Sustainability Performance Market trend

Complex, growing web of regulations driving demand for software solutions

Early reporting frameworks

Financial markets lead ESG data demand

Complex, non-cohesive, non-consistent frameworks

Pre 2019

1997 GRI — Standard framework for ESG reporting

CDP — Carbon and energy data reporting framework

GRESB — ESG reporting for real estate investments

SASB — Disclosure of financially material sustainability info

EU non financial disclosure by firms with >500 employees

2020

Investors embrace ESG data as a necessity for financial decisions and as an input into financial risk assessment

ESG integration in the loan market

2021

EU Sustainable Finance Disclosure Regulation Level 1 - mandatory ESG disclosure for asset managers and other financial markets participants

2022

EU Sustainable Finance Disclosure Regulation Level 2 requires asset managers and other financial markets participants to make more detailed disclosures

2023

EU Corporate Sustainability Reporting Directive (applies to ~49,000 firms)

ESG disclosure system by US SEC (climate-related disclosure for public companies)

EU framework for sustainable economic activities classification

TCFD[1] mandatory in the UK - listed companies must report climate risk exposure

2024

Mandatory disclosure under EU Corporate Sustainability Reporting Directive and SEC ESG rules

2025

TCFD in the UK is extended with more detailed disclosure requirements

Earliest expected arrival date for IFRS Standard on sustainability disclosures

Increase in non-overlapping regional and global regulatory frameworks

CDP

CDSB Climate Disclosure Standards Board

Climate Change Act 2008

FASB Financial Accounting Standards Board

GRI

GRESB

IFRS

NABERS

NYSE

SAM Now a Part of S&P Global

SASB

U.S. Securities and Exchange Commission

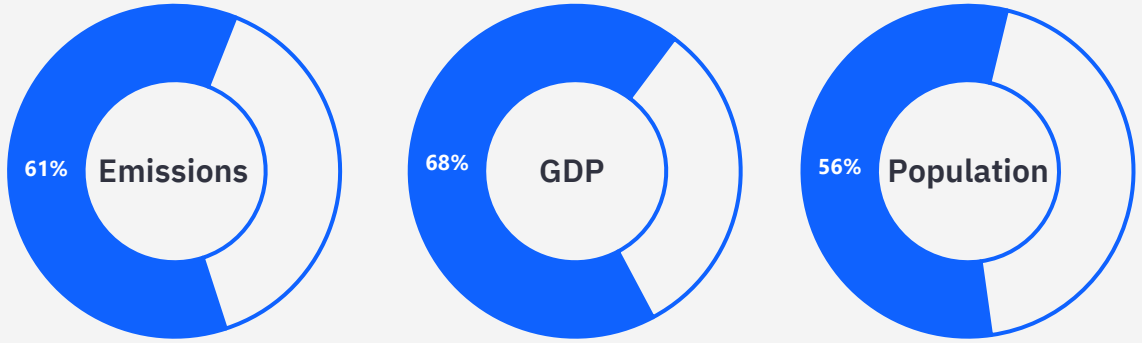
European Commission Taxonomy

TCFD

Sustainability and Decarbonization at the forefront of government and corporate agendas

Net zero pledges are gaining prominence globally both on government and corporate level

Percentage of emission, GDP and population covered by national net zero pledges[1]:



Increasing pressure on corporates to move aggressively

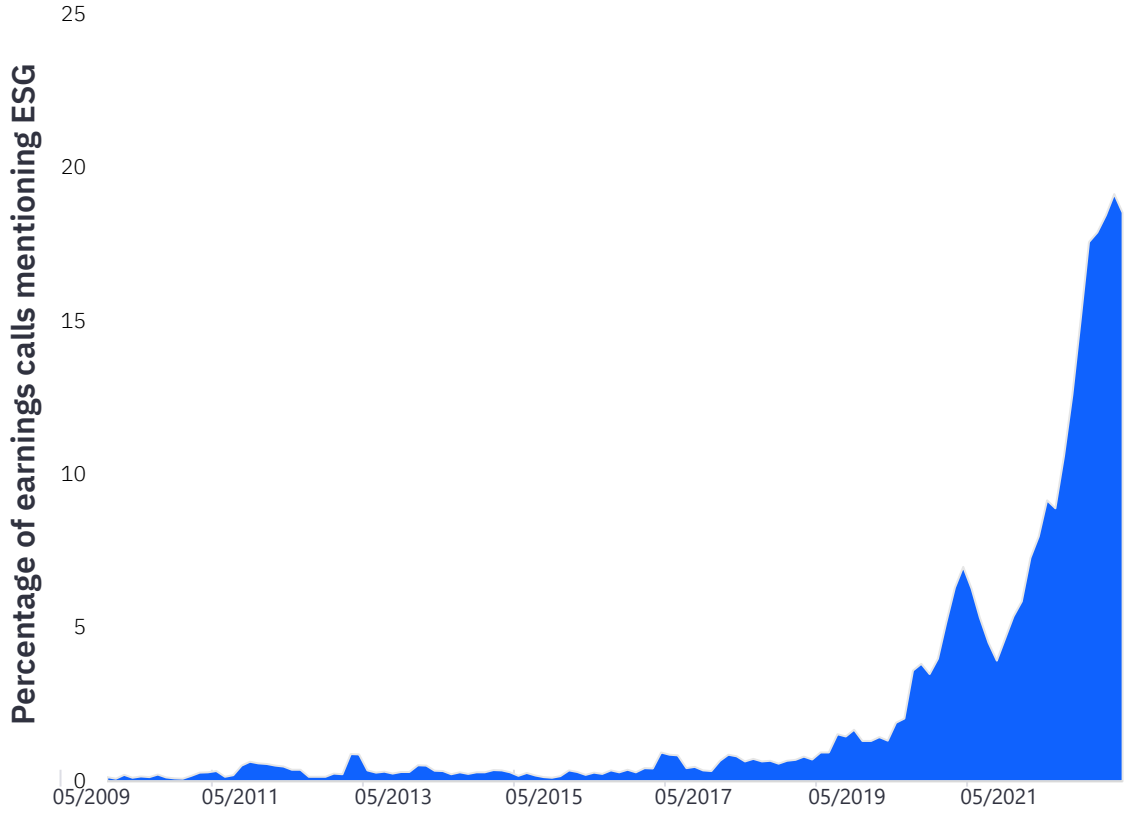
1 in 5
of the world's 2,000 largest publicly listed companies have committed to net zero[2]

3x
Increase in corporates committing to net zero in 2020 vs 2019[3]

$100-150tn
Global investment required over next 30 years to deliver net-zero[4]

Corporates backing pledges with enhanced reporting, plans, targets and continuous investor communications

After hovering around 0 – 1%, ESG mention in company earnings call transcripts increased to ~5% in 2019 and ~20% in 2020[5]



The industry landscape is transforming itself to align with ESG needs

Metals, Mining, Construction & Infrastructure

- Cut CO2 Emissions by 30-40% by 2030
- Cut emissions by 30% by 2030 & Carbon Neutral by 2050
- Net Zero CO_2 emissions from its operation and Supply Chain by 2040
- Cut emissions by 40% & Raise Clean energy consumption to 55% by 2030
- Cut Carbon Emissions by 33% by 2030

Automotive Industry

- Launch EV models by 2025, cut CO2 emissions by 40% by 2030, CO2 neutral vehicles by 2039
- Carbon Neutral by 2050
- Manufacturing operations carbon neutral by 2035
- Net Zero CO2 Target by 2050 for whole supply chain
- Increase sustainable raw materials content in all its products to 40% by 2030
- Cut CO2 Emissions, waste and water consumption by 45% by 2025, Carbon neutral by 2050

Electronics Industry

- Zero waste to Landfills by 2025
- Climate neutral across value chain by 2050
- Own factories to be carbon neutral by 2030 through energy efficiency and shift to renewable energy
- 100% carbon neutral for its supply chain and products by 2030

Aerospace and Defense

- Boeing targets jets flying on 100% green fuel by 2030
- Bring the world's first zero-emission commercial aircraft to market by 2035.
- Net zero emissions by 2040

Organizations are under mounting pressure to establish more sustainable, socially responsible operations and practices

Key Drivers

Increasing urgency around climate change, and the rapidly changing expectations and role of business.

Growing number of stakeholders to manage:
Investors, Consumers, Employees, and Governments

Complexity: Sustainability initiatives cut across business operations. It's difficult to know where to start.

Managing and operationalizing sustainability data across siloed sources and evolving reporting datasets

Key Challenges

Sustainability Data Quality & Reliability

Data Availability & Collection (from upstream supply chains to confirming where/when/how a product was produced or sourced in a sustainable way

Collaborating across teams internally to operationalize sustainable practices across the organization

Lack of a standardized ESG data model for quantifying sustainability impact

Customer Stories

Celestica

Manufacturing

Profile

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.

Our smart supply chain solutions for the entire product lifecycle help you gain competitive advantage in your markets. From design and engineering through to manufacturing and after-market services, we help you reduce costs, improve speed-to-market and drive innovation.

DESIGN AND ENGINEERING

Design innovation can be the difference between a product that gets to market and one that defines the market. Our technical depth in design and engineering enables the launch of competitively unique products.

Learn More

HARDWARE PLATFORM SOLUTIONS

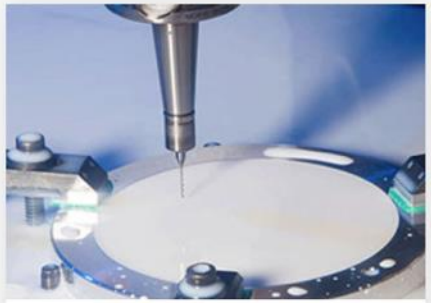
Our robust portfolio of leading-edge technologies help you reach your markets faster, reduce R&D spend and build valuable IP.

Learn More

MANUFACTURING SERVICES

Through our manufacturing services, we reduce your costs, speed your products to market and help you gain a competitive edge.

Learn More



PRECISION MACHINING

We offer the latest in machine tool technology to fuel your competitive advantage—simple to complex and from prototype through to production.

Learn More

SUPPLY CHAIN SERVICES

Celestica's supply chain services deliver supply chain innovation on demand. We offer a bold, yet proven service solution designed to grow market share and profit.

Learn More

LOGISTICS AND FULFILLMENT

Our logistics and fulfillment services help you reduce transportation costs without upfront capital investment, gain improved supply chain visibility and configure your products at the last minute.

Learn More

Celestica

Manufacturing

Problem

Significant manual effort using spreadsheets – no longer meeting needs

Time consuming and error prone process

Limited visibility to reliable and meaningful performance data

Needs

Consolidated data foundation for all data, all geographies and divisions

Robust and accurate dataset to underpin reporting

Automated GHG emission calculations

Benefits

Streamline data capture and reduce errors from manual entries

Automation of complex GHG calculations and finance-grade, auditable reporting

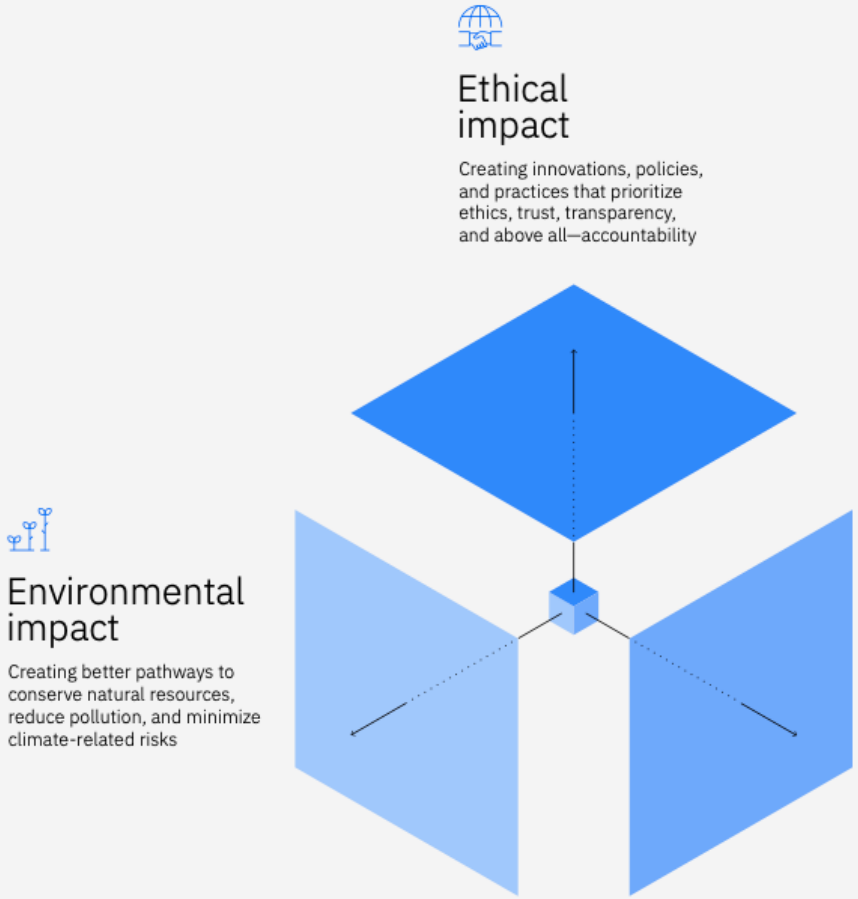
Useful outputs accessible to all stakeholders

“This governance model
will trickle down into each team,
tying sustainability into all aspects of
the business.”

Jessica Peixoto
Sustainability Manager,
Celestica Inc.

IBM

Technology



Examples of IBM's commitment to creating environmental impact, equitable impact, and ethical impact:

Environmental impact

- Reach net-zero greenhouse gas emissions by 2030
- Divert 90% (by weight) of IBM's total nonhazardous waste from landfill and incineration by 2025
- Initiate 100 client engagements or research projects by 2025 in which IBM solutions have enabled demonstrable environmental benefits

Equitable impact

- Skill 30 million people globally by 2030
- Log 4 million volunteer hours by 2025
- $250 million investment in apprenticeship and new collar programs by 2025
- 15% of first-tier supplier diversity spend with Black-owned suppliers by 2025

Ethical impact

- Include technology ethics education in training for IBM ecosystem partners, reaching 1,000 partners by end of 2022
- Added diversity modifier to executive annual incentive program metrics
- Engage 100% of suppliers on sound practices, including social and environmental responsibility, ethics, and risk planning

IBM

Technology

Problem

Data in silos – multiple systems and multiple data providers

Significant manual effort using outdated legacy tools & spreadsheets

No pathway for meeting future requirements

Needs

Existing tools need to interoperate with ESG reporting tools

Data Collection and Reporting in one solution

Additional analytics across energy, utility billing data and efficiency projects

Solution

Energy efficiency analysis, tracking and management
(Utility Bill Analytics)

Energy Efficiency project management
(Target Setting + Tracking)

Energy tracking and analysis

IBM uses Envizi across various stakeholders

Data Automation + connectors

Scope 1,2 GHG Accounting

Utility Bill Analytics

Target Setting + Tracking

Risk + Materiality Assessment

Energy Efficiency Program Tracking

Listed REIT

Large Real Estate and Buildings, Banks…

Profile

Assets ranging from residential, retail, commercial & business parks, to industrial & logistics in Southeast Asia, Australia, Europe and China.

Established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Challenges A

1. Data Acquisition - Data collection from multiple sources, multiple stakeholders, multiple countries for a very large property portfolio.

2. Single source of truth – External assurance difficult, multiple departments like risk management collecting same data, similar data collected for reporting in multiple standards – GRI, GRESB, TCFD.

Challenges B

3. **People productivity –** Manual data entry on excel, tedious process. People spend days, months on gathering, updating, and formatting information.

4. **Performance tracking** – Challenge in tracking performance improvement initiatives, year over year

Listed REIT

Commercial Real Estate

Unique Value Proposition – Customer selection criteria

1. Comprehensive functionality: Complete coverage of ESG with frameworks questionnaires and reports for integration to GRESB, GRI, CDP, TCFD and more

2. Automated data capture: Automatically capture data from existing enterprise systems, data lakes, utility suppliers, data aggregators and more

3. Delightful user experience: friendly user interface for business users to transition from excel to system-based approach, easy change management

4. Global solution: Multiple currency and multi-country time zone support

Our software capabilities enable clients to…

Streamline Reporting

Drive Performance

Build Data Foundation

A single system of record that delivers auditable, financial grade sustainability data

Across all geographics and all business divisions

Streamline Reporting

Flexible reporting tools to meet all your internal and external reporting requirements

Public disclosures aligned with GRI, CDP, SASB, TCFD, UN SDGs...

Engage Teams

Integrate your people, process and technology to embed sustainability into daily operations

Across all geographics and all business divisions

Accelerate Decarbonization

Unlock the insights to inform the fastest and most cost-effective pathway to your carbon goals

Own operations: Scope 1 & 2 – efficiency & renewables
Scope 3 – 15 categories