

FY2014

Global Citizenship Annual Report



The *FY2014 Global Citizenship Annual Report* describes Seagate's approach to advancing sustainable, responsible business practices in all aspects of its products, technologies and operations. This report provides highlights of our FY2014 performance and opportunities we see in FY2015 and beyond.

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Message from Our Chairman and CEO



Global Citizenship in FY2014: A Commitment to Sustainability

Seagate is empowering the world with greater speed, capacity and access to information than ever before.

In this critical role, Seagate values not only innovation, but also sustainability—responsible practices across our global footprint, from our facilities to our products to our many stakeholders and beyond.

In FY2014, our Global Citizenship activities spanned many areas critical to our business, industry, employees and communities:

- Continuing to combat global climate change by reducing greenhouse gas (GHG) emissions (total combined scope 1 and 2) by 3.1 percent.
- Leading the industry in calculating the impact of our products' full life cycles on climate change, fossil depletion, ecotoxicity, water depletion and other key factors.
- Collaborating with other companies in our industry in educating Malaysian suppliers about risk, prevention and consequences of forced labor and human trafficking.
- Participating in the Electronic Industry Citizenship Coalition (EICC) Validated Audit Process, with audits at six of our facilities producing no major nonconformance or priority issues. Three of our facilities had a perfect audit.
- Demonstrating continued progress in electricity use per storage capacity shipped, continuing on the right path toward energy efficiency for every drive we produce.

- Making progress in aligning our suppliers around EICC principles, including signing the EICC Code of Conduct, training, self-assessment and auditing processes. We also focused our efforts to drive closure of audit findings while partnering with our suppliers and holding them accountable with respect to working hours.
- Supporting our communities in a number of ways throughout FY2014, particularly in the area of STEM (science, technology, engineering and math) education. We believe that nurturing tomorrow's technology innovators is foundational to our business and industry and in developing a globally competitive 21st-century workforce.

I invite you to read further about our FY2014 performance.

Steve Luczo
Chairman and CEO

About Our Report

This report covers activities managed by Seagate Technology Public Limited Company (PLC) from June 28, 2013, through June 27, 2014. References to “Seagate,” “we,” “us” and “our” within this report refer to Seagate Technology PLC and its wholly owned subsidiaries, including the acquisition of Xyratex Ltd., a provider of data storage technology, which was completed in March 2014. There were no other significant changes to Seagate or restatements of information from previous reporting periods.

Previous *Global Citizenship Annual Reports* can be downloaded from Seagate’s company website at www.seagate.com. This website contains an array of information on Seagate’s company history, values, management and most recent financial performance.

Inquiries regarding this report may be directed to social.response@seagate.com.

Defining Report Content

Using the Global Reporting Initiative (GRI) *G4 Sustainability Reporting Guidelines*, the *FY2014 Global Citizenship Annual Report* applies principles of materiality, stakeholder inclusiveness, sustainability context and completeness for defining report content. This report contains Standard Disclosures from the GRI *G4 Sustainability Reporting Guidelines*. A list of the Standard Disclosures and their location can be found at the back of this report.

Seagate conducted a materiality assessment in FY2012 to identify, prioritize and validate the most relevant global

citizenship issues. We reviewed external trends across social and environmental dimensions to develop a comprehensive, prioritized list of relevant global citizenship issues and examined how these issues influenced decision-making. We considered impacts that were both material within and outside of the company. From this assessment, we confirmed the structure and content of this report. We plan to review our material issues during FY2015 in light of the evolution of our business since FY2012.

Company Profile



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.

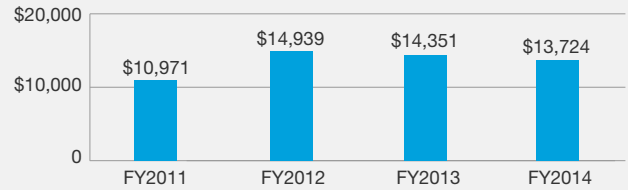
Seagate is deeply rooted in the history and heritage of the storage industry. Over the past 35 years, we have transformed the way storage technology works, progressing from the mass production of the 5.25-inch disk drive—which allowed the accessibility of the personal computer—to innovative cloud storage solutions.

Seagate is now working to enable everyone to expand the way they interact with information. From helping kids taking pictures on mobile phones to assisting corporations creating massive data lakes, we are empowering the next generation of innovators, inventors, analyzers, scientists and creators with greater speed, capacity and access to information than ever before.

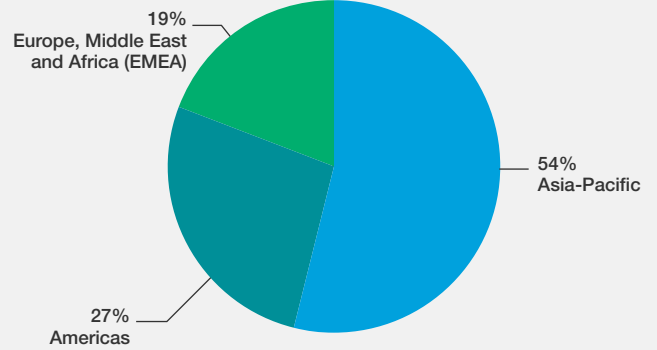
Seagate recognizes that data has evolved from static information stored and forgotten to a living entity. We are creating solutions to fit the increasing needs of our data-driven society, and we invite you to explore our solutions and share the journey.

Seagate’s global operations encompass design, manufacturing, sales and marketing functions. Seagate is incorporated in Dublin, Ireland. Our principal manufacturing facilities are located in China, Malaysia, Mexico, Minnesota, Northern Ireland, Singapore and Thailand. Our product development centers are located in the United States (California, Colorado and Minnesota), Singapore and South Korea.

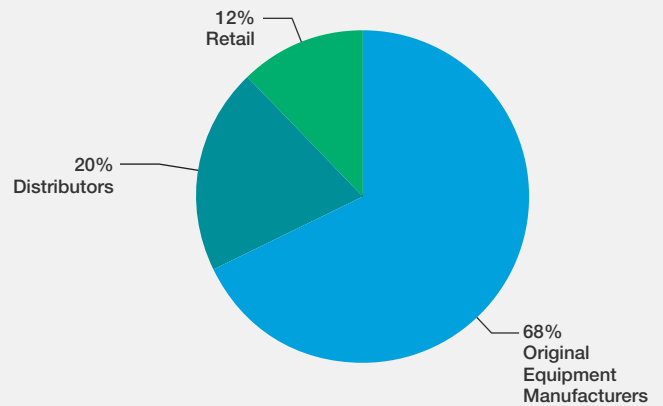
Net Revenue (in Millions)



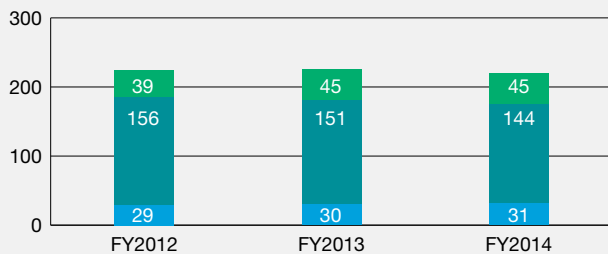
FY2014 Revenues by Geography



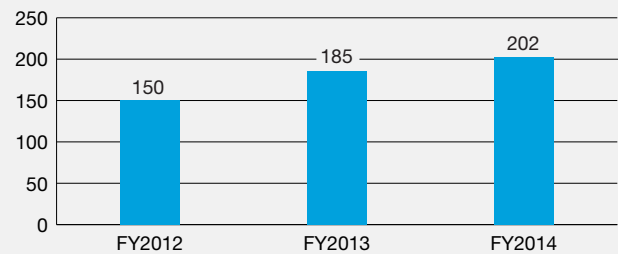
FY2014 Revenues by Channel



Units Shipped by Category (in Millions)



Storage Capacity Shipped (in Exabytes)



FY2014 Global Citizenship Highlights



Seagate is committed to developing and maintaining sustainable and responsible practices—not only in its global operations, but also throughout its supply chain. Key areas of emphasis include human resources, product stewardship, health and safety, governance, the environment and community engagement.



Seagate made great strides in FY2014. In the area of product stewardship, we reached a significant milestone by completing and publishing full summaries for eight life cycle assessments (LCAs), which were conducted for products in each market segment and for retail and original equipment manufacturer (OEM) packaging. Each LCA calculated several sustainability impacts on climate change, fossil depletion, ecotoxicity, eutrophication, acidification and water depletion. These LCAs continue to help our engineers improve product design and reduce environmental impacts.

We continued to demonstrate strong performance in the area of environmental sustainability. In FY2014, while our overall electricity consumption increased slightly to 1.63 million megawatt hour (MWh) from 1.62 million MWh in FY2013, we improved our energy intensity to 8.10 MWh per petabyte (PB) shipped from 9.19 in FY2013, demonstrating continued progress in electricity use per storage capacity shipped. Higher capacity drives require more energy to operate, but normalizing our energy consumption per storage capacity shipped demonstrates that we are continuing on the right path toward energy efficiency for every drive we produce.

In terms of our efforts to combat global climate change, we reduced our total combined scope 1 and 2 greenhouse gas (GHG) emissions by 3.1 percent, and are on track to achieve our five-year goal of reducing our total combined scope 1 and 2 emissions by 10 percent. Also in FY2014, we expanded our reporting of scope 3 emissions by adding four new emissions categories: purchased goods and services; capital goods; upstream transportation and distribution; and downstream transportation and distribution. As is typical for technology products, we continue to find that scope 3 emissions, particularly those from product use, are much greater than scope 1 and 2 emissions, highlighting the importance of Seagate's continued efforts to reduce the amount of energy used by our products. We now report 10 out of the 15 scope 3 emission categories as defined by the GHG Protocol.¹

Throughout FY2014, Seagate worked hard to protect labor and human rights. Specifically, we established a global, internal Electronic Industry Citizenship Coalition (EICC) cross-site labor audit program, conducted audits at six of our drive and component sites and found zero labor nonconformance issues. We also continued to make progress in implementing our revised Standard Operating

¹Scope 3 emission categories are defined in the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, published by the GHG Protocol.

Procedure (SOP), which details specific steps for supplier engagement, including signing the EICC Code of Conduct, training and completing the EICC Self-Assessment Questionnaire and the Validated Audit Process (VAP). In FY2014, we completed 65 VAP audits, of which 54 audits were with direct suppliers and 11 audits were with indirect suppliers. We also redoubled our efforts to address instances of nonconformance, particularly around working hours, which continues to be a challenge for our business and industry.

Trafficked and forced labor remains a challenge for the electronics industry, especially in Malaysia, where many workers are employed in forced situations because their passports have been taken away or because they are straining to pay back illegally high recruitment fees. Seagate continued to be steadfast on this issue in FY2014

by conducting a joint training program with peer companies in various locations throughout Malaysia, reaching about 150 participants, all direct suppliers and their labor agents. We also participated in an EICC task force on trafficked and forced labor to better understand the true extent of the forced labor issue and to advocate for better and broader training of key, on-the-ground actors.

Finally, Seagate supported its communities in a number of ways throughout FY2014, particularly in the area of STEM (science, technology, engineering and math) education. We believe that nurturing tomorrow's technology innovators is foundational to our business and industry and in developing a globally competitive 21st-century workforce.

For a summary of our FY2014 performance, see page 45.



Governance and Ethics



Seagate is committed to maintaining the highest level of ethical standards throughout its business operations. This commitment coincides with and contributes to the company's sustainable development initiatives.



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 necessary 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.

We remain vigilant to ensure our policies for ethical business conduct reflect the latest standards, requirements, laws and regulations at local, national and international levels. Seagate’s Ethical Conduct and Conflict of Interest Policy and Code of Ethics adopt a principles-based approach to our activities, while promoting ethical conduct and compliance with laws and regulations.

The Ethical Conduct and Conflict of Interest Policy summarizes Seagate’s ethical standards and key policies in areas such as insider trading, conflicts of interest, bribery and corruption, privacy and confidentiality and antitrust and fair dealing. It also provides relevant information about expected behavior. The Board reviews these policies on an annual basis to ensure that Seagate continues to operate within both the letter and the spirit of the law.

FY2014 Highlights

To implement our Ethical Conduct and Conflict of Interest Policy, we require all new employees to certify that they have read and understood the policy. Each year, all nonoperator Seagate employees with company email addresses are required to certify that they have read and understood the Ethical Conduct and Conflict of Interest Policy, and disclose any actual or potential conflicts of interest they might have. In FY2014, approximately 19,750 employees completed this certification process, a completion rate of 98 percent.

Throughout the year, we provided online training modules and delivered short videos subtitled in various languages to enhance employee understanding of the Ethical Conduct and Conflict of Interest Policy. We also continued to promote our Ethics Helpline so that employees can confidentially report any illegal or unethical situations that they encounter in the workplace. Additionally, we translated our policies to Brazilian Portuguese and French to respond to expansion into new regions.

LOOKING FORWARD

We will continue to communicate relevant information and provide tools and resources to empower all employees to meet our highest ethical standards. Given recent company acquisitions, we also will begin to onboard our newest

employees and certify them under Seagate’s ethics, policies and standards. We will continue to assess and monitor new and emerging ethical issues as our business evolves and expands into areas such as cloud systems and solutions.

Product Sustainability



Seagate's key product sustainability challenges include materials identification and environmental impacts such as climate change, conflict minerals and restricted substances. We place a high value on assessing product impacts, communicating them transparently and working closely with supply chain partners to maximize sustainability through product stewardship.

Environmental Impacts of Products

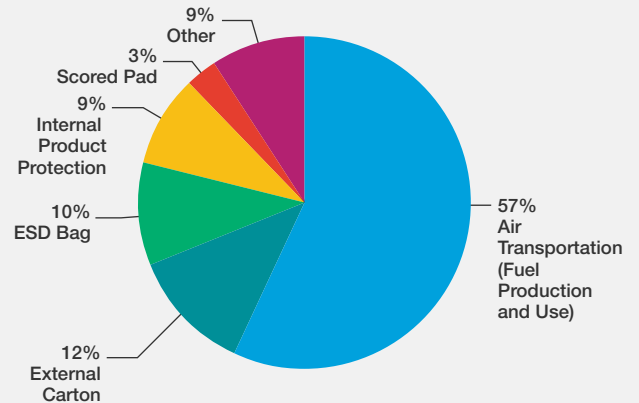
Seagate uses thousands of materials to make its products. We strive for a complete understanding of material content in order to manage product environmental impacts, and we work with suppliers to obtain full disclosures on every material in every part included in our drives. This information is maintained in a database and is accessible as new hazardous substance concerns arise.

We conduct life cycle assessments (LCAs) according to the ISO 14040:2006 and ISO 14044:2006 standards in order to construct an estimate of each product's impact on the environment. Our LCAs encompass 15 impact categories, such as carbon emissions, health impacts and resource depletion. Each LCA addresses impacts at each stage in the product life cycle, from extraction of raw materials to end-of-life disposal and recycling. Each LCA is reviewed by an independent third party. We prioritize which products undergo LCA efforts based on production volume and customer data needs.

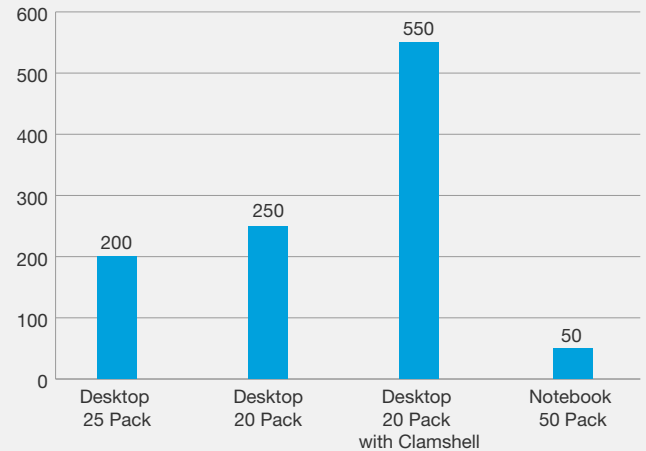
In FY2012 and FY2013, Seagate completed LCAs for hard disk drive products in each market segment. In FY2014, we completed [summaries](#) for these LCAs, which have been made available publicly on our corporate website. In FY2014, Seagate completed an LCA for a Seagate Systems storage system product and intends to publish a summary for that LCA in FY2015. Each LCA calculated several sustainability impacts on climate change, fossil depletion, ecotoxicity, eutrophication, acidification and water depletion. Climate impacts were analyzed further according to type, such as life stage contribution, component and product. Here are two LCA summaries on climate impacts:

Hard Disk Drive (OEM) Packaging

Relative Climate Change Impact Contributions



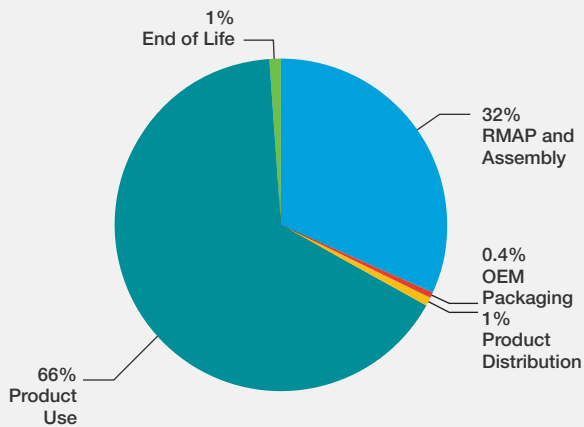
Relative Global Warming Packaging Impacts per Hard Drive Shipped



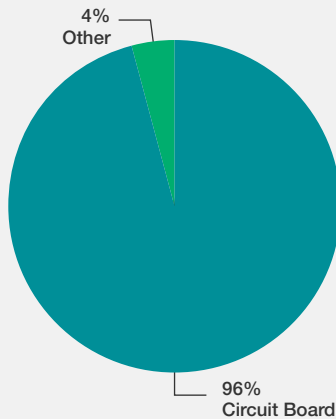
[Full Summary](#)

Pulsar 2 Enterprise SSD

Relative Climate Change Impact Contributions



GHG Impacts from Raw Material Acquisition and Preprocessing



*RMAP: Raw Material Acquisition and Preprocessing

[Full Summary](#)

Based on the eight LCAs that we summarized in FY2014, we developed several conclusions:

- Energy consumed by products during active use comprises the largest share of the overall hard drive carbon footprint. This is particularly true for enterprise drives (versus notebook drives), which can run nearly 24/7 in performance-optimized data centers.
- A customer's geographic location also influences the impact results, because the method of electricity generation and recycling rates vary greatly by region. Location has a direct impact on shipping distance and associated transportation environmental impacts.
- Air freight shipment of products to our customers far outweighs the material production impact, and converting to larger packs that contain more drives minimizes impact on a per-drive basis.
- First-generation solid-state hard drives have similar life cycle impacts to hard disk drives, both from material use and power draw perspectives.
- Results from LCAs suggest priorities for investigation of alternative materials to reduce environmental impact for future product lines.

LCA insights, along with engineering and cost considerations, are helping to improve product design, lower environmental impacts and sometimes reduce cost. LCA specialists work closely with product development teams to engineer more efficient products.

LOOKING FORWARD

Using the LCAs that we have conducted to date, we will study whether our product impacts have changed over the last three to four years. Preliminary analysis has shown where Seagate can make significant reductions in water impacts, carbon intensity, toxic waste and metal depletion, particularly when focusing on system optimization of logistics, transportation and packaging. We aim to publish this study in FY2015.

We will work on improving the quality of the data used in our LCAs. Today's assessments typically are based on average sector-wide information, but we would like to be able to include information from Seagate's specific suppliers in our assessments. This is a long-term challenge, and Seagate already has begun resolving the issue by collecting detailed product information from suppliers.

Seagate will continue to use the LCA assessments to prioritize investigation of alternative materials with lower environmental impact for future product lines.

Conflict Minerals

Conflict minerals—minerals from supply chains controlled by extralegal factions in the Democratic Republic of Congo and surrounding countries—are a significant challenge facing many industries. Addressing conflict minerals became an even higher priority in 2012, when the Dodd-Frank Act, Section 1502, was adopted in the United States. The law requires companies to disclose whether any tin, tungsten, tantalum or gold (3TG) used in their products originated in the Democratic Republic of the Congo or an adjoining country. If so, companies must describe what efforts they have undertaken to ensure the use of these metals does not contribute to human rights violations in those countries.

As part of compliance with this new regulation, Seagate participates in the EICC Conflict-Free Sourcing Initiative and its Due Diligence Subcommittee. Participation in these groups helps Seagate remain informed and maintain standard processes for data collection.

In FY2014, we continued to engage in industry collaborative efforts to address conflict-minerals data-integrity issues. Seagate found that because there is no audit system for what suppliers are declaring, there is a serious challenge with data quality. Due to the layered and complicated nature of supply chains, it is often difficult for suppliers to know where minerals for their products are being sourced. In response, Seagate increased efforts in FY2014 to work with suppliers throughout the supply chain to improve identification of smelters. Additional details are provided in Seagate's [Conflict Minerals Report](#) to the U.S. Securities and Exchange Commission.

LOOKING FORWARD

Seagate is committed to working proactively with supply chain partners to maximize data transparency. The company will continue to meet its commitment to ensuring conflict-free smelters by guiding its supply chain toward the use of conflict-free validated sources.

Restricted Substances

As a leading supplier to major OEMs, Seagate helps establish standards for direct materials—the components that make up our products—to meet customers' strictest specifications.

We are meticulous when it comes to cataloging restricted substances; currently, we list more than 2,000 of them. Seagate maintains a database to evaluate ongoing legal and customer compliance, and catalogs the Chemical Abstract Service number for every chemical substance contained within components and products. Consistent with the European Union REACH Directive and other laws, we continuously add new chemical substances to our restricted list and completely eliminate them from Seagate products wherever possible.

After securing full material disclosure on the plastic materials used in retail packaging and achieving supplier compliance with our full material disclosure requirements in FY2013, we used this information to engage with NGOs, consultants and others throughout FY2014 to identify chemical best practices in the industry. We also continued our support for the BizNGO Principles for Safer Chemicals.

LOOKING FORWARD

Seagate will continue to identify chemicals of concern beyond those listed in restricted substances lists. We will also work with suppliers and other industry leaders to raise the bar across the industry in reporting and minimizing the use of restricted substances. We see this as a natural extension of our commitment to minimizing restricted substances.

Product Waste

Seagate products become waste at the end of their useful lives. While aluminum and plastic used to make our drives can be recycled, many regions where Seagate products are sold do not have strong electronic waste recycling programs. For this reason, Seagate drives can add to the waste stream destined for incinerators and landfills.

Furthermore, because the vast majority of Seagate's products are sold as components to larger systems produced by OEMs, we have minimal leverage over how our products are managed at the end of their useful life. We encourage reclamation, just as we recycle our own internally generated scrap, and urge users of products that include our drives to participate in manufacturer take-back programs.

For the remainder of our products—our retail products and servers—Seagate has made great progress in managing product waste by establishing a successful take-back program. We provide customers with drive disassembly instructions to facilitate recycling, and manage our own take-back program for hard drives under warranty. All of these drives are refurbished or—if not repairable—recycled.

Seagate continued to make strides in the way we deal with product waste in FY2014. We identified suppliers that are able to recycle old disk drives into materials that are usable in new disk drives. We also worked with several suppliers to integrate them into the design process, with the goal of bringing materials from recycled disk drives directly into our product manufacturing.

LOOKING FORWARD

We will expand efforts to integrate recycled materials into our manufacturing process. In particular, it is our long-term goal to test the reliability of materials produced from recycled disk drives to verify whether they meet our quality standards. We will also look for additional avenues to reclaim product waste. Finally, we will evolve our approach to product waste as we begin shifting to more cloud computing, which supports fewer, small manufactured products and more centralized storage devices.

Environmental Sustainability



Seagate is committed to improving environmental sustainability in all of our manufacturing operations. Seagate sets goals, tracks progress and audits systems to reduce energy, carbon emissions, waste and water. Together, these initiatives comprise the bulk of our environmental sustainability efforts.

We administer an environmental management system that adheres to industry-leading ISO 14001 requirements at our manufacturing facilities. By managing and reducing environmental impacts through this system and following the EICC Code of Conduct, Seagate demonstrates sustainability leadership as a key supplier in the electronics industry.

At the end of FY2014, all our manufacturing facilities were ISO 14001- and OHSAS 1800-certified, except for one former Xyratex site in Mexico, which we acquired in 2014. We also hosted 29 environmental regulatory visits throughout the year. These visits focused on wastewater sampling and air sampling. We are pleased to report that no violations were found.

To view Seagate’s Environment, Health and Safety Policy, see page 55.

ISO 14001- and OHSAS 18001-Certified Facilities

Country	Location
China	Suzhou
	Wuxi
Thailand	Korat
	Teparuk
Malaysia	Penang
	Seremban
	Johor
Singapore	AMK
	Woodlands
United Kingdom	Havant
	Springtown
United States	Bloomington, Minn.

Energy and Carbon Emissions Performance

Manufacturing our drives uses energy and produces GHG emissions. To combat these realities, Seagate works to reduce the amount of energy and carbon required to produce disk drives by identifying energy efficiency opportunities, auditing management systems and performance and reporting on progress throughout the manufacturing process.

Our primary objective is to reduce both energy use and GHG emissions per storage capacity we produce. Across our industry, these types of measurements are known as “energy intensity” and “GHG emissions intensity” because they measure impact relative to the amount of economic activity taking place. How intensity is measured varies across industry sectors and product types; Seagate measures energy and carbon emissions intensity per petabyte (PB) of storage capacity shipped.

Seagate’s two largest sources of GHG emissions are purchased electricity and “fugitive emissions,” or the unintended release of gases. To reduce GHG emissions intensity, each Seagate manufacturing site is required to achieve annual energy savings goals. We also conduct a third-party verification of our GHG emissions reporting every year. In addition to keeping track of factory performance for our own records (compiled annually in this report), we share our results via the Carbon Disclosure Project’s (CDP) investor, supply chain and water questionnaires (our responses for the investor and water questionnaires are available publicly via the CDP website). Seagate continues to assess risk to the business from climate change as part of our annual ISO 14000 management system process, and have determined that our climate risks do not differ from other companies in our industry.

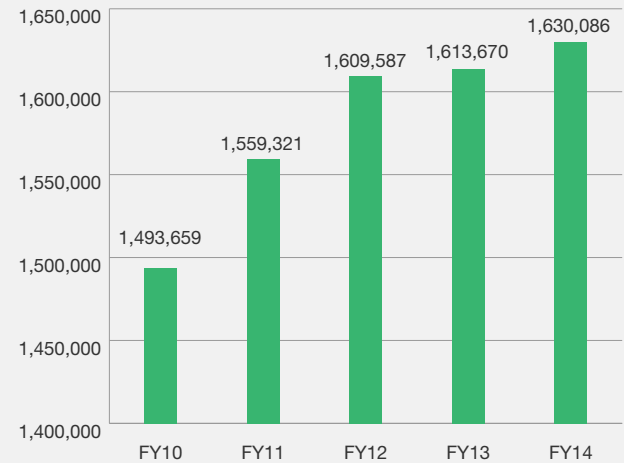
Seagate's biggest challenge continues to be reducing GHG emissions overall, especially given increasing storage capacities, product complexity (as new products have additional production steps) and acquisitions. Furthermore, as the information technology industry transitions to more cloud-based data storage systems, Seagate will also grow its cloud data storage capabilities, which generally require longer test times. This transition is expected to impact our energy and carbon emissions performance as we try to better understand and mitigate these increases to our overall GHG emissions.

Energy

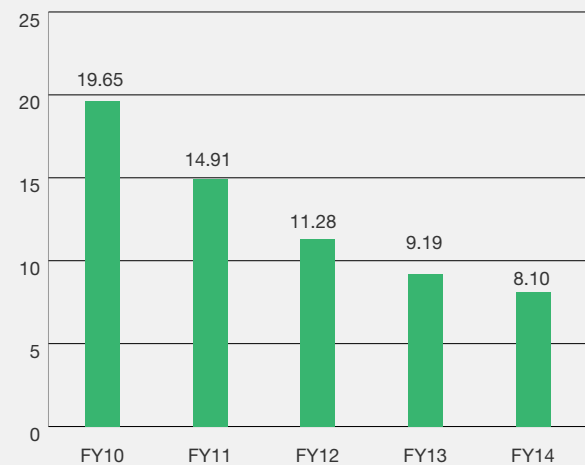
In FY2014, our total electricity consumption increased slightly to 1.63 million MWh from 1.62 million MWh in FY2013, though our energy intensity decreased to 8.10 MWh per PB shipped from 9.19 MWh per PB in FY2013, demonstrating progress in electricity use per PB of storage capacity shipped. Higher capacity drives require more energy to manufacture, but normalizing our energy consumption per storage capacity shipped demonstrates that we are continuing on the right path toward energy efficiency per drive that we produce.

Seagate also continued to focus efforts on energy conservation throughout our operations in FY2014. In FY2014, we saved more than 33,290 MWh of electricity from energy conservation projects, surpassing our target of 15,000 MWh.

Electricity Consumption (MWh)



Energy Consumption per Storage Capacity Shipped (MWh/PB Shipped)



Carbon Emissions²

In CY2013, our scope 1 emissions (GHG emissions generated directly from our sites) decreased 2.5 percent to 310,159 metric tons CO₂e. The decrease in scope 1 emissions occurred primarily in the process and fugitive emissions category. The decrease was due in part to the variability of emissions from year to year as a result of changes in Seagate's product mix. Our scope 2 emissions (indirect GHG emissions generated from the electricity that we purchase) decreased 3.3 percent to 982,858 metric tons CO₂e.

Combining our scope 1 and scope 2 emissions, we generated 1.29 million metric tons CO₂e in CY2013, a 3.1 percent decrease from CY2012. We continue to be on track to achieve our five-year goal of reducing our total combined scope 1 and 2 emissions by 10 percent, using the results from CY2011 as our baseline.

We also demonstrated continuous improvement in the amount of GHG emissions generated per storage capacity shipped, reducing our emissions intensity by 11.8 percent to 6.50 metric tons CO₂e per PB shipped in CY2013. We attribute this success to our continued efforts to manage our overall operational energy requirements.

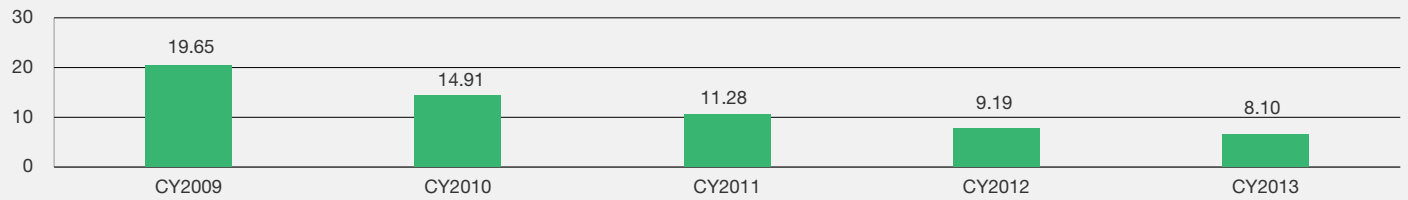
Scope 1 and 2 GHG Annual Emissions (Metric Tons CO₂e)³

GHG Annual Emissions	CY2011	CY2012	CY2013
Source Type – Scope 1 – Direct Emissions			
Stationary Combustion	15,976	13,578	13,763
Mobile Combustion	290	377	366
Process/Fugitive Emissions	386,627	304,169	296,030
Total Scope 1	402,893	318,124	310,159
Source Type – Scope 2 – Indirect Emissions			
Purchased Electricity	929,837	1,016,948	982,858
Total Scope 2	929,837	1,016,948	982,858
Total Scope 1 and 2 GHG Emissions	1,332,730	1,335,072	1,293,017

² Total annual carbon emissions and carbon emissions per storage capacity shipped are measured and reported based on the calendar year (CY) versus fiscal year.

³ Per Greenhouse Gas Protocol (www.ghgprotocol.org) guidance released in February 2013, Seagate has updated the global warming potentials (GWPs) used for calculating our emissions. In the past, we used the 100-year GWPs from the IPCC's Second Assessment Report; we now use the 100-year GWPs from the Fourth Assessment Report. To maintain consistency throughout our goal period, we recalculated all historical inventories using the GWPs from the Fourth Assessment Report and disclose these emissions in this report.

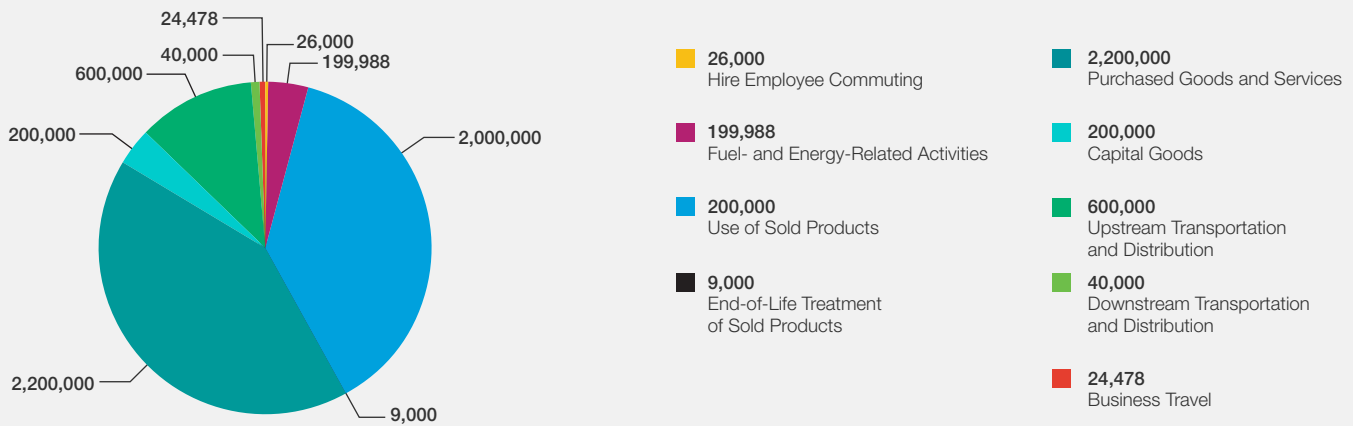
Scope 1 and 2 GHG Emissions Per Storage Capacity Shipped (Metric Tons CO₂e/PB Shipped)



In the area of scope 3 emissions (indirect GHG emissions from sources not owned or directly controlled by Seagate), we further expanded our reporting to include four new categories in CY2013: purchased goods and services; capital goods; upstream transportation and distribution; and downstream transportation and distribution. As of the end of FY2014, Seagate reported 10 out of the 15 scope 3 emission categories as defined by the GHG Protocol.⁴

As is typical for technology products, we found that scope 3 emissions, particularly those from product use, are much greater than scope 1 and 2 emissions, highlighting the importance of Seagate's continued efforts to reduce the amount of energy used by our products.

CY2013 Scope 3 GHG Emissions (Metric Tons CO₂e)



⁴Scope 3 emission categories are defined in the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, published by the GHG Protocol.

CASE STUDY:

SUSTAINABLE EMPLOYEE TRANSPORTATION IN NORTHERN IRELAND

One of the best ways to reduce scope 3 GHG emissions: Facilitate more sustainable modes of transportation among employees.

That's exactly what Seagate did with employees at its facility in Springtown, Northern Ireland. The program has had a tremendous impact, with nearly 15 percent of all employees participating in ride-sharing and overall savings exceeding £30,000.

The effort began in 2007 as part of a push to comply with a greater number of ISO 14001 objectives and targets. Following a site-wide transport survey in which 64 percent of respondents indicated they would be willing to car-share, the plant's Environmental Management Committee worked with outside experts to develop a customized ride-sharing program, which was launched in 2008.

As of the end of FY2014, 12.9 percent of all factory employees in Northern Ireland have signed up for the car-

share database, saving an estimated 118,460 miles equating to 39 tons of CO2 and a financial savings of £31,601.

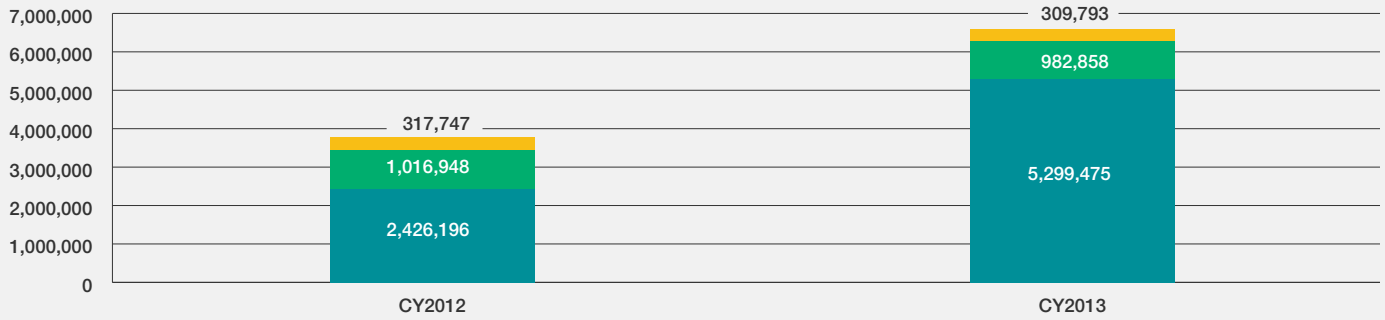
The program has also improved parking, and alleviated site traffic congestion and risk. What's more, participating employees report being happier because they are saving money on their commutes, making new friends and relaxing on the way to work.

In addition to a formal car-sharing program, the sustainable transport program evolved to include a cycle-to-work scheme. As of the end of FY2014, approximately 400 people have signed up for this program alone.

Seagate rewards all participating employees by entering them into a quarterly drawing for a £50 shopping voucher. The company also offers free bike maintenance workshops and free breakfasts for employees who cycle to work during Bike to Work Week—two perks that just about every employee appreciates.



Scope 1, 2 and 3 GHG Emissions (Metric Tons CO₂e) (Metric Tons CO₂e)



Note: In CY2013, we further expanded our reporting to include four new scope 3 emission categories in CY2013: purchased goods and services; capital goods; upstream transportation and distribution; and downstream transportation and distribution.

LOOKING FORWARD

We will continue to focus efforts on energy conservation and have set a target in FY2015 of 20,000 MWh of electricity savings from energy conservation projects. We also see a need to create a more formal structure for energy conservation reporting, starting by bringing on board staff with specialized skills in energy management to develop this program.

Seagate will also continue to make progress toward its five-year goal of reducing total scope 1 and 2 emissions by 10 percent by CY2017 (using results from CY2011 as the baseline). In the area of scope 3 emissions, we will assess the new data that we added in CY2013 to determine other improvement opportunities.



Waste Management

Over the last decade, Seagate has established systems to track, manage and report waste at every Seagate site around the world. 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 are committed to zero landfill disposal of hazardous waste, except in cases where no other viable treatment method is available.

Each Seagate site is responsible for reporting data on waste to a central database reviewed by Seagate's Corporate Environment, Health and Safety (EHS) professionals. Seagate has established minimum requirements for the selection and performance of hazardous waste treatment vendors. We qualify hazardous waste treatment vendors through a third-party audit of set criteria.

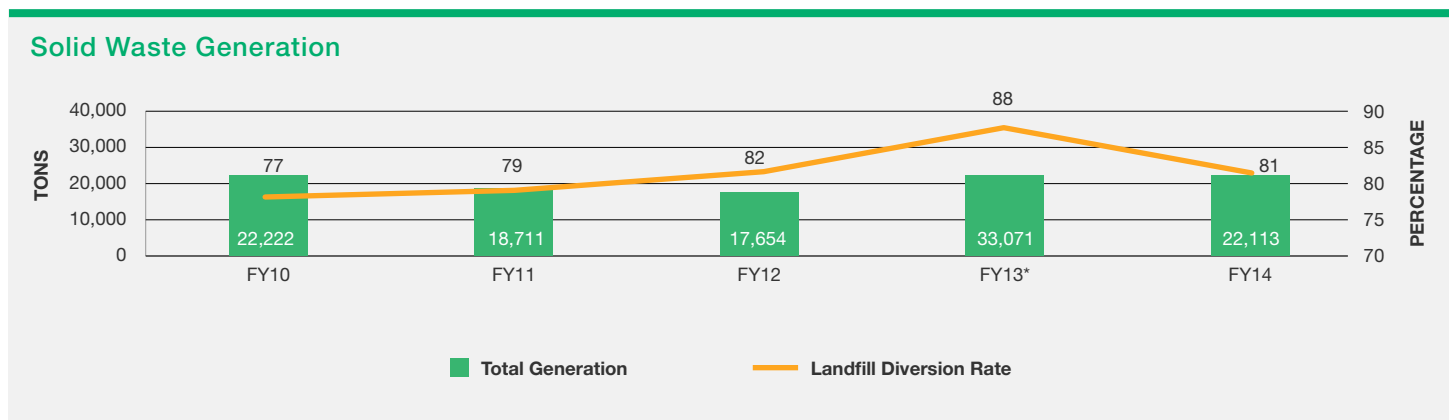
We may never be able to eliminate hazardous waste entirely from our production process, but we are steadfast in our efforts to try.

Solid Waste

We quantify waste management in terms of our landfill diversion rate, 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.

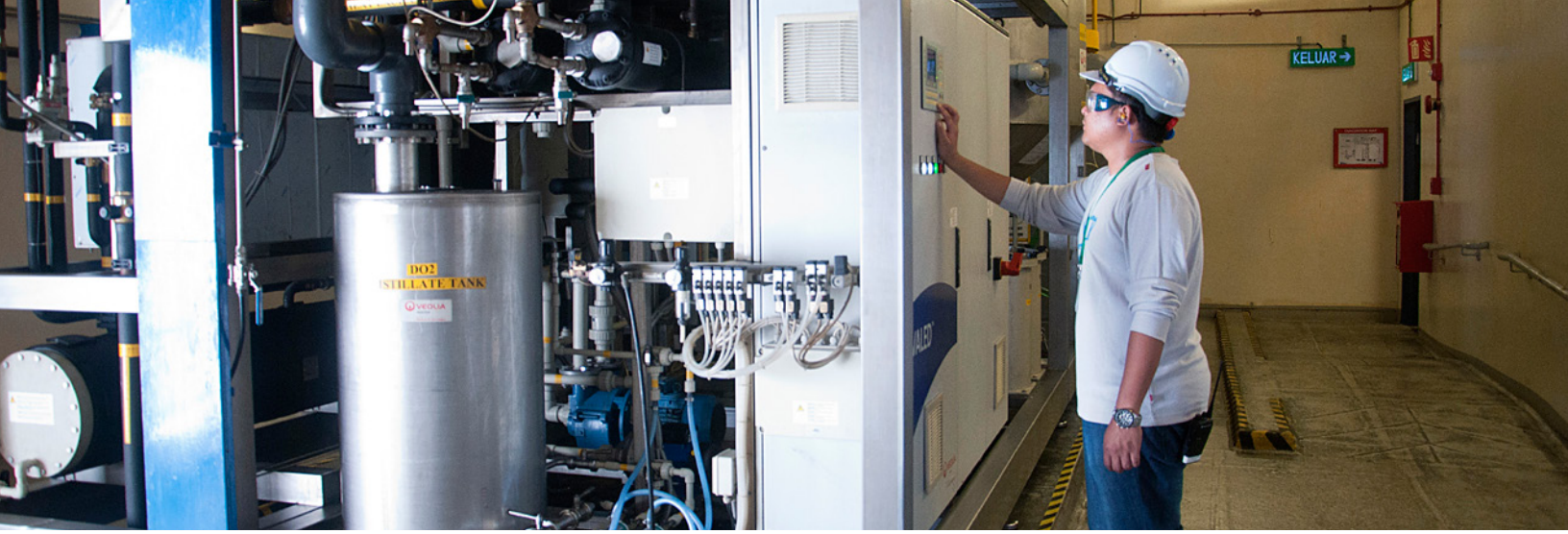
During FY2014, Seagate met its goal of keeping more than 80 percent of solid (nonhazardous) waste out of landfills, with a landfill diversion rate of 81 percent (17,912 tons).⁵

We also decreased the overall amount of solid waste to 22,113 tons in FY2014 from 33,071 tons in FY2013, a 33 percent decrease. This decrease in total waste production is primarily a result of a one-time event that occurred in FY2013.⁶



⁵ In FY2013, we changed the metric for "recycling rate" to "landfill diversion rate." This metric now includes energy recovery, which was not captured in the previous version of the metric.

⁶ In FY2013, we replaced a parking lot at our Normandale site, a one-time event that produced 9,529 tons of waste. About 99 percent of this waste was reused or recycled.

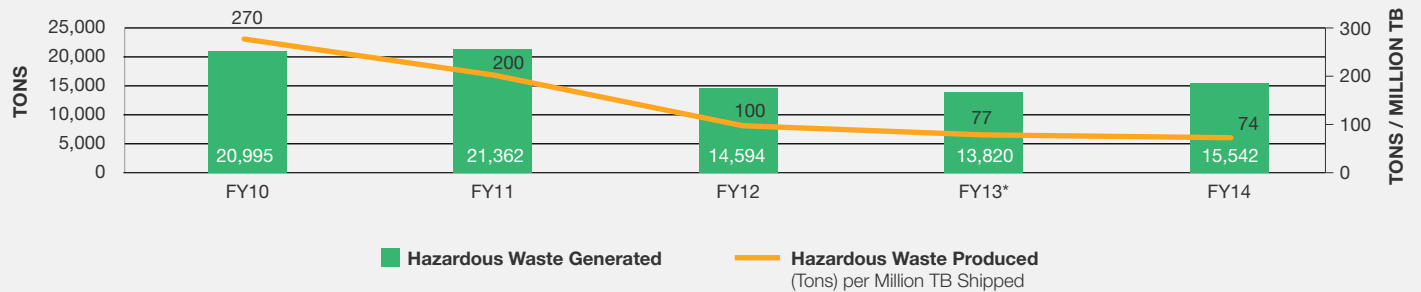


Hazardous Waste

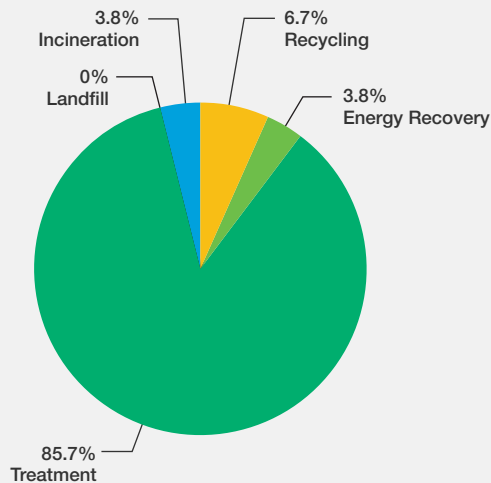
Seagate sent no hazardous waste to landfills in FY2014: 85 percent was disposed of through treatment, 7 percent was recycled, 4 percent went to energy recovery and 4 percent was incinerated. We also conducted or reviewed 24 Hazardous Waste Treatment, Storage and Disposal Facility (TSDF) audit reports in FY2014 to ensure our facilities continue to mitigate risks and meet regulatory standards.

Seagate experienced process challenges in FY2014, necessitating a change and disposal of some chemicals in use. This resulted in a 13 percent increase in hazardous waste generation; however, the company has since put into place measures to help ensure these challenges do not arise in the future. Despite this occurrence, our hazardous waste per storage capacity shipped improved slightly to 74.0 tons per million terabytes (TB) in FY2014 from 76.7 tons per million TB in FY2013.

Hazardous Waste Generation



Hazardous Waste Generation



LOOKING FORWARD

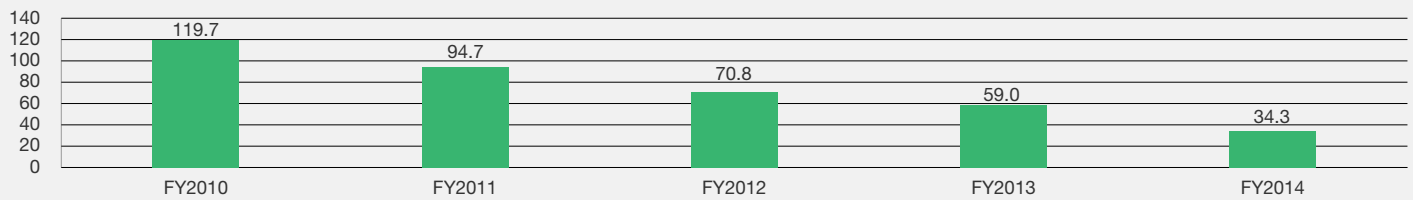
Our goal is to keep more than 80 percent of our solid waste out of landfills in FY2015 and beyond. Although waste generation correlates to production volume, we are committed to minimizing waste as best as we can.

Water Management

Water is a key natural resource and warrants proper management to preserve and protect the health of our ecosystem as a whole. Our manufacturing processes withdraw water from local watersheds for use as coolants and cleaning agents at factories. While the amount of water used in product manufacturing has increased somewhat over the past five years (owing to increased

production), we have implemented measures to improve water recycling and have achieved significant gains in the same period. We also continued to improve the intensity of our water use in manufacturing. In FY2014, our manufacturing water use per storage capacity shipped was 34.3 m³ per PB shipped, improving 41.8% from the prior year.

Manufacturing Water Use per Storage Capacity Shipped



Continuing to improve our overall water recycling and reduce consumption remains one of our biggest opportunities in the years ahead. In CY2012, Seagate established a five-year water use goal targeting an overall reduction 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 improves upon our past water use data, which was only available for product manufacturing. In future years, we will use this new CY2012 baseline for year-over-year comparisons.

In CY2013, we withdrew 11,536 megaliters of water (ML, equivalent to one million liters), a 9 percent increase from CY2012 when we withdrew 10,577 ML. Of this amount, we recycled 1,865 ML of water, or 16 percent of our total water withdrawals. While our overall water use increased, our water intensity, measured in terms of storage capacity shipped, improved slightly to 59.4 ML per exabyte (EB) shipped.

	Water Withdrawal (ML)	Recycled (ML)	Water Intensity (ML/EB)
CY2012	10,577	1,647	59.82 ⁷
CY2013	11,536	1,865	59.40

LOOKING FORWARD

While our overall water use increased in CY2013, we are still confident that we will achieve our five-year reduction target. We will continue to find new opportunities for reduction, including assessing and monitoring our data, as well as implementing a more formal policy and set of practices and approaches to water management.

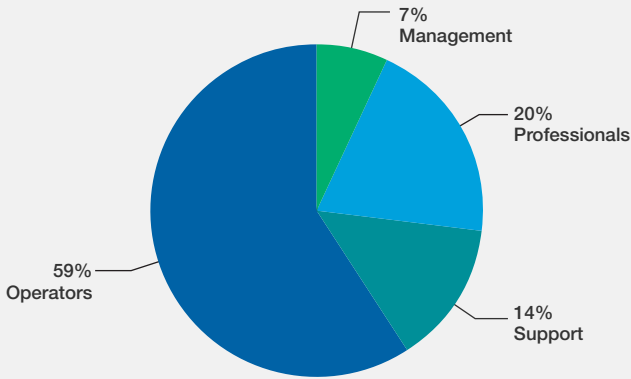
⁷Figure has been adjusted due to previous error in calculation.

Our Employees

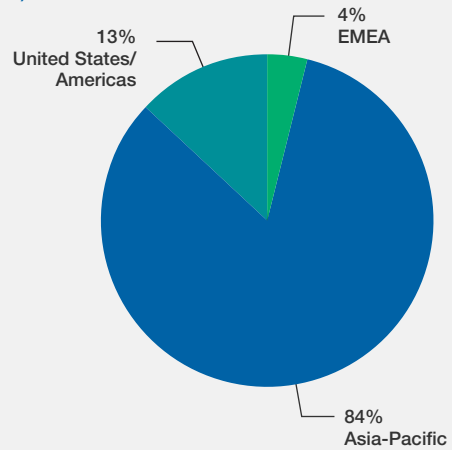


Seagate has a global workforce of more than 49,000 regular employees—nearly two-thirds of whom are operators in manufacturing sites. This employee profile creates unique opportunities to assure that all employees are protected from potential work-related hazards and are treated with respect and dignity. We are also committed to supporting employee wellness, offering opportunities for career development and increasing diversity in the workplace.

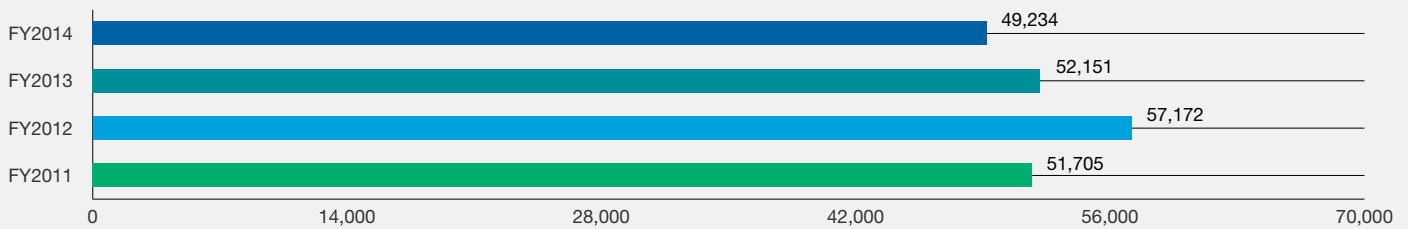
Total Workforce by Employment Type (FY2014)



Total Workforce by Region (FY2014)



Total Workforce (FY2011-FY2014)



Labor and Human Rights

To remain a successful and well-regarded company, Seagate must protect labor and human rights and ensure an environment of inclusion where employees feel valued, engaged and committed to sharing their knowledge and innovative ideas. Our global manufacturing model means that we need to take careful steps to prevent and address common labor issues worldwide, such as child and forced labor, excessive working hours and health and safety risks.

Seagate worked hard in FY2014 to continue to uphold and protect labor and human rights. We continued to partner with our drive and component sites (non-drive, non-assembly sites that produce components that go into our hard drives) and established an internal EICC cross-site labor audit program at these sites to validate conformity to the EICC Code and to help the sites prepare for external EICC audits.

Over the course of the year, we conducted internal cross-site labor audits at six of our main drive and component sites: Woodlands (Singapore), Terapuk (Thailand), Bloomington (Minnesota), Suzhou (China), Wuxi (China) and Korat (Thailand), and found zero labor nonconformance issues. We also expanded our internal auditing capabilities. In Thailand, we increased the number of internal auditors and provided additional training for them based on local and international standards. As a result of these and other related efforts, we received the Thai Labour Standard Certification (Completion Level-Initiative Phase) from the Ministry of Labour for the sixth year in a row. Elsewhere, our site in Wuxi received the “Best Credible and Trusted Model Company,” a title issued by the Jiangsu Human Resources and Labor Protection Bureau, in October 2013 to recognize Seagate Wuxi’s best practice efforts in complying with local labor laws.

Communicating our labor and human rights standards and expectations to employees across our organization is an ongoing priority. We continued to use traditional forms of communication to disseminate key information. For example, at our Korat site, our human resources team worked with a larger cross-functional site team in FY2014 to develop a set of communication tools that included e-learning courses, posters, banners, leaflets, exhibitions, games and quizzes to strengthen employee knowledge and awareness of EICC code requirements and practices.

We also took a leap forward in FY2014 by testing newer forms of employee communication. At our Woodlands site, we piloted a new EICC mobile application that employees downloaded onto mobile phones to gain instant access to information regarding EICC guidelines and policies about labor, ethics, health and safety, environment and management systems. This communication tool also enabled employees to submit concerns and grievances of actual or potential violations in real-time. The pilot ran from September to October 2013, and more than 3,300 employees downloaded and used the application in that time. We hope to expand this program and tool to more facilities in the months and years ahead.

LOOKING FORWARD

In order to uphold and protect labor and human rights, we will continue to administer our internal cross-site audit program and partner with our drive and component sites to ensure the readiness of sites scheduled for EICC audits in FY2015. We will identify opportunities for system improvements, such as the way in which our time-and-attendance system tracks and communicates the working hours and rest days of our operator employees and on-site contractors.

We also will begin preparing our sites to ensure alignment with the upcoming release of [Version 5.0](#) of the EICC Code of Conduct and VAP, which will go into effect in April 2015. Additionally, we will onboard and strengthen our partnership with Xyratex, a company acquired by Seagate during FY2014, with respect to labor and human rights standards and EICC conformance.



Employee Health, Safety and Wellness

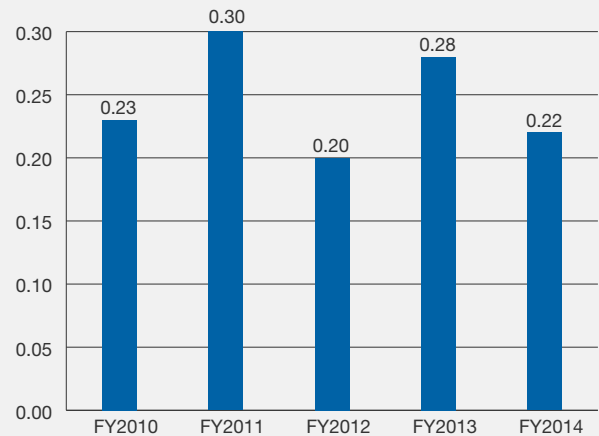
Seagate is committed to keeping employees safe, healthy and well—their talent and dedication drive our achievements as a company. To view Seagate’s Environment, Health and Safety Policy, see page 51.

We have spent more than a decade collecting health and safety performance indicators to inform strategies for reducing risks associated with work-related injury and illness. Today, our health and safety management systems support continuous improvement in risk reduction and mitigation. Seagate’s global health and safety standards and accompanying management system often go beyond country-level regulations and industry guidance, with well-defined responsibilities, requirements and training to ensure that health and safety is integrated into company operations. Furthermore, we try to make sure that all employees, from plant managers to operators, understand they are accountable for their actions on the job.

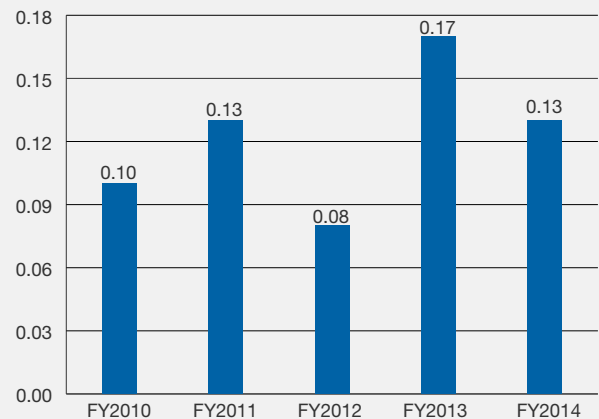
In FY2014, Seagate remained a safe place to work and continued to perform well under industry averages. Our recordable case rate for the year was 0.22, and our days-away case rate was 0.13, both improvements from FY2013. These are in comparison to the industry average for injuries and illnesses per 100 full-time employees, as determined by the Occupational Safety and Health Administration, which was 0.6 in 2012 for the Computer Storage Device Manufacturing Industry.

Furthermore, as part of our commitment to keeping our workplaces as safe as possible, we continued to provide comprehensive health and safety training to our employees. In FY2014, we completed 57,808 EHS e-learning courses, exceeding our annual goal by more than 17,000 course completions. Generally, we aim to conduct about 40,000 courses each year.

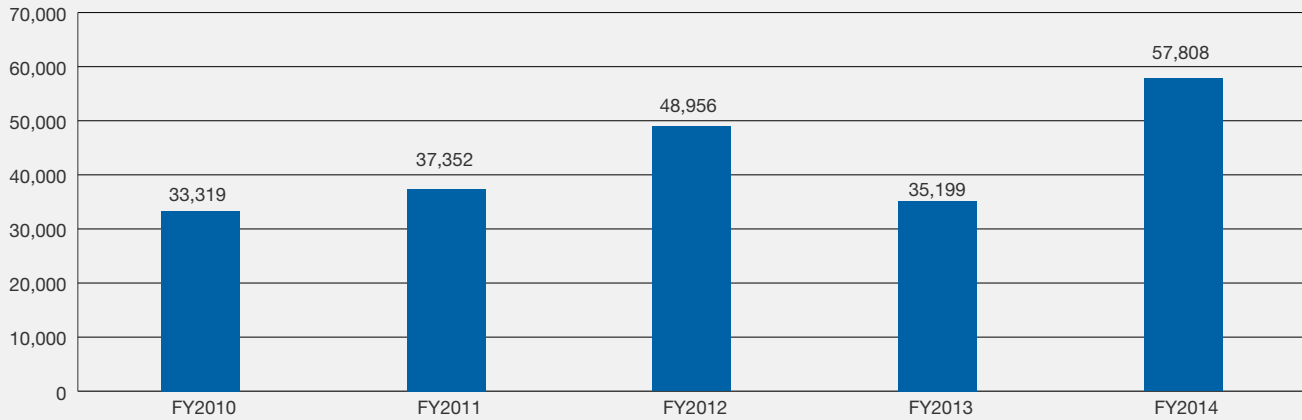
Recordable Case Rate
(per 100 Employees)



Days-Away Case Rate
(per 100 Employees)



EHS e-Learning Course Completions



Note: Figures from previous years have been adjusted due to an internal reporting system error. We have re-confirmed these figures with internal stakeholders to ensure accuracy.

We also hosted 65 health and safety regulatory visits in FY2014—visits that focused on issues such as safety, radiation, fire codes, food and transportation. While we did not receive any violation notices in FY2013, we received one in FY2014 for a cafeteria food safety violation in our Singapore operations. In conjunction with this violation, we paid a fine of US\$240. Globally, we serve more than 40,000 meals per day and have a formal food safety program at all our sites. We did not experience any significant chemical spills—defined as a financial liability and requiring an outside response—in FY2014.

Encouraging healthy lifestyle choices is a major challenge globally. Seagate is committed to providing the necessary resources to enable employees to make informed decisions about their health and wellness. As part of this promise, Seagate has focused on establishing wellness programs designed to encourage employees to evaluate, improve and maintain their health and wellness. For example, in the United States, our wellness programs include educational sessions on stress, work/life balance, financial wellness and how to sleep better. In Northern Ireland, educational sessions have focused on wellness coaching, smoking cessation and healthy nutrition. Finally, in Singapore, China, Thailand and Malaysia, we offer on-site health and wellness screenings, as well as quiet and private areas where employees can practice religious activities, meditate and improve their mental well-being.



We also have established Wellness Councils to involve employees across different regions in their health and wellness objectives. In Singapore, we partner with the Health Promotion Board to drive wellness programs. Throughout Asia, we share the aggregate results of health screenings with staff to spur discussions about healthier lifestyles. In addition, Seagate has introduced a quarterly *Healthy Journeys* newsletter in various countries. The newsletter features executive and employee interviews, healthy tips, recipes and reminders of upcoming wellness activities to encourage employees to pursue their own personal healthy journeys.

Our health and wellness efforts continue to receive external recognition. In FY2014, we were invited to showcase our wellness strategy and outcomes at the Silicon Valley Employers Forum in California and the Towers Watson Wellness Forum in the United Kingdom. We also presented to the Silicon Valley Employers International Forum's EMEA Regional Roundtable about our recent efforts in our Springtown, Northern Ireland, where we provided nutritional information in our employee canteen.

LOOKING FORWARD

The more a company emphasizes health, safety and wellness, the better off that company's constituents will be. With this in mind, we expect to continue extending and amplifying our EHS programs and have set FY2015 targets for recordable case rate and days-away case rate of 0.20 and 0.10, respectively. We also look forward to expanding our *Healthy Journeys* newsletter and web portal to more countries across our operations.



Employee Training, Development and Recognition

To ensure a world-class workforce, Seagate trains, educates and recognizes employees so that they are successful contributors to the business. Seagate's performance management and career development philosophies are designed to engage and excite employees about their careers and their contributions to the company's success.

Employee training in FY2014 covered a variety of topics ranging from situational leadership to business writing and leadership development. The goal of these training sessions was to improve job satisfaction (and therefore employee performance). In FY2013, we introduced the Seagate Way, a cultural-change initiative designed to enable our employees to be more agile, flexible and better prepared to adapt quickly to rapid changes that are reshaping our business and industry. In FY2014, we continued to train our employees on the Seagate Way, but shifted our training focus from senior leaders and directors to managers and supervisors. Over the course of the year, we delivered 45 workshops for managers and supervisors and achieved a participation rate of 90 percent.

In FY2014, Seagate conducted an organizational culture survey and received 15,699 responses. The results showed a significant improvement (25 percent) in our target focus areas. While we are pleased with the improvements to date, we remain committed to incorporating more collaboration, initiative and better decision-making into our culture.

We also recognize that succession planning is a key element to maintaining business success and continuity. That is why Seagate developed its Leadership Excellence through Accelerated Development (LEAD) program, a customized five-month program for directors who have the potential to lead at the next level. In FY2014, we completed three LEAD "waves," a series of training sessions that focused on mission-critical skills such as strategic and systems thinking, decision-making and influencing, leading change and innovation. More than 140 directors from Research & Development (R&D), Sales & Marketing, Operations, Legal, Finance and Information Technology participated in the program, with 91 percent of participants expressing satisfaction.

Seagate continued to roll out its quarterly "Seagate 101" training for new hires, which provides them with a corporate overview, business-specific courses, site-specific knowledge and networking opportunities. Satisfaction rates for these trainings exceeded 90 percent throughout FY2014. For our operators, we continued to invest in our in-house education programs that aim to improve technical and business knowledge for trainers and employees alike. These programs are designed to foster long-term career growth at Seagate.

LOOKING FORWARD

We will continue to offer training opportunities for our directors and managers in the Seagate Way initiative and will expand more training opportunities for individual contributors in FY2015. We will also continue to conduct employee surveys to learn how effective our Seagate Way trainings have been and how we can make improvements that drive toward the intended culture change.

Finally, we are striving to simplify our individual performance management and goal setting processes in FY2015 by focusing on "shared consciousness" and emphasizing more meaningful conversations that result in the creation of fewer, more powerful goals. Overall, our target for FY2015 is for 95 percent of our nonoperator employees to create performance goals and development plans, a target we have achieved for the last four years, including FY2014.

Workforce Talent and Diversity

Seagate constantly seeks to attract the best people with a wide variety of backgrounds, experiences, cultures, languages, skills and competencies. We also strive to drive diversity of thought, bringing in new perspectives and points of view that will help the company be flexible in a rapidly changing marketplace. To this end, our recruitment processes focus on finding talented and motivated individuals who fit with the company's culture.

In university recruiting, in FY2014, we expanded our targeted approach to hiring beyond R&D and engineering functions to include new functions across our global organization. In FY2014, we hired more than 680 graduates and interns. We also revamped how we branded and promoted our university recruiting efforts and expanded the use of social media to reach this key demographic. For those serving their internships in FY2014, we implemented a two-part survey to gather their feedback and enhance the Seagate internship experience. Finally, we developed a skills-gap analysis tool to help identify target universities and colleges for the FY2015 recruiting cycle.

In FY2014, we continued to offer a rotational program to high-potential recent college graduates, helping them integrate into the Seagate culture quicker and more effectively. This program continues to receive high satisfaction ratings from both participants and their managers. We also increased our efforts to employ military veterans in the United States. We participated in a number of recruiting events across the country in places such as Minnesota, Oklahoma, Colorado and California to increase our visibility. We also secured agreements with several military job boards and microsites to post and advertise Seagate job opportunities as they become available.

Seagate continues to hold itself accountable for hiring, retaining and promoting minorities in the United States. Each year, we provide detailed information about our performance in this area to our Board of Directors. Through our university recruiting efforts, we also partnered with key diversity-focused events throughout FY2014, participating in events in such places as Colorado, Ohio and Minnesota.

LOOKING FORWARD

We will continue our commitment to diversity and to recruiting and retaining the best and the brightest candidates possible, including carefully analyzing our diversity metrics and benchmarking with technology peers.

Our Supply Chain



For Seagate, business success depends on quick-to-market, high-volume product delivery—a reality that requires a robust and flexible supply chain. Protecting workers, preventing EHS hazards and including local communities in the benefits of our business puts us in a commanding position to experience growth and success. We achieve these goals by promoting supplier education, embracing supplier management, overseeing a transparent supply chain and ensuring supplier diversity.

Our Supply Chain

Seagate has two types of suppliers: direct suppliers, which provide components and parts for products, and indirect suppliers, who provide products and services to support operations. We have adopted the EICC Code of Conduct as our supplier code of conduct and require our suppliers to follow our SOP, which details specific steps for supplier engagement, including signing the Code of Conduct, training and completing the EICC Self-Assessment Questionnaire and the Validated Audit Process (VAP).

Healthy and proactive supplier engagement is an important, ongoing objective. We meet regularly with suppliers to communicate our expectations and evaluate their engagement. We also establish long-term, stable relationships with our top suppliers to align goals and standards. In recent years, we have begun to require certain service providers (e.g., foreign labor agents, janitorial services, canteen providers, etc.) that bring workers onto our sites to follow our SOP.

FY2014 HIGHLIGHTS

We continued to make progress in implementing our revised SOP, completing 65 VAP audits in FY2014. Of this bunch, 54 audits were with direct suppliers and 11 audits were with indirect suppliers.⁸ Indirect suppliers included janitorial, food and security services, among others. We also conducted 50 “closure” audits in FY2014; these are separate audits that help validate that corrective actions have been implemented effectively once an actual or potential violation has been identified during the initial VAP.

In FY2014, the majority of our VAP and closure audits were conducted in China, Thailand and Malaysia. One direct supplier in Malaysia made notable progress in FY2014, identifying 18 instances of nonconformance

TOP FIVE SUPPLIER AUDIT FINDINGS

From our VAP audits in FY2014, the following were the top risks and instances of nonconformance among suppliers:

1. Working hours
2. Emergency preparedness
3. Freely chosen employment
4. Hazardous substances
5. Occupational injury and illness

during its initial VAP in January 2014 and remediating nearly all of them within three months. We also continued to assess our direct material suppliers in China against the Institute of Public & Environmental Affairs’ (IPE) water and air pollution database. We found two suppliers in FY2013 linked to past incidents, and we helped them resolve these issues. Since then, we have confirmed that no new direct material suppliers in China have past incidences or violations.

From our audits, we identified that working hours continued to be a significant challenge in FY2014. To address this issue, we enhanced our data-tracking capabilities to monitor and assess how we can help suppliers reduce nonconformance on this point. We also redoubled our efforts to escalate this issue with senior management teams across our supply chain so they can make well-informed decisions about future investments in their workforces and infrastructures.

We also hosted two conferences to bring suppliers together to learn about our EICC-based policies, standards and expectations. The first conference focused

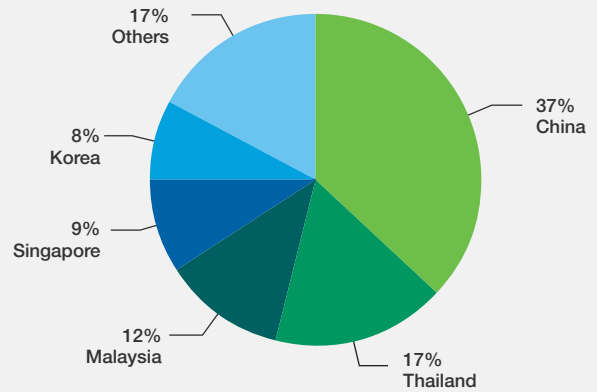
⁸We revised our SOP in FY2013.

on engaging with senior executives from our most strategic suppliers, and the second conference invited all Seagate suppliers. A key theme for both conferences was EICC conformance. Attendees received specific training on conformance requirements and heard from other participants about best practices. More than 160 suppliers attended our conferences in FY2014.

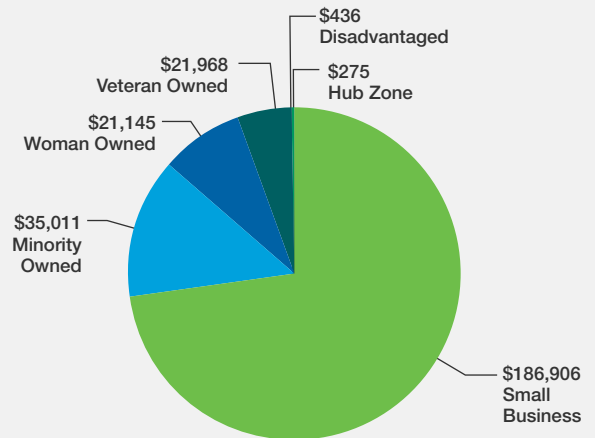
Seagate continued to play a key leadership role in the EICC in FY2014, with a member of our senior leadership team serving on **EICC's Senior Executive Advisory Council** to help guide the EICC's overall strategic direction. We also co-led the EICC Risk Assessment workgroup and actively participated in the EICC Conflict Minerals workgroup.

In terms of supplier diversity, we spent a total of approximately US\$256.7 million in FY2014 on 1,161 diverse suppliers. This represented an increase of 20 percent from FY2013, and the new suppliers included small businesses; minority-, women- and veteran-owned businesses; and businesses in historically disadvantaged areas.

FY2014 VAP Audits (by Location)



FY2014 Diversity Spend (in Thousands)



LOOKING FORWARD

We will continue to partner with suppliers to ensure that all instances of EICC nonconformance have corrective actions in place and that we see them through to completion. We recognize that some issues such as working hours are more common across a larger number of our suppliers. For these issues, we will seek collaborative approaches to identify shared solutions. We also will utilize and report key metrics on our VAP audit findings to senior management on a quarterly basis.

Additionally, we are looking at organizing more training sessions on forced labor for our Malaysian suppliers, as well

as participating in a cross-industry initiative on combating forced labor issues in the supply chain.

Finally, Seagate will continue to participate in an EICC task force on trafficked and forced labor. This group was organized in 2014 to analyze information from EICC members and their supply chains to better understand the true extent of the forced labor issue. Ultimately, the task force will likely advocate for better and broader training of key, on-the-ground actors, a review of labor agencies to help members make more informed choices about working with labor brokers and more.

HUMAN TRAFFICKING IN MALAYSIA

According to the International Labour Organization, approximately 21 million people worldwide are forced to work—essentially a form of modern slavery. Trafficked and forced labor remains a challenge for the electronics industry, particularly in Asia.

The problem is particularly egregious in Malaysia, where workers are employed in forced situations because their passports have been taken away or because they are straining to pay back illegally high recruitment fees.

Results of a two-year study commissioned by the U.S. Department of Labor, released in 2014, indicated that nearly one in three Malaysia electronics workers toil in forced conditions, and that these practices are prevalent among the migrants from Bangladesh, India, Myanmar, Nepal and Vietnam. Many of the businesses in question produce consumer electronics, motherboards, computer peripherals and other electronic goods for many well-known electronics companies.

On a broad scale, the EICC supported the findings and revised a provision on the issue in Version 5.0 of the EICC Code of Conduct, set to go into effect in 2015.

On a smaller scale, individual companies enhanced internal policies and practices. Seagate was one of those companies.

First, in April 2014—before the report was released—Seagate conducted a joint training program with Intel, Hewlett-Packard and Western Digital about human trafficking. Among the four companies, the group comprised about 150 participants, all direct suppliers and their labor agents. Training was held over three days throughout Malaysia: three one-day sessions in Kuala Lumpur, Penang and Johor. Seagate hosted the training in Johor.

Seagate also decided to continue not charging foreign workers the cost of the government levy (instituted in 2013) for working in Malaysia.



Community Engagement



Strong communities are good for society, good for employees and good for business. For this reason, we invest in our communities through a variety of community engagement programs, including contributions, outreach and employee volunteerism.

Community Engagement

Seagate believes in engagement efforts designed to meet the needs of its stakeholders directly.

Through our Capacity 2 Care (C2C) program, we emphasize partnerships and programs that have a direct benefit on our local communities. The C2C program has a primary emphasis on STEM education, including digital applications. The program also supports efforts to reduce our environmental impact, increase health and wellness and assist those most in need in our communities.

Seagate also responds to humanitarian crises that affect its stakeholders, and also may engage in selected corporate-driven programs. In addition, the company supports select institutions of higher learning to advance technologies that are relevant to our core business.

FY2014 HIGHLIGHTS

With a host of contributions, volunteerism and other endeavors, Seagate supports its communities in a number of ways. In FY2014, we extended our focus on STEM education and supported community engagements efforts to nurture tomorrow's technology innovators. Here are key highlights from across our organization:

United States and Northern Ireland

Colorado: Each February, a team of female employees at Seagate conducts a series of workshops at the Expanding Your Horizons Conference at the University of Colorado in Boulder. This conference is designed to inspire middle-school girls to pursue a career in a STEM field. At the 2014 event, the Seagate team presented the basics of storage technology and offered insights into the role of an engineer and what courses to take in high school to prepare for a career in engineering.





Also in Colorado, Seagate hosted the Boulder Chapter MATHCOUNTS competition. Nearly 150 students from middle schools throughout Boulder County participated in this competition and competed against the clock and each other to solve challenging mathematical problems. Finalists at this event went on to compete in a statewide competition. As in past years, a number of Seagate employees served as exam proctors and graders at this event. Additionally, Seagate engineers judged student projects at the Longs Peak Science and Engineering Fair at the University of Northern Colorado in Greeley and the

Colorado State Science and Engineering Fair at Colorado State University in Fort Collins.

California: Seagate is one of the major supporters of the Santa Cruz County Science and Engineering Fair. As this event, more than 400 students showcased their research projects. Forty of the top junior and senior division projects advanced to the California State Science Fair in April.

Massachusetts: Seagate's Shrewsbury team has a long history of supporting regional and state-wide science fairs in Massachusetts, including the Massachusetts State Science and Engineering Fair held at the Massachusetts Institute of Technology in Cambridge. Corporate sponsors, including Seagate, also helped 22 prize-winning students from the state fair attend the 2014 Intel International Science and Engineering Fair in Los Angeles. Additionally, Seagate volunteers helped judge more than 100 projects at the Massachusetts State Middle School Science Fair at Worcester Technical High School. Seagate volunteers also participated in the annual Women in Science Conference for the seventh year in a row.

Minnesota: Seagate sponsored the Minnesota State Science and Engineering Fair, which features science projects from nearly 500 middle and high school students.



A record-setting 98 Seagate employees volunteered to judge science projects or assist with this year's fair. During the fair, Seagate provided two students with the Seagate Rising Star Award for outstanding science projects. In addition, two Minnesota science teachers received a Seagate Science Mentor Award, which is given to educators who mentor students in regional science fairs across Minnesota. Award winners received US\$1,000, and their respective schools also received US\$1,000.

Northern Ireland: Seagate employees volunteered at the SciFest and Big Bang North West event at St. Mary's College, where 200 students presented more than 70 scientific projects from various disciplines, including physics, chemistry, biology and natural science. Seagate provided funding for the event, and seven Seagate employees served on the judging panel. Seagate also hosted the Seagate Real World Science Conference, and organized a team of employee volunteers to get students engaged in STEM subjects. The event attracted more than 200 students from local schools. The hands-on, interactive workshop encouraged students to step out of the classroom to discover how STEM learning is used in so many real-world jobs.

Asia Region

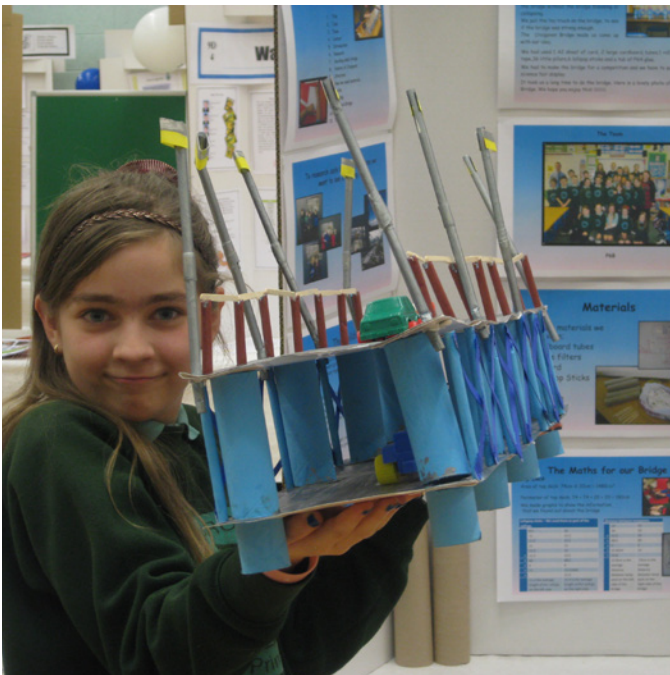
Malaysia: Seagate employees from our Johor site volunteered to increase digital literacy through workshops for a local school in Johor. These workshops were designed to teach students presentation skills and introduce them to online collaboration using Google Docs and Prezi. The workshop enabled students to practice knowledge application and research skills by working on a specified theme, "Career of My Choice." Volunteers played an important role by giving students feedback and encouraging them to be more confident during presentations.

Singapore: Seagate sponsored a workshop for students from the Kuo Chuan Secondary School where they learned about stop-motion animation, a film technique in which an object is moved in small increments and photographed one frame at a time, used in such popular films as *The Nightmare Before Christmas* and *Fantastic Mr. Fox*. The Seagate workshop was a great opportunity for students to explore the fields of multimedia and animation, and to understand how technology plays a role in some of today's most innovative animated films.

Additional Engagement

We continued to demonstrate efforts in other key areas of our C2C program.

In Colorado, we donated a combined total of US\$75,000 to six nonprofit organizations providing flood relief along the Front Range, an area in Colorado where massive flooding occurred in September 2013 and caused widespread damage. Seagate employees from the nearby Longmont site donated three truckloads of clothing, as well as household and baby items to Longmont-area families impacted by the floods.



In Northern Ireland, a team of 30 volunteers from Seagate's Springtown facility planted 900 native saplings, funded by Seagate, at a 35-acre site a short distance from the factory. The urban improvement project, called "LegenDerry Natives," was developed by The Community Foundation for Northern Ireland as a way of creating a permanent legacy of Derry-Londonderry's year as U.K. City of Culture 2013.

In Minnesota, 23 employees from our Bloomington and Shakopee sites participated in a two-day dragon-boat racing event to bring the local community together in celebration of its diverse Asian Pacific cultures. Dragon-boat racing is a big part of the annual Twin Cities Dragon Festival held in July, and Seagate has been a part of this annual event since 2006. Team Seagate's dragon boat was cosponsored by Seagate and the Chinese American Information Storage Society of Minnesota, a Seagate employee-founded group to promote social networking in the technology field.

In Korea, employees from the Seagate Korea Design Center visited Bethany Hill, a facility for the disabled, to offer a helping hand with farm work. Seagate volunteers worked the facility's small farm, planted sweet potato stems, removed weeds and set up support beams for various crops. Volunteers also cleaned the residential area of the facility and prepared US\$1,000 worth of donations of daily necessities, such as laundry detergent, shampoo, toothpaste and rice.

LOOKING FORWARD

We will continue to extend and amplify our community engagement efforts in all communities we serve. As we do this, we also see an opportunity to broaden our focus on technology and STEM education—including an increased emphasis on digital tools and skills in alignment with our business as a storage solution provider. We believe that STEM education and advancing the role of technology in our society are foundational to our business and industry and in developing a globally competitive workforce for the modern age.

CASE STUDY:

WATER IS THE SOURCE OF LIFE

While the world's total water supply is enormous, only a tiny fraction of it is available and usable by the human population. This is painfully obvious in Korat, Thailand, where the Seagate plant is near thousands of households without access to a systemized water supply.

With this in mind, our Korat team reached out to these families to improve water availability. For the third consecutive year, 30 Korat employees worked with the local artillery battalion unit of the Thai Army and villagers to build check dams to preserve water at its source. When the dams were done, an additional 200 Seagate volunteers joined to plant more than 5,000 trees in the preserved forest of the Watpha-phupa-soong area.

"I always participate in our company's CSR activities whenever I can," said Suthep Kunin, senior engineering specialist in the Drive Operations department. "One of the most impressive moments during my 20 years with the Seagate family is to see Seagate people coming together to do good things for local communities."

More than 2,000 households across four villages in the Baan-Dong-Ma-Fai District will benefit from this project as it will help them in their sustainable agriculture and daily lives.

Summary of Performance

We provide a summary of our performance history and a selection of our most recent FY2014 results. For our latest business and financial news and results, visit our company website at www.seagate.com.

	PERFORMANCE INDICATOR	FY2012	FY2013	FY2014
Energy Use and Carbon Emissions	Energy Consumption (Million MWh)	1.610	1.614	1.630
	Energy Consumption per Storage Capacity Shipped (MWh/PB)	11.28	9.19	8.10
	Scope 1 and 2 GHG Emissions (Million Metric Tons CO ₂ e) ^{1,2}	1.333	1.335	1.293
	Scope 1 and 2 GHG Emissions per Storage Capacity Shipped (Metric Tons CO ₂ e/PB) ^{1,2}	10.64	7.37	6.50
	Scope 3 GHG Emissions (Million Metric Tons CO ₂ e) ¹	0.00263	2.4264	5.2995
Pollution Prevention	Hazardous Waste Generated (Tons)	14,594	13,820	15,542
	Solid Waste Landfill Diversion (% Rate Recycled)	82%	88%	81%
Health and Safety	Injury and Illness Recordable Case Rate (Cases per 100 Employees)	0.20	0.28	0.22
	Injury and Illness Days-Away Case Rate (Cases per 100 Employees)	0.08	0.17	0.13
Ethics	Ethical Conduct and Conflict of Interest Policy Certification (%)	99%	100%	98%

Notes to Data

¹ Total annual carbon emissions and carbon emissions per storage capacity shipped are measured and reported based on the calendar year. The values provided in this table are for calendar years 2011, 2012 and 2013.

² Per Greenhouse Gas Protocol (www.ghgprotocol.org) guidance released in February 2013, Seagate has updated the global warming potentials (GWPs) used for calculating our emissions. In the past, we used the 100-year GWPs from the IPCC's Second Assessment Report; we now use the 100-year GWPs from the Fourth Assessment Report. To maintain consistency throughout our goal period, we recalculated all historical inventories using the GWPs from the Fourth Assessment Report and disclose these emissions in this report.

³ Includes scope 3 emissions from business travel and hire employee commute only.

⁴ Starting CY2012, scope 3 emissions include four additional emissions categories: emissions from fuel and energy related activities (not included in scope 1 or 2); emissions from waste generated in operations; emissions from use of products sold; and emissions from end-of-life treatment of sold products.

⁵ Starting CY2013, scope 3 emissions include four additional emissions categories: purchased goods and services; capital goods; upstream transportation and distribution; and downstream transportation and distribution. Scope 3 emission categories are defined in the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, published by the Greenhouse Gas Protocol.

Report Content Index

UNITED NATIONS GLOBAL COMPACT CONTENT INDEX

Seagate has been an active participant in the United Nations Global Company (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 anticorruption. 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.

	UNGC'S 10 PRINCIPLES	LOCATION
Human Rights	Business should:	
Principle 1	Support and respect the protection of internationally proclaimed human rights	Page 15 Page 28-29 Pages 35-38
Principle 2	Make sure that they are not complicit in human rights abuses	
Labor	Business should uphold:	
Principle 3	The freedom of association and the effective recognition of the right to collective bargaining	Page 15 Pages 27-34 Pages 35-38
Principle 4	The elimination of all forms of forced and compulsory labor	
Principle 5	The effective abolition of child labor	
Principle 6	The elimination of discrimination in respect of employment and occupation	
Environment	Business should:	
Principle 7	Support a precautionary approach to environmental challenges	Pages 12-16 Pages 17-26
Principle 8	Undertake initiatives to promote greater environmental responsibility	
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	Pages 10-11

GRI CONTENT INDEX

To promote a standardized approach to reporting, we aligned the *FY2014 Global Citizenship Annual Report* with the *GRI G4 Sustainability Reporting Guidelines*. This report contains Standard Disclosures from the *GRI G4 Sustainability Reporting Guidelines*.

For more information about the GRI and G4 Guidelines, visit www.globalreporting.org.

STANDARD DISCLOSURES		LOCATION / NOTES
Strategy and Analysis		
G4-1	CEO statement	Page 3
Organizational Profile		
G4-3	Company name	Page 4
G4-4	Company brand, products and services	Page 6
G4-5	Location of headquarters	Page 6
G4-6	Main countries of operation	Page 6
G4-7	Nature of ownership and legal form	Page 4
G4-8	Markets served (e.g., sectors, customers)	Page 6
G4-9	Scale of company (e.g., employees, sales)	Page 6
G4-10	Employee profile	Page 28
G4-11	Collective bargaining agreements	See Seagate's Human Rights Policy .
G4-12	Description of company's supply chain	Pages 35-38
G4-13	Significant changes during reporting period	Page 4
G4-14	Precautionary approach	Pages 18-19
G4-15	External charters and initiatives	Pages 15, 18, 20, 21, 28, 29, 24, 36-38, 46
G4-16	Membership of associations	EICC; UNGC; Business for Social Responsibility.
Identified Material Aspects and Boundaries		
G4-17	Entities included in financial statements	See Annual Report (10-K) .
G4-18	Process for defining report content	Page 4
G4-19	Material issues or aspects identified	Page 4
G4-20	Report boundaries inside company	Page 4
G4-21	Report boundaries outside company	Page 4
G4-22	Re-statements of information	Page 4
G4-23	Significant changes in scope or boundaries	Page 4

Stakeholder Engagement		
G4-24	Stakeholders engaged	See Stakeholder Engagement section on Seagate's Global Citizenship website.
G4-25	Basis for identification of stakeholders	See Stakeholder Engagement section on Seagate's Global Citizenship website.
G4-26	Approach to stakeholder engagement	See Stakeholder Engagement section on Seagate's Global Citizenship website.
G4-27	Issues raised in stakeholder engagement	See Stakeholder Engagement section on Seagate's Global Citizenship website.
Report Profile		
G4-28	Reporting period	Page 4
G4-29	Date of previous report	<i>FY13 Global Citizenship Annual Report</i>
G4-30	Reporting cycle	Page 4
G4-31	Reporting contact point	Page 4
G4-32	In-accordance option chosen	This report contains Standard Disclosures from the GRI <i>G4 Sustainability Reporting Guidelines</i> .
G4-33	External assurance	We currently do not provide external assurance for this report.
Governance		
G4-34	Governance structure	See Corporate Governance section on Seagate's corporate website.
Ethics and Integrity		
G4-56	Values, principles and codes	Pages 10-11
Economics		
DMA	Disclosures on management approach	See Annual Report (10-K) .
G4-EC1	Direct economic value	See Annual Report (10-K) .
G4-EC2	Financial implications of climate change	Pages 18-28
G4-EC3	Coverage of defined benefit plan obligations	See Annual Report (10-K) .
G4-EC4	Financial assistance from government	See Annual Report (10-K) .
G4-EC7	Infrastructure investments and services	Pages 39-43
G4-EC8	Indirect economic impacts	Pages 39-43
G4-EC9	Local supplier spending	Page 37
Environmental		
DMA	Disclosures on management approach	See Environmental section on Seagate's Global Citizenship website.
G4-EN1	Materials used by weight or volume	Pages 13-14

G4-EN2	Recycled materials use	Page 16
G4-EN3	Energy consumption within company	Page 19
G4-EN4	Energy consumption outside company	Pages 13-14
G4-EN5	Energy intensity	Page 19
G4-EN6	Reduction of energy consumption	Page 19
G4-EN7	Reduction of product / service energy use	Pages 13-14
G4-EN8	Water withdrawal	Pages 26
G4-EN9	Water sources affected by withdrawal	Pages 26
G4-EN10	Water recycling and reuse	Pages 26
G4-EN15	Direct greenhouse gas emissions (scope 1)	Pages 20-23
G4-EN16	Indirect greenhouse gas emissions (scope 2)	Pages 20-23
G4-EN17	Indirect greenhouse gas emissions (scope 3)	Pages 20-23
G4-EN18	Greenhouse gas emissions intensity	Pages 20-23
G4-EN19	Reduction of greenhouse gas emissions	Pages 20-23
G4-EN22	Total water discharge	Pages 26
G4-EN23	Total waste	Pages 24-25
G4-EN24	Significant spills	Pages 24-25, 31
G4-EN25	Hazardous waste	Pages 24-25
G4-EN27	Mitigation of product impacts	Pages 12-16
G4-EN28	Reclaimed products	Page 16
G4-EN32	Supplier environmental screening	Pages 36-37
G4-EN33	Supply chain environmental impacts	Pages 36-37
G4-EN34	Environmental grievance mechanisms	Page 28-29. Also see Environmental section on Seagate's Global Citizenship website.
Social: Labor Practices and Decent Work		
DMA	Disclosures on management approach	See Employees section on Seagate's Global Citizenship website.
G4-LA1	Employee hires and turnover	Page 28
G4-LA2	Employee benefits	Page 33
G4-LA6	Injuries and work-related fatalities	Pages 30-32
G4-LA7	High-risk workers	Pages 35-38
G4-LA9	Employee training	Page 33
G4-LA10	Employee skills and learning	Page 33

G4-LA11	Employee performance reviews	Page 33
G4-LA12	Diversity of governance bodies and employees	Page 34
G4-LA13	Equal pay	See Seagate's Human Rights Policy .
G4-LA14	Supplier labor screening	Pages 35-38
G4-LA15	Labor impacts in supply chain	Pages 35-38
G4-LA16	Labor grievance mechanisms	Pages 10-11, 32
Social: Human Rights		
DMA	Disclosures on management approach	Page 28-29
G4-HR1	Human rights screening of investments	Page 28-29
G4-HR2	Human rights training	Page 28-29
G4-HR3	Discrimination	See Seagate's Human Rights Policy .
G4-HR4	Free association and collective bargaining	See Seagate's Human Rights Policy .
G4-HR5	Child labor	See Seagate's Human Rights Policy .
G4-HR6	Forced labor	See Seagate's Human Rights Policy .
G4-HR10	Supplier human rights screening	Pages 35-38
G4-HR11	Human rights impacts in supply chain	Pages 35-38
G4-HR12	Human rights grievance mechanisms	Pages 28-29
Social: Society		
DMA	Disclosures on management approach	See Employees section on Seagate's Global Citizenship website.
G4-SO1	Local community engagement	Pages 39-43
G4-SO2	Impacts on local communities	Pages 39-43
G4-SO3	Anticorruption risk	Pages 10-11
G4-SO4	Anticorruption training and communication	Pages 10-11
G4-SO9	Supplier social impact screening	Pages 35-38
G4-SO10	Social impacts in supply chain	Pages 35-38
G4-SO11	Social impact grievance mechanisms	Pages 28-29
Social: Product Responsibility		
DMA	Disclosures on management approach	See Product Stewardship section on Seagate's Global Citizenship website.
G4-PR1	Health and safety impacts of products	Page 15. Also see Seagate's Environment, Health and Safety Policy .

Environment, Health and Safety Policy

Seagate is a worldwide leader in storage solutions and is committed to providing a safe place to work, protecting the environment, conserving natural resources and being an environmentally responsible neighbor in communities where we operate.

All Seagate employees and contractors are required to work safely and ensure that environment, health and safety (EHS) requirements are integrated into their daily work activities, projects and programs.

As a company, Seagate is committed to:

- Implementing and continually improving comprehensive management systems that ensure compliance with local laws, regulations and other internal and external requirements to which we subscribe.
- Delivering measurable EHS performance improvements and sustained operational resilience associated with potentially disruptive events.
- Protecting the safety and health of all those associated with our operations by identifying and eliminating the causes of incidents, injuries and illnesses.
- Promoting a healthy lifestyle and encouraging employees to proactively manage their personal health.
- Supporting sustainable economic growth and minimizing impact to the environment by preventing pollution through continuous process improvements and responsible operating practices.
- Developing safe and eco-efficient products and manufacturing processes by integrating EHS considerations into all aspects of research, design and development.
- Partnering with suppliers, customers and stakeholders to publicly share best practices and EHS performance criteria.
- Supporting the global communities in which we operate through sponsorship of environmental, educational, social, health-related and other worthy causes.

Stephen J. Luczo
Chairman and CEO
December, 2014

Acronyms Used in this Report

CDP:	Carbon Disclosure Project	ICT:	Information and communications technology
CO2:	Carbon dioxide	LCA:	Life cycle assessment
CO2e:	Equivalent carbon dioxide	ML:	Megaliter
CSR:	Corporate social responsibility	MWh:	Megawatt hour
CY:	Calendar year	NGO:	Nongovernmental organization
C2C:	Capacity 2 Care	OEM:	Original equipment manufacturer
EICC:	Electronic Industry Citizenship Coalition	PB:	Petabyte
EHS:	Environment, health and safety	STEM:	Science, technology, engineering and math
EMEA:	Europe, Middle East and Africa	UNGC:	United Nations Global Compact
FY:	Fiscal year	US\$:	United States dollars
GHG:	Greenhouse gas	VAP:	Validated Audit Process
GRI:	Global Reporting Initiative	3TG:	Tungsten, tin, tantalum and gold



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