IBM

Transforming sustainability reporting across the manufacturing portfolio

How Celestica consolidates and navigates
ESG data and streamlines reporting

6-minute read

For the global manufacturing industry, environmental, social and governance (ESG) reporting can be particularly complicated and cumbersome given the often extensive portfolio of international sites requiring monitoring and auditing.

Increasingly organizations are utilizing sustainability software, such as the IBM® Envizi ESG suite, to help consolidate and navigate their ESG data and to overcome these reporting obstacles.

Celestica, a leader in design, manufacturing and supply chain solutions for the world's most innovative companies, has over 20,000 employees worldwide and operates in over 50 sites across 15 countries. Providing end-to-end product lifecycle services from product design through to end-of-life management, Celestica supports a range of markets, including aerospace and defense, communications, enterprise, healthtech, industrial, capital equipment, and energy.

Celestica is known for its ability to bring global expertise to every stage of product development — from the drawing board to full-scale production and after-market services.

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Jessica Peixoto, Sustainability Manager, Celestica Inc.

Compiles and transforms data into usable outputs and helps

eliminate

errors from manual data entry

Automation of complex calculations and reporting

produces

finance-grade, auditable data

Sustainability leadership across Celestica

Based out of Celestica's head office in Toronto, Canada, Jessica Peixoto is a Sustainability Manager who has been instrumental in managing the organization's greenhouse gas (GHG) emissions reductions strategies, whilst also overseeing Celestica's comprehensive reporting requirements.

"This includes working with our global facilities to reduce energy usage and implement renewable energy, and to track our environmental data using the IBM Envizi ESG suite," says Peixoto.

Peixoto has been involved in a number of exciting sustainability projects with

2020 Sustainability Highlights

21.3% decrease in Scope 1 & 2 GREENHOUSE GAS EMISSIONS FROM 2019.

92.5% WASTE DIVERSION RATE. diverting over 12.6 mt of waste from landfill.

18,800+ working hours volunteered in local communities and 125,000+ HOURS SINCE 2015.

Nearly **10,000** metric tonnes of CO2e **averted** through RENEWABLE ENERGY PROJECTS IN 2020.

18,335 employees have successfully completed the SUSTAINABLE WORKSPACE PLEDGE and are taking action to live more sustainably.

Source: Celestica 2020 Sustainability Report, page 11.

Celestica, but some highlights include implementing a science-based target, increasing the use of renewable energy in its facilities and participating in the United Nations Global Compact.

She plays a crucial role in disseminating Celestica's data into actionable results, having been recognized as a "Top 30 Under 30 Sustainability Leader in Canada" by Corporate Knights (external

link) in 2019. This commitment to advancing Celestica's journey is shared company-wide, with Celestica having integrated sustainability into all aspects of the business for over 10 years.

Peixoto notes that most recently this has been reflected in the implementation of sustainability objectives into its senior management levels, including ESG oversight within the Nominating and Corporate Governance Committee on the Board of Directors.

Describing these initiatives as major milestones, Peixoto explained that: "This governance model will trickle down into each team, tying sustainability into all aspects of the business."

C-suite involvement in an organization's decarbonization and sustainability journey is experiencing a sharp upward trend. Executives are now actively involved in setting strategic priorities for the organization's sustainability efforts alongside sustainability

managers — a welcomed approach indicating the urgency to deliver increased emissions reductions.

This corporate leadership and Celestica's company-wide commitment to driving sustainability has also earned Celestica a top five spot in the Corporate Knights "Best 50 Canadian Corporate Citizens," (external link) a significant accomplishment that sees it ranking ahead of other organizations across different industries based on 21 indicators.

"Aligning with the UN Sustainable Development Goals and reporting frameworks like the GRI, SASB and TCFD all help to make companies more transparent and work to solve many of the issues faced globally."

Jessica Peixoto, Sustainability Manager, Celestica Inc.

Transforming the reporting process

From manual data entry to now ranking highly on an award-winning sustainability business publication, Celestica has significantly transformed its sustainability efforts, including its reporting processes.

Global data for its many facilities were once gathered and captured in spreadsheets, where calculations needed to be done manually. "This was many years ago, but it seems like there were many errors. It was a very tedious process," Peixoto says.

IBM software has helped streamline the whole process. In particular,

Celestica found that reporting has become easier through well-organized emissions factors and useful outputs such as emissions totals and reporting on different waste streams.

"For us, without the software, we would have to collect data from all around the world, in different units, and compile it manually," says Peixoto. "Now, individuals at each of our sites

can input data into the IBM Envizi ESG suite and have it compiled and transformed into usable outputs. It is very easy to make mistakes on your own, so data management software helps alleviate some of those errors."

Data management and accuracy is a relatable challenge for many sustainability managers who are accountable for internal reporting but also external reporting frameworks. The IBM Envizi ESG suite eliminates this challenge by automating complex calculations, so organizations can focus their efforts on other activities, such as target setting and other strategic priorities.

Peixoto is doing just that by focusing on setting targets and completing the latest sustainability report detailing Celestica's strategies and aspirational sustainability goals, which include:

- Reducing absolute Scope 1 and Scope 2 GHG emissions by 30% by 2025 from a 2018 base year.

- Reducing absolute Scope 3 GHG emissions from fuel and energy-related activities purchased goods, and services, and upstream and downstream transportation and distribution 10% by 2025 from a 2018 base year.

ESG challenges in manufacturing

The manufacturing industry has some unique sustainability challenges, such as the use of large industrial equipment and necessary HVAC systems, as well as supply chain logistics emissions and material waste.

"Aligning with the UN Sustainable Development Goals and reporting frameworks like the GRI, SASB and TCFD, all help to make companies more transparent and work to solve many of the issues faced globally," Peixoto explains.

The future of ESG and sustainability reporting

For the manufacturing industry, ESG and sustainability are just getting started. Peixoto foresees an increased focus on energy efficiency and a greater reduction of GHG emissions.

"There will be more renewable energy options at sites, but also a need to manufacture more items for the EV industry and other smart energy products," says Peixoto.

Just as important as sustainability are the other elements of ESG. For example, diversity and inclusion are an increased focus for Celestica and the industry as a whole, which will continue to drive the agenda for change.

Peixoto's advice for other sustainability leaders is simple: stay passionate and keep learning.

"The science, strategies and standards within the sustainability/climate change realm are constantly evolving, so it is important to keep growing your knowledge base and your organization's initiatives," she says. "But it's just as important to maintain a passion for what you do."

To view Celestica's latest Sustainability Report, please visit its website (external link).

About Celestica Inc.

Celestica (external link) enables the world's best brands. Through its unrivalled customer-centric approach, Celestica partners with leading companies in numerous markets to deliver solutions for their most complex challenges. A leader in design, manufacturing, hardware platform and supply chain solutions, Celestica brings global expertise and insight at every stage of product development—from the drawing board to full-scale production and after-market services. The company's headquarters are in Toronto, Ontario.

Solution component

- IBM® Envizi ESG