

Fiscal Year 2017

Global Citizenship Annual Report



The *Fiscal Year 2017 Global Citizenship Annual Report* describes Seagate's approach to advancing sustainable and responsible business practices in all aspects of its products, services, and operations. This report provides highlights, insight, and context for our Fiscal Year (FY) 2017 performance and metrics for FY2018 and beyond.

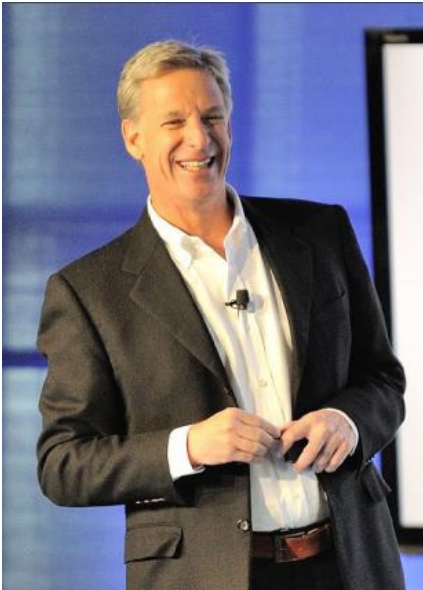
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Message from Executive Chairman

Serving People and the Planet



In my more than two decades in the hard drive industry there have been many changes—but there has always been one constant: the ability of the Seagate team to innovate for the greater good. Whether it's driving value to our stakeholders through competitive products or ensuring socially-responsible practices across our industry and global supply chain, Seagate is committed to serving both people and the planet.

In 2017, my last full fiscal year as CEO, we continued to execute on our sustainable, responsible business model. This is truly an area where Seagate shines, from our early involvement in the Electronic Industry Citizenship Coalition (EICC), now known as the Responsible Business Alliance, and UNGC to more recent matters such as managing greenhouse gases (GHGs) and avoiding conflict minerals throughout the supply chain.

In the following pages, you'll read about the progress we've made toward integrating sustainability into our business model. I am proud of Seagate's legacy of accomplishment, and anticipate a future in which our business continues to flourish, benefitting all stakeholders.

Steve Luczo

Executive Chairman

Chairman and CEO (1998-2004; 2009-2017)

Message from CEO

Leading with Integrity, Innovation, and Inclusion



As a productive global citizen, Seagate is guided by three principles: integrity, innovation, and inclusion. Together, these values underpin the way we do business. From product and environmental sustainability efforts to ensuring the safety and wellbeing of our diverse workforce, we are committed to upholding our legacy of doing the right thing.

We have a responsibility to protect our planet, and in FY2017 completed a full carbon footprint that includes all applicable Scope 3 parameters. Through innovative technology, such as our helium drives, we've not only decreased the environmental impact per gigabyte of storage capacity shipped by 8 percent, but reduced the amount of energy consumed per exabyte (EB) of storage capacity shipped by 50 percent over the past five years.

Alongside our responsibility for protecting the planet is our responsibility to people. As we advance toward our goal of a conflict-free supply chain, vigilance against human rights abuses in the countries where our supply chain resides remains at the forefront of our priorities. Reflecting our commitment to a diverse and inclusive workforce, 57 percent of our global employees are female, while 37 percent of our employees in the United

States (U.S.) are minorities. Through targeted improvement and accountability processes, we strive to ensure a culture where employees feel welcome, respected, valued, and safe.

Our integrity as a global leader lies in our ability to act in the best interest of our planet and the people we share it with, and to deliver the best value to our stakeholders in a way that is sustainable, reliable, and consistent with our values. As we continue to innovate and shape the future of data storage technology, I look forward to greater advancements in the pursuit of a healthier, more sustainable future.

Dave Mosley
Chief Executive Officer

About This Report

This report covers activities managed by Seagate Technology public limited company (“plc”), an Irish public limited company, from July 2, 2016 through June 30, 2017, our 2017 fiscal year. References to “Seagate,” “we,” “us,” “our,” and the “Company” within this report refer to Seagate Technology plc and its subsidiaries. References to “\$” are to U.S. dollars.

There were no other significant changes to Seagate or restatements of information from previous reporting periods.

We are a leading provider of electronic data storage technology and solutions. Our principal products are hard disk drives, commonly referred to as HDDs, disk drives, or hard drives. In addition to HDDs, we produce a broad range of electronic data storage solutions, including solid state drives, solid state hybrid drives, Peripheral Component Interconnect Express cards, and Serial Advanced Technology Attachment controllers. Our storage technology portfolio also includes storage subsystems, high-performance computing solutions, and data storage services. All of these products and services are made up the Seagate, LaCie, and Maxtor brand families. All of Seagate’s products meet regulatory requirements for health and safety in all jurisdictions where we do business. Additionally, Seagate does not have any of its products or services banned in any markets where we do business.

Our previous Global Citizenship Annual Reports can be downloaded from the Seagate website at www.seagate.com, including the FY2016 report, which covers Seagate’s reporting cycle from July 4, 2015 through July 1, 2016. The Seagate website contains information about our company’s history, products, values, management, and our most recent financial performance. More information, including our net sales and other financial disclosures, can be found in Seagate’s [Annual Report](#).

Defining Report Content

Using the *GRI Sustainability Reporting Standards 2016* and the *GRI 102: General Disclosures 2016*, the *Fiscal Year 2017 Global Citizenship Annual Report* applies the principles of materiality, stakeholder inclusiveness, sustainability context, and completeness for defining report content in accordance with the core reporting guidelines. This report contains Standard Disclosures from the *GRI Sustainability Reporting Standards 2016* (the Standards). A list of the Standard Disclosures and their locations within this report can be found at the back of this report.

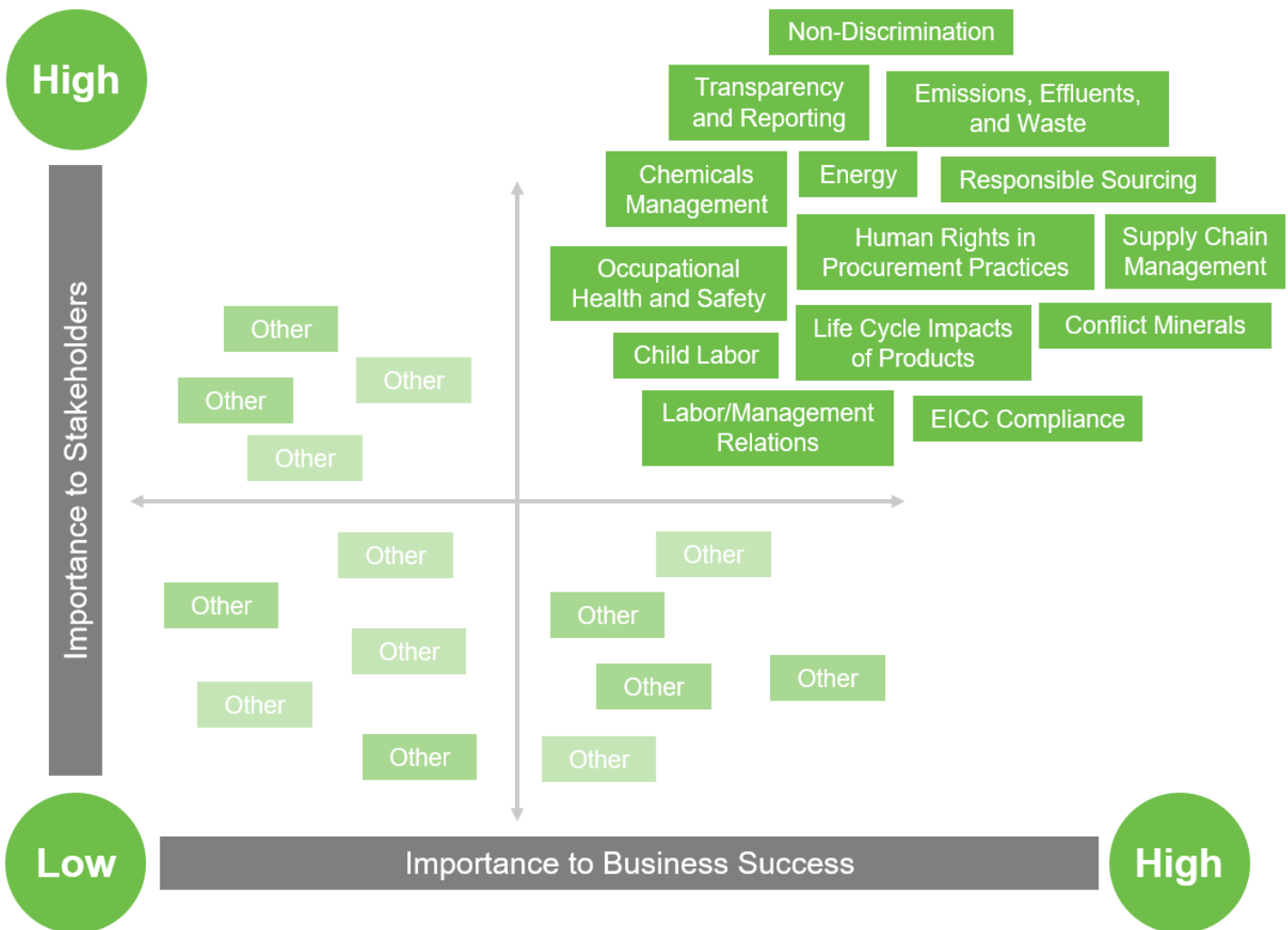
In FY2017, Seagate conducted a new materiality assessment to identify, prioritize, and validate the aspects that are most material to our operations. This included reviewing external trends across social and environmental dimensions and speaking with both internal and external stakeholders to develop a comprehensive understanding of how various issues influenced decision-making. Seagate’s FY2017 materiality assessment considered aspects of our business activity that resulted in both direct and indirect (through business relationship) impacts on issues internal and external to Seagate. The third party who conducted the assessment covered a wide range of issues to validate which were of importance to Seagate and our stakeholder, and those which were of lower priority. No aspect was intentionally excluded from the scope of the assessment. Stakeholder feedback gathered during the materiality assessment helped to shape the content of this report.

The aspects that we identified as material to our business can be categorized into governance and ethics, product stewardship, environmental sustainability, our employees, supplier engagement, community engagement, and business continuity. Seagate’s FY2017 materiality assessment considered global citizenship impacts both inside and outside the company, such as to customers, our employees, and our global supply chain. These aspects make up the content and structure of this report.

Management Approach

Seagate adopts the Plan-Do-Check-Act approach in managing the aspects of our business that are material. In most cases we have management programs which are detailed in Corporate Standard Operating Procedures. These procedures are periodically reviewed to ensure they are current. Many program areas have performance metrics to measure the effectiveness of the management program in delivering the expected results. These performance metrics are shared in this report. Our internal audit program ensures that the controls are effective in managing the risk and opportunities. Based on the performance metrics and audit results, actions are taken to improve the programs. Economic, environmental, and social programs are managed by the functional departments, with oversight by senior management who report directly to the CEO.

FY2017 Materiality Assessment





Company Profile

Overview

Seagate is the global leader in data storage solutions, developing amazing products that enable people and businesses around the world to create, share, and preserve their most critical memories and business data.

Seagate is deeply rooted in the history of the storage industry. Since its founding in 1978, Seagate has transformed the way storage technology works, progressing from the mass production of the 5.25-inch HDD to innovative cloud storage solutions. Disk drives continue to be the primary media of mass data storage due to their performance attributes, high quality, and cost effectiveness.

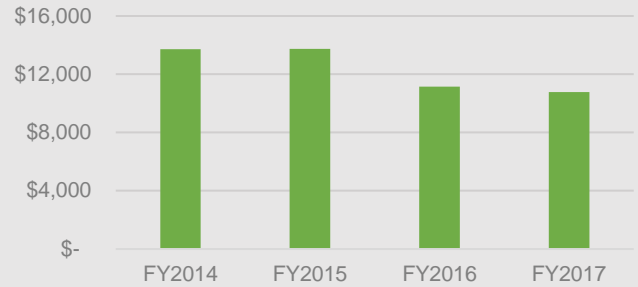
Seagate is working to expand the way people interact with information, not just how they store it; from helping kids take pictures on mobile phones to assisting corporations in creating massive data centers, we empower the next generation of innovators, inventors, analyzers, scientists, and creators with greater speed, capacity, and access to information than ever before. The principal markets served by Seagate are enterprise storage, client compute, client non-compute, cloud systems and solutions, major subcomponent manufacturers, hardware storage solutions manufacturers, system integrators, storage services, and hyper-scale data centers. Seagate's products are used in virtually every country in the world.

Seagate recognizes that data has evolved from static information stored—and often forgotten—to a living entity. To serve these changing dynamics, we create solutions to fit the increasing needs of our data-driven society, facilitating the increasingly-connected world by enabling the cloud.

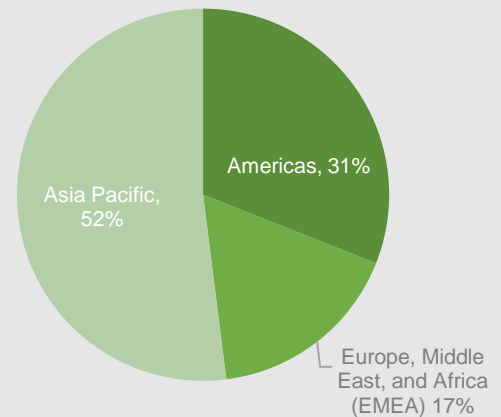
Seagate's global operations encompass design, manufacturing, sales, marketing, and administrative functions. Our headquarters is located in Ireland, and our principal manufacturing facilities are located in China, Malaysia, Northern Ireland, Singapore, Thailand, and the U.S. Our principal product development facilities are located in California, Colorado, Minnesota, and Singapore. Seagate also has sales and customer service locations in 20 countries.

Seagate designs and produces our own read/write heads and recording media, which are critical technologies for HDDs. This vertically-integrated approach enables us to lower costs and improve the functionality of components to work together efficiently. Our sourcing, design, manufacturing, delivery, and services are all vertically integrated, thus aiding in compliance.

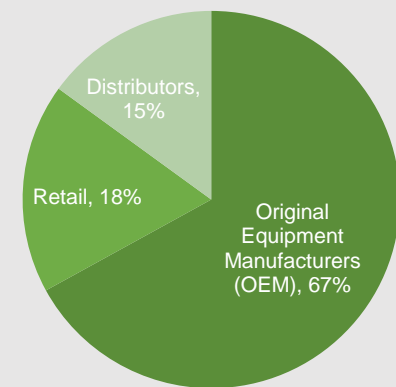
Net Revenue (in millions)



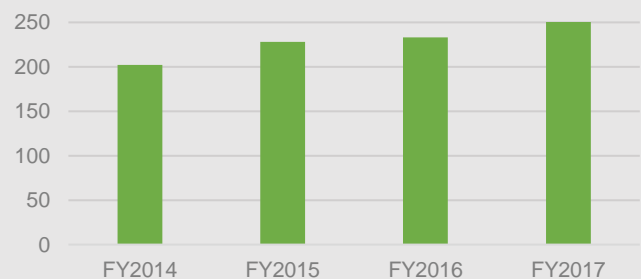
FY2017 Revenues by Geography (%)



FY2017 Revenues by Channel (%)



Storage Capacity Shipped (in exabytes)





Global Citizenship Highlights

FY2017 Global Citizenship Highlights

Highlights of our FY2017 activities include:

Engaging people and embracing diversity.

Seagate has continuously invested in innovative products and processes, and maintained our commitment to advancing socially responsible business practices. This reflects not only our legacy of making the right long-term decisions with openness and integrity, but also our dedication to providing an inclusive workplace where all employees feel safe and comfortable. Diversity plays a major role in this effort, which is why we have established various communities of interest that give employees the opportunity to connect and engage with others who may share a diversity identity or common interest. More information about these communities is contained in this report.

Driving transparency through product stewardship. Seagate is committed to reducing the impacts of its products across all stages of the product life cycle, and takes a holistic approach to product stewardship. Our Product Stewardship team works diligently with both internal and external partners to assess and reduce product impacts, maintaining Seagate's commitment to transparency and credibility throughout the process. In FY2017 we established a Global Product Compliance Council, which helps support our product sustainability and compliance efforts.

Keeping environmental sustainability top of mind throughout our global operations. Seagate has long recognized our responsibility to people and the planet we share. As part of our commitment to renewable sources of energy, we commissioned solar power generation in our Singapore and Fremont, CA, sites. Read more about this and other environmental sustainability efforts in this report.

Streamlining Seagate's compliance efforts. Seagate's commitment to compliance and efficiency throughout our operations is the driving force behind CAS2, an internal compliance software tool released in FY2017, which combines Conflict Minerals, Full Materials Disclosure (FMD) and Process Chemistry, data collection, and reporting capabilities into a single tool. In addition, Seagate piloted a green design model sustainability tool, enabling a leaner, more streamlined and cost-effective approach to calculating Life Cycle Assessments (LCAs).



Maintaining our dedication to employee safety, health, and wellness. Seagate is committed to ensuring and helping our employees make informed decisions about health, safety, and general well-being. Through our Healthy Journeys program, we encourage employees to make healthier decisions and participate in the program's many wellness offerings.

Assuring fair labor practices throughout our global supply chain. As a global and diverse organization, Seagate's commitment to ensuring employees are treated fairly and ethically is front-and-center. In FY2017, efforts were taken to ensure the protection of vulnerable workers, and Seagate has been continuously committed to ensuring that these practices are implemented across

each of our global locations. This is reflective of our ongoing focus on innovation, integrity, and inclusion throughout our operations.



Governance and Ethics

Overview

Seagate is committed to maintaining the highest standards of ethics throughout our operations, and as part of our ethics and compliance program, we have instituted policies and processes, and delivered training and other communications, that ensure all employees know how to perform every aspect of their job to the highest standards.

Seagate is governed by its Board of Directors. Additional information on our governance structure is available publicly in the [Governance](#) section of our website. Our [Corporate Governance Guidelines](#) provide a framework for Seagate's Board of Directors in exercising their responsibilities toward Company stakeholders. These guidelines empower the Board with the authority to review Seagate's business operations and make decisions independent of company management. The guidelines also describe a process for shareholders to communicate with members of the Board.



Our [Business Conduct Policy](#) is our guide for conducting ourselves legally and ethically every day and in every place where we do business. It explains the standards we are all expected to embody while meeting our corporate values and complying with applicable laws, regulations, and policies. It is supplemented by our [Code of Ethics for Senior Financial Officers](#), and both documents are publicly available on our website.

Our Business Conduct Policy ensures the adoption of a principles-based approach to our activities, while promoting ethical conduct and compliance with laws and regulations. It summarizes Seagate's ethical standards and key policies in areas such as insider trading, conflict of interest, bribery and corruption, privacy and confidentiality, and antitrust and fair dealing. To help ensure broad awareness and understanding of the policy, we make it available in the following languages: English, Chinese, Korean, Malay, Thai, French, Spanish, and Portuguese. As noted in the policy, we require all Seagate employees, business partners, and suppliers to follow all applicable national laws and regulations, including the U.S. Foreign Corrupt Practices Act and the United Kingdom (UK) Bribery Act.

Through the EICC process, 100 percent of our manufacturing sites have a risk assessment every two years. There are seven manufacturing sites, comprising a total of 33,761 employees, which equates to 82.6% of our global footprint. There were no significant risks to corruption identified through the risk assessment.

We continually reevaluate our policies to confirm that they reflect the latest standards, requirements, laws, and regulations at local, national, and international levels. The Board reviews our ethics and compliance program, including our key policies and processes related to ethical business conduct, on an annual basis to ensure that Seagate continues to operate within the letter and spirit of the law.

“To maintain our standing as an ethical, productive global citizen, we must embrace continuous improvement and uphold our value of integrity.”

—Dave Mosley, CEO

FY2017 Highlights

Employee Certifications

New employees are required to certify that they have read and understand the Business Conduct Policy, and to disclose any actual or potential conflicts of interest during our onboarding process. Thereafter, all non-operator employees with company email addresses are required to recertify annually. Approximately 19,800 employees participated in the certification process, which began in FY2016 and concluded in FY2017. This resulted in a completion rate of over 99 percent after removing employees who were on long-term leave, were terminated, or had left Seagate during the certification period.



Risk Assessment

Seagate periodically conducts ethics risk assessments using a risk-based audit approach to achieve objective quantifications of each risk based on the likelihood of occurrence and potential consequences. We identify and take corrective action, and implement appropriate controls for each identified risk. We endeavor to use industry best practices and benchmark ourselves against peer companies.



Training and Communication

Throughout the year, we provided online and live training modules, and delivered short videos with updated, customized content to enhance employee understanding of both our Business Conduct Policy and Seagate's overall ethics and compliance program. In FY2017, in addition to other management communications delivered to workers through multiple channels, we conducted tailored anti-corruption and anti-bribery training to targeted groups of employees.

Ethics Helpline and Reporting

Our Ethics Helpline is available to both our employees and to those external to the Company, with contact information available on the homepages of both our internal and external Seagate websites. Concerns may be reported by phone or webmail in English, Spanish, French, Chinese, Korean, Malay, Portuguese, or Thai. Throughout FY2017, we continued to promote our Ethics Helpline so that employees may confidentially and anonymously report illegal or unethical situations without any fear of retaliation.

Public Policy Advocacy

Seagate is a diverse global company with operations, employees, customers, suppliers, and shareholders located throughout the world. As such, Seagate engages and interacts with officials and government representatives in a number of countries and municipalities, providing information about our company, our industry, markets, technology, and other facets of our business. Seagate does not contribute corporate funds to candidates for political office, political parties, or to political action committees.

As a responsible corporate citizen, Seagate may actively engage in legislative and regulatory processes. This may include advocacy for certain policies that the company believes facilitate productive economic growth and are in the best interests of Seagate and its stakeholders.

Seagate's effort to interact with industry peers and stay informed of evolving policies, trends, technology developments, and regulations includes participation in a number of trade associations and related organizations. Some of these associations are categorized as 501(c) organizations under the U.S. tax code, and some may engage in public policy advocacy with the U.S. or other government entities. Seagate may make payments to these organizations, including membership fees and dues, however the company's payments to, participation or membership with, these trade associations does not mean that Seagate endorses or agrees with all of a group's policy objectives.

Additional reporting channels are available for employees to address ethics and other concerns, and ongoing training encourages worker feedback and participation in local sites, management communications sessions, and employee "all hands" meetings with executives. These are just a few examples of how Seagate encourages worker consultation and supports the ability of employees to address complaints without the fear of retaliation.

Below is a list of trade associations that may have received membership fees or payments from Seagate:

- Electronics Industry Citizenship Coalition
- US-ASEAN Business Council
- United Nations Global Compact
- United For Patent Reform
- Green Chemistry Council
- American Chamber of Commerce
- Silicon Valley Leadership Group
- TechNet
- The Minnesota High Tech Association
- Longmont, CO Area Economic Council
- Boulder, CO Chamber of Commerce
- Longmont, CO Chamber of Commerce
- Cupertino, CA Chamber of Commerce
- Fremont, CA Chamber of Commerce
- American Chamber of Commerce Thailand
- American Chamber of Commerce Malaysia
- American Chamber of Commerce Singapore
- American Chamber of Commerce China
- Mastel (Indonesian association of ICT companies)
- Singapore Business Federation
- China Information Industry Association
- MOFCOM Executive Committee of Foreign Invested Companies
- China Association for Foreign Invested Enterprises
- US-China Business Council in Beijing/Shanghai
- Shanghai Informatization Council
- Jiangsu Provincial Informatization Association

Looking Forward: Governance and Ethics

Seagate will continue to evaluate and assess our Business Conduct Policy, related programs, and processes for relevance and compliance with new laws and regulations. We plan to continue development and implementation of impactful, live and online employee trainings to support our culture of compliance.

We are committed to protecting the personal information of our employees and customers, and as part of our data privacy program, we are working to ensure our data handling practices meet the requirements of the European Union (EU) General Data Protection Regulation (GDPR), which takes full effect in May 2018.

The GDPR applies to organizations that are based in the EU or that offer goods or services to, or monitors the behavior of, people located in the EU. The GDPR is a principle-based regulation that includes the following: accountability; acting within the law; informing individuals how their data will be used; only using data for a specific purpose; collecting only the minimum data necessary; and not keeping the data longer than is necessary to fulfill its purpose.

We are committed to implementing the principles from the GDPR throughout Seagate as a comprehensive and holistic approach to data privacy and protection.



Product Sustainability

Overview

Seagate values reducing product impacts, which are the product and packaging environmental impacts identified by our rigorous LCAs. Seagate's Product Stewardship team works with internal partners and our suppliers to assess and reduce impacts, providing credibility and transparency in those efforts. We identify key environmental impacts and reduction opportunities, including product environmental impacts, restricted substances, product end-of-life, and responsible sourcing of minerals.

The Precautionary Principle is not applicable to Seagate's products and services because we do not utilize controversial technologies, such as Genetically Modified Organisms or systemic insecticides.

Product sustainability extends beyond the environment. Seagate views product impacts holistically, taking into account the environment, our customers, suppliers, and communities where our products and operations reside. Maximizing sustainability is an ongoing goal of our Product Stewardship program.

Seagate also strives for transparency and credibility in all our sustainability efforts. This reflects the implied social contract that we acknowledge and owe allegiance to in order to conduct our business. In the spirit of continuous improvement, we aspire to first understand the impacts of our product offerings and then work toward reducing or eliminating those impacts. We recognize the importance of this work and share our results with our stakeholders as inputs to their own processes, which assist them to better understand their own business impacts.

In FY2017 we introduced a new Global Product Compliance Council, which helps to support aspects of product sustainability. We created a new internal database to assist stakeholders in obtaining Global Market Access materials, such as product stewardship declarations and product safety documentation. Seagate products are designed to meet all Health and Safety regulations in the geographies where products are marketed.

Product Impacts

Seagate uses thousands of materials to make its products, composed of many chemical substances. We strive for a complete understanding of material content to manage product environmental impacts by working with suppliers to obtain FMDs for every part included in our products. This information is maintained in a database that is rigorously managed by the Environment, Health and Safety and Sustainability organization, and is accessible to relevant internal stakeholders as any new substance concerns emerge.

Seagate conducts LCAs in accordance with the International Organization for Standardization (ISO) 14040:2006 and 14044:2006 to estimate each assessed product's impact on the environment. Each LCA is critically reviewed by an independent third party.

In FY2017 we developed an alternative approach to conducting LCAs, which is also based on ISO and other international standards, and our methodology has been assured by an independent third party. This alternative approach offers a more nimble and flexible methodology that introduces the Seagate Green Design Tool based on Footprinter™ models built to capitalize on assumptions that apply to all drive and packaging designs. The result is a streamlined, more cost-effective approach to calculating product and packaging LCAs. Owing to the structured and consistent approach, the Seagate Green Design models lend themselves to multi-design decision-making, a benefit not readily available with the conventional LCA approach. Seagate built and piloted two Seagate Green Design models in FY2016 (one for drive products and the other for packaging designs), which were launched in FY2017.

Seagate strives to be credible and transparent in our sustainability efforts, and consequently, the Seagate Green Design Models have achieved a limited assurance verification by UL Environment based on criteria as detailed in the International Standards for LCA (ISO 14040 and ISO 14044) and the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol Product Life Cycle Accounting and Reporting Standard. LCAs and product impact assessments help us focus development efforts

to reduce environmental impacts. We prioritize conducting product LCAs based on production volume and customer data requirements.

Seagate's initial LCA approach includes 15 environmental endpoints. Each LCA addresses impacts at every stage in the product life cycle, from raw material extraction to end-of-life disposal and recycling. The Seagate Green Design Tool LCAs include four endpoints judged for particular relevance to the electronics industry:

1. **Climate Change (kg CO₂ eq)**—Assessed across the seven GHGs specified in the GHG Protocol Product Standard
2. **Human Toxicity (kg 1.4-DCB eq)**—Accounts for environmental persistence, accumulation in the human food chain, and human toxicological effects
3. **Metal Depletion (kg Fe eq)**—Indicates the amount of mineral deposits consumed
4. **Water Depletion (kg cubic meters)**—Reflects the amount of water withdrawn in cubic meters from local freshwater systems

Materials Efficiency and Circularity

With the Seagate Green Design tool we are introducing a circularity metric on each product LCA. Circularity is a measure of materials efficiency. Material use has traditionally been linear: virgin materials taken from nature, used to make and use products, and which proceed ultimately to disposal. A circular economy, however, promotes the continuous use of materials in order to reduce waste and minimize our reliance on finite virgin resources.

Seagate now measures the circularity of products using the Material Circularity Indicator (MCI) for those products assessed via the Seagate Green Design Tool. We do this to benchmark our products, identifying opportunities for improvement, and to move toward greater material efficiency. We also do this to inform our storage solutions designs and add value to the way we serve our customers and partners.

The MCI focuses on the restoration of material flows at product and company levels, and is based on the following four principles:

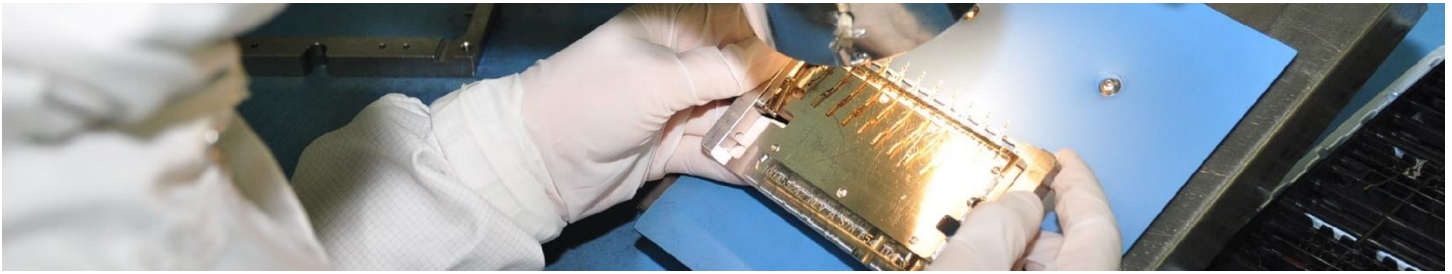
1. Using feedstocks from reused or recycled sources
2. Reusing components or recycling materials after each use of the product
3. Keeping products in use longer (e.g. by reuse or remanufacture)
4. Making more intensive use of products (e.g. via service or performance models)

MCI combines these measures of circularity into a single indicator. A perfect score is 1 or 100 percent restorative, while a score of zero indicates a product with average lifespan and functionality, no recycled or reused content, and with no prospect of being recycled or reused at end-of-life.

LCAs are publicly available on the [Global Citizenship](#) page of our website for each product on which Seagate has completed ISO 14040/14044 LCA studies.

In FY2017, Seagate completed 12 LCAs using the Seagate Green Design Tool. With this same streamlined approach, Seagate is introducing a new format for product and packaging LCAs (Product Sustainability Reports) in FY2018. Seagate continues to focus its efforts on developing more nimble and cost-effective environmental impact assessment tools. In accordance with our commitment to authenticity, this process maintains third-party assurance.

Significant environmental impacts come from the use phase of Seagate products. This means one of the largest opportunities to reduce product impacts comes from customers' understanding and use of Seagate's product power conservation modes, which allow customers to reduce the costs associated with drive operation



while also reducing environmental impacts. The advantage of these power conservation modes are described in the product manuals.

Seagate does not stipulate post-consumer content when procuring components or parts from suppliers, however it must be acknowledged that there is post-consumer material inherent in today's raw material supply. Utilizing data from our LCAs, we are able to determine the impact of metal depletion per terabyte (TB) of storage capacity shipped on average for our product portfolio. The metal depletion indicator specifies the amount of mineral deposits that are consumed to provide the end-use material in question. The process is normalized to the extraction of iron (kg Fe-Eq). The average metal depletion per TB is 9.4 kg Fe-Eq for our product portfolio. The FY2017 impact to metal depletion equates to 2.46e+9 kg Fe-Eq.

Looking Forward: Product Impacts

Our FY2018 impact strategy involves a heavier reliance on impact assessment data to provide input into development decision-making. We anticipate the continuation of rigorous LCAs and use of more nimble, scalable and efficient impact measurement approaches. Seagate intends to continue publishing product and packaging environmental impact assessment results on our [Global Citizenship](#) page, while also introducing Product Sustainability Reports.

Restricted Substances

As a leading supplier to major Original Equipment Manufacturers (OEMs), Seagate must meet our customers' strictest specifications. We are meticulous about cataloging restricted substances, and currently list more than 2,000. Seagate maintains a database to evaluate ongoing legal, industry, and customer requirements for product environmental compliance, and catalogs the Chemical Abstract Service number for every chemical substance present in Seagate components and finished products.

In FY2017, we launched an internal software tool called CAS2, which integrates FMD, Conflict Minerals, and Process Chemistry reporting systems together, automating the entire process in a single, integrated workflow. With data on 16,537 active Seagate parts and nearly 30,000 supplier parts, this tool rigorously assesses the data—and its quality—to ensure it is accurate and complete. This information is updated annually.

Seagate strives to comply with all regulatory requirements where we and our customers do business. Seagate adheres to global restricted substance legislation, including the European Regulation regarding the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), and the Restriction of Hazardous Substances (RoHS) "Recast" Directive, as amended by Directive (EU) 2015/863. We monitor regulatory, industry, and customer requirements, and continuously add new chemicals and substances to our restricted list, eliminating them from Seagate products wherever possible. Seagate's FMDs and CAS2 allow us to evaluate all of our products against the most current REACH Candidate List upon publication. We are able to determine if and where Substances of Very High Concern (SVHC) are present in our products, and at what concentrations, both at the homogeneous material and article levels. This allows us to respond to changing regulatory interpretations, such as the European Union Court of Justice decision of September 2015 regarding the definition of an "article" to ensure compliance with REACH Article 33 requirements.

To help customers comply with these same requirements at the finished product level, we aim to exceed, rather than meet, the requirements, giving our customers enough time to manage their own product compliance. This diligence gives our customers the opportunity to participate in programs such as the Electronic Product Environmental Assessment Tool (EPEAT). Seagate products are generally components, for which no EPEAT standards apply. However, our ability to verify RoHS 2 compliance and identify product composition at both the homogeneous material and article levels provides customers assurance that the incorporation of Seagate components into their final products will support their ability to meet the relevant EPEAT-required and optional criteria for their final products.

In FY2017 we continued our support of the Business Non-Governmental Organization Working Group (BizNGO) Principles for Safer Chemicals; incorporated business acquisitions, including Dot Hill, into our FMD database; and answered over 3,000 customer requests for product environmental compliance data. Seagate regularly participates in industry-wide reviews and discussions to help lead the development of industry standards and tools that help our industry and supply chains meet regulatory and customer requirements.

Seagate publishes a Bill of Substances, which lists materials used as a percentage of the total. Total materials used by weight is not a metric used by Seagate. Seagate received no significant fines or non-monetary sanctions for product environmental non-compliance in FY2017.

Looking Forward: Restricted Substances

As a committed leader in sustainability and compliance, Seagate will continue to work closely with our suppliers and industry partners to raise the bar in reporting and minimize the use of restricted and hazardous substances.

Product End-of-Life

Seagate takes the entire product life cycle into account when designing our products. Most Seagate products are highly recyclable, containing aluminum, steel, copper, and other recoverable materials, and many regions where Seagate products are sold have electronic waste recycling programs. For this reason, our HDDs are prime targets for salvage and recycling.

Because the vast majority of Seagate's products are sold as components to larger systems produced by OEMs or resellers, we have minimal leverage over how our products are managed at the end of their useful life. Just as we recycle our own internally generated scrap, we provide information to our customers to enable their own reclamation efforts and to promote participation in manufacturer take-back programs. Seagate does not have a product take-back program since the vast majority of our products are sold as components to larger systems.

For our retail products and servers, Seagate helps to manage product waste by taking back warranty returned drives. All of these drives are refurbished or recycled. Drives that are recycled are done so at locations that have been third-party audited to ensure our environmental standards are met. We also provide customers with drive disassembly instructions to facilitate recycling.

Looking Forward: Product End-of-Life

Reclaiming the value of our products, even at the end of a product's life, is an important step in the proper management of our resources. As we move forward, we will continue to seek additional avenues to reclaim product waste, including leveraging invaluable partnerships and collaborations with others in our industry.

Conflict Minerals

Conflict minerals are tungsten, tin, tantalum and gold (3TG or “conflict minerals”), and remain a major challenge for hardware industries. Extensive reserves of these minerals are located in the Democratic Republic of the Congo (DRC) and adjoining countries. Some of these minerals are illegally sourced and traded by armed groups responsible for tragic human rights violations. Addressing conflict minerals became an even higher priority in 2012, when the Dodd-Frank Act, Section 1502, was adopted in the U.S. The law requires companies to disclose whether 3TG used in their products originated in the DRC or an adjoining country. If so, companies must describe what efforts they have undertaken to ensure the sources of the 3TG metals are identified and documented for purposes of reporting to the U.S. Securities and Exchange Commission (SEC).

As part of compliance with this regulation, Seagate participates in the EICC Conflict-Free Sourcing Initiative. Participation allows Seagate to contribute to industry solutions while maintaining standard processes for data collection. Our [Conflict Minerals Policy Statement](#) is available on our website.

Although 75 percent of the world’s known 3TG smelters and refiners have been validated as conflict-free, there are not enough conflict-free validated sources to meet demand. We continue to seek supplier commitments to source only conflict-free 3TG, to have their smelters and refiners engage in the validation audit process or convert to other preferred sources if smelters and refiners decline to become conflict-free.

Seagate’s hardware products contain all four conflict minerals, which are required for the products’ functionality and production. Seagate does not directly procure pure metals from smelters or refiners; we purchase parts, components, materials, and subassemblies containing these metals. Therefore, we rely on our direct suppliers to provide information about the origin of the 3TG contained in components and materials supplied to us. The information about 3TG contained in our products comes from lower-tier suppliers and information provided through our membership in the EICC and Conflict-Free Sourcing Initiative (CFSI).

In FY2017 we passed our first Internal Private Sector Audit. This audit determined that the design of our due diligence framework was in conformity with the Organization for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, third edition, and that our description of the due diligence measures are consistent with the actions that we did undertake.

In FY2017 we transferred all of our conflict minerals data and reporting into the new CAS2 system. All suppliers’ compliance information is processed in one common workflow via this new tool, which provides efficiency in supply chain communication and materials management.

At the end of FY2017, all of Seagate core products were verified conflict free. We have made progress integrating Seagate systems products into CAS2 and moving toward conflict-free validation. Conflict-free is defined as 99.5 percent of suppliers and their associated smelter combinations having completed the CFSI protocol (or equivalent certification protocol).

Additional details are available in Seagate’s [Conflict Minerals Report](#) to the U.S. SEC.

Looking Forward: Conflict Minerals

Striving for a conflict-free 3TG supply chain across all of our product lines remains at the forefront of our goals. We believe that specialized manufacturing lines designed to produce conflict-free products will not only inflate cost, but ultimately fail in the area that matters most: remediating the human rights abuses in Central Africa. While Seagate provides product-specific Conflict Minerals Reporting Templates (CMRTs) to customers upon request, we will continue to maintain our policy of soliciting only company-level CMRT data from direct suppliers. Though this approach may take longer, we believe our efforts will lead to improved conditions in Africa and other countries where Seagate's supply chain resides.

As we refresh all of our direct supplier data (using CMRT 5.1, which we expect will enhance the quality of the information we obtain this year), we are in the process of developing software to accelerate and track progress, which will make our information more complete, accurate, timely, and specific, leveraging greater automation. We continue to work with the EICC and CFSI to improve processes that encourage responsible sourcing of 3TG, in a manner that avoids de facto boycott of legitimate minerals from Covered Countries.

Case Study: Value Recovery from Used Electronics

Seagate has long been committed to exploring new and innovative ways of reducing waste and optimizing global sustainability. This commitment was the driving force behind our recent partnership with the International Electronic Manufacturing Initiative (iNEMI), in which Seagate leads a project on the improvement of economic and resource value recovered by the reuse and recycling of electronics.

As a longstanding leader in sustainability, Seagate acknowledges the growing need for a transformation from a linear life cycle—a “take-make-waste” model—to a circular one, in which products, components, and materials are reused and recycled throughout all phases of a product's life. It was the goal of the iNEMI project to outline how to create a sustainable, global system of stakeholders, processes, and methodologies for such a transformation, using HDDs as a case example. A critical innovation in the project is using the Ostrom Framework for self-organizing, self-managing socio-ecological systems (Elinor Ostrom, 2009 Nobel Prize in Economics) to explicitly build a value recovery system of committed stakeholders.

Working in partnership with leading OEMs, universities and national labs, including the U.S. Department of Energy Critical Materials Institute, our team endeavored to use circular economy principles in the reuse and recovery of rare earth elements used in HDD magnets. HDDs are a ubiquitous component used throughout electronics and are a quintessential example of a man-made “common pool resource.” Based on the premise of a circular economic model, magnets can be recovered from millions of such HDDs efficiently, cost effectively and with minimal environmental impact. Recovery of high value components and materials for multiple uses is critical to achieving a sustainable circular system and robust supply chain.



Because the demand for data storage is increasing faster than increases in capacity, there is remarkable opportunity for growth in the HDD marketplace. A circular life cycle of HDDs would create an opportunity for Seagate and other stakeholders to meet this increasing demand while reducing waste. It's a true example of the value of sustainability in business.



Environmental Sustainability

Overview

Seagate recognizes that climate change is real, contributed to by human activity, and will have social, economic, and environmental consequences for everyone. We set goals, track progress, and audit systems to reduce energy consumption, carbon emissions, waste, and water usage. We also train our suppliers on environmental sustainability best practices and share leading practices with our customers. These initiatives comprise the majority of our environmental sustainability efforts.

Our environmental management system is shaped by the ISO, the EICC Code of Conduct, and UNGC principles, and adheres to ISO 14001 requirements at all manufacturing facilities. By managing and reducing environmental impacts through this system, Seagate demonstrates recognized environmental sustainability leadership in the Information and Communication Technology (ICT) industry.

At the end of FY2017, all of Seagate’s manufacturing facilities were [ISO 14001](#)- and Occupational Health and Safety Assessment Series (OHSAS) [18001-certified](#). We ceased operations in Suzhou, China; Penang and Seremban, Malaysia; Havant, UK; and Guadalajara, Mexico; and therefore did not obtain or pursue certification at these sites in FY2017. In the retained facilities, we had 30 environmental regulatory visits in FY2017, and there were no findings. We had 71 Health and Safety and Fire regulatory visits globally. There were no fines levied or notices of violations raised by the regulators in FY2017.

ISO 14001- and OHSAS 1800-Certified Facilities

Country	Location
China	Wuxi
Thailand	Korat
	Teparuk
Malaysia	Johor
Singapore	Woodlands
United Kingdom	Springtown
United States of America	Bloomington, MN

Energy and Carbon Emissions Performance

Energy usage and process chemicals that contribute to GHG emissions are necessary to manufacturing our products and providing our services. Seagate reduces the amount of energy and carbon required to produce disk drives by identifying energy conservation opportunities, auditing management systems, setting targets, creating awareness among employees, and reporting on progress throughout our operations. Our primary objective is to reduce energy use and GHG emissions per storage

capacity produced. Across our industry, these measurements are known as “energy intensity” and “GHG emissions intensity” because they measure impact relative to the amount of economic activity taking place. Intensity is measured in various ways across industry sectors and product types; Seagate measures energy and carbon emissions intensity per exabyte of storage capacity shipped.

Seagate’s two largest sources of GHG emissions continue to be purchased electricity and fugitive emissions, the unintended release of GHG compounds into the atmosphere from various types of equipment and processes. To reduce the intensity of GHG emissions, each manufacturing site is required to achieve annual energy savings goals.

The reduction of GHG emissions continues to be the most significant environmental aspect to our operations, especially given growth in storage capacities and product complexity, as new products have additional production steps. Furthermore, as the Information and Communication Technology (ICT) industry transitions to increased cloud-based data storage systems, Seagate will grow its cloud storage product offerings, which generally require longer test times.

We are working to better understand and mitigate the impact this transition may have on our energy and carbon emissions performance. Finding a replacement for the hydrofluorocarbon solvent used in our manufacturing processes, which is released as a fugitive emission, will be key in reducing overall GHG emissions, as this is the main contributor to Scope 1 emissions.

In FY2017, we committed to the [Science Based Targets Initiative \(SBTI\)](#), and to setting a Science Based Target for our emissions reduction goal in the near future. Science Based Targets is a methodology designed to set GHG reduction targets that align with climate science in order to mitigate the rise in global temperatures to less than two degrees Celsius compared to pre-industrial temperatures.

To view Seagate’s Environment, Health, Safety and Sustainability Policy, see page [63](#).

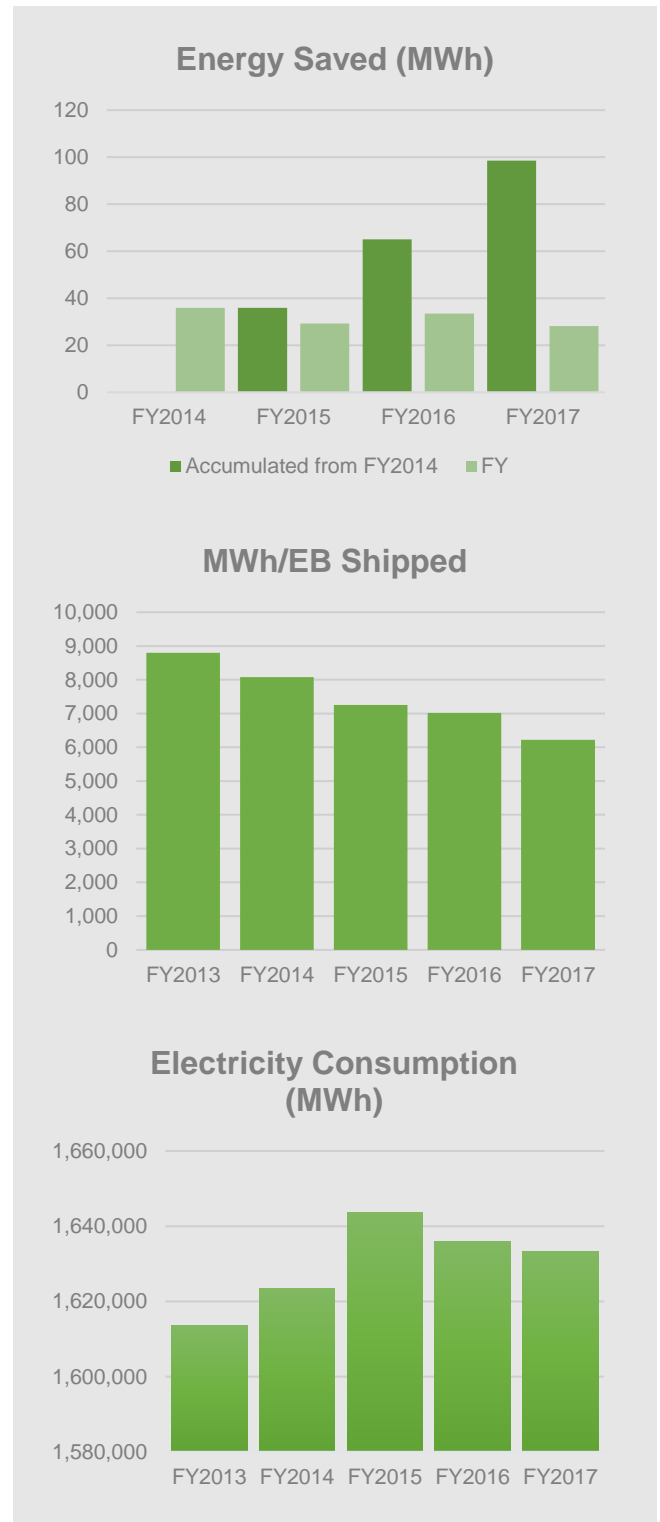
Energy

Total internal electricity consumption decreased slightly to 1.633 million megawatt hours (MWh), from 1.636 million MWh in FY2016, largely due to the expansion of our manufacturing facility in Korat, Thailand. We shipped 30 more EBs in FY2017 than FY2016, which is five times the growth seen from FY2015 to FY2016. This resulted in a total of 6,220 MWh per EB of storage capacity shipped, down from 7,018 MWh per EB shipped in FY2016, accounting for an 11 percent reduction year-over-year (YoY) for MWh of electricity consumed internally per EB of storage capacity shipped.

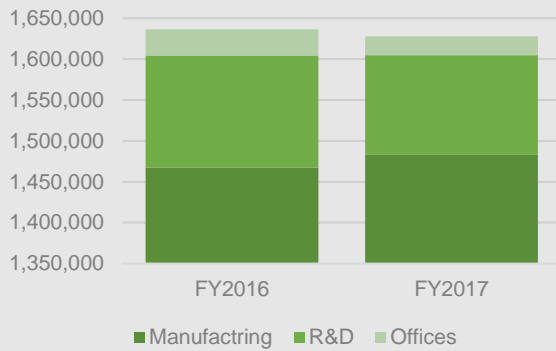
Higher-capacity drives require increased energy to manufacture, and normalizing our energy consumption per storage capacity shipped demonstrates our progress toward energy efficiency per EB of storage capacity manufactured and shipped.

Seagate also continues to focus efforts on energy conservation throughout our operations. In FY2017 we saved 28,200 MWh of electricity from multiple energy conservation projects, meeting our conservation goal of over 24,000 MWh. Energy savings are calculated using the Metered Baseline Method (MBM); since FY2014, the site-initiated energy conservation projects have saved a cumulative 127,000 MWh.

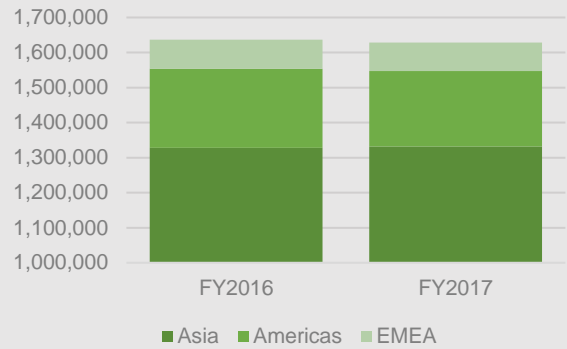
At our design centers in Fremont, California and Singapore we generated a total of 2,200 MWh of renewable energy over the last half of FY2016 and throughout all of FY2017. Our manufacturing sites in Wuxi, China and Londonderry, Northern Ireland are certified to [ISO 50001](#) Energy Management System.



Energy Usage by Type of Facility (MWh)



Energy Usage by Region (MWh)



Case Study: Solar Energy in Singapore and Fremont

Seagate has long been committed to utilizing clean, renewable sources of energy across its global operations. Our Singapore and Fremont facilities serve as excellent examples of Seagate’s investment in solar power generation, which we believe is the key to reducing our carbon footprint and building a cleaner, brighter future for our planet.

From 2016 to 2017, our Singapore facility produced nearly 300,000 kilowatt-hours (kWh) of solar energy, with a similar output expected for the subsequent year. This output carries the same environmental impact as nearly 5,000 trees cleaning the air for one year, and offsets over 120 tons of CO₂ annually.



During this same time frame, our Fremont facility produced nearly 1.2 million kWh of solar power, with an expected output of 1.5 million kWh in 2018. Offsetting over 500 tons of CO₂ per year, the 2017 output of our Fremont facility carries the same environmental benefits as over 20,000 trees cleaning the air.

The Singapore solar system was installed in March of 2015 as part of Seagate’s ongoing commitment to green building design and reducing its carbon footprint. Composed of nearly 900 panels, the Woodlands solar system is capable of approximately 230 kilowatt-peak per year.

The Fremont solar system was already installed when Seagate purchased the former Solyndra facility in 2013, although it didn’t begin officially operating at its current capacity until January of 2016. Year-to-date, the Fremont facility has produced enough kilowatt-hours to offset the carbon footprint of over 62 vehicles, or 250 homes.

As Seagate continues to deliver on its commitment to our planet, we view the performance of our solar power systems as an example of the remarkable power of technology to enable cleaner and more sustainable business practices.

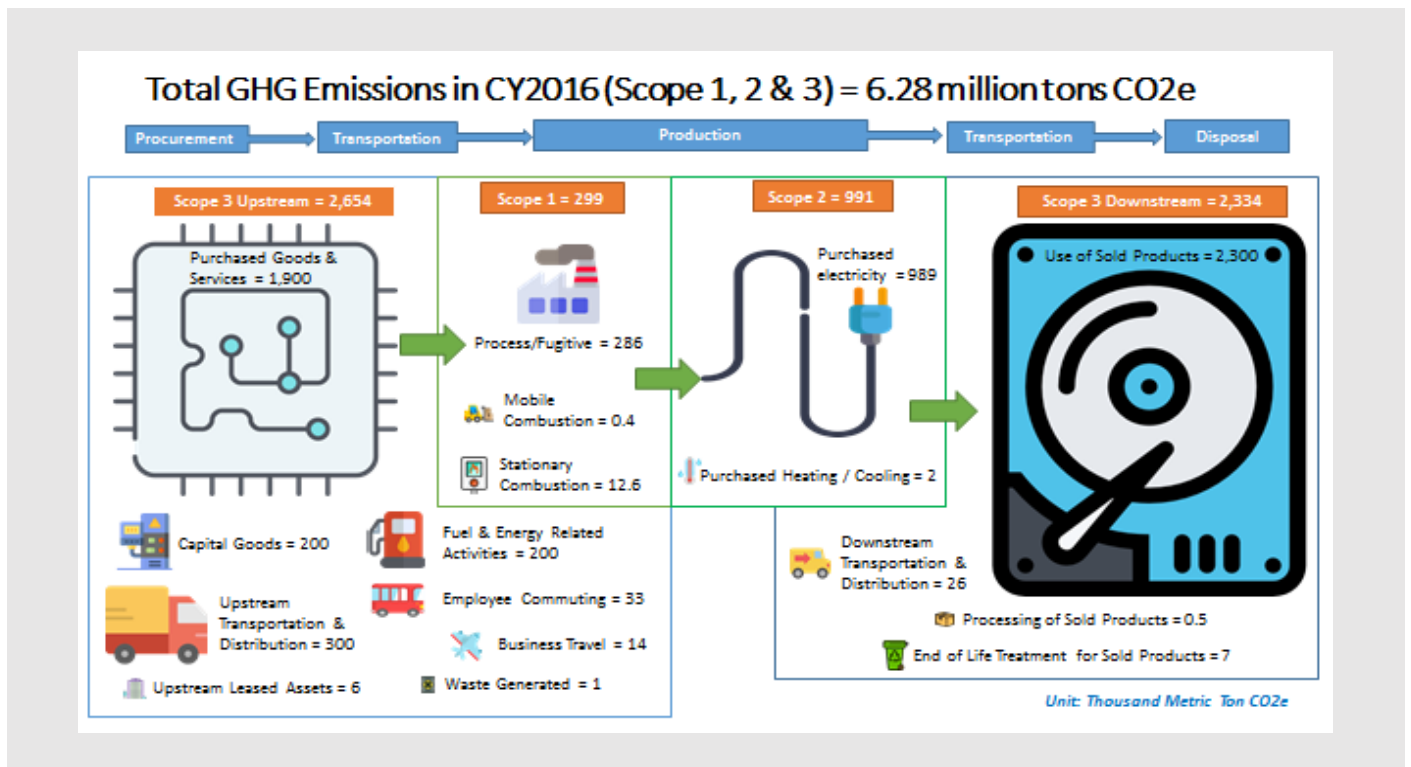
Carbon Emissions

Our carbon emissions data is collected by Calendar Year (CY). In CY2016, our Scope 1 emissions (GHG emissions generated directly at our sites) increased 6 percent to 298,744 metric tons of CO₂e. The majority of the increase in Scope 1 emissions occurred in the process and fugitive emissions category. The increase was due, among other factors, to the greater use of the hydrofluorocarbon solvent as a result of higher production volume at the component level.

We are still challenged by our use of a hydrofluorocarbon solvent in our media manufacturing process, which results in fugitive emissions, and are committed to finding a suitable replacement. This hydrofluorocarbon solvent is a necessary part of our manufacturing processes, and has a very high global warming potential. The media design and manufacturing teams at our facility in Fremont, California are working closely with the teams at our manufacturing site in Singapore on qualifying a replacement for this solvent and improving process efficiency. This hydrofluorocarbon solvent contributed to nearly a quarter of our Scope 1 and Location-Based Scope 2 emissions totals, and finding a suitable replacement has proven to be more challenging than initially envisioned.

Our Scope 2 emissions, which come from the indirect GHG emissions generated from the electricity that we purchase, increased slightly from 979,311 metric tons of CO₂e in CY2015 to 991,279 metric tons of CO₂e in CY2016. The primary approach to reduction is through energy conservation; we used the WRI/WBCSD Greenhouse Gas Protocol (Scope 1 and 2) for Scopes 1 and 2 calculations, and the WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) for our Scope 3 calculations.

Combining our Scope 1 and Scope 2 emissions, we generated 1,290,023 metric tons of CO₂e in CY2016, about a 2 percent increase from CY2015. We also conduct third-party verification of our GHG emissions reporting every year, per ISO 14064-3: Greenhouse gases—Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.



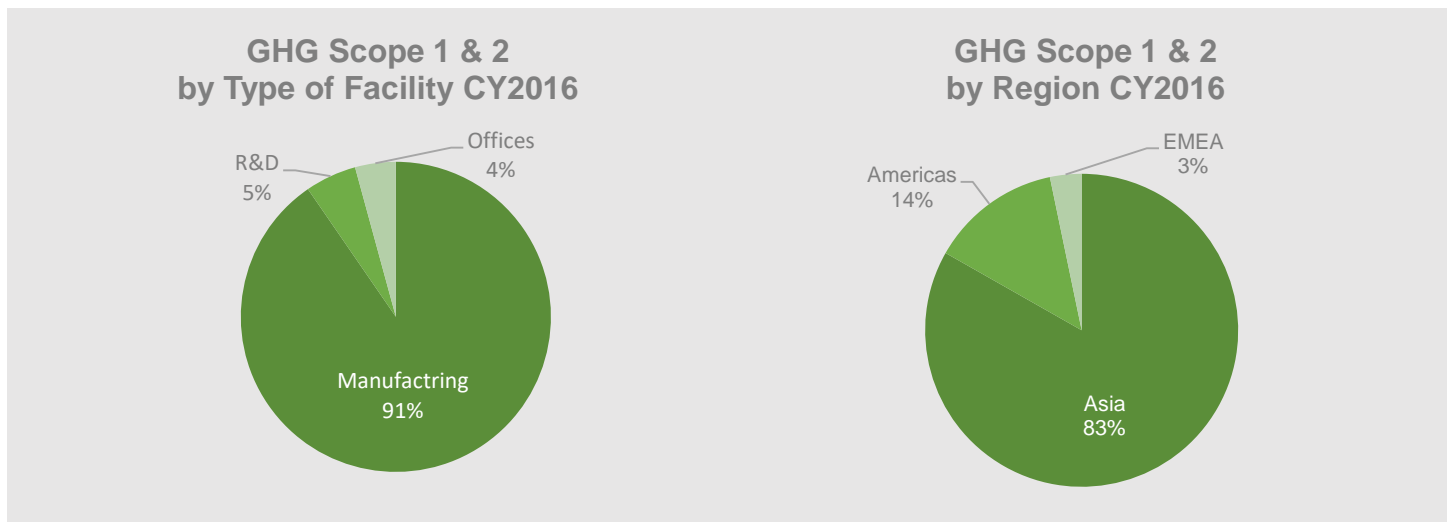
We had a goal to reduce our total combined Scope 1 and Scope 2 emissions by 10 percent over five years, using data from CY2011 as a baseline. We did not achieve this goal, as we reduced our total combined emissions by 5 percent. Normalized by EBs shipped, we saved 55 percent of our emissions from CY2011 to CY2016. We believe that measuring emissions normalized over EBs shipped is a more accurate representation of the emissions portfolio of our business.

In addition to tracking factory performance to inform stakeholders (annually, via this report), we share our results through the CDP (formerly Carbon Disclosure Project) investor and supply chain questionnaires. Our responses are available publicly on the CDP website, and we share information with our customers through the EICC environmental module.

Seagate continues to assess risk to the business from climate change as part of our annual ISO 14001 management system process, and we have not identified any risk unique to our company beyond what would apply to our industry.

As is typical for technology products, we find that Scope 3 emissions, particularly those from product use, are much greater than Scope 1 and Scope 2 emissions, highlighting the importance of Seagate’s continued efforts to reduce the amount of energy used by our products. One way that we achieve improvements in all aspects of our products, including sustainability impacts like energy usage, is to learn from current products and continuously improve upon each new generation. Our LCA results help to inform these improvements in products and packaging. Each generation of products is more energy efficient (EB/watt) compared to previous generations as a result.

Seagate reports on all twelve Scope 3 parameters that are relevant to our operations; FY2017 represents the first year that we have a completed Scopes 1, 2, and 3 GHG footprint reported.



Looking Forward: Energy and Carbon Emissions

As we continue to focus on energy conservation throughout FY2018, with a conservation target of 20,000 MWh of electricity, we continuously evaluate our processes to identify savings opportunities. We anticipate total energy usage will be reduced in FY2018 due to consolidation of our operations footprint, and are working with the SBTi to finalize our aggressive emissions reduction targets. Our commitment is available on the [Science Based Targets website](#).

Waste Management

Seagate has established systems to track, manage, and report waste at every Seagate site. Our sites identify and implement waste minimization initiatives with the goal of preventing waste from being produced, and recycling or reusing waste whenever possible. In addition, we commit to zero landfill disposal of hazardous waste unless technically not feasible. We work with the disposal facility to identify the most appropriate method for treatment and disposal. Our preference is to recycle the waste, but if that is not an option, we look at chemical, physical treatment, and finally incineration. Each Seagate site is responsible for reporting data on waste to a central database that is only accessible by Seagate employees. It is reviewed by Seagate Corporate EHS&S. Seagate has established minimum requirements for the selection and performance of hazardous waste treatment vendors, and qualifies vendors through a third-party audit of set criteria. We had no environmental spills in FY2017. A significant spill is defined as those which are reported in the financials as a liability requiring an outside response by a party external to Seagate.

Solid Waste

We measure the performance of our program by tracking the metrics listed in the below graph, taking into account recycling and energy recovery. Our annual totals include all waste generated at facilities under the company's ownership and control, not including waste generated as part of new construction projects. During FY2017, Seagate met its goal of keeping more than 80 percent of solid (non-hazardous) waste out of landfills, with a diversion rate of 84 percent, flat from FY2016. We generated more waste overall in FY2017: 19,513 tons, up from 18,030 tons in FY2016, constituting an 8 percent increase.

Hazardous Waste

For the fourth year in a row, Seagate sent no hazardous waste to landfills in FY2017. A total of 75 percent of the hazardous waste was recycled, while 2 percent went to energy recovery, 6 percent was incinerated, and 17 percent was disposed of through treatment. Our hazardous waste disposition continues to shift away from treatment to recycling due to the new electrowinning process introduced at our Johor, Malaysia manufacturing facility. Electrowinning recovers metallic nickel from waste plating solution. The waste was previously shipped to a vendor for treatment, and is now classified as recycled.

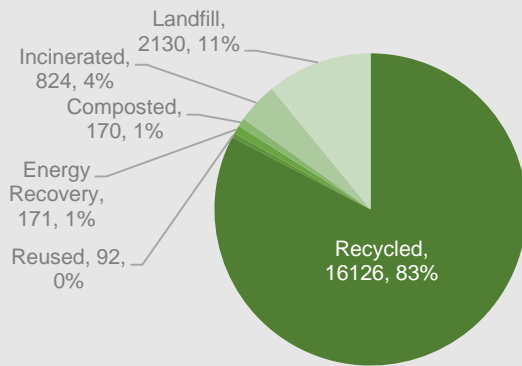
Additionally, Seagate generated 2 percent less total hazardous waste in FY2017, dropping from 10,445 tons in FY2016 to 10,211 tons. This also correlates with a drop in hazardous waste produced per million EB shipped, from 45 tons in FY2016 to 39 tons in FY2017. This is again due to treating a large amount of waste in-house through the electrowinning process in Johor, Malaysia.

We utilize CHWMEG third-party audit reports to assess Treatment, Storage and Disposal Facilities (TSDFs) across global sites. When CHWMEG audit reports are not available, we directly contract with third-party firms to conduct audits of TSDFs. In FY2017 we conducted or reviewed 20 Hazardous Waste TSDF audit reports to ensure these facilities meet the standards set by Seagate's corporate EHS&S team.

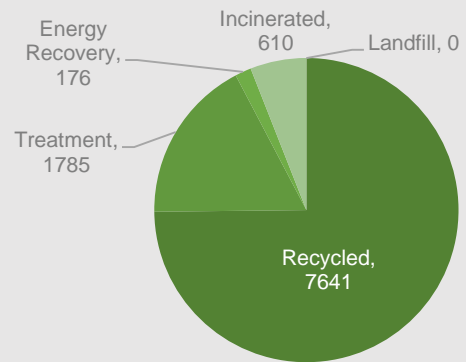
Looking Forward: Waste Management

The health of our planet is greatly dependent on the proper management of waste, which is why we are committed to keeping 100 percent of our hazardous waste materials out of landfills. We will strive to maintain solid waste diversion at no less than 83 percent, and hazardous waste generation at 10,200 tons, leveraging site-level initiatives to help achieve these goals.

Solid Waste Disposition (tons) FY2017



Hazardous Waste Disposition (tons) FY2017



Water Management

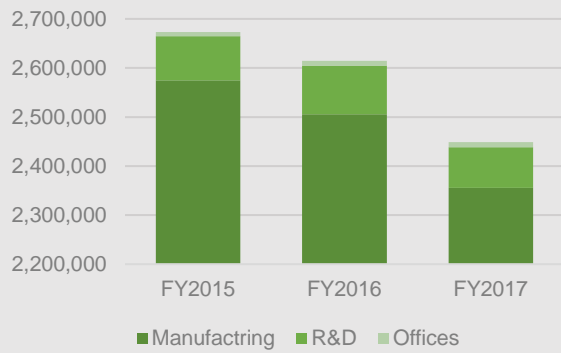
Water is a key natural resource and warrants proper management to preserve and protect the health of our ecosystem. Our manufacturing processes draw water from local watersheds for use as coolants and cleaning agents. We have applied measures to reduce water consumption, improve water recycling, increase awareness among employee, and reduce water intensity over the past several years. Like our carbon emissions, total annual water metrics are reported based on the calendar year, not the fiscal year.



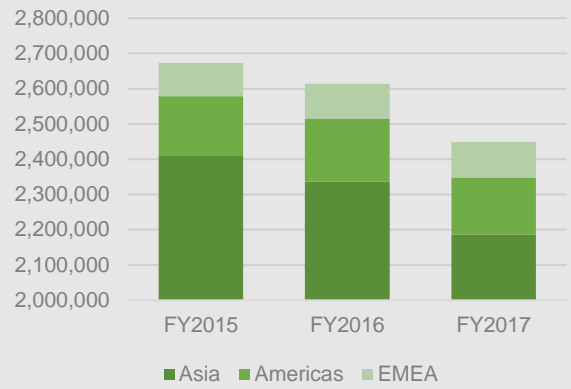
In CY2016 we reduced total water withdrawn by 15 percent, from 11,927 megaliters in CY2015 to 10,119 megaliters in CY2017. This is total volume of water withdrawn from municipal water supplies based on meter reading. In CY2016 we recycled 1,873 megaliters of water, down from 1,970 megaliters in CY2015, a 5 percent decrease based on meter reading. Our progress has been driven by reducing water use through more efficient processes, and recycling the water we use. In CY2016 our water intensity was 40 liters per EB, down from 54 liters per EB in CY2015, a 25 percent decrease. This is due to both a 15 percent reduction in withdrawal as well as the increased number of EB shipped in CY2016 from CY2015.

We also conducted a river basin-level water risk assessment in FY2017, covering all manufacturing and large R&D facilities, using the WRI Aqueduct tool to best understand water-related risk factors. Continuing to improve our overall water recycling and remains one of our biggest opportunities. In CY2012, Seagate established a 5-year water use-reduction goal of 10 percent. To support this goal, we conducted our first full water consumption footprint to create a baseline for the company in CY2012. This improved on previous water withdrawal data, which was only available for product manufacturing. We continue to use the CY2012 baseline for year-over-year comparisons. In addition to this report we report our water footprint externally via the CDP. Seagate has achieved the reduction target that was set four years ago.

Water Usage by Type of Facility (Mgal)



Water Usage by Region (Mgal)



Looking Forward: Water Management

Water is one of our most precious resources, and we are committed to seeking out new and innovative opportunities to reduce our usage. This includes assessing and monitoring our data, and implementing more formalized policies, practices, and approaches to water management. As we progress toward meeting this target, we also plan to complete the Supply Chain Water Risk Assessment that we started in FY2017.



Our Employees

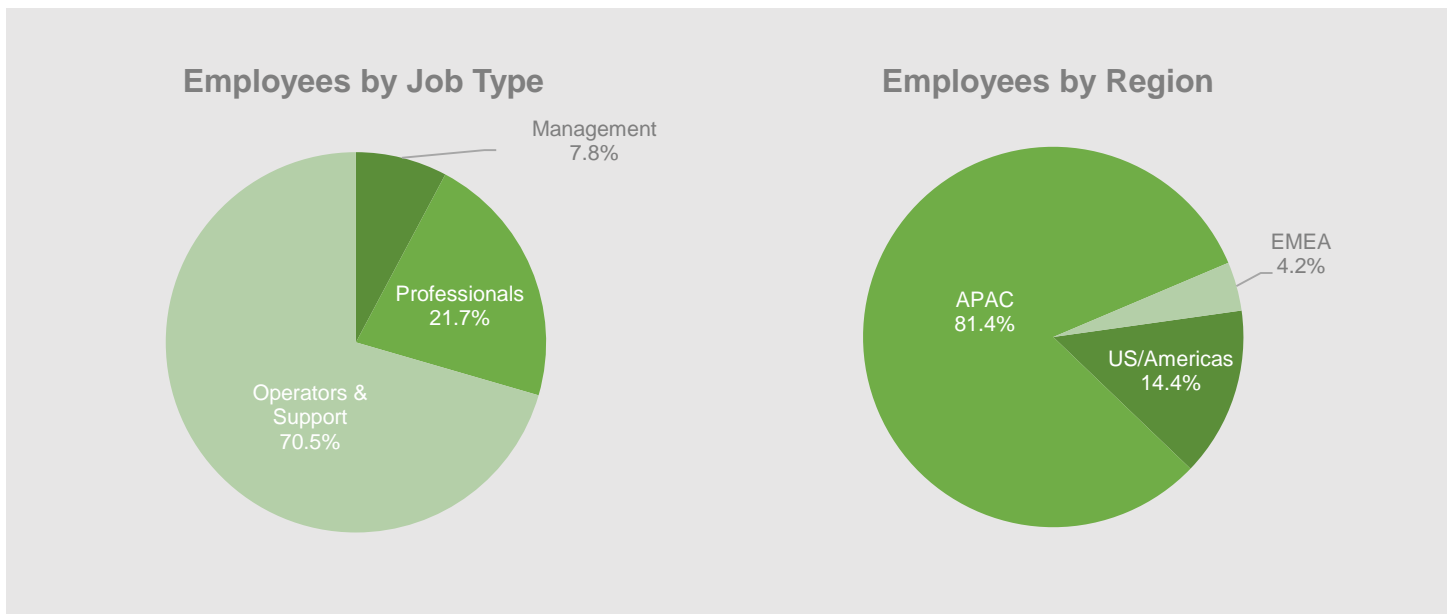
Overview

Our employees are at the heart of Seagate’s success storing and securing the world’s data. We depend on a motivated and engaged workforce to successfully deliver our business strategy and achieve our goals, and so we are committed to promoting employee engagement and growth, cultivating a diverse and inclusive workforce, upholding labor and human rights laws, providing a safe and secure work environment, and fairly compensating our employees.

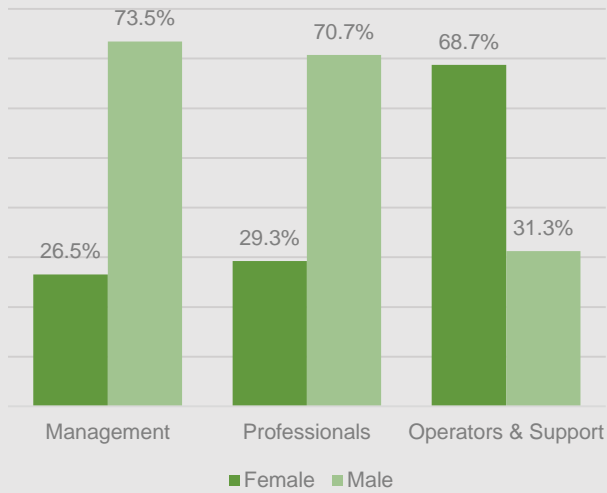
Our workforce is a diverse, inclusive, and collaborative global community comprising more than 40,000 regular employees—over 99 percent of whom are employed full-time. Fifty-seven percent of our global workforce is female, including 26.5 percent at the management job level and 29 percent at the professional job level. In the U.S., 25 percent of our employees are female, including 19.5 percent at the management job level and 22 percent at the professional job level. Furthermore, 37 percent of U.S. employees are minorities, including 24 percent at the management job level and 33 percent at the professional job level. Seagate employs bright minds in technology, science and business, and we recognize that successful employees are the driving force behind our success as a business. We establish goals each year to retain these employees, and in FY2017 our voluntary employee turnover was 9 percent worldwide, below our goal of 10 percent.

Major transformative shifts are taking place in the storage marketplace. As a result, we have been restructuring to adapt to changing HDD demand levels that reflect accelerating usage shifts of technologies and architectures. During FY2017, we continued to focus on creating an optimal organization aligned to market demand. This resulted in a 9 percent reduction in our global workforce, which as of FY2017 end, was 40,764 individuals worldwide.

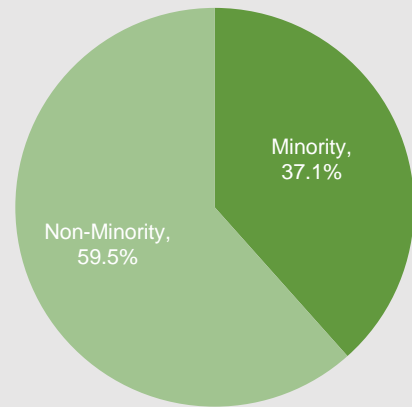
Global Workforce



Total Workforce by Job Type and Gender



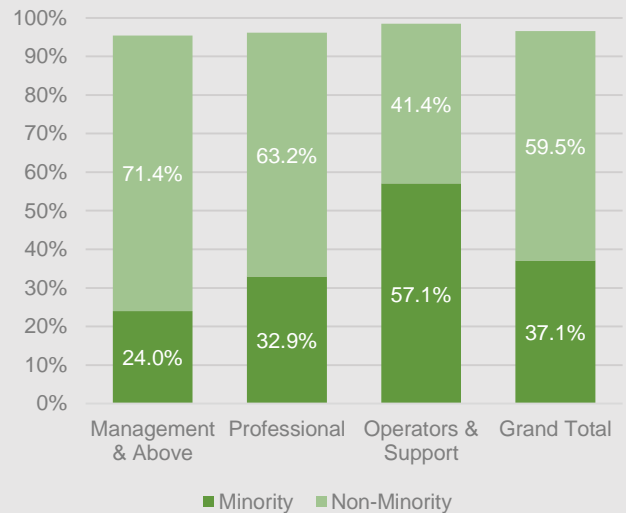
U.S. Minority Employees



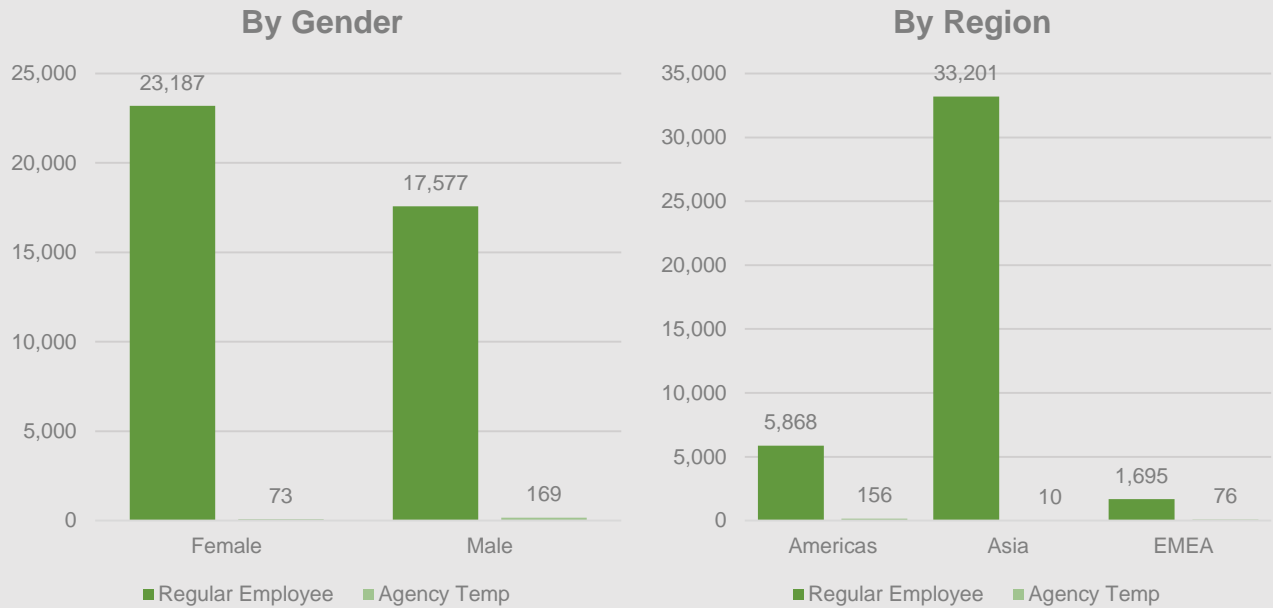
U.S. Regular Employees by Job Type & Gender



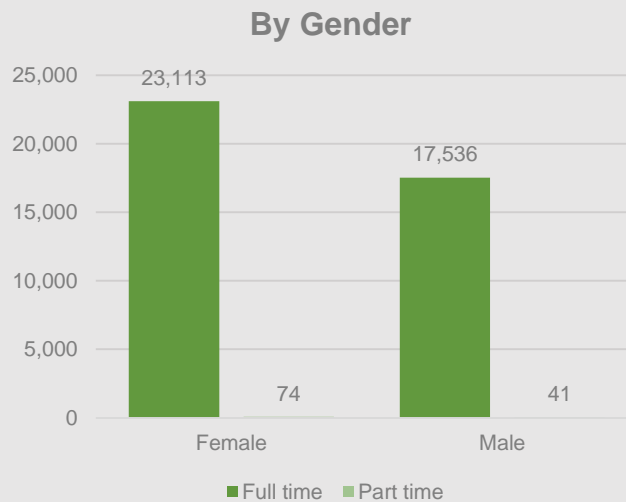
U.S. Minority Employees by Job Type



Total Number of Employees by Employment Contract



Total Number of Employees by Employment Type



Looking Forward: Global Workforce

We have the opportunity to leverage our technology and workforce to take advantage of massive data growth. As we move into FY2018, one of our priorities is an enhanced Focus on People. Engaging and developing our workforce across teams and sites, as well as communicating regularly and openly with employees, are imperative to our business. Success requires an empowered workforce at all levels of the company, and we will focus on employee development by investing in an expanded portfolio of courses and seeking opportunities to broaden the experiences of our diverse team.

Labor and Human Rights

As a global, diverse company with tens thousands of employees spanning six countries, and with a worldwide footprint that extends far beyond, Seagate is committed to ensuring human rights and adhering to high labor standards for all employees.

As a global citizen, we are responsible for protecting international human rights, upholding labor standards, and ensuring that our employees are treated respectfully. Our company policies adhere to applicable local labor laws, are consistent with the UNGC and International Labor Organization (ILO) core labor principles, and conform to the EICC Code of Conduct. Our Global Human Rights Policy was adopted in 2004, and focuses on

treating employees respectfully; creating a workplace free from discrimination; ensuring freedom of association and collective bargaining; eliminating forced labor and underage workers in the workplace; placing reasonable limitations on working hours; ensuring that employees have adequate days of rest during each work week; and fostering open communication among our employees.



This policy is shared with all employees upon hire through site notice boards and our internal policy website. We also conduct an annual policy acknowledgement process and in FY2017. This policy was shared with more than 19,000 employees, and over 99.5 percent reviewed and acknowledged their review of this policy via our online system. We continue to monitor

our alignment to our Human Rights policy and practices, and encourage employees to provide feedback should there be an issue. Further, our Human Rights program has been reviewed by the EICC Validated Audit Process (VAP) program, and no issues have been identified.

Respectful Workplace

Everyone is entitled to respectful treatment in the Seagate workplace. A respectful workplace is one free from unlawful discrimination and harassment, and is about more than simply compliance with the law. Even in locations where laws allow for differential treatment, we remain committed to non-discrimination principles. We expect all employees to take personal responsibility for their interactions, communications, and behavior to maintain a respectful workplace, and we provide guidance through our global Equal Employment Opportunity (EEO) policy. Our EEO policy prohibits all forms of discrimination based on age, race, color, ancestry, ethnic or national origin, physical or mental disability, medical condition, genetic information, marital status, sex (which includes pregnancy or perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, sexual orientation, perceived or actual religious creed or political opinion, military and veteran status, taking or requesting statutorily protected leave, taking or requesting a reasonable accommodation for a protected basis, or other basis protected by law.





Freedom of Association and Collective Bargaining

Seagate strives to maintain strong relations with our employees. As such, dialogue between managers and employees is integral to our work practices. It takes place directly and, where appropriate, through employee representative bodies or councils. We respect the rights of employees to choose whether or not to join unions and engage in collective bargaining, as permitted by applicable laws in the countries where Seagate does business. Collective Bargaining Agreements (CBAs) are in place in two countries where we operate, and just over 10 percent of our workforce is unionized. We have not identified any operations in which the right to exercise freedom of association or collective bargaining may violate applicable laws or be at significant risk.

Responsible Labor

Seagate maintains an environment that ensures the protection of vulnerable and young workers. We strictly prohibit the use of any forced, bonded, trafficked, slave, or child labor at any of our sites. Through EICC VAP audits there have been no cases of forced or child labor found in our operations and our on-going commitment keeps such cases at a low risk. During FY2017, efforts were taken to ensure the protection of vulnerable workers, and we have worked diligently to ensure that these practices have been implemented at all of our locations. While the hiring age for employees may vary based on country, Seagate has adopted a global policy and practice regarding the hiring of minors: we will not hire any employee below the age of 18. This policy applies to contingent workers (those that may come from a third-party agency for temporary work) as well as to vendors who may work at our sites. Upon hire, we require all employees to provide documentation to verify age, and have incorporated checkpoints throughout our process to ensure adherence to this policy. Our policy and practices ensure that child labor is a minimal risk.

Working Hours

Seagate carefully manages the working hours of employees to ensure their safety and to comply with local legislation or the EICC Code—whichever is more stringent. Our manufacturing sites monitor working hours throughout the workweek to minimize the risk of nonconformance and to ensure that employees are receiving at least one rest day out of seven. Our supervisors have been trained on working hour conformance, and ensure that they are scheduling employees accordingly. If there are cases of nonconformance, our site teams must conduct a root cause analysis and identify a corrective action that is then shared with the site management team.

Open Communication

Creating an environment where employees at all levels feel comfortable providing feedback or raising concerns is imperative to our day-to-day operations. As outlined in our Open Door policy, employees should contact their supervisor or Human Resources (HR) representative to raise questions, issues or concerns without fear of retaliation and to ensure timely follow-up. We also have several mechanisms in place company-wide that are focused on gathering employee feedback. One of these is our employee micro survey that takes place twice per year and seeks employee feedback on important factors that tie to engagement and satisfaction. Additionally, our sites have implemented programs that are suitable to their environment to ensure ongoing open dialogue throughout the year such as the Care and Respect for Employees (CARE) sessions in Johor,

Malaysia; Information and Consultation Forum in Springtown, Northern Ireland; and the Welfare Committee in Korat, Thailand. We value the feedback, observations and opinions of our employees, and believe that working together will help ensure an engaged workforce.

EICC Labor Compliance

During FY2017 we continued to carefully monitor our compliance with EICC Labor requirements, and have a Labor Management System in place that focuses on continuous improvement. Our manufacturing sites conduct risk assessments annually to identify and mitigate labor risks that could arise and conduct ongoing reviews of local legislation to ensure that our policies and practices are always aligned. We continued to conduct internal labor audits at our sites to validate conformity to the EICC Code and help our sites prepare for external EICC audits. Our site teams take great care to share Labor topics with their site management team(s) on an ongoing basis.

Looking Forward: Labor and Human Rights

We will continue our commitment to protecting and upholding human rights and labor standards. We plan to align our policies, practices, and training materials to v6.0 of the EICC Code of Conduct, which takes effect in January 2018. To ensure our compliance with the EICC code, we will continue to perform annual Labor Risk Assessments across our manufacturing sites and conduct internal labor audits.

Employee Health, Safety and Wellness

At Seagate, we're passionate about keeping our employees safe, healthy, and well. Our efforts are the result of over a decade of collecting health and safety performance indicators, which are used to inform our strategies for reducing risks associated with work-related injuries and illnesses. Today, our health and safety management systems support continuous improvements across our risk reduction and mitigation efforts.

All of our manufacturing sites have health and safety management systems certified to [OHSAS 18001](#). We work hard to keep our employees safe and healthy, which is why our global health and safety standards, as well as our accompanying management systems, frequently go beyond country or industry-level guidelines. With well-defined responsibilities, requirements, and trainings aimed at ensuring that health and safety are fully



integrated into Seagate operations, we help to ensure that all employees, from all functions and global locations, understand that they are accountable for their own actions while on the job.

In FY2017 Seagate remained a safe place to work and continued to perform well under safety and health industry averages, as based on the standard calculations and industry averages determined by the Occupational Safety and Health Administration (OSHA). There were no work-related fatalities in FY2017. Our recordable case rate, the number of employees per 100 full-time employees that were involved in a recordable injury or illness, was 0.22 for

the year; and our days-away case rate, the number of lost workdays per 100 full-time employees, was 0.14, up from 0.11 in FY2016. Seagate uses the OSHA definition for injury types and injury rates.

Seagate hosted 71 health and safety regulatory visits in FY2017, focused on issues such as safety, radiation, fire codes, food, and transportation. Seagate received no notice of violation findings in FY2017, and no fines were levied.

Remaining focused on the continuous improvement of employee health and safety, we continued to provide comprehensive health and safety training to our employees throughout FY2017. We conducted more than 50,000 health and safety e-learning courses in FY2017. This is up 73 percent from the courses that Seagate employees completed in FY2016, primarily due to a 2-year refresher training cycle for multiple courses. We continue to emphasize e-learning courses as our main vehicle for delivering training because employees can learn at their own pace.

In FY2017 we served more than 697,500 meals globally per month (on average), and have a formal food safety program at all of our sites. We also bused employees over 10 million miles, with just 1.6 incidents per one million miles traveled. All incidents were investigated and actions taken to prevent reoccurrence.

Seagate's benefits are benchmarked to local market practices, industry norms, and cultural requirements, and reflect our standards as a competitive, multinational organization. Although these programs take different forms geographically, Seagate's plans offer value and flexibility throughout, in support of our employees and, in some cases, their dependents.

We offer regular employees in our major locations a comprehensive plan, which reflects our commitment to our people. This plan includes health care, wellness programs, parental leave, paid time-off, retirement savings opportunities, life insurance, disability coverage, and equity ownership opportunities.

Seagate is committed to a culture of wellness, and to providing employees with the tools necessary to make informed decisions about health and wellbeing. Wellness includes both physical and emotional health, as well as financial wellness; acknowledging the various individual choices and cultural variations that compose our global workforce, Seagate strives to cultivate an environment of health and wellness. One of the ways we do this is through our Healthy Journeys program, which seeks to educate, encourage, and support our employees as they work on achieving their health and wellness goals. Because our benefits programs are managed at a regional or site level, in line with local legislation and employment policies, the Healthy Journeys program varies from country to country.

In the United States

We promoted our Healthy Journeys program by providing on-site biometric screenings, health coaching, site-level activities, and two U.S.-wide wellness challenges aimed at encouraging physical activity, social connectedness, and relaxation. We also offered webinars on topics such as positive parenting, the importance of sleep, and tips for retirement planning; we also introduced Wellbeats Virtual Fitness Classes, which give U.S. employees access to hundreds of fitness classes of varying specialties and lengths, which can be accessed from anywhere at any time.

In EMEA

We continued to provide robust wellness offerings throughout the EMEA region, including a specialized walking challenge designed to encourage employees to increase their walking distance and take their regular exercise outdoors. Additionally, we launched a training series in the UK aimed at improving emotional wellbeing through increased understanding of mental health and positive coping strategies for stress.

In Asia

In Singapore, China, Thailand, and Malaysia, we offered on-site and off-site health and wellness programs focused on promoting healthy lifestyles, and both mental and financial wellness. We also offered S.O.L.I.D. (Smoke Less, Observe BMI, Less Sugar and Salt, Increase Activity, Deep Breathing) to raise awareness about heart health and ways to reduce the risk of cardiovascular disease.

Looking Forward: Employee Health, Safety and Wellness

We will continue extending and amplifying our Health and Safety program. Our FY2017 targets for recordable case rate and days-away case rate are at or below 0.20 and 0.10, respectively. We will continue to enhance our benefits offerings to employees, and offer programs focusing on overall health and wellness. Globally, we will continue our Healthy Journeys program, offering challenges throughout the year, with the goal of encouraging and rewarding employees for taking steps toward better health and wellness.

Employee Performance, Learning and Engagement

Seagate promotes a culture of learning and development for employees, with shared accountability between employee and manager. Our comprehensive talent management cycle encourages continuous employee development. Employees use an annual performance review, career development planning, and ongoing feedback to set measurable performance goals. This allows us to measure performance, recognize accomplishments and identify areas for continued development.

Performance Management

Seagate's Performance Management approach has its foundation in conversations between managers and employees that are designed to be frequent, meaningful and continuous. This ongoing process consists of setting and managing goals, developing skills, and receiving feedback. Our process is designed to align employee goals with corporate objectives and create a culture of teamwork, initiative and innovation that emphasizes individual accountability. Employees regularly meet with their managers throughout the year to receive feedback on performance, and our managers are trained how to coach employees on setting and attaining meaningful goals. In FY2017, 95 percent of non-operator employees had documented performance goals and 98 percent of employees received a year-end evaluation.

Learning



We strive to offer our employees opportunities for learning and development starting on day one. We have a streamlined onboarding curriculum that outlines the expectations of new employees, connecting them with resources that enable them to be effective on the job. We also have an employee-driven plan for learning and development, which enables employees to leverage professional and management development programs offered in both virtual classrooms and instructor-led formats. In FY2017, 90 percent of our non-operator employees had documented learning plans.

In FY2017, we offered a People Management Essentials curriculum comprising six courses that people managers may take to help them in their roles as managers. These courses range from coaching to developing people and managing change. They are designed to empower our managers and give them tools and resources to be effective in their roles. We also offered Financial Acumen, an eight-hour course facilitated by HR and Finance subject-matter experts, that gives directors a strong foundation of financial literacy they can build on to make sound decisions that support Seagate's business and financial goals.

Our online learning management system offers more than 2,000 learning and career development resources, which are available to non-operator employees 24 hours a day, 7 days a week. Through this system, employees can view at any time their record of professional development at Seagate. Course topics include

business skills, ethics, engineering, environment, health and safety, and more. These courses help employees develop and refine skills, and enable us to comply with safety, legal, customer and regional requirements. During FY2017, we had over 22,000 learners take advantage of the online self-study offerings. Seagate provides all employees with a minimum of 4 hours training per year.

Seagate also provides training and certifications to operators, with more than 1,400 courses offered and over 33,000 operators trained in topics such as site-specific environment, health and safety matters, contamination prevention, wafer handling, electrostatic discharge and Lean Manufacturing.

Engagement

We believe that a positive work climate is imperative to attract, retain and engage the talent we need to remain a successful company. With that in mind, Seagate's micro survey is one of the main tools used to measure our employees' engagement. These brief surveys are conducted twice a year. They ask employees a series of questions related to the four engagement drivers: direction of the company, challenging work, respect and belonging. The micro survey gives each professional (non-operator) employee the opportunity to provide anonymous feedback about whether they feel engaged, respected and valued as a person at Seagate. Our overall global "respect" scores have continued to grow in FY2017.

To make the micro survey actionable, we empower managers to take action and hold conversations with each employee. Our ongoing objective is to sustain an inclusive culture where everybody feels engaged and valued—not just for their contributions, but also for who they are as unique, diverse individuals. We strive for a culture in which all employees feel respected, are treated fairly, and have the ability to excel in their chosen career path.

Looking Forward: Employee Performance, Learning and Engagement

In FY2018, Seagate will further revise its performance management process to emphasize our focus on goals and increased collaboration. This will result in the elimination of performance ratings with forced distribution. Our objective is to shift focus from a performance rating "number" to manager-employee conversations that lead to greater alignment, engagement, and business results. Managers will be accountable for ensuring that employees have clearly written, weighted goals, and that they have also identified "stretch goals." We will continue to conduct micro surveys, which will further focus on engagement by gathering employee feedback.

Talent and Diversity

Seagate is a diverse organization with tens of thousands of employees worldwide. Each of our employees contributes a valuable set of experiences and skills, as well as a unique cultural background that greatly enriches our own culture as a company. Though it may be defined differently around the world, we acknowledge that diversity is made up of the differences in both our visible and non-visible characteristics. Diversity is paramount to the success and competitiveness of our team, and as such we strive to foster a culture of inclusion, acknowledging and leveraging diverse viewpoints and perspectives to drive innovation.

Seagate is committed to ensuring that every employee—regardless of gender, gender identity, nationality, age, race, ethnicity, sexual orientation, disability, veteran status, or any other demographic characteristic that makes us unique—feels respected, included, and connected across the Seagate family.

In FY2017 our CEO joined CEOs of more than 150 companies to sign on to the [CEO Action for Diversity & Inclusion™](#) initiative. This pledge shows the company’s commitment to cultivating a trusting environment where diverse experiences and perspectives are welcomed and where employees feel comfortable and empowered to discuss diversity and inclusion.

We made progress measuring and reporting workforce diversity. Enhanced reporting gives us the ability to potentially quantify the value of diversity and inclusion. We continue to provide our executives with quarterly diversity scorecards to monitor and report our diversity statistics. As stated in our “Engagement” section, our engagement micro survey focuses on belonging and results are included biannually in our diversity scorecards.

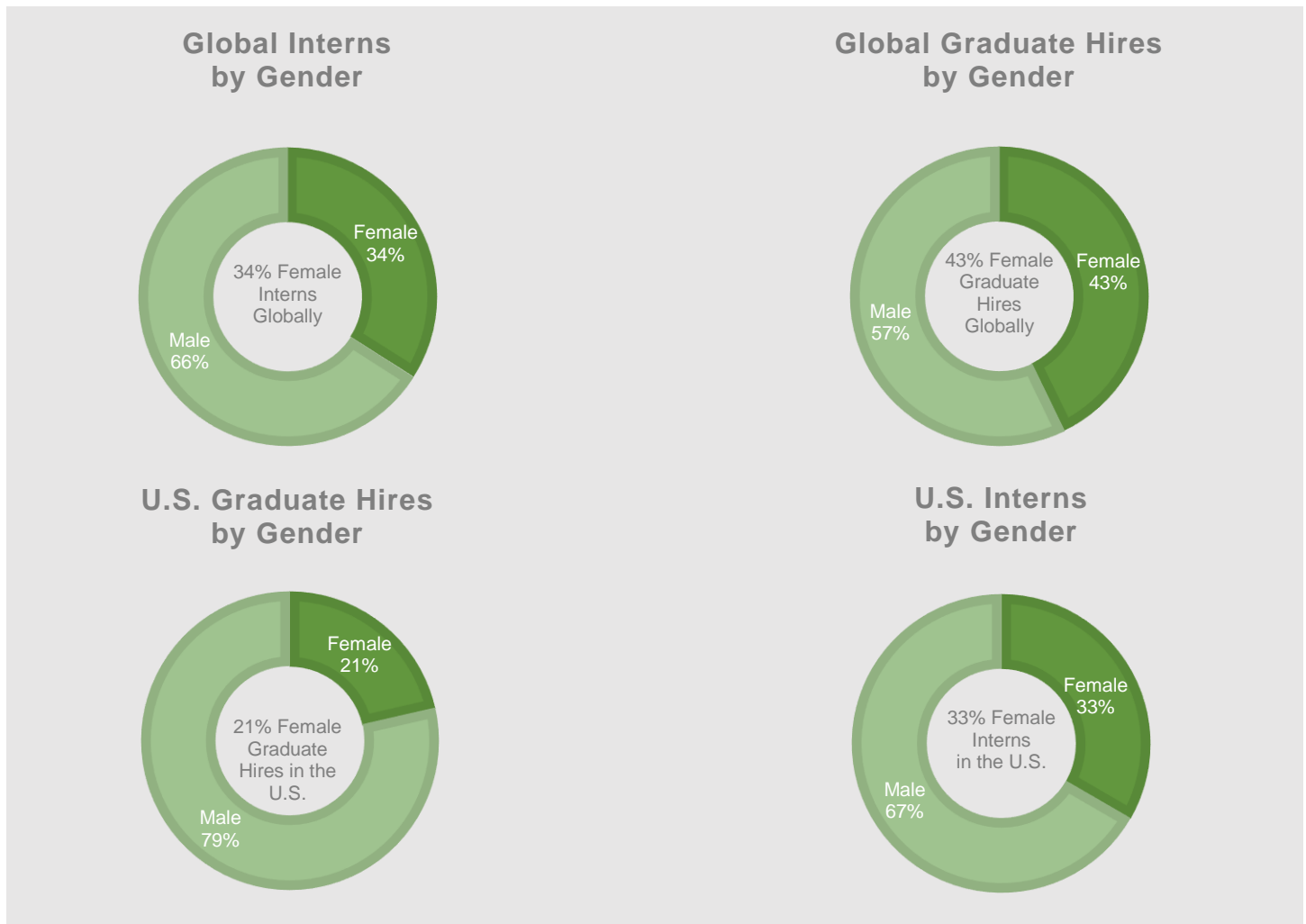
To create a sense of belonging, Seagate employees have established “Communities of Interest”. These informal, voluntary groups are managed by employees and help foster a sense of belonging among employees who share a diversity identity. These communities may exist at one or multiple sites. We have Communities of Interest at several Seagate locations around the world, which focus on such areas as Women’s Leadership; Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex (LGBTQI); and Engagement. These voluntary groups, which are a resource in promoting awareness, inclusion, and professional development, are open to all employees.

The process of building a diverse workforce begins with recruiting talented people that align with our values and priorities. Seagate realizes that a shortage of qualified talent is making recruiting increasingly more competitive. Part of our global talent acquisition strategy is to build a pipeline of potential talent. To help do so, we implemented a candidate relationship management tool that can help identify and track talent for highly skilled roles and build relationships with potential candidates for long-term engagement. We also hired a dedicated Talent Brand Strategist within our Talent Acquisition team to focus on our candidate experience across our social and digital channels, including our [careers website](#). These Talent Acquisition strategies and tools helped us to achieve a global female hire rate of 62 percent and a female hire rate of 34 percent in the U.S.

We developed and rolled out a Behavioral-Based Interviewing toolkit for hiring managers. This toolkit includes training and resources to provide a consistent, defined approach to evaluate candidates and reduce bias in the interview process. Additionally, we redefined our global onboarding experience for new hires. The focus of the redesign was to simplify our structure, content, delivery, and governance to improve the overall onboarding experience for new hires and hiring managers.



Another component of Seagate’s talent acquisition strategy is our University Recruiting program. Seagate continues to focus on hiring entry-level talent across China, India, Malaysia, Singapore, Thailand, the UK, and the U.S. This program hires talented intern and entry-level candidates from universities around the world. We focus on hiring across multiple business units and sites across six countries; we also focus on diversity outreach at many universities. In FY2017, 20 percent of Seagate activities on U.S. campuses were with diverse organizations, such as the Society of Women Engineers, Women in Computing, and the National Society of Black Engineers. Our university diversity outreach efforts resulted in 43 percent of global graduate hires being female in FY2017. Additionally, 21 percent of U.S. graduate hires were female and 41.5 percent were minorities.



Seagate continues to manage a global internship program at 20 sites spanning six countries, with a focus on evaluating interns for potential hire as entry-level graduate hires. In addition to real-world projects, interns may engage with site management, take advantage of learning opportunities and get involved in volunteer activities. In the U.S., our California, Colorado and Minnesota interns volunteered with food banks, home building and renovation projects. In FY2017, 34 percent of our global interns were female and 33 percent of U.S. interns were female. Responses from our FY2017 global intern experience survey indicated that 96 percent of interns would refer a friend and 95 percent would be likely to accept an offer to return to the company.



FY2017 Awards

- **Thai Labor Standard Award 2017**
Thai Labor Standard Completion Level-Initiative Phase Certification for 5th consecutive year.
- **The Excellence Establishment on Labor Relations and Welfare Award**
The Excellence Establishment on Labor Relations and Welfare Certification for 10th consecutive year (Korat).
- **CSR-DIW* Continuous Award**
CSR-DIW Continuous Certification (Korat).
- **National Labor Management Excellence Award**
Ministry of Labor during 2017 National Labor Management Competition for its 10 consecutive years of best practices in Labor Relation & Welfare Management (Teparuk).

*Department of Industrial Works, Thailand

Looking Forward: Workforce Talent and Diversity

In FY2018, we will continue to leverage technology to improve the candidate experience in the recruitment process as well as expand our social media presence. We will focus on unconscious bias education, helping all of us recognize and minimize our blind spots. We will create accountability systems and maintain environments and forums where our people feel comfortable reaching out to their colleagues to have complex, and sometimes difficult conversations, about diversity and inclusion.



Supply Chain

Overview

Our business success depends on quick-to-market, high-volume product delivery which requires a robust, flexible supply chain that delivers value to Seagate and our customers. Our supply chain success is underpinned by supplier education, supplier management and supply chain transparency to ensure fair treatment of people and resources.

Seagate has hundreds of suppliers across the globe. Our suppliers include consultants, contractors, distributors, manufacturers and more. Seagate has two types of suppliers: direct, which provide components and parts for products; and indirect, which provide products and services to support operations.

Our Supply Chain Environmental, Social, and Governance (ESG) programs are comprised of four aspects: (1) Code, (2) Capacity building, (3) Risk assessment, and (4) Remedy, which are captured in our Corporate Standard Operating Procedures (CSOP) targeting supply chain. We are aligned with the EICC Code of Conduct, and have adopted it as our supplier code of conduct. In addition, we utilize other tools developed by the EICC. We conduct training through multiple avenues: directly to suppliers, collaboratively with other companies in the industry, and training provided by the EICC. We utilize the EICC Self-Assessment Questionnaire (SAQ) and VAP as the primary supply chain ESG risk assessment tools. Finally, we require suppliers to conduct root cause analysis and develop corrective action plans to address audit findings. The EICC Closure audit is the preferred option to verify closure of audit findings. These requirements are documented in our CSOP.

Additionally, our supply chain practices are [disclosed](#) in accordance with the [California Transparency in Supply Chain Act](#) and [UK Modern Slavery Act](#).

Supplier Engagement and Collaboration

Proactive supplier engagement is an important, ongoing objective. We meet regularly with suppliers to communicate our expectations and evaluate their engagement. We also maintain long-term, stable relationships with our top suppliers to align goals and standards. We require certain service providers such as labor agents, janitorial services and canteen providers, who bring workers to our sites, to follow our CSOP, ensuring that our on-site service providers are held to the same standards as our employees. We do not currently use foreign labor via agents, but we do have labor agents in China and the U.S. who bring in local workers.

Our Supply Chain organization has full-time, dedicated resources to help educate new and existing suppliers about EICC compliance requirements. This support was extended to the suppliers that we inherited as a part of our Dot Hill acquisition during the integration process.

Collaborating with our suppliers is very important to Seagate. We host Executive Business Reviews to showcase and demonstrate our EICC compliance and sustainability efforts to supplier CEOs. We also engage our suppliers on projects and teams that focus on issues ranging from EICC conformance and financial sustainability to process improvement. During FY2017 we conducted a number of supplier education and trainings, ranging from one-on-one sessions to small groups and webinars. One of the most prominent trainings led this year was on the topic of Forced Labor in Thailand, done May 15th and 16th, in collaboration with HP, Intel, and WD. Over 60 participants attended the two-day training, and we received positive feedback from the participants and requests for more such trainings.



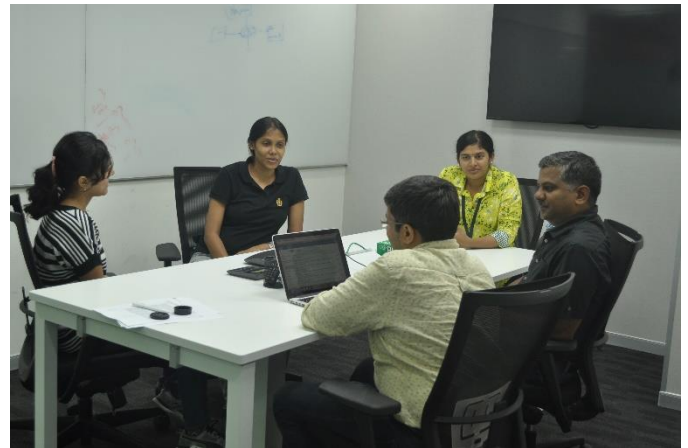
Given forced labor issues have become a new and emerging concern for electronics factories in Thailand, the aim of the training was to build awareness among suppliers and provide them with the tools to carry out assessments at their sites.

We worked with our suppliers to update their SAQ and transition smoothly into the updated EICC ON portal. We require all of our suppliers to update their SAQs annually. One hundred and eighty two suppliers had completed their SAQ data and updated their release via the new EICC ON system. We also worked to align suppliers with the latest EICC Certificate of Conformity (CoC) revision update, Conflict Free Mineral development plan, and EICC environmental questionnaire.

Seagate continued to play a key leadership role in the EICC. A member of our senior leadership team serves on the Senior Executive Advisory Council, which helps guide EICC strategy. We also led the EICC Risk Assessment Workgroup, which works on VAP. We also participated in the Vulnerable Worker Workgroup, which worked on the development of the Labor Agent Maturity Model, a third-party labor agent certification program.

Stakeholder Engagement

In FY2017, we engaged with two Non-Governmental Organizations (NGOs) to resolve their concerns with our suppliers' labor practices. We were approached by the Center for Reflection and Labor Action (CEREAL) in Guadalajara, Mexico with a claim of wrongful dismissal of a worker at one of our suppliers' sites. We engaged with both the supplier and CEREAL, which represented the worker, in coming to a mutually acceptable severance agreement that was endorsed by the local authority. This concern was resolved in FY2017.



We were also approached by the Migrant Worker Rights Network in Thailand with concerns about questionable hiring practices at one of our suppliers based in Thailand. After conducting an investigation, we were able to identify recruitment fees as an area of concern. The workers at this supplier site in Myanmar had paid fees to recruitment agents in their home country, and had not been reimbursed. The Seagate supplier Code of Conduct, aligned with the EICC, very clearly prohibits workers paying recruitment fees. Seagate, along with other companies who source from this supplier, are currently working with the supplier to quantify the amount paid by the workers in Myanmar and arrange for a reimbursement plan. This reimbursement plan will be completed in FY2018.

Supply Chain Audits

Our supply chain management program requires that all direct and indirect materials suppliers with whom we have an annual spend of \$1 million or more undergo an EICC VAP audit. The new EICC VAP Operations Manual version 5.1.1 took effect in February of 2017, and we educated our suppliers on these changes. EICC VAP audit reports are valid for two years, and our suppliers are on a two-year audit cycle. We completed 56 full supplier audits through the EICC VAP in FY2017, up from 53 in FY2016. The result is that we have 109 total valid suppliers VAPs. Five percent of our suppliers were recognized as platinum level, meaning they achieved a full score in the initial VAP audit. All Seagate manufacturing sites undergo internal and EICC VAP audits, as well. We also conducted 10 "closure" audits in FY2017, which help validate that corrective actions have been implemented to correct code violations identified during the initial VAP. We are working with our suppliers to close out the audit findings. If suppliers cannot close the finding, we work to reduce the severity from "priority" and/or "major" to "minor," and then track the closure rates. In addition to tracking SAQ and VAP completion, we also track finding closure rates. At the end of FY2017, the closure rate of non-working hour findings was 80 percent, while working hour finding closures were 40 percent.

Top TEN Supplier VAP Audit Findings

1. Working Hours
2. Emergency Preparedness
3. Freely Chosen Employment
4. Wages and Benefits
5. Occupational Safety
6. Hazardous Substances
7. Occupational Injury and Illness
8. Freedom of Association
9. Non-Discrimination
10. Supplier Responsibilities

We remain vigilant to the risk of child labor, forced labor, and threats to the freedom of association within our supply chain. The highest risk of forced labor in our supply chain is where foreign labor is utilized; suppliers in Malaysia, Thailand, and Singapore pose the highest risk. This is why our training on forced labor has been focused on suppliers in these countries over the past three years. Based on our supplier VAP audits, child labor is not a serious concern in our supply chain. However, according to various NGO reports, student workers in the China supply chain represent an area of possible concern.

The EICC updated the VAP audit protocol to better assess the risk of student workers in the supply chain, and piloted a school accreditation system designed to benefit the worker and not exploit cheap labor. As for freedom of association, our audit results have not identified any geographies of concern; most of the findings in this area are related to suppliers not having a policy/procedure on the right of peaceful assembly.

In FY2017, all of our 182 targeted suppliers completed the Self-Assessment Questionnaire. Additionally, we assigned 110 suppliers the EICC Environmental questionnaire, which gathers information on energy, water, and waste. All 110 suppliers completed the questionnaire, making FY2017 second consecutive year in which Seagate achieved a 100 percent completion rate.

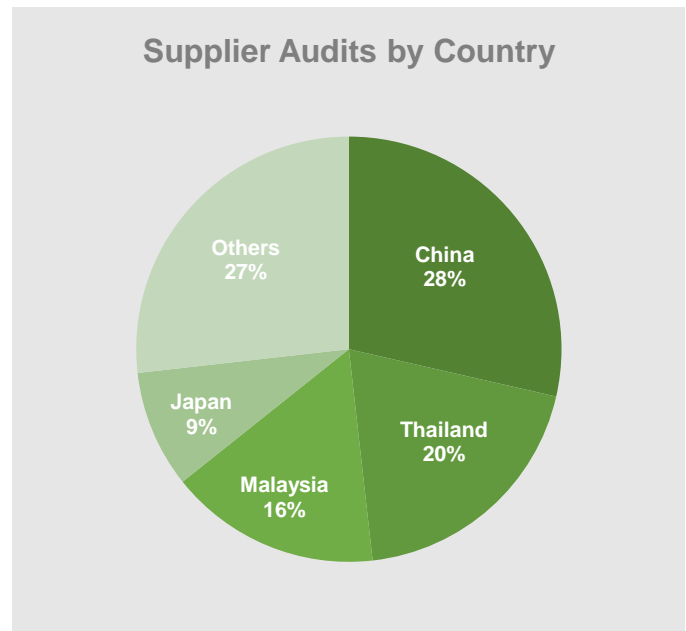
In addition to audits, we also screen supplier sites on an annual basis in China against the [Institute of Public and Environmental Affairs \(IPE\)](#) database for environmental violations. In FY2017, we screened 43 supplier facilities against the IPE database and found three supplier sites with violations. We worked with the suppliers to close out the corrective actions in FY2017.

Supplier Diversity

With major operations in six countries, spanning North America, Asia, and Europe, Seagate has great diversity among its employees, local communities, and global customer base.

Seagate is committed to having a diverse workforce that reflects its external stakeholders. The company is committed to providing an inclusive and supportive environment where all employees are valued and participate fully in the Seagate employment experience.

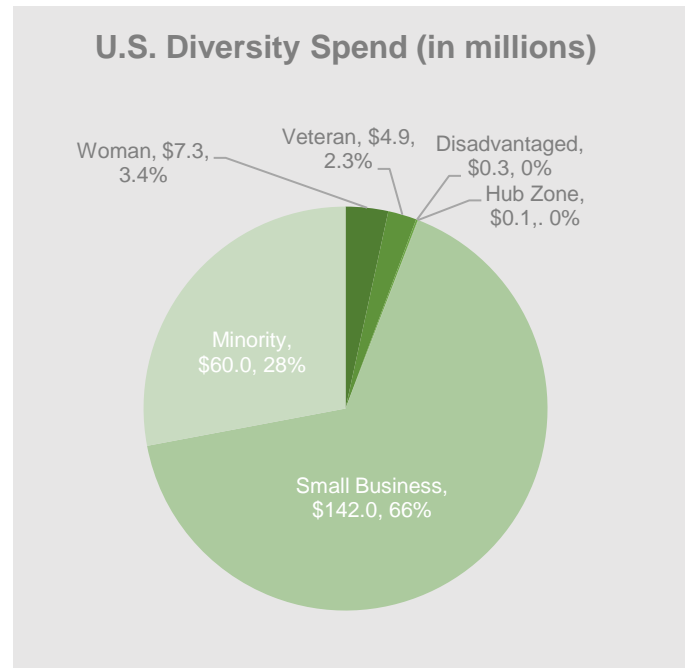
Similarly, Seagate encourages diversity in its supplier base. Seagate recognizes the value of, and buying power of minority-owned businesses. Diverse suppliers in the U.S. are welcome to participate in Seagate's



competitive bidding process, including businesses owned and operated by minorities, women, gays and lesbians, and veterans; and small businesses located in historically underutilized business zones.

Seagate contracts with diverse suppliers who qualify and successfully compete for Seagate's business. As a result, Seagate gains access to solutions that meet its customers' requirements and is provided with additional sources of high-quality goods and services. Diverse suppliers are provided opportunities to grow their businesses and create jobs which, in turn, strengthens communities where Seagate operates.

Seagate also recommends its U.S. suppliers use a diverse supply base in their own procurement processes.



Looking Forward: Supply Chain

We will continue to look at capacity-building opportunities and identify shared solutions. We maintain that a collaborative approach is the most efficient way to roll out our capacity building, as it demonstrates that we are aligning our requirements and expectations in the industry. We will continue to serve on the EICC Senior Executive Advisory Council, and will strive for 100 percent of the identified direct and indirect suppliers to complete the EICC Self-Assessment questionnaire. Version 6.0 of the EICC CoC was released in December of 2017, and we will engage with our suppliers to bring them up to compliance with the new code, supporting them in the annual SAQ refresh. We will continue to develop our suppliers and work with them on root-cause analyses to ensure all instances of nonconformance have effective corrective actions, implementing preventative measures to eliminate recurring non-conformance.

We will continue to utilize and report key metrics quarterly on program performance to senior leadership, with a goal of 100 percent of identified suppliers completing third-party EICC VAP audits. We plan to implement a Quarterly Business Review (QBR), and will reallocate ESG scores in the QBR scorecard to emphasize the importance of audit finding closures.



Community Engagement

Case Study: Thailand Employees Mentor Social Entrepreneurs



Seagate Thailand teamed with Santa Clara University's Miller Center for Social Entrepreneurship for a second consecutive year to organize a program to "help social entrepreneurs help more people" in Thailand.

The Miller Center, the largest university-based social enterprise accelerator in the world, addresses root problems of poverty through the power of business and innovation to provide sustainable economic and social impacts.

The Center's Global Social Benefit Institute (GSBI) supports social entrepreneurs by connecting them with Silicon Valley executives to develop more sustainable, scalable market-based solutions aimed at ending global poverty and protecting the planet.

"This program highlights our commitment to the communities where we work and live," said Jeff Nygaard, Seagate Executive Vice President (EVP) of Global Operations. "The social entrepreneurs are passionate about their cause. Our role as mentors was to share business knowledge, actively listen and provide feedback. As they grow their businesses, more people are helped."

Overview

For 40 years, Seagate has helped strengthen communities worldwide where we operate by investing time, talent and financial contributions, and donating goods and services.

In FY2017 we engaged stakeholders, including employees, local community members, non-profit partners, civic and academic institutions, and government, with community programs being featured at all major company locations (comprising approximately 97 percent of Seagate's global headcount). Employees helped people of all ages, contributing to initiatives supporting education and fostering safe, healthy communities.

Our program continued to emphasize Science, Technology, Engineering, and Mathematics (STEM). We sustained our footprint of students reached, and occupied a visible role in major STEM events in the Bay Area, Minnesota, Colorado, Malaysia, China, Thailand and Northern Ireland. Despite a reduced company footprint, Seagate maintained its level of over 29,000 students in our STEM student outreach efforts, and also supported a range of other activities targeting health, human services, and the environment.

Seagate has significant expertise in automation technology, which is important to the company's manufacturing strategy. Recognizing the importance of exposing Seagate's future engineers and scientists to automation, we emphasized robotics and robot-building competitions as a way to help young people develop an interest in automation technology.

Seagate Thailand sponsored the Asia Pacific RoboCup competition, where students showcased robots and Seagate volunteers served as judges. Our Minnesota operations sponsored a FIRST (For Inspiration and Recognition of Science and Technology) LEGO League and FIRST Tech Challenge tournament; and Longmont, CO, engineers—who have spent nearly 6,000 hours over the last decade coaching middle and high school students—continued their involvement by supporting FIRST Robotics and VEX Robotics programs.

In addition to robotics, volunteers leveraged their skills and passions by contributing to a range of projects in their communities. Following are a number of their stories:

In the United States

California

More than 30 employees volunteered at the Tech Challenge, one of Silicon Valley's largest annual STEM events, where over 2,500 students competed in teams. With the challenge of designing and building a remote controlled vehicle capable of spanning ravines, the teams, made up of 4th through 12th grade students, were able to demonstrate their skills in brainstorming, teamwork, and creative thinking.

Colorado

Engineers served as judges at Seagate-sponsored science fairs, including the Longs Peak Science and Engineering Fair at the University of Northern Colorado, for categories such as science, engineering, math, and physics. Winners from this and other regional fairs went on to compete in the Colorado Science and Engineering Fair, along with nearly 400 other middle- and high-school students from around the state.

Minnesota

With the start of robotics season in Minnesota, Seagate sponsored a FIRST LEGO League and FIRST Tech Challenge tournament. Together, over 20 Seagate judges and volunteers helped 350 students navigate through the day's challenges. Amy Bergerud, a Seagate engineer, volunteered as a referee. "I think it's important to support fun," she said. "Educational activities like this to get kids interested in science and engineering."

In Asia

China

Employees built a 200-square meter vegetable garden for a nearby community. Located on the rooftop of a four-story building, the garden is nearly eight kilometers from Seagate's facility in Wuxi. Sponsorship from Seagate helped to pay for the pots, soils, and seeds needed to create the garden. Along with members of the community, Seagate's volunteer team built the garden roof, plant shelves, put soil into the pots, and sowed and watered the seeds. The seeds included lettuce, cucumber, tomato, celery, and strawberry, enough to provide for over 300 community residents. In addition to this, Seagate volunteers also set up a "greenery corner" for community teenagers to participate in the planting fun.

India

Seagate, through its association with the Global Hunt Foundation, an NGO, helped to set up STEM labs in several schools. Seagate-sponsored labs provided materials and equipment, such as telescopes and chemicals for conducting experiments, to students. With volunteers' support, students at the Beretana Agrahara School in Bangalore and Smt. Shantabai Balkrushna Dhole Patil School in Pune created posters that highlighted the benefits of science and technology in communication, entertainment, transportation, and societal growth. Students were given the opportunity to learn about Seagate's role in pioneering data storage technology, promoting their interest in STEM.

Malaysia

Collaborating with Universiti Teknologi Malaysia, Seagate set up electronics and programming workshop for high school students in Johor. Students had the opportunity to learn about the real-world applications of

programming and electronics, such as controlling electronic LED displays or drone technology. Through this workshop, students were encouraged to pursue a deeper understanding of STEM.

Singapore

A food drive was arranged during the Lunar New Year season for the both the elderly and the beneficiaries from Swami Home Singapore, Lion's Befriender Singapore, and Food Bank Singapore. Employees contributed food bundles that were distributed to doorsteps by volunteers from the Equipment Engineering Team, making this a great opportunity to participate in the festivities and give back to the community.

Thailand

Employees renovated five old science labs, updating them into STEM labs at schools in communities near Seagate's plants in Korat and Teperuk. The labs received equipment and supplies for teachers to use in instructing and conducting experiments for more than 1,400 students. At the completion of the labs, Seagate volunteers had the opportunity to interact with students and conduct fun experiments, helping to inspire an interest in STEM.

In EMEA

Northern Ireland, UK

An energetic education program team of more than 70 employees helped young people fall in love with science through a range of innovative community education initiatives. The team engaged with over 4,000 students, creating engagement opportunities for site visits, work experience, career-readiness, and school learning programs. The Raspberry Pi initiative reached more than 2,500 students; 400 children visited the Springtown site, and 166 students took part in a work placement plan. The team offered students the opportunity to enjoy science at the Seagate Real World Science Conference and the North West SciFest & Big Bang event.



Looking Forward: Community Engagement

Seagate will maintain its engagement efforts in all communities where we live and work, with an ongoing emphasis on STEM, robotics, and digital literacy, which are closely aligned to our business as a leading provider of data storage solutions. We will also continue to seek additional opportunities beyond traditional STEM, which enable our stakeholders, primarily students, to further experience storage-enabled tools and platforms, and learn about the potential that technology holds for them.



Business Continuity



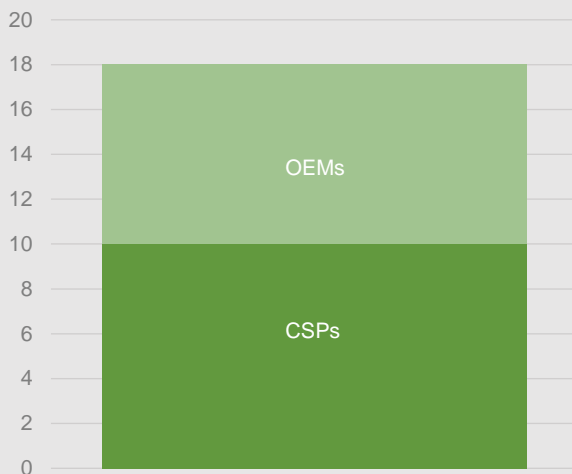
FY2017 Highlights

We maintain a Business Continuity Management System (BCMS) overview for our customers' reference that is evaluated and updated every year. We updated the FY2017 version to reflect changes in the Company and our program.

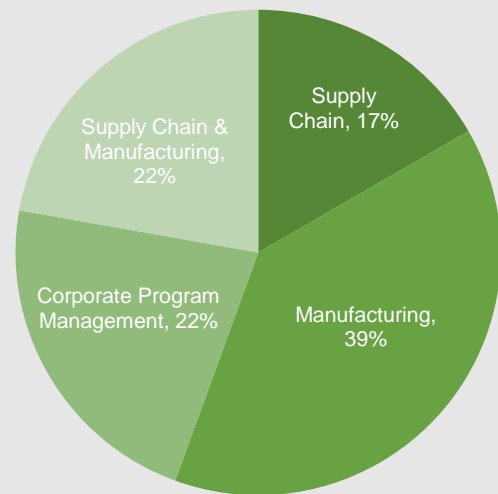
Four events were monitored in FY2017 that had the potential to impact our business or our suppliers. None of these events had an impact on us or our suppliers in FY2017. Customer inquiry core team was established to ensure that a cross-section of Seagate business units collaborated to provide responses to requests for BCMS-related information. Through this team, the BCMS program office managed responses to 18 OEMs and Cloud Service Providers (CSPs) in FY2017.

Our goal is to be a responsible supplier with our focus on running a resilient business to prevent major disruptions from occurring. The intent is to prevent an impact because we put planning, thought, and assessment into the system. We responsibly allocate resources where they are needed the most, and where they will have the greatest positive impact. A business disruption for Seagate should not mean a disruption for our customers. Further implementation of the business continuity requirements across our enterprise was aligned to individual site and organizational program maturity, allowing those new to business continuity to focus on developing fundamental program elements while others worked toward continual improvement.

of BCMS Inquiries by Customer Category



BCMS Customer Inquiries by Focus



Deployment of the enterprise business continuity software was further enhanced during FY2017 with over 200 employees in China, Thailand, Malaysia, and Singapore completing system training. Our drive manufacturing facilities in China and Thailand were both audited and maintained their ISO 22301: “Societal security — Business continuity management systems” certifications. Non-drive sites are implementing a program which aligns with the ISO 22301 standard. We do not have plans to attain formal certification of these locations, however they will be audited for standard compliance. A Business Continuity Readiness Index (BCRI) was continued for the drive sites, and expanded to component manufacturing locations in FY2017. Twenty different elements are assessed, each one worth five points, which mirrors the implementation steps required to attain ISO certification. The target of each drive manufacturing location is a BCRI score of at least 80 percent, while the target for component manufacturing sites is a score of at least 50 percent. We maintain our commitment to transparency by publicly reporting and publishing our ISO certifications.

Looking Forward: Business Continuity

In early FY2018, a dedicated resource for Business Continuity will be hired to expand and maintain the Business Continuity program. Goals for FY2018 will include updating our supplier risk profile, continuing the expansion of our business continuity program to our non-drive sites, and conducting internal audits of our sites to ensure compliance, while maintaining certification for key drive sites. We will establish a corporate crisis management team that will work in conjunction with the executive council on any incidents that go beyond site-level emergency management.

We will continue to improve the business continuity policy and hone our strategy on executing core principles that enable a continued delivery of products and services following a disruptive incident to reduce the potential impact to our business. Implementation of required elements of the BCMCS will continue according to planned schedules, established at each location and in each enterprise-wide organization. Progress will be measured by a Readiness Index metric; our certified drive manufacturing sites will test their plans and risk mitigation arrangements to measure effectiveness and improve.

Summary of Performance

The following is a summary of our performance history and a selection of our most recent FY2017 results. For our latest business and financial news and results, visit our company website at www.seagate.com.

	Performance Indicator	FY2015	FY2016	FY2017
Energy Use and Carbon Emissions	Energy Consumption (Million MWh)	1,644	1,636	1,633
	Energy Consumption per Storage Capacity Shipped (MWh/EB)	7,257	7,018	6,220
	Scope 1 and Location-Based Scope 2 GHG Emissions (Million Metrics Tons CO ₂ e) ^{1,2,3}	1,302	1,260	1,290
	Scope 1 and Location-Based Scope 2 GHG Emissions per Storage Capacity Shipped (Metric Tons CO ₂ e/EB) ^{1,2,3}	5,918	5,675	5,115
	Scope 3 GHG Emissions (Million Metrics Tons CO ₂ e) ¹	5,316	5,229	4,988
Water Usage	Water Withdrawal ¹ (Megaliters)	12,253	11,927	10,119
	Water Recycled ¹ (Percentage)	16%	17%	19%
	Water Intensity ¹ (Megaliters per EB of storage capacity shipped)	56	54	40
Pollution Prevention	Hazardous Waste Generated (Tons)	15,223	10,445	10,211
	Solid Waste Diversion (Percentage)	82%	84%	84%
Health and Safety	Injury and Illness Recordable Case Rate (Cases per 100 Employees)	.22	.23	.22
	Injury and Illness Days-Away Case Rate (Cases per 100 Employees)	.10	.11	.14
Ethics	Ethical Conduct and Conflict of Interest Policy Certification (Percent Completed)	99.86%	99%	99%
Our Employees	Employees Completing Annual Performance Evaluation process	99%	98%	98%
	Non-operator Employees with Performance Goals	96%	96%	95%
	Non-operator Employees with Development Plans ⁴	96%	90%	90%

¹ Total annual carbon emissions, carbon emissions per storage capacity shipped, and water metrics are measured and reported based on the calendar year. The values provided in this table are for calendar years 2014, 2015 and 2016.

² In 2015 three adjustments were made to the 2011 – 2014 inventory years. The adjustments were due to a methodology change in how Scope 2 emissions are reported, the identification of leased facilities not captured in previous inventories, and updated global warming potentials (GWPs) in the IPCC Fifth Assessment Report. Seagate follows the guidelines in the GHG Protocol for adjusting the base year GHG inventory.

³ Includes Scope 3 emissions from business travel and employee commute only.

⁴ Change in system and process resulted in lower development plan numbers in FY2016 and FY2017.

UNGC Content Index

Seagate has been an active participant in the UNGC since 2004, and we have aligned our management systems to the 10 universally-accepted principles in the areas of human rights, labor, environment, and anti-corruption. These principles guide us as we develop new programs and strategies in the area of global citizenship. We are committed to the implementation, disclosure and promotion of the UNGC's Principles throughout our operations. The table below provides a guide to our strategies and actions in support of the 10 principles. In FY2016 we also included Sustainability Development Goals, a set of 17 goals with 169 targets developed by the United Nations as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Human Rights	UNGC's 10 Principles	Sustainability Development Goals	Location
	Business should:		
Principle 1	Support and respect the protection of internationally proclaimed human rights.	17. Partnerships for the Goals	15-21
Principle 2	Make sure that they are not complicit in human rights abuses.		31-43
			44-48
Labor	Business should uphold:		
Principle 3	The freedom of association and the effective recognition of the right to collective bargaining.	5. Gender Equality	15-21 31-43 44-48
Principle 4	The elimination of all forms of forced and compulsory labour.	8. Decent Work and Economic Growth	
Principle 5	The effective abolition of child labour.		
Principle 6	The elimination of discrimination in respect of employment and occupation.		
Environment	Business should:		
Principle 7	Support a precautionary approach to environmental challenges.	6. Clean Water and Sanitation	15-21 22-30
Principle 8	Undertake initiatives to promote greater environmental responsibility.	12. Responsible Consumption and Production	
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.		
Anti-Corruption	Business should:		
Principle 10	Work against corruption in all its forms, including extortion and bribery.		11-14

GRI Content Index

Seagate used the *GRI Sustainability Reporting Standards 2017* to promote more standardized approaches to reporting.

The Seagate *Fiscal Year 2017 Global Citizenship Annual Report* references the GRI Standards listed in the left-hand column of this GRI Content Index. Where the GRI Standard has not been used in full we have marked the disclosure “partial” and explained the reasons for omission. For more information about the GRI and Reporting Standards visit www.globalreporting.org.

GRI Standard	GRI Disclosure	Location	Level of Disclosure	Reason for Omission and Other Notes
GRI 102: General Disclosures 2016	102-1 Name of the organization	5	Full	
	102-3 Location of headquarters	8	Full	
	102-4 Location of operations	8	Full	
	102-5 Ownership and legal form	5	Full	
	102-6 Markets served	8	Full	
	102-7 Scale of the organization	8, 31, Annual Report	Full	
	102-8 Information on employees and other workers	33, 34	Full	
	102-9 Supply chain	44-48	Full	
	102-10 Significant changes to the organization and its supply chain	5	Full	
	102-11 Precautionary Principle or approach	16	Full	
	102-12 External initiatives	15-21	Full	
	102-13 Membership of associations	14	Full	
	102-14 Statement from senior decision-maker	3, 4	Full	
	102-15 Key impacts, risks, and opportunities	Annual Report	Full	
	102-16 Values, principles, standards, and norms of behavior	11-14	Full	
	102-17 Mechanisms for advice and concerns about ethics	11-14	Full	
	102-18 Governance structure	6, Governance Site	Full	
	102-22 Composition of the highest governance body and its committees	Board of Directors Site	Full	

	102-23 Chair of the highest governance body	Board of Directors Site	Full	
	102-24 Nominating and selecting the highest governance body	Governance Site	Full	
	102-25 Conflicts of interest	Governance Site	Full	
	102-40 List of stakeholder groups	65, Throughout Report	Full	
	102-41 Collective bargaining agreements	36	Full	
	102-42 Identifying and selecting stakeholders	65	Full	
	102-43 Approach to stakeholder engagement	5, 65	Full	
	102-44 Key topics and concerns raised	Throughout Report	Full	
	102-45 Entities included in the consolidated financial statements	Annual Report	Full	
	102-46 Defining report content and topic Boundaries	5-6	Full	
	102-47 List of material topics	6	Full	
	102-48 Restatements of information	5-6	Full	
	102-49 Changes in reporting	5-6	Full	
	102-50 Reporting period	5-6	Full	
	102-51 Date of most recent report	5-6	Full	
	102-52 Reporting cycle	5-6	Full	
	102-53 Contact point for questions regarding the report	2	Full	
	102-54 Claims of reporting in accordance with the GRI Standards	5	Full	
	102-55 GRI content index	58	Full	
	102-56 External assurance		N/A	No Assurance Sought
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 6	Full	
	103-2 The management approach and its components	6	Full	
	103-3 Evaluation of the management approach	6	Full	

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report	Full	
	201-2 Financial implications and other risks and opportunities due to climate change	26, 27	Full	
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report	Full	
	205-1 Operations assessed for risk related to corruption	12	Full	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annual Report	Full	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	18, Life Cycle Assessments	Full	
	301-3 Reclaimed products and their packaging materials	18	Full	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	24, 25	Full	
	302-3 Energy intensity	24, 25	Full	
	302-4 Reduction of energy consumption	24, 25	Full	
GRI 303: Water 2016	303-1 Water withdrawal by source	29, 30, CDP Disclosure	Full	
	303-3 Water recycled and reused	29, 30	Full	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	26, 27, CDP Disclosure	Full	
	305-2 Energy indirect (Scope 2) GHG emissions	26, 27, CDP Disclosure	Full	
	305-3 Other indirect (Scope 3) GHG emissions	26, 27, CDP Disclosure	Full	
	305-5 Reduction of GHG emissions	26, 27	Full	
	306-2 Waste by type and disposal method	28, 29	Full	
	306-3 Significant spills	28	Full	
	306-4 Transport of hazardous waste	28, 29	Full	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	23	Full	
GRI 308: Supplier Environmental	308-1 New suppliers that were screened using environmental criteria	44-48	Full	

Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	44-48	Full	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	38	Full	
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	37	Full	Seagate does not break down injury rates by region or gender as this is not material to how we manage this risk.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	40	Full	
	404-2 Programs for upgrading employee skills and transition assistance programs	39, 40	Full	
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	36, 47	Full	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	36, 47	Full	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	36, 47	Full	
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	35	Full	
	412-2 Employee training on human rights policies or procedures	35	Full	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	44-48	Full	
	414-2 Negative social impacts in the supply chain and actions taken	44-48	Full	
	415-1 Political contributions	13	Full	
GRI 416: Customer	416-1 Assessment of the health and safety	16	Full	

Health and Safety 2016	impacts of product and service categories			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Annual Report	Full	

Environment, Health, Safety and Sustainability Policy

A worldwide storage leader, Seagate commits to provide safe workplaces, natural resource conservation, and environmentally-responsible operations in the communities where we do business. Our commitment is underpinned by three values that ensure our business sustainably delivers value to our many stakeholders: integrity, innovation and inclusion.

Seagate requires all employees and contractors to work safely and integrate Environment, Health, Safety, and Sustainability (EHS&S) procedures and practices into their daily work activities, projects and programs.

Seagate commits to:

- Implement and continually improve comprehensive management systems ensuring compliance with legal, regulatory, and other stakeholder requirements to which we subscribe.
- Protect the safety and health of all those associated with our operations by identifying and implementing a hierarchy of controls to eliminate the sources of incidents, injuries and illnesses.
- Encourage employees at all levels to participate in occupational, health, and safety programs with an expectation that safe behavior is incorporated into all business activities.
- Promote a healthy lifestyle and encourage employees to proactively manage their personal health.
- Promote economic, environmental and social sustainability and pollution prevention through continual process improvements and responsible business practices.
- Deliver operational resilience to effectively respond to potential disruptions through measurable EHS&S performance improvements.
- Develop safe, efficient products and manufacturing processes by integrating EHS&S considerations into all aspects of research, design and development.
- Partner with suppliers, customers and stakeholders to publicly share best practices and EHS&S performance criteria.
- Support environmental, educational, health-related and other socially-sustainable initiatives in the communities in which Seagate operates.



Dave Mosley
Chief Executive Officer

1 April 2018

Stakeholder Engagement

Engaging with key stakeholders on relevant social and environmental issues is an important activity that provides Seagate with the insights and relationships needed to make well-informed business decisions.

Each year, we solicit feedback from our customers and business partners to shape our Global Citizenship program plans and strategies; as stated in the Materiality section of this report, feedback gathered during our Materiality Assessment helped to form the content of this document. For example, through a variety of surveys and reporting initiatives, Seagate shares detailed information about the company’s environmental performance and greenhouse gas emissions to help the electronics industry improve its environmental footprint.

We meet regularly with investors, governments, NGOs, local communities and other civil society members to gather perspectives about trends in business and society that may influence not only our success as a global business, but also the extent to which we can contribute positively to sustainable development. Seagate is involved in a number of speaking engagements and panels, including CSR Asia Summit; we also participate in special webinars in order to better engage and communicate with our stakeholders on various topics, from fighting Forced Labor to Science Based Targets.

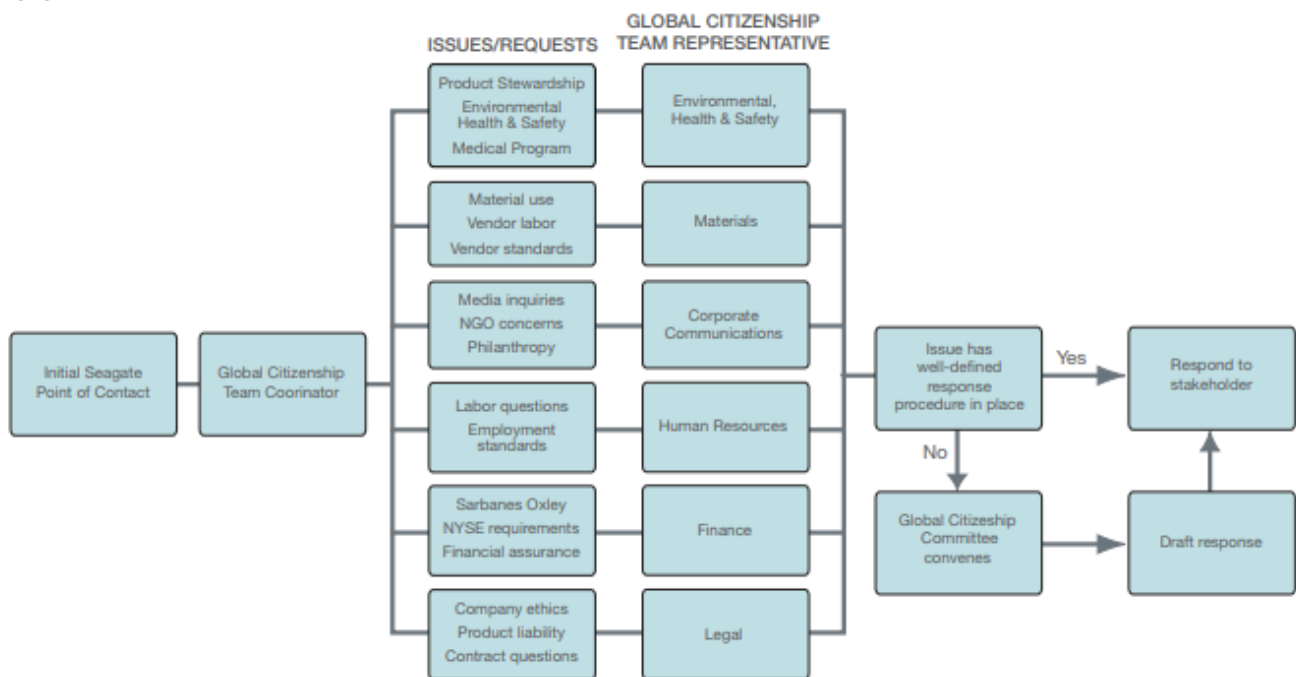
Industry Collaboration and Leadership

One of our key industry collaborations is with the EICC, a cooperative of leading electronics companies working to improve social, ethical, and environmental responsibility in the global electronics supply chain. Seagate was a founding member of the EICC in 2004. We adopted the EICC [Code of Conduct](#) in 2007 and continue to maintain full and active membership in this organization.

Seagate also participates in the [UNGC](#), a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles around human rights, labor, environment and anti-corruption. Seagate executives have participated in UNGC Leaders Summits in the past to enhance the role of responsible business and investment.

Global Citizenship Stakeholder Inquiry Process

Seagate has an established process to address specific stakeholder global citizenship issues or requests. A subset of the Global Citizenship team manages this process. The types of information provided range from environmental performance, product stewardship and product safety to labor standards, fair trade, supply chain and more.



Human Rights Policy

As a global industry leader, Seagate welcomes the responsibility to also be a "Global Citizen." In partnership with employees, community members, customers, suppliers, and other stakeholders, our commitment to Global Citizenship includes support of the ten Principles of the United Nations Global Compact within our sphere of influence. These Principles address responsibility for the environment and other matters; however, most address the international human rights and labor standards that must be upheld to ensure the well-being and dignity of each person.

We have developed policies to reinforce our commitment to uphold these human rights and labor standards. We will abide by these policies or the local law in the countries where we operate, whichever sets a higher standard. Managers are responsible for upholding these Principles and for ensuring adherence to all company policies and guidelines in their support.

Procedures

The following are some of Seagate's basic standards with regard to International Human Rights and Labor Standards (including the International Labor Organization (ILO) core labor conventions*):

Respectful treatment. Employees must respect and value each other and we hold everyone accountable for this. Violations, such as physical abuse and/or harassment or the threat of either, are not tolerated. All employees will be allowed access to basic liberties while on Company premises. (Refer to [Harassment Free Workplace](#) and [Violence Free Workplace](#) policies.)

We respect religious diversity and employees may be provided with reasonable accommodations for religious practices, upon request. Any requests for reasonable accommodation should be directed to Site Human Resources.

Employment based on achievements. Decisions about employees are based on achievements against job goals and/or standards and required competencies; decisions about applicants are made on qualifications against job requirements. In all employment actions, we prohibit discrimination based on age, race, color, ancestry, ethnic or national origin, physical or mental disability, medical condition, genetic information, marital status, sex (which includes pregnancy or perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender identity, gender expression, sexual orientation, perceived or actual religious creed or political opinion, military and veteran status, taking or requesting statutorily protected leave, taking or requesting a reasonable accommodation for a protected basis, or other basis protected by applicable law. (Refer to [Equal Employment Opportunity](#) policy.)

Free to express opinions. Every employee has a right to openly express his or her opinion. In fact, we welcome and encourage ideas and input, including notification of issues and concerns. (Refer to [Open Door](#) policy.)

Fair compensation. We assess performance against job requirements and consider business conditions and appropriate market comparisons to deliver compensation. We will compensate employees with wages and benefits that meet or exceed the legally required minimum without delay, and will clearly communicate to all employees their compensation earned. (Refer to [Base Pay and Other Pay Components](#) policy.)

Due process. We understand that an employee may not meet performance or conduct expectations. In such circumstances, the employee has a right to a fair process of review. Any resulting disciplinary actions will be humane. Deductions from wages as a disciplinary measure will not be permitted. (Refer to [Performance Management](#), [Open Door](#) and [Coaching and Discipline](#), policies.)

Reasonable limitation of working hours. The hours worked by employees should not exceed 60 hours per work week, or be in excess of the maximum hours of daily labor set by local laws in the countries in which we operate.

We will also provide employees with at least one day off per every seven days. Overtime will be voluntary and comply with all applicable overtime pay requirements. No unreasonable restrictions of movement will be placed upon employees during non-work hours. (Refer to [Hours of Work](#) policy.)

Free to associate. We respect and adhere to all applicable laws concerning the right of workers to organize in labor unions and engage in collective bargaining and peaceful assembly, and Seagate will not prohibit or impede employees exercising such rights. However, we believe maintaining an open, unencumbered relationship between Seagate employees and their managers is the most effective means of addressing work environment questions and concerns.

Free to choose employment. We will ensure that the overall terms of employment are voluntary. We will not require employees to pay the Company any remuneration or withhold an employee's government-issued identification upon hire. We firmly prohibit any form of human trafficking or slavery, and will ensure no forced, bonded (including debt bondage) or indentured labor; involuntary or exploitative prison labor is used in the production of Seagate products.

Employment at age 18 or higher. We strictly prohibit child labor and will comply with all local minimum age laws and requirements and/or set a minimum employment age of 18, whichever sets the higher standard. (Refer to [Recruitment at Seagate](#) policy.)

Intern Program. We provide internship opportunities to college/polytechnic/university students, who meet our minimum employment age of 18. This program provides interns an opportunity to undergo supervised practical development and gain real-world experiential learning that compliments their education. Seagate does not offer any type of apprentice program. Additionally, Seagate does not hire student workers other than those that meet the criteria for the intern program. (Refer to [Internship](#) policy.)

For additional information, visit Seagate's [Global Citizenship website](#).

* Our labor standards in the Human Rights policy address the core ILO Labor Conventions No. 29, 87, 98, 100, 105, 111, 138 and 182.

Acronym Index

3TG	Tungsten, tin, tantalum and gold
BCMS	Business Continuity Management System
BCRI	Business Continuity Readiness Index
BizNGO	Business non-governmental organization Working Group
BSR	Business for Social Responsibility
CAS	Chemical Abstract Service
CEO	Chief Executive Officer
CFSI	Conflict-Free Sourcing Initiative
CDP	Carbon Disclosure Project (formerly)
CMD	Cubic meters per day
CMRT	Conflict Minerals Reporting Template
CoC	Certificate of Conformity
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
CSP	Cloud Service Provider
CSR	Corporate social responsibility
CSOP	Corporate Standard Operating Procedure
CY	Calendar year
DRC	Democratic Republic of the Congo
EB	Exabyte
EICC	Electronic Industry Citizenship Coalition (formerly)
EHS&S	Environment, Health and Safety and Sustainability
EMEA	Europe, Middle East and Africa
EPEAT	Electronic Product Environmental Assessment Tool
FY	Fiscal year
FMD	Full Material Disclosure
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HDD	Hard Disk Drive
ICT	Information and Communication Technology
ILO	International Labor Organization
iNEMI	International Electronic Manufacturing Initiative
IoT	Internet of Things
ISO	International Organization for Standardization
IT	Information Technology
kWh	Kilowatt Hour
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex
LCA	Life cycle assessment
M&A	Merger and acquisition
MI	Megaliter
MWh	Megawatt hour
NGO	Nongovernmental organization
OEM	Original equipment manufacturer
OHSAS	Occupational Health and Safety Advisory Services
OSHA	Occupational Safety and Health Administration
PLC	Public limited company
REACH	European Registration, Evaluation, Authorization and Restriction of Chemicals
RMAP	Raw Material Acquisition and Pre-processing
RoHS	Restriction of Hazardous Substances
SEC	Securities and Exchange Commission
STEM	Science, technology, engineering and math
SVHC	Substances of Very High Concern
TSDF	Treatment, Storage and Disposal Facility
UNGC	United Nations Global Compact
U.S.	United States (of America)
UK	United Kingdom
VAP	Validated Audit Process

