leadership, careful communication and confidential information.

BUSINESS CONDUCT GUIDELINES POLICY

GRI 412-2

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. The BCG policy focuses on ethical behaviour, responsible corporate citizenship, the protection of assets and accountability. All new employees regardless of their job role or function receive BCG training within 30 days of joining Celestica. This commitment is renewed and augmented with re-certification on an annual basis.

In 2017, Celestica launched refreshed BCG training. All Celestica online employees who had not completed BCG training in 2017 were required to take this training. Given that the BCG Policy is fundamental to who we are at Celestica, we have made it a best practice to refresh this critical training every three to five years.

ASSESSING RISK AREAS

GRI 419-1

Assessing risk areas is a significant part of our Compliance and Ethics program and is done as part of our annual risk assessment program. All our Compliance department members 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 of key challenges that professionals face in this line of work. Due to these rigorous processes, Celestica has not faced any significant fines or non-monetary or other sanctions for non-compliance with economic or social laws or regulations.



Our updated BCG can be found at www.celestica.com under the Corporate Governance section.

RESPONSIBLE BUSINESS ALLIANCE CODE OF CONDUCT

GRI 412-1

The RBA Code of Conduct, formerly the Electronics Industry Citizenship Coalition (EICC), outlines industry standards to ensure that employees are treated with respect and dignity and are provided with a safe work environment; that manufacturing processes are environmentally responsible; and that management systems are in place to support the RBA Code. As an RBA founding member, Celestica shares the RBA's common membership vision of how companies should behave in the electronics industry, and we continue to be actively involved with the RBA membership by participating in a working group and having representation on the RBA Board of Directors. At Celestica, we continue to implement, manage and audit our compliance with the RBA Code.

Celestica respects the RBA's mandate to better the electronics supply chain and partners with socially responsible suppliers whose management systems align with the RBA Code. Celestica uses SAQs to identify any conformance risks or gaps that exist at our sites, and each Celestica site is required to submit an annual SAQ utilizing the RBA's online tool. We also require that our suppliers on our Major Supplier List (MSL) submit SAQs to identify risks within their operations. High-risk suppliers requiring a Validated Audit Program (VAP) are identified through the SAQ process, as required by RBA membership compliance. A Corrective Action Plan (CAP) will track the findings from an audit, and this may result in the removal of a supplier from Celestica's MSL if corrective actions are not completed to Celestica's satisfaction.

In addition to each site completing an annual SAQ, we also conduct internal audits to measure RBA compliance. We audit each of our sites on a rotational basis to ensure that each site is audited every two years at a minimum. Our internal audit program mirrors that of the RBA, in part to facilitate each site becoming familiar with the RBA audit program and expectations. In 2017, our internal auditors conducted audits at our sites in Mississauga, Canada; Monterrey, Mexico; Savannakhet Province, Laos; Johor, Malaysia; Shanghai, China; San Jose, U.S.A.; and Hino, Japan. The end goal of these audits is to close any gaps and manage all risks to the RBA Code, and we ensure that any findings from our internal audits have Corrective Action Plans in place to close out the findings and improve overall RBA Code compliance at each site.

The RBA VAP is considered a best-in-class, robust and comprehensive audit program in the electronics industry. At times, our sites are audited under the RBA VAP. These audits are conducted by RBA-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 RBA members are encouraged to use the RBA VAP and to accept results and reports from these audits from any member facility.

In 2017, our sites in Oradea, Romania; Song Shan Lake, China; and Laem Chabang, Thailand, were audited under the RBA VAP program.



For more information
on these programs, visit
www.responsiblebusiness.org

Business Ethics

GRI 205-1, 205-2, 205-3, 206-1

Celestica is committed to reducing any risk to our business that stems from bribery or fraud. As such, 100 per cent of our employees have received some form of anti-bribery training. We also train a targeted number of employees according to their job function and role on the risks of bribery. We continually renew our anti-bribery courses to keep the content current and relevant. In addition, Celestica has a global anti-bribery policy and includes anti-bribery information in our BCG Policy. The highest level of executive oversight for Celestica's anti-bribery and anti-corruption policy is with the Chief Legal and Administrative Officer. The BCG provides practical guidelines on bribery and gifts as well as a question and answer section. We receive requests on occasion from key customers to confirm our commitment to upholding bribery laws in our business dealings.

In 2017, Celestica was not involved in any legal actions related to anti-competitive behaviours nor identified in any legal actions for violations of anti-trust, bribery, corruption or monopoly legislation.

Additionally in 2017, there was one case where a Celestica employee was involved in an incident of corruption and the employee was terminated.



OUR MANAGEMENT APPROACH

- Provide general training to all employees
- Assess job functions for bribery risk and provide additional training to a targeted audience
- Continually renew our anti-bribery course to keep content current and relevant
- Ensure executive oversight of the overall business ethics program
- Create and enforce policy and include this information in our BCG



Customer Privacy and Data Security

GRI 418-1

We ensure the confidentiality, integrity and availability of Celestica's information, including information entrusted to Celestica by our customers and business partners. Protecting Celestica and our customers' information is the responsibility of all our employees and appropriate standards are established and monitored by our Global Information Security team. In today's competitive global business environment, it is critical to maintain data privacy in order to prevent threats of various kinds, including error, loss, fraud and espionage. Our approach is designed to avoid security breaches in data controlled by our organization.

In 2017, there were no substantiated complaints by regulatory bodies or other parties of breaches of our privacy obligations. We identified no leaks, thefts or losses of customer or supplier data during this time.



OUR MANAGEMENT APPROACH

- Maintain policies from senior management intended to ensure the confidentiality, integrity and availability of information and systems at all Celestica locations
- Conduct routine internal and external compliance assessments to ensure that those policies are followed

Ethical Labour

GRI 408-1, 409-1, 412-1

Celestica has well-established policies and prudent measures regarding fair labour practices and guidelines that create a respectful, safe and healthy work environment for our employees globally.

We are committed to respectful treatment of our human resources and we strictly prohibit the use of slavery, forced labour and human trafficking. To prevent the occurrence of forced, compulsory or child labour, we have implemented local labour policies and practices.

Our policies and practices specify that all who apply for employment at Celestica do so on a voluntary basis and that all employees are legally entitled to leave upon reasonable notice without penalty.

In accordance with Celestica's global recruiting guidelines, offers of employment must be conditional upon successful completion of all required background checks. All candidates for employment are required to provide government-issued photo identification after they receive a conditional offer of employment. Background checks are required to protect the safety of the employees at Celestica and to ensure that employees meet the standards as set out in Celestica's human resources policies.



OUR MANAGEMENT APPROACH

- Complete site-level risk assessments
- Develop action plans for potential risks
- Conduct internal audits and assessments
- Review labour and ethics actions and status at management review meetings
- Monitor labour conditions at each of our sites
- Ensure that our supplier responsibility management system mirrors the Labour and Ethics Management System

Respect Safety Health

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 where 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 globally 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 any local legal requirements as well as the requirements stated in our global policy.

Candidates under the age of 15 are not eligible for hire under any circumstances. A candidate that is between the ages of 15 and 17 may be considered for hire as a youth worker. Only candidates that are at least 18 years old will be considered for employment on a regular basis. If an employee is discovered to be a child worker (i.e. under the age of 15), 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 harm, either physically or mentally, and to promote their educational development, Celestica's managers must not give them jobs or tasks that are

considered hazardous, unsafe or unhealthy, 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, youth workers shall not perform work that is likely to jeopardize, in any way, 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 RBA audit standards. These audits are conducted internally and externally through 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. For more details on our supplier assessments, please refer to page 37.

FOREIGN MIGRANT WORKERS

To Celestica and our stakeholders, it is extremely important that our foreign migrant workers are treated fairly and with dignity. Our practices focus 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 foreign 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. We have roughly 2,300 foreign migrant workers in Malaysia, Singapore and Thailand, primarily in our direct labour force.

Celestica recognizes that its foreign migrant workers require special consideration in terms of integration with the individual's work locations and the surrounding communities. Celestica is respectful of the circumstances of these workers and does not require them to relinquish identification such as passports or work permits to Celestica or the labour agent as a condition of employment. At Celestica, workers are not required to pay employers or agent recruitment fees or other aggregate fees.

Celestica conducts internal and third-party audits according to RBA standards every two years; a review of our foreign migrant workforce is a part of this process. For more information on Celestica's RBA practices, please refer to page 14.



OUR MANAGEMENT APPROACH

- Complete site-level risk assessments
- Develop and follow through on 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
- Track our migrant worker population
- Ensure we meet local regulations and abide by local government approvals for each applicable site
- Monitor labour conditions and conduct internal audits and assessments
- Review labour and ethics actions and status at management review meetings



Sustainability

Celestica is committed to distinguishing our company as a leader in the area of sustainability. We aim to achieve this by leveraging our knowledge and expertise and through collaborating and sharing ideas with our employees, customers and suppliers. Sustainability is ingrained into all aspects of business at Celestica.



A Letter From

Todd Melendy

Celestica's 2017 Sustainability Report marks our fifth Sustainability Report to date. In 2013, we launched our sustainability initiative, Spark Change, and began our journey to embed the principles of sustainability at every level of the company. Today, our Spark Change story continues to be about collaborating with each other, as well as with our customers, suppliers and local communities to drive positive change and, ultimately, foster a company-wide culture of sustainability.

Over the past five years, we have achieved many sustainability milestones and our program has continued to evolve. But one thing that has never wavered is our ability to grow. Each year, we challenge ourselves to find new ways to support our customers, stakeholders and employees. It's a challenge that we do not take lightly, and we continue to raise the bar to ensure that we are going above and beyond in our sustainability promise.

Now five years later, I am so proud of how far along we've come in our journey and it gives me so much hope for what will come next in Celestica's sustainability story. As we look to the future, we will continue to work with our stakeholders to identify the key issues that we need to address and further integrate sustainability into our business strategy. This will include focusing on renewable energy initiatives, engaging with our supply chain and setting a science-based target to reduce our greenhouse gas emissions.

Thank you for your continued support over the past five years and we look forward to many more years to come on this journey.

Please contact us at sustainability@celestica.com for any comments or suggestions.

A handwritten signature in dark ink, appearing to read 'Todd Melendy'. The signature is stylized with a long, sweeping horizontal stroke followed by a vertical line that curves back down.

Todd Melendy
Vice President, Sustainability



Key Impacts and Risks

FINANCIAL IMPLICATIONS DUE TO CLIMATE CHANGE

GRI 102-11, 102-15, 201-2

Our operations and those of our customers, component suppliers and/or logistics partners may be disrupted by global or local events outside our control, including natural disasters and related disruptions; political instability; terrorism; armed conflict; labour or social unrest; criminal activity; disease or illness, epidemics and health advisories, including those related to SARS, avian flu and Ebola, that affect local, national or international economies; unusually adverse weather conditions; and other risks present in the jurisdictions in which we, our customers, our suppliers and/or our logistics partners operate. Such events could adversely affect the results of our operations and increase our costs. We carry insurance to cover damage to our sites and interruptions to our operations, including those that may occur as a result of natural disasters, such as flooding, earthquakes, hurricanes or tsunamis.

Celestica uses a precautionary approach within its policies and practices to manage our risks due to climate change through our Environmental Management System. Furthermore, Celestica's global Business Continuity Planning (BCP) policy communicates our focus and continued commitment to the prevention of potential events that could impact the continuity of our business processes. The policy outlines responsibilities such as acting responsibly and having the resources necessary when incidents occur, setting business continuity objectives each year and identifying reasonably foreseeable events and incidents, such as environmental and health disruptions, personnel crises, sociopolitical events and customer, competitor or supplier crises. Physical risks resulting from extreme weather events such as floods, hurricanes and droughts, which have been directly linked to climate change, will be managed through our BCP and our risk management and facility assessment process. These protocols will ensure that any business disruptions are minimized and that clear plans are followed during the disruption.

Our Strategy for Sustainability

Celestica’s strategy for sustainability is to integrate the elements of our sustainability program into every aspect of our corporation. The five elements of our strategy are employee sustainability, environmental sustainability, material stewardship, sustainable solutions and sustainable communities. Additionally, we strive to focus on the areas that can create the most significant improvements in our industry.

Elements of Sustainability



Employee Sustainability
Foster a positive and engaged workforce that drives innovation and empowers people to make a difference.



Environmental Sustainability
Reduce our impact on the environment by regulating our energy and water consumption.



Material Stewardship
Reduce, reuse and recycle products and materials at end-of-life and generate value from the waste.



Sustainable Solutions
Understand the environmental footprint of our customers’ products, and proactively help our customers to “green” their supply chain.



Sustainable Communities
Leverage our collective expertise to drive positive change in the communities in which we operate.

CELESTICA'S ASPIRATIONAL SUSTAINABILITY GOALS

In 2013, we set five Aspirational Sustainability Goals to shape our journey. These goals are known throughout the global organization and Celestica has been driving towards them for five years. In doing so, we have become a better partner within the communities where we operate, made a positive impact on the industry and reduced our footprint on the planet.

One of our aspirational goals was to "Achieve 100% compliance with RBA (EICC) best practices on working hours by 2016." We ended December 2016 with only 1.46 per cent of employees working more than 60 hours per week, falling slightly short of our goal to be compliant within a 1 per cent tolerance. Nonetheless, we have made great progress towards this goal throughout our global workforce. Since 2012, we have decreased our percentage of employees working more than 60 hours by 87.7 per cent. We will continue to lead in our industry on reducing excessive overtime while promoting the wellness of our employees.

We began a review of our goals in 2018 in order to better reflect our progress and to ensure that they continue to define our sustainability journey. We will finalize these updated goals in 2019 and will develop new action plans that include reporting and communicating any changes that take place as we move through the year.

Celestica's 4 Aspirational Sustainability Goals

1

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

2

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

3

Achieve
100% waste
diversion
by 2020.

4

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

Stakeholder Engagement

GRI 102-40, 102-42, 102-43, 102-44

Engaging with our stakeholders is very important to Celestica, as the feedback we receive helps to determine our materiality matrix and identify our focus areas. Our stakeholder groups are the groups that have an impact on our business or have the potential to be impacted by our business, as well as external organizations that have expertise in the areas that we consider to be material. There are a variety of approaches, as listed in Figure 3.1, that we use to engage with our different stakeholder groups; the frequency is determined on an as-needed basis (daily, weekly, monthly, etc.).

Figure 3.1: Stakeholder Engagement Table

STAKEHOLDER GROUP	ENGAGEMENT APPROACH	TOPICS	ACTION
EMPLOYEES	<ul style="list-style-type: none"> Town hall meetings Leadership meetings Employee surveys Sustainable Workspace program Open-Door Policy Sustainability Report Annual risk assessment Internal communications 	<ul style="list-style-type: none"> Energy Water Waste Wellness Recognition Training Communities 	<ul style="list-style-type: none"> Spark Change Agents inform employees of status towards aspirational goals Facilitate Time Off to Volunteer events in local communities Discuss topics on the Sustainable Workspace Connect employees to subject matter experts on areas of specific interest
CUSTOMERS	<ul style="list-style-type: none"> Teleconferences Voluntary reporting Surveys Audits Scorecards Collaboration projects 	<ul style="list-style-type: none"> Energy Emissions Health and safety Supply chain product compliance Working hours Transparency Foreign migrant workers Forced or compulsory labour 	<ul style="list-style-type: none"> Share strategy to align resources on mutually beneficial projects Share best practices Share conflict minerals data Provide training on topics of interest Provide updates on audit findings Approach suppliers in unison Respond to surveys Participate in sustainability supplier conferences Carbon Disclosure Project (CDP) Climate Change, Water and Supply Chain Responses
ACADEMIA	<ul style="list-style-type: none"> Working group meetings Surveys Research projects 	<ul style="list-style-type: none"> Embedding sustainability Labour relations Waste Energy Water 	<ul style="list-style-type: none"> Brokered access for academics to sites in Asia Participated in interviews for academic papers Worked with Human Resources to incorporate sustainability into performance Created an online tool to unlock sustainability-oriented innovation in our company Increased capacity within leadership to talk about sustainability Incorporated academic research on embedding sustainability into our strategy for sustainability

Figure 3.1: Stakeholder Engagement Table Continued

STAKEHOLDER GROUP	ENGAGEMENT APPROACH	TOPICS	ACTION
CONSORTIA	<ul style="list-style-type: none"> ▪ RBA meetings ▪ RBA working groups ▪ RBA leadership ▪ Seminars ▪ Webinars 	<ul style="list-style-type: none"> ▪ Working hours ▪ Energy ▪ Emissions ▪ Supply chain ▪ Conflict minerals ▪ Foreign migrant workers 	<ul style="list-style-type: none"> ▪ Performed RBA site audits ▪ Supplier assessments ▪ Active participation in RBA leadership ▪ Collaboration on RBA-sponsored academic projects ▪ Reporting
GOVERNMENT	<ul style="list-style-type: none"> ▪ Local government regulations ▪ Site inspections ▪ Site audits 	<ul style="list-style-type: none"> ▪ Energy ▪ Water ▪ Waste ▪ Human resources ▪ Health and safety ▪ Permit compliance 	<ul style="list-style-type: none"> ▪ Monitor local regulations and update standards to maintain compliance ▪ Provide test results ▪ Update and maintain health and safety programs to local regulations ▪ Properly handle and dispose of waste
INVESTORS	<ul style="list-style-type: none"> ▪ Investor surveys 	<ul style="list-style-type: none"> ▪ Economic performance ▪ Energy ▪ Water ▪ Waste ▪ Labour relations 	<ul style="list-style-type: none"> ▪ Coordinate corporate-wide response to surveys ▪ Monitor investor surveys for emerging topics ▪ Discuss need for transparency on remuneration and compensation with Human Resources ▪ Create plan and gap analysis to respond to surveys for leadership ▪ Educate leadership on emerging trends
NON-GOVERNMENTAL ORGANIZATIONS (NGOS)	<ul style="list-style-type: none"> ▪ Face-to-face meetings ▪ Teleconferences ▪ On-site tours ▪ Collaboration projects 	<ul style="list-style-type: none"> ▪ Energy ▪ Water ▪ Labour relations ▪ Communities 	<ul style="list-style-type: none"> ▪ Increase energy literacy ▪ Increase waste productivity ▪ Supplier assessments ▪ Provide opportunities for recent immigrants
SUPPLIERS	<ul style="list-style-type: none"> ▪ Emails ▪ Teleconferences ▪ Questionnaires ▪ Facility tours 	<ul style="list-style-type: none"> ▪ Health and safety ▪ Human rights ▪ Environmental compliance ▪ Business conduct ▪ Conflict minerals 	<ul style="list-style-type: none"> ▪ RBA Self-Assessment Questionnaire ▪ Validated Audit Program ▪ Verification Visits ▪ Total Cost of Ownership™ (TCOO™) Awards

External Sustainability Initiatives

GRI 102-12

Celestica endorses and subscribes to a number of externally developed initiatives that work to drive economic, environmental and social charters/principles within our organization. These are itemized in Figure 3.2. The RBA is one of the most critical of these; it is more fully described in the Our Business section.

Figure 3.2: External and Internal Initiatives and Projects

GROUP	PROJECT DESCRIPTION	DATE JOINED	COMMITMENT
RESPONSIBLE BUSINESS ALLIANCE (RBA)	RBA is committed to supporting the rights and well-being of workers and communities worldwide affected by the global electronics supply chain.	2007	Voluntary
THE EMBEDDING PROJECT, SIMON FRASER UNIVERSITY	The Embedding Project is a public-benefit research project that collects knowledge on the process of embedding sustainability into corporate cultures for the benefit of all sustainability practitioners.	2013	Voluntary
THE CIRCULAR ECONOMY INNOVATION LAB (CEIL)	CEIL brings together private and public sector innovators from across Ontario to co-generate, test and implement circular economy solutions.	2014	Voluntary

Materiality

GRI 102-43, 102-46, 102-47

The aspects of sustainability that are deemed material for Celestica are constantly shifting as we progress towards our sustainability goals. We consistently monitor and analyze social, environmental and economic impacts and their influence on the bottom line.

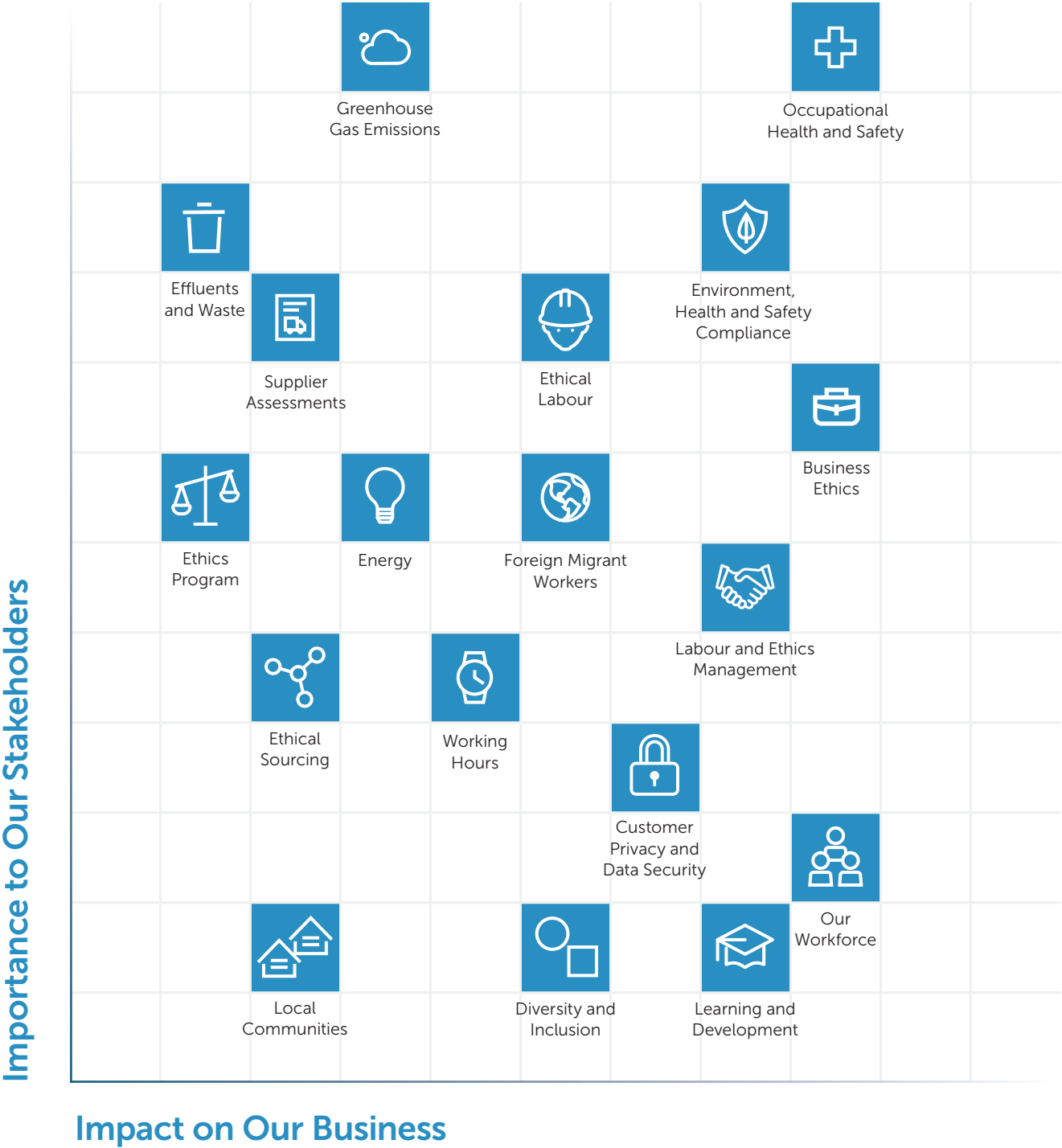
To explore this more deeply, we held discussions with our internal and external stakeholders on 30 GRI® Standards and three industry-specific topics: employee wellness, working hours and foreign migrant workers. We concluded that many of the GRI® Standards were handled within common processes by our organization as a result of our internal corporate structure. From this, we were able to map the disclosures and industry-specific topics into 18 topics that create the basis of our materiality matrix.

The next stage of mapping the materiality matrix was to examine each disclosure and its potential impact on our business. We assessed the disclosures by conducting extensive reviews with internal stakeholders, and we were able to identify the high- and mid-scoring priorities. The high priorities were then mapped on a matrix according to our corporate values, the environment and the goals of the business. Figure 3.3 illustrates the 18 topics that our stakeholders and our business deemed as having the highest priority. This covers 15 GRI® Standards and three industry-specific topics.

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

Social
Environmental
Economic

Figure 3.3: Mapping the Materiality Matrix



Sustainability Governance

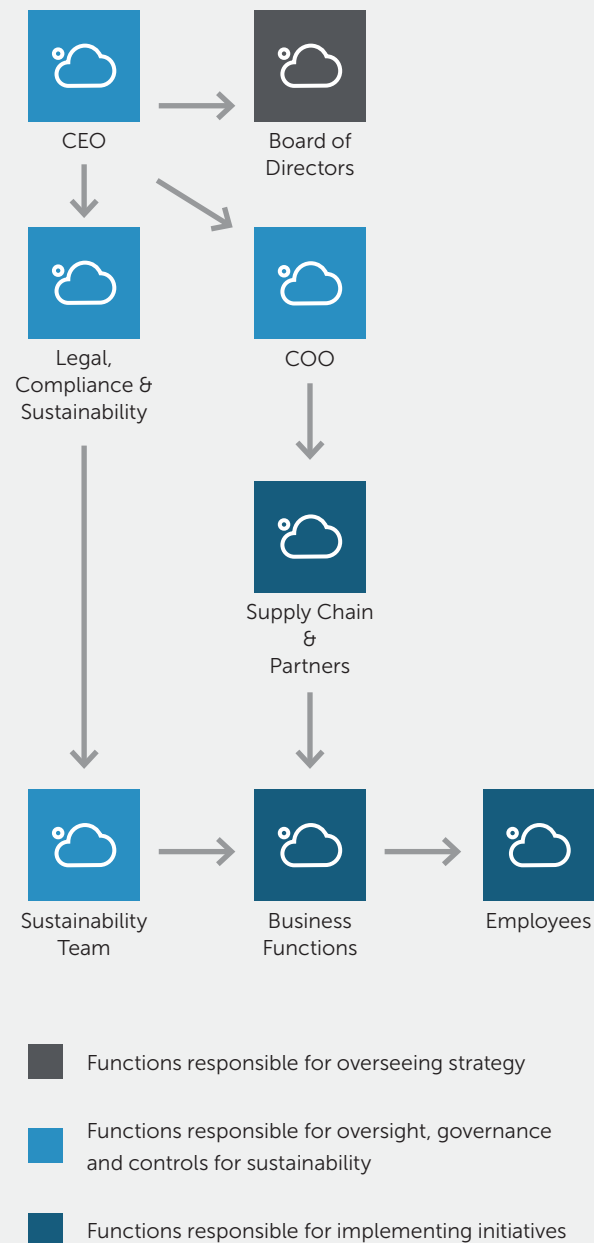
GRI 102-18, 102-19, 102-20, 102-21, 102-26, 102-31, 102-32

The Vice President, Sustainability is responsible for driving the sustainability strategy, leading the Sustainability team and overseeing all issues related to sustainability. In this position, the VP formally reviews the sustainability report and ensures that all material topics are discussed. This position reports directly to the Chief Legal and Administrative Officer and is part of the Legal, Compliance and Sustainability team.

Celestica's Chief Operations Officer receives sustainability updates on a quarterly basis. During these updates, discussions focus on our sustainability strategy and the progress we are making on our metrics. Input received in these updated meetings is important for shaping the strategy.

The Sustainability team manages many aspects of the program, including engaging with external stakeholders, conducting necessary reviews and assessments and reporting on activities. Cross-functional teams and employees at each global site implement or lead activities. Figure 3.4 illustrates the flow of decision making on matters relating to sustainability.

Figure 3.4: Sustainability Governance Structure



Membership and Affiliations

GRI 102-13

Below are examples of Celestica's commitment to sustainability, which we demonstrate through our wide range of affiliations with and memberships in organizations that address both global citizenship and environmental concerns.

Figure 3.5: Affiliations and Memberships

ORGANIZATION	PARTICIPATION
Responsible Business Alliance	Board of Directors
Responsible Business Alliance	VAP Working Group
The Embedding Project	Embedding Sustainability Into Corporate Culture Working Group
Circular Economy Innovation Lab	Steering Committee
Circular Economy Innovation Lab	Printed Paper and Packaging Rapid Lab
High Density Packaging Users Group	Board of Directors
High Density Packaging Users Group	Pb-Free Board Materials Phase 5, Researcher
High Density Packaging Users Group	Pb-Free Harsh Use Environment Development, Researcher
International Electronics Manufacturing Initiative	Characterization of Alternate Pb-Free Alloys, Researcher
International Electronics Manufacturing Initiative	Development of Cleanliness Specification for Expanded Beam Connectors Project, Phase 2
Aerospace Industries Association	Pb-Free Electronics Risk Management (PERM) Consortium, Researcher

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 they also help guide and provide feedback on the issues we need to monitor in the future. Celestica is proud to have received EcoVadis' gold rating.

In 2018, Celestica scored
73/100,
which is an improvement over
our 2017 score of 69/100.

Below are the highlights from our 2018 assessment:

Environment:

Celestica is in the

Top 5% of suppliers

assessed by EcoVadis in the category

Manufacture of electronic components and boards.

Sustainable Procurement:

Celestica is in the

Top 3% of suppliers

assessed by EcoVadis in the category

Manufacture of electronic components and boards.

Labour Practices:

Celestica is in the

Top 24% 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 the category

Manufacture of electronic components and boards.

Fair Business Practices:

Celestica is in the

Top 1% of suppliers

assessed by EcoVadis in the category

Manufacture of electronic components and boards.

Overall:

Celestica is in the

Top 1% of suppliers

assessed by EcoVadis in all categories.

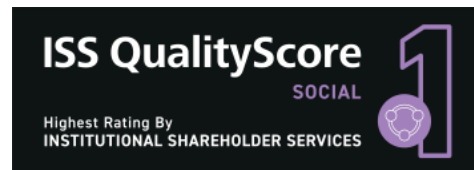
CANADA'S BEST 50 CORPORATE CITIZENS

For the fourth year in a row, Celestica was named one of Canada's Best 50 Corporate Citizens, ranking 24th in 2017. Corporate Knights is an organization dedicated to encouraging responsible business practices. The Corporate Knights' 16th annual Best 50 Corporate Citizens list ranks Canada's top corporate citizens based on environmental, social and governance indicators. To compile the ranking, Corporate Knights assesses companies on various metrics that include greenhouse gas, water and waste productivity; health and safety performance; and leadership diversity.



INSTITUTIONAL SHAREHOLDER SERVICES ENVIRONMENTAL AND SOCIAL QUALITYSCORE

As of May 17, 2018, Celestica received an Environmental and Social QualityScore of "1" from Institutional Shareholder Services (ISS). ISS is a global leader in corporate governance and responsible investments. Their QualityScore solution uses a numeric, decile-based score that measures the quality of corporate disclosure on environmental and social issues, and to identify key disclosure omissions. The decile scores range from 1 to 10 with a score of 1 indicating higher quality disclosure and transparency practices and fewer disclosure omissions. Conversely, a score of 10 indicates key disclosure omissions and lower quality disclosure and transparency practices. Our score showcases our understanding of environmental and social risks, along with our preparedness to face and mitigate them, and to increase our responsibility and accountability.





Economic

We are committed to disclosing our company's economic conditions and systems at local, national and global levels as they pertain to our organization's sustainability.

Financial Performance

The financial health of our company directly affects 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:

- Grow and diversify our customer and product portfolios through organic growth and acquisitions
- Increase margins in our Advanced Technology Solutions (ATS) end market while continuing to invest in capabilities and targeted end markets
- Generate strong annual free cash flow and adjusted return on invested capital
- Improve execution and increase productivity and simplification throughout the organization



OUR MANAGEMENT APPROACH

- Our management approach is described fully within our 2017 Form 20-F

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.

The consolidated financial information in the following table was prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). No dividends have been declared by the corporation.

Figure 4.1: Selected Financial Data (in US dollars)

	2015*	2016**	2017**
Revenue	\$5,639.2	\$6,046.6	\$6,142.7
Gross Profit	\$391.1	\$418.5	\$429.6
Selling, General & Administrative Expenses (SG&A)	\$207.5	\$211.1	\$203.2
Employee-Related Costs Included in Cost of Sales and SG&A	\$690.9	\$711.3	\$726.4
Other Charges	\$35.8	\$25.5	\$37.0
Net Earnings	\$66.9	\$138.3	\$105.5
Diluted Earnings Per Share	\$0.42	\$0.96	\$0.73

(In millions, except per share amounts)

*2015 comparatives have not been restated for IFRS 15

**2016 and 2017 comparatives have been restated for IFRS 15

Supply Chain Overview

GRI 102-9

Celestica has a global network of over 4,000 active suppliers, and our preferred suppliers are located in close proximity to our Centers of Excellence. This proximity increases the speed and flexibility of our supply chain and ensures the shortest overall lead times to our customers. Components and raw materials are sourced globally, with a majority of electronics components originating in close proximity to our manufacturing locations.

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

Using our global SCM 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. Due to Celestica's market position as an electronics manufacturing services provider in the communications and enterprise industry, the SCM relationships within Celestica's supply base have, historically, often followed two models: Celestica enacting the supply arrangements that had been negotiated by the customer, or Celestica having virtually complete commercial control of the purchasing relationship with the supplier.



Celestica has a global network of over **4,000 active suppliers.**

ASSEMBLY MATERIALS

GRI 308-1

Our Supply Chain team relies on Celestica's extensive library of policies and procedures when selecting the components, chemicals and consumables used to build our customers' products, and we take every measure to ensure that these materials adhere to environmental compliance requirements. Our Supply Chain team members are trained on Restriction of Hazardous Substances (RoHS) and RBA compliance, and 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 the established requirements.

COMPONENTS

GRI 308-1

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 whether those documents comply with Celestica's requirements. Celestica's Supply Chain team also verifies the RoHS and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) compliance of the components being used for any product. This approach facilitates Celestica's assigning of a risk profile to both the component and the supplier.

SUPPLIER ASSESSMENTS

GRI 414-1

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.

The Compliance and Ethics section of this report highlights Celestica's ongoing support of the RBA 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 MSL honour the spirit of the RBA Code by aligning their management systems with the Code's requirements.

Celestica is continually working to implement, manage and audit our compliance with the RBA Code as well our suppliers on our MSL as discussed later on this page. 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 with the RBA Code is measured by assessing how members conform to RBA requirements. Celestica monitors our suppliers through application of approved RBA risk assessment tools. These include the SAQ, the VAP and Verification Visits.

Self-Assessment Questionnaire

The SAQ is completed by Celestica's major suppliers on an annual basis. The SAQ demonstrates our commitment to the RBA Code. 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.



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

VERIFICATION VISITS

GRI 308-2, 414-1, 414-2

Celestica's MSL includes suppliers that are RBA members and suppliers that are not. All of our suppliers are managed through our Supplier RBA Compliance Program. Through this system, Celestica assesses the level of risk for each supplier. Each supplier on our MSL is expected to complete an RBA 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 2017, we performed 125 SAQs for the 68 suppliers on our MSL. An SAQ is performed for each facility operated by the 68 suppliers. None of our MSL facilities had high-risk activity identified through the RBA risk assessment process, and therefore no suppliers were removed from our MSL. All of our MSL suppliers (100 per cent) have CAPs in place, as any gap in the SAQ requires a CAP to be put in place.

Ethical Sourcing

GRI 414-2

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 institutional investor organizations ask us about our policy on conflict minerals. While this topic has some overlap with Supplier Assessments, there are enough differences with the societal impacts and the management of this topic that Celestica considers this to be an industry-specific topic.

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.

Committed Ethical Practices



OUR MANAGEMENT APPROACH

- File an annual report to the Securities and Exchange Commission (SEC)
- Complete the template provided by the Responsible Minerals Initiative (RMI), formerly the Conflict-Free Sourcing Initiative (CFSI)
- Ensure proper implementation of Celestica's Conflict Minerals Policy

Celestica fully supports the objectives of this legislation to minimize the violence and environmental damage in the DRC region. Furthermore, Celestica expects all of its suppliers to comply with this legislation and to provide all required declarations using the RBA 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 Responsible Minerals Assurance Process (RMAP), formerly Conflict-Free Smelter Program (CFSP), 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.



Environment

We are committed to being an environmentally responsible partner in the communities in which we operate by ensuring we have safe, efficient and environmentally conscious operating and manufacturing processes in place and leveraging our expertise to support our customers' environmental sustainability programs and goals.

Environmental Compliance

GRI 307-1

Celestica's Global Environmental Policy communicates the importance we place on environmental regulatory compliance and being a good environmental neighbour in the jurisdictions in which we operate.

In 2017, our Environmental Policy was updated to reflect our proactive approach to environmental protection. Compliance is central to our global Environmental Management System approach and, as such, compliance activities are managed closely and risks identified and controlled. Sixty-nine per cent of our manufacturing locations are certified to the ISO 14001 standard for environmental management. Along with associated program standards, each Celestica site is aligned with our Global Environmental Policy, the foundation of our environmental programs. This policy communicates our focus on ensuring we conduct our operations using sound, environmentally conscious practices.

Our proactive approach to mitigating and controlling risk is outlined in our top-level environmental, health and safety (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. Each site has one or more persons tasked with managing environmental compliance and reporting status to the global EHS team and/or Sustainability team.

Both site and global EHS teams exercise controls that ensure the requirements are known, understood and integrated into the site's management systems and daily business operations. With a strong partnership between our site and global teams, we have a robust environmental compliance program.

In 2017, Celestica did not identify any significant non-compliance issues with environmental laws or regulations.



OUR MANAGEMENT APPROACH

- Evaluate EHS legal compliance through third-party EHS regulatory compliance audits as per a defined schedule based on risk, location and past performance
- Subscribe to ENHESA, a global environment, health and safety consultancy update service
- Identify and deploy site-specific legal requirements per manufacturing location
- Link local legal requirements to site activities and environmental impacts
- Establish mutually beneficial relationships with local authorities to ensure we have good communication and access to their expertise
- Maintain a peer audit program that provides an opportunity for our trained peer auditors to assess sites within their region to the RBA Code

Greenhouse Gas Emissions

GRI 305-1, 305-2, 305-3

The effects of climate change continue to pose concern for our planet, and Celestica is taking important steps towards mitigating our impact by driving performance improvements for global emissions reduction.

Celestica is committed to reducing our absolute greenhouse gas (GHG) emissions by 30 per cent of 2012 levels by 2020. This goal focuses on direct and indirect emissions from our operations (Scope 1 and Scope 2). The largest source of GHG emissions at Celestica is electricity, which is captured under our Scope 2 emissions. Electricity is primarily used for lighting, heat, ventilation and air conditioning systems and to run manufacturing equipment. Our second largest source of emissions is the combustion of natural gas and fuel oils used in the heating of our sites' buildings, cooking in our cafeterias/canteens and providing power to our back-up generators. Fuel and natural gas are captured under our Scope 1 emissions.



OUR MANAGEMENT APPROACH

- Leveraging carbon accounting software to track and gain insights on our global emission
- Focusing on transparency through reporting emissions to the CDP (formerly the Carbon Disclosure Project) and continually improving disclosure and performance scores by Celestica's Sustainability team
- Independently verifying our emissions in accordance with ISO 14064-3:2006
- Setting annual site targets for emissions reductions
- Reviewing with senior leadership our sites' progress and identifying actions for program success

Figure 5.1: Direct and Indirect Greenhouse Gas Emissions (metric tonnes CO₂e)

EMISSIONS TYPE (T OF CO ₂ E)	BASE YEAR 2012	2015	2016	2017
Direct Emissions (Scope 1)	7,829	8,331	7,997	8,321
Indirect Emissions (Scope 2) *Market-based	197,055	174,742	187,736	182,759
Indirect Emissions (Scope 3)	N/A	6,117	81,668	61,053
Total	204,884	189,190	277,401	252,133

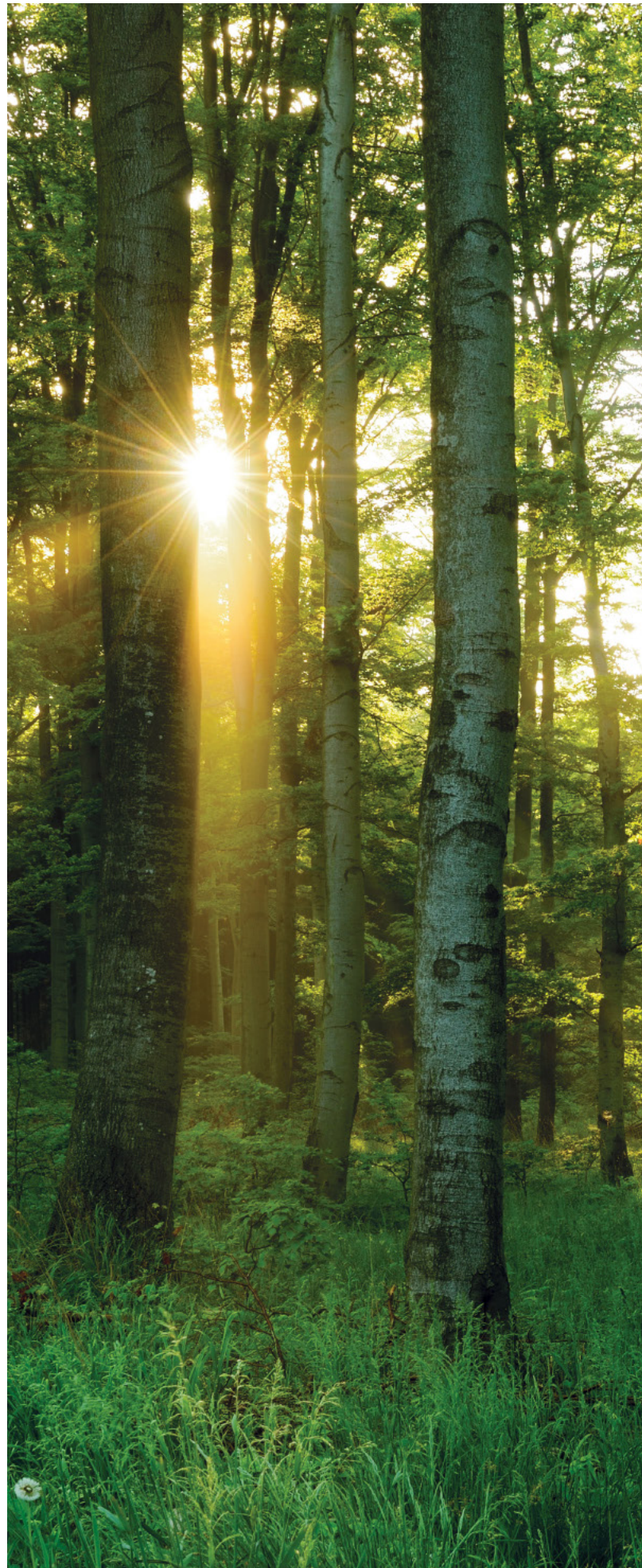
The gases included in the calculation of our Scope 1, 2 and 3 emissions are carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄). Our source for global warming potentials (GWP) is the IPCC Second Assessment Report (SAR; 100 year). There are no biogenic emissions from our operations. We set our baseline in 2012, as this was the year that we began tracking our GHG emissions on a monthly basis using sustainability management software.

Our emission factors and GWP are maintained through our carbon accounting software and reviewed periodically. At Celestica, we use sustainability software to track our monthly environmental data. The tool we use enables us to evaluate the largest sources of our emissions and strategize plans for improvement. The software manages specific emission factors for each location to convert the energy data into GHG emissions. Emissions are tracked at 97.6 per cent of our global footprint, which represents the manufacturing sites over which we have operational control.



At Celestica, we use sustainability software to track our monthly environmental data.

The tool we use enables us to evaluate the largest sources of our emissions and strategize plans for improvement.



EMISSIONS FROM OUR OPERATIONS (SCOPE 1 AND SCOPE 2)

GRI 305-1, 305-2, 305-4, 305-5

In 2017, total Scope 1 and 2 emissions decreased by 2.4 per cent when compared with the previous year, totaling 191,080 metric tonnes of carbon dioxide equivalent (CO₂e). This is a direct result of energy reduction initiatives in our facilities. In 2017, our Scope 1 emissions increased by 4 per cent. Although there was a significant decrease in natural gas usage at a site in our network that decreased our total company's usage, this was offset by an adjustment to the emissions factors used to calculate the Scope 1 GHG emissions. Scope 2 emissions, representing 72.5 per cent of our overall emissions, decreased by 2.7 per cent compared to 2016 primarily due to a shift towards more renewable energy sources and reductions driven by Internet of Things (IoT) projects.

Although we have seen an overall reduction in absolute emissions since our base year of 2012 where our Scope 1 and Scope 2 emissions were 204,884 metric tonnes of CO₂e, our emissions normalized to revenue have fluctuated. In 2017, our normalized emissions were reduced by 4 per cent compared to 2016 and 0.7 per cent since 2012.

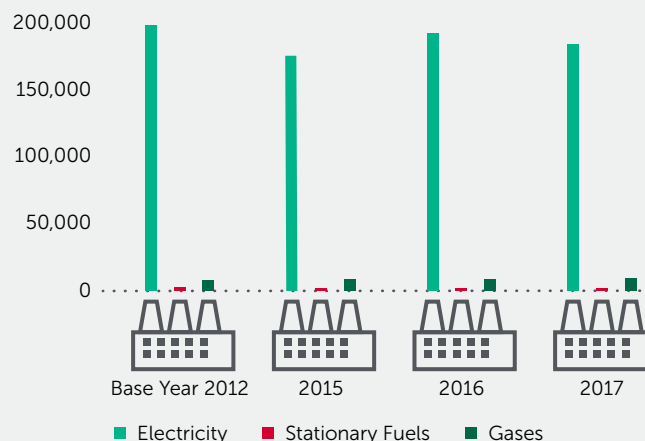
We utilized 31.3 metric tonnes of CO₂e per million dollars of revenue in 2017, compared to 32.5 metric tonnes CO₂e in 2016. Our reduction in Scope 1 and 2 emissions contributed to this decrease. If we continued to report our location-based normalized emissions, the result would have been 30.9 metric tonnes of CO₂e per million dollars of revenue in 2017.

We implemented a number of projects in 2017 targeted at reducing our GHG emissions. These projects drove a total reduction of 6,405 metric tonnes of CO₂e from projects that were fully implemented or whose implementation began at sites in 2017. In 2017, 32 per cent of sites were certified to ISO 50001:2011, representing 71 per cent of our total consumed electricity. In 2018, we will continue to focus on identifying methods to reduce energy consumption through ISO 50001 implementations and through projects targeting energy consumption/conservation from direct production equipment usage. In addition, we will also expand on electricity consumption from renewable sources through on-site generation or procurement of renewable energy.

Figure 5.2: GHG Market-Based Emissions and GHG Location-Based Emissions (metric tonnes CO₂e)

EMISSIONS TYPE	2012	2015	2016	2017
Scope 1 and Scope 2 Location-Based	204,884	183,287	192,229	188,866
Scope 1 and Scope 2 Market-Based	204,884	183,073	195,733	191,080

Figure 5.3: GHG Emissions from Scope 1 and Scope 2 Emissions Sources by Energy Type (metric tonnes CO₂e)



OTHER INDIRECT EMISSIONS (SCOPE 3)
GRI 305-3

Celestica generates other indirect emissions (Scope 3) through a number of activities in our business operations and supply chain. 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 track and report on our upstream transportation and distribution, waste and business travel emissions. We use a distance-based method of calculating the upstream transportation and distribution emissions.

Our combined Scope 3 emissions, totalling 61,053 metric tonnes of CO₂e, can be viewed in Figure 5.4. Comparing previously reported Scope 3 emissions from employee travel and landfill waste in 2016 to results for 2017, we saw a decrease of 23 per cent in our Scope 3 emissions. We've also seen a 20 per cent decrease in employee travel emissions both domestically and internationally, both impacting overall Scope 3 emissions.

23%
decrease in Scope 3 emissions
from business travel and waste.

20%
decrease in employee travel
emissions both domestically
and internationally.

Figure 5.4: Scope 3 Emissions Breakdown by Category (metric tonnes CO₂e)



ADDITIONAL GREENHOUSE GAS EMISSIONS

GRI 305-7

Celestica is working towards measuring criteria air contaminants (CACs) emissions. This includes tracking volatile organic compounds (VOCs), particulate matter, nitrogen oxide (NOx), methane (CH₄), sulphur oxide (SOx) and lead (Pb). These emissions are caused by combustion and soldering equipment, and natural gas combustion. The levels are not considered significant emissions at this time.

EMISSIONS DISCLOSURES

GRI 102-56

Celestica is committed to transparent reporting and providing a comprehensive disclosure on our sustainability performance. Since 2009, we have been disclosing our GHG emissions to the CDP.

In 2017, we received a CDP Climate Change Response score of B, placing us in the management level of environmental stewardship and disclosure. This is an indicator of our continued focus on transparency and progress year-over-year.

Emissions validated by an external party, and emissions factors and GWPs used are located within our CDP submission.



Please visit
www.cdp.net
for more information.

Science-Based Targets

In 2016, through a joint initiative by the CDP, the United Nations Global Compact, the World Resources Institute and the World Wildlife Fund, a call to action was announced for companies around the world to set more stringent and ambitious emission reduction targets. The goal is for companies to set "Science-Based Targets" that are in line with the level of decarbonization required to keep global temperature increases below 2 degrees Celsius compared to pre-industrial temperatures, according to the Intergovernmental Panel on Climate Change (IPCC).



Please visit
www.sciencebasedtargets.org
for more information.

Celestica understands the important role we have in protecting our climate, and that setting a Science-Based Target will help in the transition to the low-carbon economy. Therefore, Celestica has committed to announcing a Science-Based Target in 2019. There are four stages to setting this target: committing, developing, submitting and announcing. We have completed stage one, committing to setting a target, and are currently developing the target according to climate science.

Energy

GRI 302-1, 302-3, 302-4

The emissions Celestica generates are a direct result of the energy we consume. Since energy is critical to Celestica’s operations and is a major operating cost, Celestica has implemented energy-related savings initiatives to reduce our GHG emissions from our operations.



OUR MANAGEMENT APPROACH

- Reduce our demand for energy through conservation
- Improve energy efficiency of equipment and processes
- Certify our sites to ISO 50001
- Include renewable energy sources to reduce our demand from the power grid
- Focus on transparency through reporting energy to the CDP and continually improving disclosure and performance scores through Celestica’s Sustainability team and appropriate representatives from each site

Figure 5.5: Total Energy Consumption by Year (Gigajoules)

	2015	2016	2017
Total Fuel (Non-Renewable Sources)	145,165	140,012	157,676
Total Renewable Energy Sources	*	2,013	35,372
Total Electricity	1,206,830	1,265,854	1,217,839
TOTAL	1,351,995	1,407,879	1,410,887

*Not measured/Unavailable

Figure 5.6: Non-Renewable Fuel Consumption by Year (Gigajoules)

	2015	2016	2017
Natural Gas	136,792	120,493	136,096
Liquefied Propane Gas	*	10,426	14,325
Diesel Fuel	8,373	6,428	4,251
Kerosene	*	2,473	2,774
Ethanol E-10	*	192	230
TOTAL	145,165	140,012	157,676

*Not measured/Unavailable

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. Celestica has no fuel consumption from renewable sources such as biogas or biomass fuels. No energy is sold by Celestica nor are heat, steam or cooling purchased for consumption. These are generated from other sources of energy as previously discussed.

Using our carbon accounting software, conversions are applied to our renewable, non-renewable and electricity consumption data to obtain a common unit of energy (joules). Where appropriate, Celestica has updated conversion factors to market-based factors when provided directly by utilities or local regulatory bodies.

Celestica's energy performance is also assessed by normalizing electricity and fuel usage against our company's overall revenue. In 2017, Celestica consumed 231 gigajoules of energy per

million USD of revenue. This is a 1.3 per cent reduction from 2016.

Our management approach is used for disclosures related to our direct energy and other indirect GHG emissions as well as our reduction of GHG emissions. It is also used to manage energy consumption, energy intensity, reduction of energy consumption and waste generation by type, and disposal method disclosures. Specific additional actions will be discussed within each of the specific disclosures.

Conservation and efficiency initiative projects that led to additional reductions in emissions continued in 2017. Many of our sites developed energy reduction initiatives through the ongoing implementation of targets, tools and training at each of our sites. The overall energy reduction that occurred as a result of the projects for 2017 was 48,145 GJ. A sample of projects are described on the following page.

RENEWABLE ENERGY

2.5% of our total energy consumption is renewable energy.
We are focused on increasing the use of renewable energy sources at our sites.

In 2017, our site in Galway, Ireland purchased

4.7 million kWh

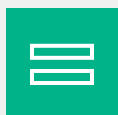
of renewable electricity.



Our site in Valencia, Spain purchased

3.5 million kWh

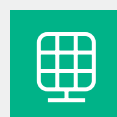
of renewable electricity.



Combined savings of approximately

4,990 metric tonnes of CO2e.

Our Laem Chabang, Thailand site has been working on increasing its solar panel usage since 2016. At the end of 2017, the site had installed



2.4 MW of solar panels

and has plans to add an additional 1MW in early 2018. This saved 848 metric tonnes of CO2e in 2017 and will save approximately 2,300 metric tonnes CO2e/year going forward.

From these three renewable energy projects, an estimated

5,330 metric tonnes of CO2e emissions



were avoided in 2017.

Expansion of IoT Energy Management

In 2017, we expanded the scope of our IoT energy management project that we discussed in our 2016 Sustainability Report. Celestica designed, developed and deployed an IoT technology toolkit that enabled our site in Laem Chabang, Thailand to reduce energy consumption by creating automated rule-sets to directly control high-consumption equipment.

In 2017, we deployed this technology to our sites in Song Shan Lake, China; Suzhou, China; Monterrey, Mexico; Kulim, Malaysia; Johor, Malaysia; and Miyagi, Japan. Throughout the year, we installed over 730 sensors at these locations, which provided insights into our operations, not only on pure energy savings

but also on temperature monitoring within our factories and process equipment uptime. These generated savings of nearly 4.8 million kWh of energy equivalent to equivalent to approximately 2,500 metric tonnes of CO2e emissions in 2017.

Chiller Improvements

In 2017, our sites in San Jose, U.S.A.; Kulim, Malaysia; and Laem Chabang, Thailand implemented projects to improve their chiller systems' efficiency. Examples of these projects include replacing old equipment, using an additive to improve the heat transfer in the chillers, and adjusting the firing points of boilers. These reductions equated to reductions of over 710 metric tonnes of CO2e per year.



Effluents and Waste

GRI 306-2, 306-3, 306-4

As global waste production continues to increase, and with reduced capacity to process waste 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, non-governmental organizations and the communities in which we operate.



OUR MANAGEMENT APPROACH

- Track our performance using specialized software
- Set site level targets driving each site towards our aspirational goal
- Report internally on our performance
- Drive continuous improvement and sharing of best practices through our Energy and Waste Working Groups
- Perform waste audits identifying opportunities for improvement
- Utilize the waste management hierarchy to reduce wastes generated, reuse materials where possible and recycle prior to landfill disposition
- Reduce and/or eliminate hazardous wastes from our operations

Minimize Environmental Impact

Figure 5.7: Waste by Disposal Method (metric tonnes)

	2015	2016	2017
NON-HAZARDOUS WASTE			
Reuse	90	103	136
Recycling	11,396	15,843	12,657
Composting	346	657	661
Incineration	103	246	221
Landfill	1,370	1,809	976
TOTAL NON-HAZARDOUS	13,305	18,658	14,651
HAZARDOUS WASTE			
Reuse	0	0	0
Recycled	1,974	2,704	2,813
Landfill Treatment	533	183	129
TOTAL HAZARDOUS	2,507	2,887	2,942

We determined disposal methods in consultation with our waste disposal service providers. By partnering with responsible vendors, we ensure the proper management and disposition of our waste. Celestica's waste diversion rate was 93.7 per cent in 2017, an increase from 90.8 per cent in 2016, primarily attributed to a recycling opportunity in one of our waste streams at a major facility. We will continue to look for additional opportunities to progress towards our aspirational goal of 100 per cent waste diversion by 2020.

In 2017, total hazardous waste increased to 2,942 metric tonnes, from 2,887 metric tonnes in 2016.

The increase in hazardous waste is primarily attributable to the activities associated with our exit from the manufacturing of solar photovoltaic (PV) panels. Celestica recognizes that hazardous waste materials continue to provide the largest risk to the environment, our employees and our customers.

We will continue to develop systems to properly minimize and dispose of this waste across our network. One initiative is the implementation of our new centralized sorting facilities that handle electronic waste (eWaste) and transfer eWaste to pre-approved and audited downstream suppliers.

Figure 5.8: Waste Commodity Breakdown (metric tonnes)

	2015	2016	2017
Cardboard	4,836	5,486	4,987
Plastic	2,527	5,905	3,312
Recycled Hazardous Waste	1,681	2,084	2,091
Metal	1,830	2,120	2,247
Wood	2,020	2,096	1,916
Organics	346	657	867
Landfill	1,370	1,809	770
eWaste	293	620	723
Waste-to-Energy	103	246	221
Paper	204	251	187
Construction Waste	70	88	143
Hazardous Waste	533	183	129
TOTAL	15,813	21,545	17,593

At these facilities, hazardous waste is secured within controlled areas and is managed by highly trained operators. Under their supervision, the waste is safely separated and disposed. In 2017, there were no significant spills reported.

Our sites strive to reduce these waste streams where possible and continue to reuse or repurpose 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 additional 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, U.S.A.; Fremont, U.S.A.; and Johor, Malaysia, sourced new recycling partners, which increased the amount of 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.

Water

GRI 303-1, 303-2, 306-1

Celestica's water use is generally from 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 the development of closed-loop systems in order to reduce or eliminate the need where possible. Although water is sourced from municipal water supply systems and water utilities, and there are no impacts to water sources, protected areas or biodiversity, Celestica acknowledges there are many risks that can come from water misuse and scarcity. These include environmental risks such as polluted waters, reduced river flows and political conflicts. Potential impacts to Celestica's business as a result could be increased costs of supply and treatment, intermittent supply and other adverse effects to our supply chain and operations.

There are sites that collect small amounts of rain water to be reused to water plants and gardens at our facilities, however the volume is not tracked. In 2017, we withdrew 1,288,898 cubic metres of water from municipal water suppliers globally for our sites where we have operational control. This represents a 14 per cent decrease year-over-year, primarily due to our exit from the solar panel manufacturing business at our Laem Chabang, Thailand site.



Celestica acknowledges there are many risks that can come from water misuse and scarcity.

In 2017, we withdrew

1,288,898 cubic metres of water

from municipal water suppliers globally for our sites where we have operational control.

This represents a

14 per cent decrease

year-over-year.



Social

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.

Our Workforce

At Celestica, our commitment to being people-driven is an essential part of our business strategy and a key enabler of our sustainability vision. We empower our employees to solve problems and make informed decisions that unlock potential for our customers. We invest in people who are driven to understand, explore and improve. Together, we find better ways to grow with our customers, partners and communities.

Our people-driven strategy:

- Align and empower our employees to enable our growth, financial strength and expanded capabilities
- Foster a customer-centric approach
- Encourage a common definition of leadership excellence across Celestica
- Execute strategies to meet the talent needs of our organization, including managing succession for sustained excellence in future leadership potential
- Attract, engage and develop top talent
- Deliver relevant compensation, performance and development programs to drive performance and reward employee contributions to achieve Celestica's business goals
- Encourage the diversity and well-being of our employee population globally
- Ensure Celestica's strong ethics, Values and principles of diversity are the foundation of all we do

People Driven



OUR MANAGEMENT APPROACH

- Uphold ethical labour and employment practices
- Continually review and evolve our Total Rewards strategy to ensure Celestica remains competitive in the attraction, engagement and retention of our talented workforce
- Continue to enhance our approach of effective integration and assimilation of new employees
- Embed Celestica's Leadership Imperatives throughout our people practices
- Govern and enhance our annual Performance Management cycle
- Ensure learning and development is available and accessible to all employees so they can develop the skills and experiences required to be successful
- Conduct an annual talent and succession review focused on the identification and development of employees with the potential to take on roles of broader complexity and scope in the future
- Commit to recognition programs that create an environment where engaged employees are acknowledged for their contributions

GENDER, REGION AND EMPLOYEE TYPE

GRI 102-8, 401-1, 405-1

The following section describes the demographic data of our diverse workforce around the world. The metrics that are material to Celestica are collected for our regular, full-time and contract employees. We do not collect demographic data on our third-party contractors.

At Celestica, our gender distribution is fairly evenly distributed around the globe and has remained consistent since 2015. At our sites in the Americas and in Europe, males represent 61 per cent and 59 per cent of our workforce, respectively, while at our sites in Asia, females represent 58 per cent.

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 2017, 69 per cent of our workforce were in direct labour roles and 31 per cent were in indirect labour roles. This remains unchanged from 2016.

The majority of our employees (85 per cent) are regular, full-time employees. However, we also employ a small percentage of contract employees (6 per cent) and third-party contractors (9 per cent) to ensure we have the workforce flexibility to rapidly respond to changes in customer demands.

Figure 6.1: Workforce Distribution by Employee Type, Region and Gender

	AMERICAS			ASIA			EUROPE			GLOBAL
	Contract	Regular	Total	Contract	Regular	Total	Contract	Regular	Total	Total
Female	9%	30%	39%	2%	56%	58%	2%	39%	41%	53%
Male	10%	51%	61%	2%	40%	42%	4%	55%	59%	47%
TOTAL	19%	81%	100%	4%	96%	100%	6%	94%	100%	100%

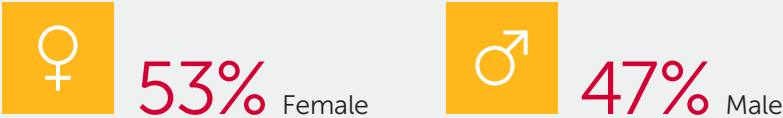
Figure 6.2: Workforce Distribution by Employee Type, Gender and Age

	CONTRACT EMPLOYEES			REGULAR EMPLOYEES			GLOBAL
	Female	Male	Total	Female	Male	Total	Total
Under 30 Years	23%	37%	60%	21%	15%	36%	38%
30-50 Years	18%	14%	32%	29%	26%	55%	53%
Over 50 Years	5%	3%	8%	3%	6%	9%	9%
TOTAL	46%	54%	100%	53%	47%	100%	100%

Figure 6.3: Workforce Distribution by Region (includes regular, contract and third-party contractors)



Figure 6.4: Workforce Distribution by Gender



NEW HIRES AT CELESTICA
GRI 401-1

In 2017, Celestica hired 10,676 employees, an increase from 9,019 in 2016 and 6,716 in 2015. Sixty-four per cent of our employees were hired at our sites in Asia and 29% in the Americas, which is consistent with our overall regional distribution demographics.

In 2017, Celestica hired

10,676

employees.

Figure 6.5: New Hires by Region

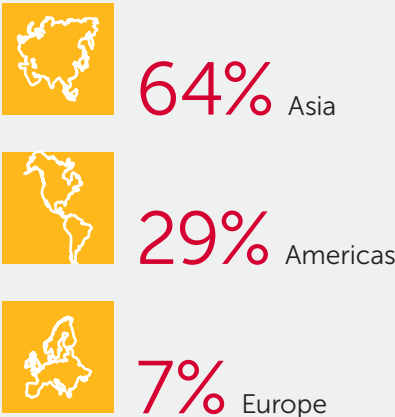


Figure 6.6: New Hires by Age

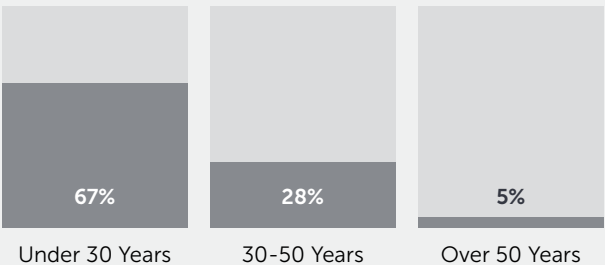


Figure 6.7: New Hires by Gender



GLOBAL TURNOVER
GRI 401-1

The voluntary turnover rate of our regular employees continues to improve year-over-year. In 2017, our turnover was 27 per cent, down from 28 per cent in 2016, 30 per cent in 2015, and 35 per cent in 2014. The breakdown of the turnover rate for 2017 is detailed below, which is reflective of Celestica’s employee demographics.

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 and retention across our organization.

Figure 6.8: Turnover Rate by Region

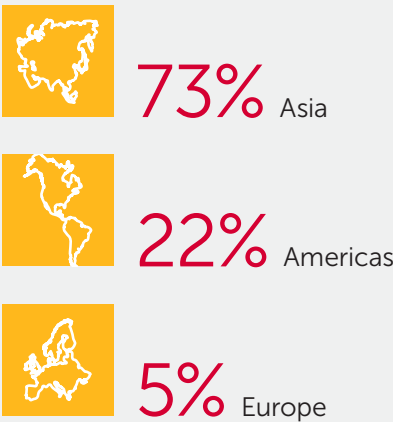


Figure 6.9: Turnover Rate by Age

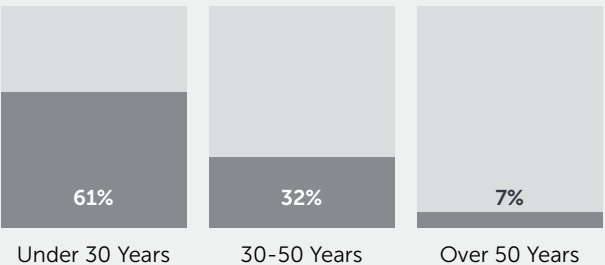


Figure 6.10: Turnover Rate by Gender



Diversity and Inclusion

GRI 405-1

Celestica is committed to a work environment that values and respects each employee for his or her unique talents. We recognize that our workforce is comprised of varied backgrounds, experiences and perspectives. Celestica believes that the diversity of our talented workforce is a key competitive advantage, and we continue to strengthen our focus on diversity and inclusion with an emphasis on building diversity into our people practices.

In 2017, Celestica had 25 per cent female representation on the Board of Directors. Our goal is to have 30 per cent representation of women on our Board of Directors by 2020. Celestica will continue to focus its human resources strategy and vision on specific plans that support our diversity and inclusion goals.

Value Respect



OUR MANAGEMENT APPROACH

- Attract, engage, develop and retain a diverse pool of top talent to ensure business growth and performance
- Strive for a respectful, supportive and understanding environment in which all employees can realize their full potential as they grow with the company
- Strive to increase the representation of women at all levels of leadership and across our geographies, disclosing statistics of female representation on the board and in executive positions and establishing a strategy of diversity and inclusion
- Develop programs to support an inclusive and diverse environment in the workplace

Working Hours

At Celestica, we believe in promoting a well-balanced life for our employees. Our leaders and employees, along with our customers and suppliers, feel that it is important to ensure that we monitor and control overtime worked by our manufacturing employees. Celestica's Working Hours Policy 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 his or her 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.

In emergency or unusual situations, additional hours may be worked; however, 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.



OUR MANAGEMENT APPROACH

- Ensure our global Working Hours Policy is reviewed and sites understand the limits
- Establish annual, global targets that ensure 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 ensuring timely completion
- Share best practices and success stories globally within Celestica and with our customers and the RBA
- Continue to monitor overtime globally and at a site level, reassess processes and make improvements as needed

Our aspirational goal set in 2013 was to achieve 100 per cent compliance with RBA best practices on working hours (that a work week is not in excess of 60 hours) within the allowable tolerance of 1 per cent by the end of 2016. Our global 2016 percentage was 1.56 per cent and our global 2017 percentage was 1.52. Although we fell slightly short of our aspirational goal, we continue to make great progress with our global workforce on this initiative. Since 2012, we have decreased our percentage of employees working more than 60 hours by nearly 88 per cent. Unexpected demand changes throughout the year have prevented us from achieving full compliance. Despite our best efforts to align our workforce to meet customer requirements, we could not react fast enough to meet those increased demands and align critical skills in the manufacturing process with the correctly cross-trained labour workforce.

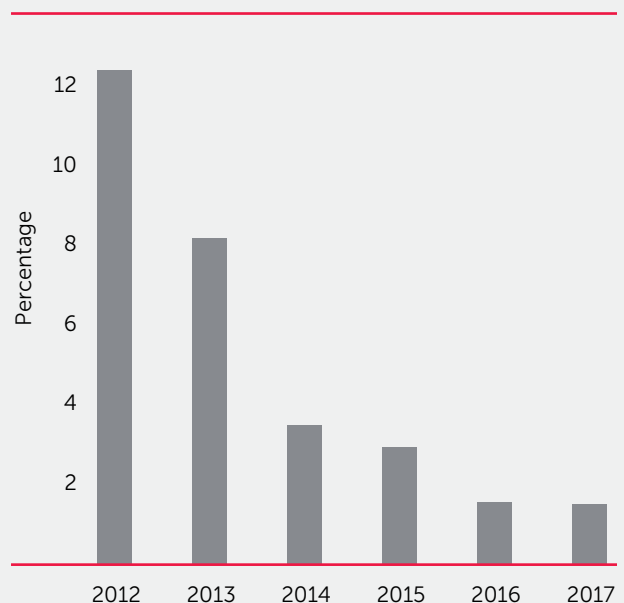
Understanding the importance of this goal, we will continue to track, report and implement actions plans at non-compliant locations. We also leverage best practices and collaborate with our customers to report our progress on a month-to-month basis. We will continue to lead in our industry on reducing excessive overtime while promoting the wellness of our employees.

Employee Wellness



Since 2012, we have decreased our percentage of employees working more than 60 hours by nearly 88 per cent.

Figure 6.11: Percentage of Employees Working More Than 60 Hours



Employment Practices

At Celestica, we are committed to using positive employment practices to ensure a healthy work environment for our employees.

EMPLOYEE BENEFITS SUMMARY

GRI 401-2, 401-3

At Celestica, we provide a competitive benefits package based on local market practices of the countries we operate in. A summary is provided below. These benefits are offered to our regular, full-time employees. We ensure that the statutory requirements are met for our part-time employees. However, specific benefits may vary from employee to employee depending on the situation. We also offer a competitive Total Rewards program. Total Rewards are designed to engage and reward employees in ways that are linked to how we manage our business. In addition, all employees receive information regarding their benefits and have an opportunity to participate in wellness programs. Stock ownership information for our employees can be found within our 2017 Form 20-F.

Type	Canada, USA, Europe, Asia (excluding Laos)	Mexico	Laos
Life Insurance	Yes	Yes	No
Health Care	Yes	Yes	No
Disability and Invalidity Coverage	Yes	No	No
Parental Leave (Any Type)	Yes	Yes	Yes
Retiree Benefits	Yes	No	No

PAY EQUITY AND REMUNERATION

GRI 405-2

Celestica's compensation philosophies and practices are designed to attract, motivate and retain leaders and employees who will drive the success of the business. Celestica embraces a pay-for-performance philosophy, irrespective of employee gender, race, ethnicity, religion or disability, by recognizing and rewarding employees for achieving corporate performance goals as well as individual goals and objectives. As a result, we do not track or report on the ratio of basic salary and remuneration of women to men.



OUR MANAGEMENT APPROACH

- Develop and deploy positive employment practices that ensure a healthy work environment for our employees globally
- Provide a competitive benefits package based on local market practices in the countries where we operate
- Share information on benefits with our employees and track benefits in each of our regions
- Embrace a pay-for-performance philosophy through Celestica's Total Rewards programs
- Recognize and reward employees for achieving corporate performance goals as well as individual goals and objectives

Occupational Health and Safety

GRI 403-1, 403-2, 403-3, 403-4

The prevention of occupational illness and injury across our global workforce is a top priority for Celestica's leadership. We are committed to maintaining a safe and healthy workplace for all our employees.

Our employees work in diverse settings across the Celestica network and can be exposed to a variety of workplace hazards. In order to maintain high safety standards, Celestica uses the foundations of internationally recognized standards and codes, while accounting for individual site program differentiation and focus. In addition, we have developed safety requirements that allow us to integrate and align the health and safety programs of all of our global operations.

At Celestica, we have taken a proactive approach to monitoring health and safety standards and assessing risk management across all our operations. Globally, we have defined a framework whereby each site is required to measure and report on its EHS performance regularly. This approach enables us to achieve and maintain safe workplaces throughout our network. Our global and site-level EHS teams ensure the requirements are known, understood and integrated into each site's management systems and daily business operations. With a strong partnership between our sites and global teams, we have a robust health and safety program that includes, but is not limited to:

- Creating, managing and executing robust internal and external audit programs
- Monthly reporting of globally harmonized key process indicators
- Identifying risks and proactive risk management measures
- Annual site-level threat assessments
- Developing and communicating safety training materials
- Responding to incidents in a timely and effective manner

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 RBA Code and our own internal policies and initiatives. Our senior leaders are engaged in and committed to workplace safety. Our manufacturing sites have designated EHS personnel responsible for managing and addressing compliance with local requirements, customer-specific requirements and changing circumstances in the business that may require additional focus.



OUR MANAGEMENT APPROACH

- Encourage all employees to be responsible for safety, a core value of our operations
- Conduct frequent reporting on EHS-selected metrics at each site
- Conduct third-party legal compliance audits and take timely action to correct any deficiencies
- Perform internal peer assessments to the RBA Code within each region
- Align with and obtain internationally recognized EHS management system requirements such as OHSAS 18001
- Provide additional focus for sites requiring improvements, including special attention to any new sites in the network and review process effectiveness
- Partner with regulators, customers and employees to continually improve workplace health and safety
- Share best practices across the Celestica network

EHS highlights from 2017 include:



An update to our Occupational Health and Safety Policy to reflect our proactive approach to workplace safety



Our manufacturing sites conducted over 280 safety committee meetings and 1,000 EHS-focused workplace inspections



Our Leadership teams conducted over 630 safety-focused Gemba walks



42 per cent of our operations are OHSAS 18001 certified



Sites held EHS weeks or days to promote safety and environmental awareness



Implementation of EHS-focused Kaizen activities, which resulted in over 180 improvements across the network



Creation of customized business continuity planning tabletop exercises, facilitated by the Global Security team and global EHS to test our sites' abilities to react to a variety of scenarios



Our Toronto, Canada site was awarded Canada's Safest Employer in the Manufacturing category by Canadian Occupational Safety



Our Song Shan Lake, China site won a regional safety competition

At Celestica, we have union employees in Asia, Europe and Mexico. In each of these regions, health and safety is a key priority and is introduced in our policies and procedures to all applicable employees. All of our significant operational locations are covered by formal health and safety committees consisting of both management and worker representatives.

We also track 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 incident rate represents the number of lost-time incidents for every 200,000 person hours worked. The lost-days rate is the number of days lost due to incidents for every 200,000 person hours worked. For 2017, our lost-time incident rate of 0.08 and lost-days rate of 2.9 continues to align with our performance in previous years. Our sites' continued focus on safety through robust training, hazard identification and risk assessment is one of the reasons why our incident rates remain low.

In 2017, there were no work-related fatalities.



Culture and Organizational Effectiveness

At Celestica, we strive to enhance our performance and culture through a continued focus on leadership excellence, leveraging the diverse talents of our global employees and encouraging continuous employee development to support success in current and future roles.

LEADERSHIP EXCELLENCE

In 2017, in an effort to accelerate our business transformation and drive growth, Celestica developed and deployed Leadership Imperatives – behaviours that define leadership excellence at Celestica. Developed by leaders from different areas of the business and rooted firmly in our core Values, the Leadership Imperatives are the actions our employees can demonstrate day-to-day to effectively deliver on our business strategy regardless of their level in the organization. The Leadership Imperatives are being embedded across all of our people practices through communication, workshops and training sessions. These imperatives influence how we hire, how we measure performance, how we reward and recognize employees and how we learn.

The five Leadership Imperatives are: Value Customers, Grow Talent, Drive Decisions, Build Partnerships and Develop Strategies.

Learning and Development

GRI 404-1, 404-2

At Celestica, we believe in building a strong global workforce by promoting employee growth within, and movement across, the organization. We design global learning and development programs that attract, retain and develop employees. We also encourage employees to manage their careers, to expand their knowledge, skills and capabilities, and to foster personal growth and development by taking on new roles and responsibilities.

We employ a blended learning approach offering a robust e-learning experience in addition to instructor-led and facilitated learning sessions. In support of employee development, we continue to raise awareness on the importance of ongoing learning.

Across our global team, we logged a total of 2,070,580 training hours in 2017, of which 56 per cent were logged by men and 44 per cent were logged by women. We offer over 150 learning assets through online courseware to help employees increase their knowledge and capabilities, as well as a leadership portal and program for skills enhancement tailored to leaders. In addition to global programs, a number of our functional areas offer programs to enhance the skills, knowledge and subject matter expertise of their employees.

Learning Expertise Knowledge



OUR MANAGEMENT APPROACH

- Link learning and development goals to Celestica's strategy, as well as individual and team goals
- Identify our employees' strengths and development needs
- Implement learning and development programs to enhance employees' ability to respond to business needs, while enabling them to achieve their career goals
- Assess training programs from both technical and leadership skills perspectives
- Analyze results by continually reviewing feedback and measures of program effectiveness

Talent Attraction

Celestica is committed to being an equal opportunity employer. Critical to our success is our continued ability to attract a diverse pool of talented and engaged employees with the experience and passion to unlock potential with our customers.

We will continue to build on our talent attraction program through increased employment branding, an enhanced candidate experience, refreshing our global onboarding practices and sourcing strategies that address future business requirements and shifting demographics.

Talent
Experience
Passion



OUR MANAGEMENT APPROACH

- Engage and consult with our business leaders to understand operational and functional requirements and potential talent risks that may exist. We align our talent attraction strategy to meet these needs and support the achievement of business goals
- Enhance our overall approach to attract, hire and reward global talent to ensure a positive candidate experience
- Customize aspects of our global approach to effectively attract and engage talent locally
- Align our talent attraction practices to our Values and ethics, treating all candidates equitably, fairly and with respect
- Track and manage key performance indicators that evaluate the effectiveness of our talent attraction efforts, the diversity of our talent pipeline and the effective integration and engagement of new employees

Performance Management

GRI 404-2, 404-3

Celestica's Performance Management practices establish performance objectives aligned to Celestica's strategy, setting personalized development goals and measuring results. When performance goals and objectives are set appropriately, employees can explore their full potential. This both benefits the employees, by reaching or exceeding career goals, and drives Celestica's business success and growth when aligned to our business strategy. This requires clearly defining expectations and responsibilities, as well as discussing and documenting objectives, necessary actions and relevant development areas.

Performance Management is an important aspect of Celestica's annual management system. The annual cycle provides an opportunity for a cohesive and valuable partnership between employees and people leaders focused on the planning, coaching and reviewing of performance.

Goals
Objectives
Results



OUR MANAGEMENT APPROACH

- Identify strategic goals and focus areas on a regular basis to drive a one-company, one-vision approach as a foundation to employee objective setting
- Determine executive objectives and goals that align with the strategic focus areas
- Establish performance objectives with all permanent, full-time Celestica employees that align to their executive leaders and to the strategic focus areas, and the goals of their broader function and team
- Encourage ongoing, future-focused performance conversations and coaching throughout the year to drive results at the individual, team and organizational levels
- Review and assess performance and development objectives, milestones and measures at mid-year and year-end
- Align performance outcomes to talent and succession review, learning and development and Total Rewards

TALENT AND SUCCESSION REVIEW

GRI 404-3

Celestica's vision of success is having the right people, in the right roles, at the right time with the ability to deliver on the company's strategic goals – driving enhanced success with our customers, value for our shareholders and a high-performance culture that attracts and retains top talent.

Celestica encourages all employees to be their best. Career growth at Celestica may include an opportunity for those who have the ability to progress to roles with increased scope and complexity. Succession reviews are an important first step for employees to build internal knowledge, succession readiness and capabilities for the future. This aims to mitigate talent retention risks and engage in strategic talent attraction for Celestica's future.

All permanent, full-time employees above the manager level are included in our global talent and succession review. Talent reviews below the manager level are also completed with a consistent approach, at the discretion of each business leader.

Celestica encourages all employees to be their best.



OUR MANAGEMENT APPROACH

- Assess talent and determine suitable succession candidates using a common set of criteria
- Conduct an annual talent assessment and succession review for management-level roles, through which people leaders assess talent, determine suitable succession candidates and leadership readiness, identify engagement/retention risk, ensure employee aspirations align to potential succession nominations, and include any development required to increase succession readiness
- Review executive succession annually with Celestica's Board of Directors
- Measure success by tracking key performance indicators
- Provide thorough education, guidance and resources to enable people leaders to effectively assess, develop and engage/retain talent

REWARDS AND RECOGNITION

At Celestica, we are committed to encouraging our employees to fulfill their potential and to build a healthy, productive and engaged culture.

Our robust rewards and recognition programs 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 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. Celestica's recognition programs encourage behaviours that include the attributes of our Leadership Imperatives, and we will continue to incorporate these employee objectives into our programs.

Recognition takes place every day across Celestica. We encourage business and people leaders to celebrate the successes of their people in informal ways that include acknowledgment of individual and team success in quarterly town halls, and in more formal ways through our Bravo! and Ignition Awards programs.

Bravo! Program

Employee recognition is essential in helping to create an environment where employees are engaged and feel acknowledged for their contributions. In order to create a culture of workplace recognition at Celestica, our Bravo! program promotes the importance of recognition and encourages employees to effectively recognize others. Our goal is to strategically align recognition to drive the behaviours, actions and results that lead to cultural change and business success. In 2017, 30,270 Bravo! Awards were given to employees, up from 17,882 in 2016.

Ignition Awards

Celestica's Ignition Awards program (formerly Changing the Game Awards) recognizes individuals and teams who go above and beyond in driving business results, supporting our growth and making

Celestica a great place to work. The awards were renamed in 2017 to signify the energy and the drive that our employees around the world demonstrate every day. It speaks to how we push boundaries, drive forward and fuel our customers' progress. It represents Celestica's spark that enables our customers to be the very best they can be. In 2017, we received over 265 nominations and recognized approximately 1,700 employees around the world in 11 award categories.

Included in Celestica's Ignition Awards is an important category that honours an individual or team who has driven significant improvements in sustainability and made a positive impact at their site and in their community. This category is called the Spark Change Award.

Gabriel Corless, the 2017 recipient of the Spark Change Award, demonstrates the impact that a single person can make. In addition to being a leading supporter of local social responsibility initiatives, he is a champion of sustainable energy solutions at our Galway, Ireland site. As the facilities engineer, Gabriel is a driving force in eliminating energy waste in Galway and in reducing our carbon footprint. Four of Gabriel's 2016 projects resulted in an annual savings of over 350 tonnes of CO₂e. He is a strong proponent of raising awareness for waste recycling. On his own initiative and with ingenuity, Gabriel created furniture from wood packaging that would have previously been landfill waste. His selection of a 100 per cent renewable energy source for the Galway site raised the bar for a new standard at Celestica's sites.



Employee Wellness

The health and wellness of our global workforce is central to our employee sustainability strategy. Healthy and safe workplaces foster strong employee engagement and well-being, which creates a high-performing organization.

Employees at each site actively contribute to Celestica's wellness programs and their input helps drive improvements 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. Some examples of these programs include implementing local wellness policies to effect positive change, exercise classes, annual employee health checks and medical centres for 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.

Wellness Success Stories



Global Wellness Days at our Toronto and Malaysia sites, include health talks, workout sessions, wellness exhibitions and body composition analyses.

Celestica's Laem Chabang, Thailand site created a wellness campaign called "Dream Big, Start Small" to encourage employees to walk or run to improve their health.



In Oradea, Romania, employees have organized a company football/soccer team. In 2017, the team played in a national event, placing 14 out of 42 companies.



Our site in Miyagi, Japan has a baseball team. In 2017, they won their area's championship.

In Monterrey, Mexico, employees sell organic produce and conduct healthy eating workshops.



In Toronto, Canada, a team of employees repurposed old furniture and created an open library and reading corner where all employees can sit and read for a break, take a book home to read and bring in their old books for others to enjoy.



In Kulim, Malaysia, the Women's health training program continues to partner with Hewlett-Packard and the Penang Family Health Development Association (FHSA). In 2017, they trained 25 per cent of their female employees and will train the remaining employees in 2018.

Local Communities

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

TIME OFF TO VOLUNTEER PROGRAM

Celestica is committed to shaping a stronger and more sustainable future for the local communities in which we operate. To achieve this goal, we encourage all employees to take up to 16 hours per year to volunteer through our Time Off to Volunteer (TOV) program. Employees are encouraged to volunteer and participate in their community, and donate our expertise in support of educational programs and ongoing health services.

In 2013, Celestica established the aspirational goal to have 50 per cent of our workforce participate in our TOV program by 2020. To support this goal, we have set annual targets and we are monitoring participation rates at all of our sites around the globe.

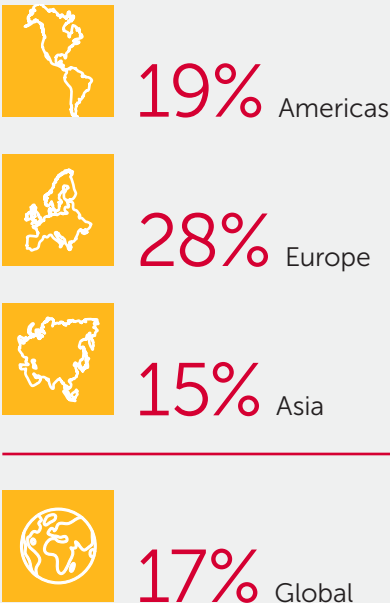
Celestica increased our Time Off to Volunteer participation rate from 14 per cent in 2016 to 17 per cent in 2017. Celestica’s Europe region continues to have the highest participation in our volunteer program, achieving 28 per cent participation in 2017; however, this has decreased year-over-year due to an increase in multiple product launches across our network. In our Asia region, the participation rate was 15 per cent in 2017, representing a 5 per cent increase year-over-year. Our Americas region stayed consistent at 19 per cent in 2017 and 2016. Our efforts to make the program more inclusive helped increase access to volunteer opportunities for our global workforce, leading to positive results in 2017.



OUR MANAGEMENT APPROACH

- Encourage employees to participate in our global Time Off to Volunteer program
- Survey employees to receive input on programs and how we can improve
- Develop and implement a Time Off to Volunteer ambassador program to boost engagement locally at each site

Figure 6.12: 2017 Time Off to Volunteer Participation Rates by Region



Volunteer Success Stories



In 2017, the states of Penang and Kedah in Malaysia suffered flash floods as a result of heavy rain, causing water levels to rise as high as 11 inches. Employees from Celestica's Penang and Kulim sites volunteered to help the flood victims by cooking food, cleaning houses and helping to clear debris left behind from the flood.



Climate change threatens two-thirds of the world's coral reefs. Through a partnership with the Royal Thai Marine Corps, our employees from Laem Chabang, Thailand built temporary housing structures for the reef out of spare PVC materials and transplanted coral reefs into the sea in an effort to repair and restore damaged coral populations.

Employees from Celestica's Kulim, Malaysia site planted 500 mangrove trees on Global Earth Day. Mangrove forests are home to a large variety of fish, crab, shrimp and mollusk species. The mangrove trees serve as protection for the shoreline by reducing erosion.



Employees from Monterrey, Mexico volunteered to restore a playground at a local elementary school for children with disabilities in their community. This playground is very important for the children and their teachers because it is an area where they can perform neuromotor exercises and practise social integration.

Employees from Oradea, Romania collected school supplies to donate to children living at a local orphanage. Together, they donated 53 backpacks filled with school supplies. At the end of 2017, Celestica's Oradea site received the "Team of the Year" award from the Oradea Community Foundation in recognition of the employees' contributions to the local community.



Employees from Mississauga, Canada volunteered at a local community agency for new and expectant mothers. The volunteers spent the day organizing the stockroom shelves filled with food and baby clothes.



Employees from Toronto, Canada volunteered at a local community organization to sort toys for the holidays. These toys are given as gifts to children from low-income families during the holiday season.

Employees from Johor (AMS), Malaysia visited the pediatric ward at a local hospital to spend time with sick children. They also brought a clown with them who made balloon shapes for the children.

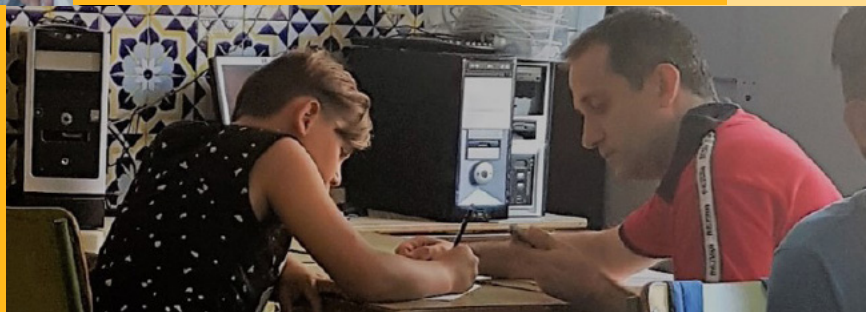


Employees from Leixlip, Ireland volunteered with a local housing association to paint a common room used by visiting mother and toddler groups and skillshare groups, providing a social outlet for people in the supported housing area.



Employees from Galway, Ireland volunteered with the Simon Community, a local housing association, to renovate a kitchen for one of the houses managed by the charity. The organization offers support and services to those experiencing homelessness by providing accommodation, care and support.

Employees from Valencia, Spain volunteered at a local school to help the teachers with their lessons and the students with their homework.



Employees in Hong Kong, China volunteered with a local organization to prepare over 1,000 meals for members in their community. The organization repurposes surplus food from local restaurants and grocery stores to prepare nutritious hot meals and food packs for individuals in communities across Hong Kong free of charge.



United Nations Sustainable Development Goals Index

We support many of the United Nations Sustainable Development Goals through our corporate social responsibility programs and sustainability strategy.



SUSTAINABLE DEVELOPMENT GOALS



In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs), which are a universal call to action to address the world's biggest challenges, including ending poverty, protecting the planet and ensuring that all people enjoy peace and prosperity by 2030.

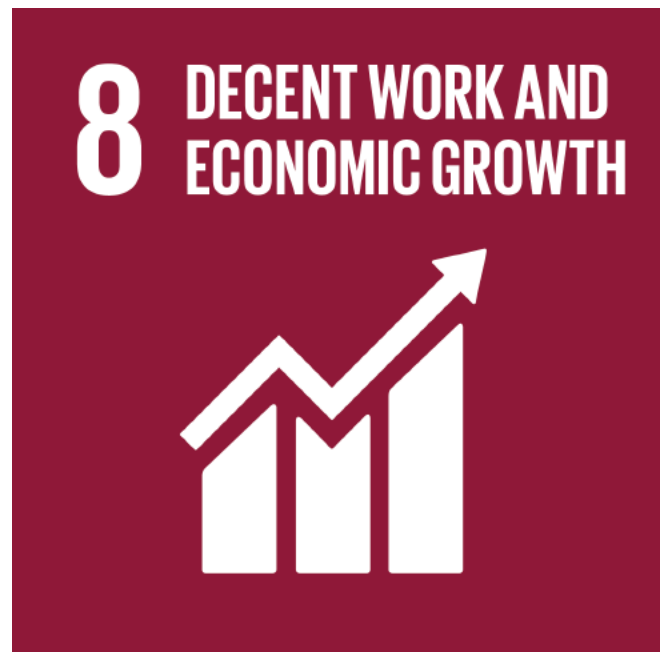
This is the first year that we are reporting on our support of the goals with the hopes of increasing our focus on the SDGs as we continue on our sustainability journey. The SDGs are relevant to Celestica's operations in varying degrees and we are already contributing to many of these goals. When speaking with our stakeholders during our materiality assessment, we quickly recognized linkages between our focus areas and the SDGs. It is through this assessment that we determined which of the SDGs are most applicable to Celestica.

In 2017, we prioritized four SDGs that have the most significance to Celestica and our sustainability journey. As well as to Celestica's alignment, individual sites also conduct many local initiatives that address additional goals.

8: Decent Work and Economic Growth

SDG 8 supports Celestica's most important resource: our people. Employment is a critical path out of poverty. At Celestica, we provide safe jobs with competitive wages to all employees, including foreign migrant workers, in all of our operations. We promote ethical labour practices by following strict safety, health and labour standards through the RBA Code, and we prohibit child labour, human trafficking, slavery and workplace harassment. We also protect basic labour rights, such as freedom of association, collective bargaining, non-discrimination, limiting hours of work and providing adequate rest periods.

We work hard to provide skill development and job-oriented training programs for our employees, such as Lean training and internships to facilitate the education-to-work transition. We support employee wellness and benefits regardless of a person's gender, race, age, religion or disability. We aim to foster a diverse and inclusive environment with equal pay and remuneration for work of equal value. We have policies, procedures, grievance mechanisms and support structures for employees and suppliers to report incidences of adverse human rights impacts.



READ MORE:

- Brand and Values (Target 8.5)
- Responsible Business Alliance (RBA) Code of Conduct (Target 8.4)
- Ethical Labour Practices (Targets 8.5, 8.7)
- Foreign Migrant Workers (Targets 8.5, 8.8)
- Celestica's Aspirational Sustainability Goals (Target 8.4)
- Supply Chain Overview (Target 8.4)
- Energy (Target 8.4)
- Effluents and Waste (Target 8.4)
- Water (Target 8.4)
- Our Workforce (Target 8.6)
- Diversity and Inclusion (Targets 8.2, 8.5)
- Working Hours (Target 8.5)
- Employment Practices (Target 8.5)
- Occupational Health and Safety (Target 8.8)
- Learning and Development (Targets 8.2, 8.6)
- Employee Wellness (Target 8.5)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



9: Industry, Innovation and Infrastructure

SDG 9 focuses on building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation. Throughout Celestica's manufacturing processes, strategies are in place to develop resilient and sustainable infrastructure, implement retrofits, and disseminate innovative technology that positively impacts social, economic and environmental issues. Our technical depth in design and engineering can help our customers improve their product design and material efficiency to reduce waste.

In addition, we have implemented environmentally friendly technologies throughout our operations by upgrading infrastructure and implementing technologies such as IoT to reduce energy consumption. Finally, Celestica tracks our GHG emissions with the goal of reducing our emissions and responding to climate change risks through innovation.

READ MORE:

- External Sustainability Initiatives (Targets 9.4, 9.5)
- Membership and Affiliations (Target 9.5)
- Greenhouse Gas Emissions (Target 9.4)
- Energy (Target 9.4)
- Learning and Development (Target 9.5)

12: Responsible Consumption and Production

SDG 12 is an important goal for Celestica's global operations, especially as we operate in both developed and developing countries. We are working towards the efficient use of natural resources and are committed to reducing greenhouse gas emissions, diverting waste, as well as regularly tracking and reporting energy and water usage. We ensure that we have resource-efficient and sustainable management practices in place in our operations through the products and services we offer and by establishing and maintaining an environmental management system.

We are focused on minimizing our freshwater use, effectively managing our waste and promoting the use of renewable energy. Celestica only uses approved chemicals through appropriate management systems and we work to prevent spills and leaks at our facilities. Furthermore, Celestica encourages the companies that we work with to integrate sustainability information into their reporting and adopt sustainable practices through the RBA Code.



READ MORE:

- Responsible Business Alliance (RBA) Code of Conduct (Targets 12.2, 12.6, 12.7)
- Celestica's Aspirational Sustainability Goals (Targets 12.2, 12.4, 12.5)
- Supply Chain Overview (Targets 12.2, 12.7)
- Environmental Compliance (Target 12.2)
- Greenhouse Gas Emissions (Target 12.4)
- Energy (Target 12.2)
- Effluents and Waste (Targets 12.2, 12.4, 12.5)
- Water (Targets 12.2, 12.4)

17 PARTNERSHIPS FOR THE GOALS

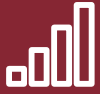


17: Partnership for the Goals

SDG 17 is focused on strengthening the means of implementation and revitalizing global partnerships for sustainable development. Celestica works with external stakeholder groups and companies throughout our global supply chain to create partnerships that support sustainability and human rights initiatives. Our most prominent partnerships are with our largest customers and together we support knowledge sharing, best practices and technological innovation. In addition to our focus on innovation, we aim to cooperate with partners to spread information about these innovations, especially when there are energy or waste reductions. We attempt to learn from best practices that help to achieve sustainable development.

READ MORE:

- External Sustainability Initiatives (Targets 17.16, 17.17)
- Membership and Affiliations (Targets 17.16, 17.17)
- Supply Chain Overview (Target 17.17)
- Global Success Stories (Targets 17.16, 17.17)



Global Reporting Initiative® Content Index

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® (GRI®).

The Global Reporting Initiative® (GRI®) Sustainability Reporting Guidelines

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION(S)
Organizational Profile		
102-1	Name of the organization	About Celestica
102-2	Activities, brands, products and services	About Celestica, Business Overview
102-3	Location of headquarters	About Celestica
102-4	Location of operations	About Celestica
102-5	Ownership and legal form	About Celestica
102-6	Markets served	Business Overview
102-7	Scale of the organization	About Celestica, 2017 Form 20-F
102-8	Information on employees and other workers	About Celestica, Gender, Region and Employee Type
102-9	Supply chain	About Celestica, Supply Chain Overview
102-10	Significant changes to the organization and its supply chain	Business Overview
102-11	Precautionary principle or approach	Financial Implications Due to Climate Change
102-12	External initiatives	External Sustainability Initiatives
102-13	Membership of associations	Membership and Affiliations

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION
Strategy		
102-14	Statement from senior decision-maker	A Letter from Rob Mionis
102-15	Key impacts, risks and opportunities	Financial Implications Due to Climate Change
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	Brand and Values, Ethics Program, Labour and Ethics Management
102-17	Mechanisms for advice and concerns about ethics	Ethics Programs
Governance		
102-18	Governance structure	Sustainability Governance
102-19	Delegating authority	Sustainability Governance
102-20	Executive-level responsibility for economic, environmental and social topics	Sustainability Governance
102-21	Consulting stakeholders on economic, environmental and social topics	Sustainability Governance
102-22	Composition of the highest governance body and its committees	2017 Form 20-F
102-23	Chair of the highest governance body	Sustainability Governance

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION
102-26	Role of highest governance body in setting purpose, values and strategy	Sustainability Governance
102-31	Review of economic, environmental and social topics	Sustainability Governance
102-32	Highest governance body's role in sustainability reporting	Sustainability Governance
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement
102-41	Collective bargaining agreements	About Celestica
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Materiality
102-44	Key topics and concerns raised	Stakeholder Engagement
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2017 Form 20-F
102-46	Defining report content and topic boundaries	Materiality
102-47	List of material topics	Materiality
102-48	Restatements of information	About This Report
102-49	Changes in reporting	About This Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	About This Report

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI® Standards	About This Report
102-55	GRI® content index	About This Report
102-56	External assurance	About This Report, Emissions Disclosure

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION	OMISSIONS
Economic Performance			
201-2	Financial implications and other risks and opportunities due to climate change	Financial Implications Due to Climate Change	
Anti-Corruption, Anti-Competitive Behaviour			
205-1	Operations assessed for risks related to corruption	Business Ethics	
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics	We do not report the number of business partners who have received anti-corruption communication by business partner type or region.
205-3	Confirmed incidents of corruption and actions taken	Business Ethics	
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Business Ethics	

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION	OMISSIONS
Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Supplier Assessments, Verification Visits	
414-2	Negative social impacts in the supply chain and actions taken	Verification Visits, Ethical Sourcing	
Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Assembly Materials, Components	
308-2	Negative environmental impacts in the supply chain and actions taken	Verification Visits	
Conflict Minerals			
307-1	Non-compliance with laws and regulations in the social and economic area	Environmental Compliance	
Customer Privacy and Data Security			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy and Data Security	
Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance	
Emissions			
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions, Emissions From Our Operations (Scope 1 and Scope 2)	
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions, Emissions From Our Operations (Scope 1 and Scope 2)	

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION	OMISSIONS
305-3	Other (Scope 3) GHG emissions	Greenhouse Gas Emissions, Other Indirect Emissions (Scope 3)	
305-4	GHG emission intensity	Greenhouse Gas Emissions, Emissions From Our Operations (Scope 1 and Scope 2)	
305-5	Reduction of GHG emissions	Greenhouse Gas Emissions, Emissions From Our Operations (Scope 1 and Scope 2)	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Additional Greenhouse Gas Emissions	Celestica is working towards measuring criteria air contaminants (CACs). This information is currently unavailable.

Effluents and Waste

306-1	Water discharge by quality and destination	Water	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 of discharge method.
306-2	Waste by type and disposal method	Effluents and Waste	
306-3	Significant spills	Effluents and Waste	
306-4	Transport of hazardous waste	Effluents and Waste	Hazardous waste is managed to ensure proper treatment and disposal; however, we do not track how much is shipped internationally.

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION	OMISSIONS
Energy			
302-1	Energy consumption within the organization	Energy	
302-3	Energy intensity	Energy	
302-4	Reduction of energy consumption	Energy	
Occupational Health and Safety			
403-1	Worker representation in formal joint management-worker health and safety committees	Occupational Health and Safety	We do not report the level in Celestica at which each member of the formal joint management-worker health and safety committee operates.
403-2	Types of injuries and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	Occupational Health and Safety	Region and gender are tracked but not reported.
403-3	Workers with high incidence or high risk of diseases related to their occupation	Occupational Health and Safety	We track lost-time incidents and lost-days rate. There are no specific areas that have high incidence or high risk of diseases.

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION	OMISSIONS
403-4	Health and safety topics covered in formal agreements with workers	Occupational Health and Safety	Not all Celestica sites with unions cover health and safety topics as part of their collective agreements or with their trade union. The percentage to which various health and safety topics are covered by these agreements is not tracked. However, health and safety is covered at these sites through policies and procedures to ensure we abide by local laws.
Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Responsible Business Alliance Code of Conduct, Ethical Labour	
412-2	Employee training on human rights policies or procedures	Compliance Training, Business Conduct Guidelines Policy	
Employment			
401-1	New employee hires and employee turnover	Gender, Region, and Employee Type, New Hires at Celestica, Global Turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits Summary	

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION	OMISSIONS
401-3	Parental leave	Employee Benefits Summary	We do not report the total number of employees that took parental leave, the total number of employees that returned to work after parental leave, or the returned-to-work and retention rates.
Forced or Compulsory Labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Ethical Labour	
Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	Ethics Program	
Socio-Economic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Assessing Risk Areas	
Child Labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	Ethical Labour	

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION	OMISSIONS
Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Gender, Region and Employee Type, Diversity and Inclusion, 2017 Form 20-F	We report the gender and age of employees within our organization. We do not report on other vulnerable groups.
405-2	Ratio of basic salary and remuneration of women to men	Pay Equity and Remuneration	We do not report on basic salary and remuneration of women to men.
Training and Education			
404-1	Average hours of training per year, per employee	Learning and Development	We do not track average hours of training broken down by gender or employee type.
404-2	Programs for upgrading employee skills and transition assistance programs	Learning and Development, Performance Management	We offer programs to upgrade employee skills and we have an outplacement assistance program. However, we do not offer assistance programs for voluntary retirees to facilitate the management of career endings.
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Management, Talent and Succession Review	

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORT SECTION	OMISSIONS
Water			
303-1	Water withdrawal by source	Water	
303-2	Water sources significantly affected by withdrawal of water	Water	Water is sourced from municipal water supply systems; there are no impacts to water sources, protected areas or biodiversity.
303-3	Water recycled and reused	Information Unavailable	There are processes that reuse and recycle waste water; however, data is not measured nor estimated.

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 harbour for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws.

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

Issued: October 31, 2018