Seagate Technology spans many countries and cultures, yet at its core it’s one community based on shared values that guide our conduct and define our operations. Seagate is a large multinational organization -- but we strive to “be a small company” in how we collaborate with each other, engage with our local communities, respect the environment, and ultimately, execute on our business objectives and enable customer success.

Fiscal Year 2006* was an exciting one for Seagate. We acquired a major global market competitor, Maxtor, and began the process of integrating their operations into our own. We introduced 10 new products, becoming the only company to offer a complete portfolio of products based on next-generation perpendicular recording technology. We continued to set records in technology, production volume and financial performance, and we maintained share leadership in key markets.

In this fast-paced landscape, our business was underpinned by our people, our values, and our culture, including our ongoing commitment to being a responsible global citizen. This annual report highlights Fiscal Year 2006 global citizenship activities and progress. I welcome and encourage you to browse these pages to learn more about what being a good global citizen means at Seagate -- whether it’s employees in Malaysia recycling materials to pay for prostheses for disabled persons in need... or Seagate’s strong employee health and safety record... or our ongoing support of the objectives of the UN Global Compact, to which we are a signatory. And much, much more.

At Seagate, we understand that certain responsibilities come with industry leadership. I invite you to learn more about our efforts and accomplishments in this area.

Bill Watkins

*(July 1, 2005 – June 30, 2006)
Seagate’s Global Citizenship (GC) program is an outgrowth of our company values. As Seagate creates long-term shareholder value through a sustainable, responsible business model, we strive to make a positive contribution in all our communities, provide an open and respectful workplace, and engage our employees with opportunities to grow.

Over the past fiscal year, Seagate’s GC activities included:

- Remaining active in the United Nations Global Compact, and hosting the UNGC’s United States Network local conference. [Read More](http://ehs.seagate.com/gc_annual_report/highlights.htm)
- Globalizing its Human Resource policies and processes to better serve employees and ensure compliance. [Read More](http://ehs.seagate.com/gc_annual_report/highlights.htm)
- Establishing an innovative philanthropic program, the Executive Partnership Program which provides selected charitable organizations with professional, financial and leadership support; and continuing its ongoing community relations program with a strong emphasis on “Hands-on Science” and technology education, especially among younger schoolchildren and economically disadvantaged populations. [Read More](http://ehs.seagate.com/gc_annual_report/highlights.htm)
- Accelerating its focus on energy conservation. Seagate established its baseline methodology to set company-wide targets and measures in FY2007; conducted numerous local projects that lowered the company’s use of energy/electricity; became more energy efficient in manufacturing, building more products using less energy per unit than in the past; and identified consumption of electricity as the primary area in which Seagate can contribute to the reduction of greenhouse gases globally going forward. [Read More](http://ehs.seagate.com/gc_annual_report/highlights.htm)
- Continuing to include GC language and requirements when contracts came up for...
Highlights of Fiscal Year 2006

- Participating in the Electronic Industry Code of Conduct Implementation Group, including working on a common GC audit process for the electronics industry as well as tools to help companies implement and roll out the Code. [Read More]

- Improving its good record in recycling and solid waste management. [Read More]

- Improving on its already strong record in occupational safety. [Read More]

- Responding to requests for information and engaging with key customers regarding Seagate’s GC practices in FY2006. [Read More]

Click any link on this page to browse the many programs, projects and accomplishments that underpin Seagate’s Global Citizenship program.
Seagate is a worldwide leader in the design, manufacturing and marketing of hard disc drives, providing products for a wide-range of Enterprise, Desktop, Mobile Computing, and Consumer Electronics applications. Seagate's business model leverages technology leadership and world-class manufacturing to deliver industry-leading innovation and quality to its global customers, and to be the low-cost producer in all markets in which it participates. The company is committed to providing award-winning products, customer support and reliability to meet the world's growing demand for information storage.

Please refer to the About Seagate Technology web page for a wide range of company information, including history, management team, and more. The company’s financial information can be found in our Fiscal Year 2006 Annual Report and Form 10K.

Note: this report covers only the Fiscal Year 2006 operations of Seagate Technology, and does not include Maxtor operations that were integrated beginning on the transaction closing date, May 19, 2006, through the end of Seagate Fiscal Year 2006.
Engaging with Our Stakeholders

Engagement and dialog between Seagate and its stakeholders is key to a productive Global Citizenship effort. Seagate defines “stakeholders” as any individual or group affected by its operations or the products it places in the market (both components and retail end-products). Seagate places great emphasis on stakeholder engagement within the company as well as outside of its walls.

Please read more about our stakeholders:
- Global Citizenship Committee
- Internal Stakeholder Engagement
- External Stakeholder Engagement

Global Citizenship Committee

Consistent, effective engagement with any and all stakeholders requires a standardized process. Seagate has a cross-functional team made up of senior management from the various functions within the organization manages the Global Citizenship (GC) Program, including a stakeholder inquiry process. The team meets monthly to review progress on activities, goals, customer inquiries and the company’s overall development in the GC arena. The team is accountable and reports to the company’s senior vice presidents, with additional direction, input and leadership from the senior executive management team, for the GC program results.

The strength of the GC Committee is that it encompasses key functions and decision makers who can rapidly implement Global Citizenship efforts into their organizations. The Committee proactively takes certain actions, for example driving the modification of company policies to ensure socially responsible business practices. The Committee also serves as the company’s management system for addressing issues that arise in key Global Citizenship areas relative to customers, employees, suppliers, Non-Governmental Organizations, and other stakeholders.
The cross-functional team is composed of:

**Sponsor:** President and Chief Operating Officer

**Team Lead:** Vice President of Environment Health & Safety and Business Excellence

**Team Members:** Composed of senior management from the following areas:

- Operations
- Sales, Marketing and Customer Service
- Storage Business
- Investor Relations
- Internal Audit
- Legal
- Manufacturing
- Human Resources
- Materials
- Security
- Finance
- Quality
- Corporate Communications
- Environment Health & Safety

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**Internal Stakeholder Engagement**

Engaged employees are extremely important to Seagate's success. Company-wide, a large amount of communication occurs to ensure employees are engaged, informed and aligned. One major forum is the company’s quarterly global employee meetings, at which a range of topics are discussed, from financial performance to ethics to product updates to Eco Seagate (the company’s outdoor “adventure” learning and team-building event) and much more.

Employees participate in Q&A sessions during these and other broad-based meetings. Locally, Seagate sites conduct additional communications, events and meetings to ensure an engaged, informed and productive workforce, ranging from roundtables with executives to brown bag sessions where employees can share hobbies, interests and experiences, to periodic “product expos” where our newest products and their end-applications are displayed in a festive environment.

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2006 all-hands meetings weren't all business... here, President and COO Dave Wickersham and CFO Charles Pope name the employee who won the Q4 raffle for a Seagate product.
Engaging with Our Stakeholders

Corporate news and updates are provided via Seagate’s intranet, email, and other mechanisms. In locations where employees work in a manufacturing environment, messages are displayed through visual media (bulletin boards, posters, banners, plasma and television screens, kiosks, displays, etc.). Feedback loops are provided in the form of the company’s Focus! employee survey, Ethics Helpline, open-door policy and internal executive blog. Yet another level of engagement is provided through the company’s substantial development and learning opportunities. Click Here for an Illustration of the Seagate Stakeholder Engagement Model.

External Stakeholder Engagement

Seagate is a multi-national company with diverse, vertically integrated operations that comprise virtually every aspect of its product development cycle, from design/R&D to sub-components manufacturing to assembly and shipping of finished goods.

As such, the company enjoys relationships with many external stakeholders at both a corporate and a local level. These include local communities, local and national government agencies and regulators, investors, the news media, educators and students at every level from primary school to graduate, customers, suppliers, peer companies in other industries, and variety of non-governmental organizations ranging from professional associations to other interest groups.

These many external stakeholders are engaged through a wide variety of means -- from direct engagement on specific issues, to statutorily required communications and disclosures, to creative and broad-based support for programs within communities and schools, and much more.

Global Citizenship Stakeholder Inquiry

Seagate has a well-defined process to address stakeholder global citizenship matters. Below is the company’s stakeholder inquiry process.
Engaging with Our Stakeholders

For more information, please contact Julie Still, VP, Corporate Communications.

Customer Engagement

In FY 2006, key customers continued to make GC a part of their business requirements. Seagate responded to requests for information and engaged with key customers regarding Seagate's GC practices in FY2006.

Industry Involvement

In the past year, Seagate has actively participated in various organizations and committees in support of its Global Citizenship (GC) program. Seagate engages and participates to achieve the following objectives:

1. Keep abreast with the last development in the field of GC
2. Share our expertise and learn from networking with other organizations
3. Publicly reaffirm our commitment to GC
4. Support initiatives within our industry
5. Provide an avenue to engage with our stakeholders
Engaging with Our Stakeholders

Seagate's participation in the Electronics Industry Code of Conduct (EICC) implementation group continued in FY2006. Seagate participated in finalizing a common audit process so suppliers do not have to respond to multiple customer requests for information and audits, and in developing tools that will help companies implement the code. In addition, in November 2006, Seagate participated in an EICC global stakeholder engagement forum involving global members and other organizations. At that forum, participants provided feedback on EICC implementation group tools and processes. The EICC is striving to create a common social responsibility standard and operating practices among the high technology industries.

FY 2006 was also Seagate’s second year as a signatory to The United Nations Global Compact, a set of 10 principles around human rights, labor practices, environmental impact and anti-corruption. Seagate hosted the local UNGC US local network planning meeting, and participated in other scheduled meetings. Established in 1999, the UNGC was designed to bring companies together with UN agencies, labor, and other stakeholders to realize a vision articulated by U.N. Secretary-General Kofi Annan of a more sustainable and inclusive global economy.

FY2006 was also Seagate’s second year of membership in Business for Social Responsibility. Seagate participated in annual conferences and webcasts periodically, sharing our experiences and challenges in the GC arena. Business for Social Responsibility (BSR) is a non-profit organization that helps companies achieve success in developing programs in support of ethical values, people, communities and the environment. Click here to read additional information about BSR.
Maxtor Acquisition and Integration

On May 19, 2006, Seagate acquired Maxtor Corporation in a stock for stock transaction. The acquisition was designed to build on Seagate’s foundation as the leading global disc drive company, leveraging the strength of its significant operating scale to drive product innovation and maximize operational efficiencies. Seagate believes the combined company will be well-positioned to accelerate delivery of a diverse set of compelling and cost-effective solutions to the growing customer base for data storage products.

The acquisition provided Seagate with enhanced scale, greater capacity and an increased customer base which will allow the company to eventually achieve significant cost synergies from leveraging its research and development platform, reducing product and supply chain costs, as well as scaling its sales, marketing and administrative infrastructure. Seagate also acquired a final assembly and test manufacturing facility in Suzhou, China, significantly increasing the company’s China-based manufacturing presence, as well as the retail and branded solutions operations of Maxtor and the right to use the Maxtor brand and other related trade names. The acquisition also provided access to talented personnel in the branded solution, product development, and other key functional areas. In addition, work force reductions took place after the transaction closed as Seagate addressed the redundancies that existed between the two companies, and will continue to be implemented based on on-going production transitions, customer support and administrative requirements.

As of the close of FY2006, Seagate was actively engaged in integration and restructuring processes to replace Maxtor designed disc drive products with Seagate designed disc drive products.
About Seagate’s Community Involvement Program

Through volunteerism, financial support and in-kind giving, Seagate’s community involvement program supported a range of science, education, arts, sports, emergency relief and other efforts in FY2006. Whether it was competing robots in Thailand...or heart transplants for children in Malaysia...or national science competitions in Northern Ireland...or grants for science teachers in Colorado, Seagate and its employees engaged in community issues and helped meet community needs.

Through its strategic investments in solution-oriented programs, Seagate is partnering with public, educational, and non-profit organizations to help address the many challenging issues affecting the towns, cities, and nations where Seagate employees live and work.

With approximately two-thirds of Seagate's corporate giving supporting science, technology, engineering and math education, Seagate’s Community Involvement program focuses on providing hands-on learning activities, educational curriculum and technology to young students, particularly in low income and minority communities where fewer opportunities may exist.

Seagate also supports programs that enhance the health, development, enrichment, and diversity of our communities through cash and in-kind product contributions, donations of excess computer, office and lab equipment, and by encouraging employee volunteerism.

Please read more about these specific community involvement topics:

Community Involvement Case Studies

Building Bikes – and Happiness for Needy Kids (above)
200 Eco Seagate participants assemble bicycles for needy youngsters who’ve never had one. Read More

Planting the Seeds of Hope – A Harvest of Self-Reliance
Seagate sponsors self-sufficiency in food, facilities, for Thailand school Read More

From Our Hearts to Theirs
Seagate employees fund raise for life-saving surgery Read More
Community Involvement

- Giving by Category
- Hands on Science!
- Executive Partnership Program
- Read Our Corporate Giving Guidelines
- Awards
- Community Involvement Case Studies
- Seagate Supported Organizations
Please read more about our community involvement programs:

- **Sowing the Seeds of Self-Sufficiency - Thailand**
- **Eco Seagate: Teams build bikes for Needy Tykes**
- **Extreme Makeover, Singapore Edition**
- **Gift of Life - Malaysia Employees Raise Funds for Two Heart Operations**
- **China Tree Planting Project**
- **Longmont Charity Games an Adventure in Teamwork, Community Support**
- **The Power of Connection: Seagate Women Join Thousands in Day of Learning and Inspiration**

### Sowing the Seeds of Self-Sufficiency: Thailand Volunteers Aid Local School

Employees from Seagate's Korat, Thailand, facility helped a rural school be more self-sufficient. Several employee-volunteers recently teamed with community members to repair three of the Baan Pa Kluay Primary School's fish ponds and planted several dozen fruit trees. In addition, the Seagate volunteers raised funds to help construct a new dining area for the students.

Prior to Seagate's help, students typically ate their meals outdoors or in crowded corridors. The new student canteen will also double as a community meeting place.

"We knew if we just gave the school money, it wouldn't last very long," said Bumroong Phodee, a senior production manager at Seagate. "We believe in helping a community be self-sufficient so it has the means to improve the quality of life and maintain a steady food supply for the students."

In addition to repairs to the school's fish ponds, Seagate's volunteers also helped the villagers build additional ponds for raising frogs, which are a common staple of the local diet.
Seagate's volunteers also organized activities for the school's children and spent time teaching them basics in building and planting. "Our school and villagers are very thankful to Seagate and its employees for providing us with the facilities and means to be self-sufficient," said Suriya Polklang, the school's principal. "We're now able to provide more nutritious meals for our students. More importantly, Seagate's employees have taught our students the importance of teamwork and the value of being self-reliant."

**Eco Seagate: Teams Build Bikes for Needy Tykes**

Growing up in Queenstown, New Zealand, sounds like every kid's dream--an outdoor playground of abundant rivers, lakes, woods and hills, framed by spectacular mountains.

But not if you're Alice Moran--not, that is, until Seagate came to town. The diminutive 7-year-old was given something by Seagate that she never had before: a bicycle.

Alice, who suffers from a heart condition, was among 40 disadvantaged children who recently received shiny new bikes courtesy of Seagate and its 200 Eco Seagate participants in town for the week. A Queenstown radio station identified the needy children, ages 6 to 14, by working with local charitable agencies.

The Eco Seagate participants built the bikes as a group exercise--with the understanding that they would be using them on race day. Instead, after the bikes were assembled and inspected, CEO Bill Watkins announced their real recipients: Queenstown children with various physical, economic or other challenges. The children, accompanied by a parent or relative, then entered to meet the teams and receive their new bikes.

"Yeah, I like it," Alice whispered, barely audible in the packed and noisy room.
Instead of relaxing over the weekend, nine volunteers from Seagate's AMK facility in Singapore rolled up their sleeves to refurbish the homes of two low-income families.

Seagate's volunteers painted walls, replaced furniture, installed new floor tiles and repaired faulty sinks, toilets and electrical fixtures. The community project was part of Seagate Singapore's ongoing partnership with the Henderson Student Care Center; two students from the center live in the homes.

One of the students and his family members slept on torn mattresses on the floor, while the other home lacked proper ventilation.

"The living conditions at those homes really touched our hearts," said Seagate volunteer Kelly Tan, senior director of operations support. "We were very glad to be able to bring some cheer to these families and make a difference in their lives."

Hong Kim Beng, head of the Henderson Student Care Center, said the top priority for both families was to provide an education for their children.

"Basic amenities and repairs were secondary for these families, since they didn't have the financial means to address them," she said. "We appreciate Seagate's efforts to provide these students and their families with a more comfortable living environment."

Seagate's volunteers also donated new beds to the families, along with canned food and clothing. "These families are missing so many necessities we take for granted," said Seagate volunteer and senior engineer Segar Govinder. "This experience gave us a chance to reflect and realize how fortunate we are. I'm glad I had the opportunity to help out."

Since 2001, Seagate has supported the Henderson Student Care Center's efforts to develop educational and enrichment programs for children. Last year, for example, Seagate employees organized field trips for Henderson students, donated funds for new textbooks and sponsored a series of drama workshops.

A Gift of Life: Malaysia Employees Raise Funds for Two Heart Operations
Employees in Malaysia opened their hearts by raising funds to save the hearts of two young children. The operations will be conducted by the Penang Adventist Hospital (PAH) as part of its ongoing program that aids those from low-income backgrounds who need corrective heart surgery. Seagate's contribution comes from funds raised when its employees participated in the third annual Malaysia International 24-Hour Walk, held in September.

The first heart-operation patient sponsored by Penang Seagate is two-year-old Ong Jian Ting.

Seagate's marathon-walk contingent picked the slogan "Walk to Give Life" to raise greater awareness about heart disease among children. Seagate's contingent walked a combined total of 1,613.15 kilometers (about 1,002 miles). Three employees, competing against a field of nearly 500 people, clinched Top 20 finishes.

Dato' Teddric Jon Mohr, PAH's president and chief executive officer, hopes to see more companies step forward and participate in the hospital's heart-surgery program for the poor. "Heart disease is a common birth defect among children around the world," said Mohr. "Many die in their first year of life because they lack appropriate medical care, while those who survive may lead severely limited lives. As such, it would be excellent if companies take Seagate's lead and help sponsor other patients."

In China, Employees Help City Plant Dozens of Trees

Dozens of employees in Wuxi, China, traded hard drives for shovels this year when they planted more than 100 camphor and Yulan trees as part of a joint effort with Wuxi's environmental protection department.

"We're all caretakers of the environment," said Chong Kian Fatt, vice president and general manager of Seagate's China operations. "This community service project raises awareness about the need to protect and preserve our natural resources."
Zhang Guo Qiang, chief of Wuxi's environmental protection department, said such collaborations between government and businesses help build "a better community."

"Seagate is an excellent corporate citizen," he said. "The company doesn't just concentrate on profit-generating activities. It also takes time to organize activities that truly benefit our entire community."

Prior to last month's tree-planting activity, Seagate's Wuxi employees attended workshops on environmental protection and tree-planting tips. Camphor trees were chosen because of their hardiness and pleasant smell; Yulan trees are native to China and help purify the air by absorbing contaminants and emitting oxygen.

Longmont Charity Games an Adventure in Teamwork, Community Support

Twenty acres of field surrounding Seagate's Longmont, Colorado, facility became the site of a mini-adventure race--an event that also benefited several local charities.

By 8 a.m., passing motorists could see dozens of employees in brightly colored T-shirts, moving in groups of five around the campus. Some peddled bikes, others swung from ropes, groping for footholds on a fabricated rock wall, while others were tied together and moving like clumsy caterpillars, struggling to stay in sync with their teammates.

To outside observers, the whole scene may have appeared a bit comical. But to the 45 employees who participated in the race, this was serious stuff. Welcome to the inaugural Seagate Charity Games.

The Longmont event was aimed at building teamwork and leadership skills through physically and mentally challenging activities. But in preparing for the Games, participants did even more than that. To earn points for their starting positions on race day, the teams reached out to the community, doing hundreds of hours of work for local charities.

Employees scaled a 24-foot climbing wall during the Longmont, Colorado "Seagate Charity Games," a half-day mini adventure race. Competing employees earned points for their starting positions on race day by doing hundreds of hours of charity work.
Physically challenging, emotionally rewarding

In some cases, even the charity work was physically challenging, and not quite what Norma Friend had in mind when her team selected Colorado Horse Rescue for its community service. Friend, a senior quality engineer, looked forward to grooming and offering companionship to the 30 horses this agency rescued from neglectful or abusive situations.

"We did some of that," she said. "But we also mucked stalls, stacked hay bales and shoveled two tons of rotting hay out of a pasture."

For others, the community work was emotionally challenging as well. Jeff Nygaard and his team performed a number of tasks for the O.U.R. Center, a Longmont organization that provides food and other assistance to the needy. The team built a gazebo in the backyard of the center's infant nursery and also painted and made various building repairs.

"The most challenging--and rewarding part was spending our Wednesday lunch hours at the center, serving meals to the homeless," said Nygaard, vice president of product launch and process development. "It's the kind of thing I've always wanted to do, but never attempted because I didn't have the time."

As a member of Longmont's site management team, Nygaard and eight of his peers worked around their busy schedules to join their teammates in work done at nine local charities.

The Power of Connection: Seagate Women Join Thousands in Day of Learning and Inspiration

More than 5,000 local women and girls gathered in May of 2006 in San Francisco to learn and share at the 17th Annual Professional Business Women of California conference, held for the fifth consecutive year with major sponsorship from Seagate.

The conference featured women from a variety of professions and backgrounds, including California State Senator Jackie Speier, best-selling author Po Bronson and TV news correspondent Andrea Mitchell. Representatives of Seagate's global leadership and learning, business excellence and e-commerce teams were also featured speakers.

"Seeing and hearing women leaders from many different fields and professional levels was very
enlightening," said Hui Kathy Liu, a materials science engineering director from RMO-Milpitas and one of 30 Seagate women in business who attended the conference. "From Jackie Speier's well-crafted speech to the emotional, spontaneous appreciation of the high-school scholarship winners, each woman was inspiring and motivated the audience through their unique strengths."

Conference participants were able to attend a range of workshops and panels featuring experts in health, finance, communication, risk-taking, life-balance and many other key areas of interest for professional businesswomen.

Seagate’s Debbie Hancock, vice president of global leadership and learning, was one of two panelists leading a seminar on preparing for the workplace of the future. Hancock discussed the importance of developing a global perspective to maintain job competitiveness.

"Adaptability and cultural agility are key skills we look for when hiring new talent at Seagate," Hancock said. "Building relationships is key to being successful in today’s global marketplace. You can have the best technologies and the best systems in the world, but if you don’t have people that can work well together--across borders, time zones and languages--the project has an increased potential to fail."

Also representing Seagate were Nahid Afshar, executive director of business excellence for RMO and product development, who welcomed the more than 5,000 attendees during the opening reception, and Charlotte Narvaez, an e-business project manager who joined a panel sharing their professional experiences with teenage girls attending the Seagate-sponsored Young Women's Program.
Seagate's Community Involvement Programs

Please read more about our Community Involvement programs:

- Giving by Category
- Hands On Science!™
- Executive Partnership Program
- Read Our Corporate Giving Guidelines
- Awards
- Community Involvement Case Studies
- Seagate Supported Organizations

Giving by Category
Hands On Science!™

Seagate’s community investments have long included a focus on science, technology, engineering and math (STEM) educational programs. This focus aligns not only with the company’s technology-based business, but also with the interests and skill sets of our innovative employee population.

In FY2006, Seagate further sharpened its science focus in an effort to strengthen its impact within this vast educational arena, reinforce and cultivate national and regional partnerships, and increase the engagement of young students in pursuing educational and career paths in STEM areas. Through science fair projects, robotics competitions, workshops and a variety of other participation-focused educational programs and activities, Seagate is helping students engage in the wonders of the scientific process through direct, hands-on involvement.

National Partnerships and Sponsorships

Click on the links below to learn more about just some of the organizations Seagate supports.

- Expanding Your Horizons
- Science Buddies
- The Tech Museum of Innovation
- Children’s Discovery Museum
- Minnesota Children’s Museum

Science Fairs & Competitions

Science fairs are a great way for students to become more knowledgeable about how the world around them works. Preparing a science fair project is an excellent example of what education experts call active learning or inquiry (also "hands-on" learning). It is a very effective instructional method; indeed, it is recommended as a cornerstone of successful science teaching.

What makes a science fair project such a great learning experience is that it involves so much more than science. For example, if the student is in middle school, the research report will most likely be the longest paper the student has ever written. A science fair project will also have a longer duration than any other assignment a student has done. Savvy students, especially those who work their way up to higher levels of competition, learn even more about communications and project management skills.
Seagate is proud to have taken such an active role in supporting science fairs and competitions worldwide.

**US Science Fair Support**

Through corporate sponsorships, volunteer time and executive participation, Seagate teams in Minnesota, Colorado, Oklahoma, Pittsburgh and Northern California offered their unique contributions to science fairs in their regions. In addition to financial and product contributions, Seagate employees volunteer as mentors and judges at the regional fairs.

Here are highlights from our recent partnerships with science and engineering fairs in the U.S.

**Seagate Helps Santa Cruz Fair Earn Top Ranking** - In California, Seagate has partnered with the Santa Cruz County Office of Education for more than a decade through the sponsorship of a full-time science and technology coordinator.

When Seagate first partnered with the county, science fairs throughout the area lacked consistency, were often unaligned with state standards, and were dependent upon teachers' bandwidth or school resources. In 1998, there were 14 schools and approximately 350 projects countywide. Today, with help from its partnership with Seagate, there are more than 60 schools participating, generating between 50-600 science fair projects each and totaling a countywide participation rate of 8,000 students. Only the top 500 of the several thousands projects countywide advance to the county fair, making the Santa Cruz County Science Fair California's top-ranked event of its kind.

**"Rising Stars" Get Help from Seagate in Minnesota** - The Seagate Rising Star awards are given to junior-high and senior-high school students whose projects at the Minnesota State Science Fair exemplify excellence but also display high degrees of difficulty, creativity and innovation.

Seagate also sponsors the First Year awards for the top students making their debut appearance at the state level, as well as the Seagate Mentor awards for two teachers who exhibit outstanding student mentorship. The Seagate Mentor award winners and their schools' science departments each receive a $1,000 cash award.

More than 40 Seagate employees volunteered to judge projects and papers, and assist in the fair's production.

**Additional Seagate Science Fair Support**
Community Involvement Programs

Twelve Seagate Research employees served as volunteer judges at the recent Pittsburgh Regional Science and Engineering Fair, where they selected candidates and the winners for two Seagate-sponsored awards in physics, robotics, engineering and biology.

Seagate's Longmont and Oklahoma facilities also supported regional science fairs through cash and in-kind contributions. The Longmont site was a Silver Sponsor of the 2006 Colorado Science and Engineering Fair, held at Colorado State University in Fort Collins. Seagate donated funds for fair materials and prizes awarded to students placing in the fair.

As sponsor of the regional Longs Peak Science & Engineering Fair at the University of Northern Colorado in Greeley. Seagate paid for students' project materials. And in the more immediate community, the company did the same for students at two elementary-school science fairs.

In N. Ireland, Young Scientists Showcase Innovations at Seagate Event According to three aspiring young scientists, just five - to-ten minutes' warning could be sufficient for people to escape to safety from an approaching tsunami. So they designed an ingenious system that uses a magnetic switch to set off a tsunami alarm--one of the many creative projects on display at Seagate Young Innovators, held in Belfast's Odyssey Arena.

The event, now in its eighth year, is a showcase of student science, engineering and technology projects. It gives students, ages 8 to 18, an opportunity to compete for a number of regional titles, with several of the winners getting the opportunity to proceed to national and international finals in London and the U.S. The competition also promotes awareness of the career opportunities available in science, engineering and other technology fields, and helps develop students' readiness for the working world. More than 25 schools participate in this annual challenge.

Grants & Scholarships

Another way in which Seagate supports and encourages students and teachers to engage in the sciences is through grants and scholarships.

Seagate Scholarship Recipients Express a Passion for Engineering - Seven high-school students were recently awarded $2,000 each to attend engineering schools at the University of Colorado at Boulder or Colorado State University. And three of last year's recipients each received $1,000 scholarships to continue their studies as college sophomores. The Seagate scholarship program demonstrates the company's ongoing commitment to supporting the passion and dedication of local students, who will eventually become the next generation of scientists, engineers and technologists.
Additionally, Seagate matched contributions made by employees to colleges and universities through its matching grants program during FY06.

**Science Camps**

Kids love camp—and what better way to get excited about the sciences than through fun, interactive camp settings where students focus on hands-on science activities in a stimulating environment.

**Crystal Brain Camp** - Held in April 2006 in Thailand, the 19th annual Crystal Brain Camp sponsored by Seagate gives children the opportunity to share ideas and learn more about technology in their daily activities. Camp activities combine innovation, imagination and creativity with a primary focus on fun, creating an engaging and educational summer curriculum.

**Kasetsart University** - Seagate’s partner in Crystal Brain Camp, prepared four distinct areas of educational-related activities for children who joined this year’s camp. The Crystal Brain Activity was mainly designed to enable children to develop robots. Animation Activity encouraged children to maximize the use of their computers in creating multimedia. The Smart Engineer Activity enabled children to come up with new ideas such as building and designing a giant crane. The last activity, Domino, focuses on encouraging children to utilize more creative thought processes.

Seagate has been the major sponsor of the Crystal Brain Camp for eight consecutive years.

**Xceed camp** - In partnership with the Faculty of Engineering of Thailand’s Kasetsart University, Seagate launched Xceed camp, a week-long event for students interested in becoming computer software engineers. Xceed Camp, a name that comes from “Extensively Collaborative Environment for Software Development,” is held in May every year. The objective is to provide a team-based learning environment in which first-year computer engineering students can significantly enhance their computer programming skills by putting to work the knowledge that they’ve acquired in the classroom.

With support from senior students and coaches, students will undertake computer-programming assignments that range in difficulty from simple to highly complex. Assignments will involve designing, developing, and modifying large software systems; function-oriented and object-oriented modular design techniques; designing for re-use and maintainability; specification and documentation; verification and validation; project team organization and management.

**Robotics Programs** - Technology is at the core at Seagate’s business. Through Seagate-sponsored robotics programs worldwide, students are imagining and creating specialized robots to
Robot Competition Tests Students' Tech Skills and Character - In any sport, players want to win and few teams would jeopardize a victory out of concern for their opponents. But during a recent Seagate-sponsored robotics competition in Thailand in which 30 universities came together to vie for a prestigious title, the usual competitive instincts were put aside in a remarkable display of sportsmanship.

That was the case during the 2006 Robocup Thailand Championship, which was organized by Seagate, the Thai Robotics Society and Chulalongkorn University's engineering department. The main objective of the competition is to encourage students' interest in science and technology, giving them a foundation of skills needed for successful careers. Those skills include teamwork, communications, troubleshooting, and—as demonstrated by one team—a sense of fair play.

"The game teaches students to prepare and be ready for any challenges they might experience in the future," said Brent Bargmann, vice president of Seagate's Thailand operations. "In this sport, you have to be ready to deal with any technical glitches, but not many people are given a second chance. This contest reflects the values and character of our best students. These are the same values that drive Seagate's success." Seagate has also sponsored several robotics teams through the FIRST Robotics program, including teams in Los Gatos, California and Boulder, Colorado.

To watch a video clip from the 2006 RoboCup finals, click here: ftp://ftp.tep.thai.seagate.com/etc/Corpcom/

Executive Partnership Program

In FY2006, Bill Watkins, Seagate’s CEO, challenged his senior management team to cultivate their leadership and vision by building a meaningful, ongoing partnership with a non-profit organization that was addressing an important community issue. To further support each partnership, Seagate made a financial contribution of $100,000 to each organization.

Watkins, a board member of the Leukemia & Lymphoma Society, is a strong believer in the mutual benefits both business and the community can gain through strategic partnerships.

"We can support worthy causes through relationship building and networking, and at the same time continue to build our leaders and company culture. And, Seagate’s executive leadership with
their vast knowledge and expertise in their respective fields can lend non-profits strategic
guidance, planning tools and advice, as well as assist with increasing awareness about a cause
within the company and within the community. When business partners with the community,
everybody wins.” – Bill Watkins, CEO

Four partnerships were developed in FY2006, with four additional partnerships planned for
FY2007.

Expanding Your Horizons

The Expanding Your Horizons Network’s primary goal is to increase the participation, retention,
and advancement of girls and women in mathematics, science, technology and engineering
through the Expanding Your Horizons in Science and Mathematics (EYH) conferences. With more
than 80 conferences held annually in 31 states, EYHN brings together young girls with female
mentors and through innovative, hands-on workshops, encourages them to continue their
development in STEM areas.

More than 675,000 young women have attended EYH conferences since its inception in 1976.

"Women are significantly underrepresented in the areas of science, technology, engineering and
math and getting young girls involved in the sciences earlier enables them to gain the confidence
and enthusiasm to explore future career opportunities. Expanding Your Horizons conferences
provide an excellent entry into the world of science and allow young women the opportunity to
engage in these fascinating fields." - David Wickersham, President & COO

Seagate 2006 Partnership Highlights:

- Engagement of Seagate’s President and Chief Operating Officer, Dave Wickersham, as
  board member
- Creation of Seagate Curriculum Development Team and the creation of four workshops for
  use at EYH conferences nationwide
- Increased support of EYH conferences in California and Colorado through sponsorships funds and
  employee volunteers
- Pilot programs in California and Minnesota, including on-site mini-conferences at Seagate facilities
  and an Ambassador Program which places female mentors in the classroom
- Planning initiated for the first ever international EYH conference in Northern Ireland in November
  2006
Teach for America

Teach For America is a national corps of recent college graduates of all academic majors who commit two years to teach in urban and rural public schools and become lifelong leaders in ensuring educational equity and excellence for children. Its mission is to build the movement to eliminate educational inequity by enlisting our nation's most promising future leaders in the effort.

Teach for America has directly impacted the lives of more than 2 million students. TFA corps members make 10% more progress a year in math than is typically expected, while slightly exceeding the normal expectation for progress in reading.

"Education is the cornerstone of our community. If we do not address the educational inequities in our communities and our schools, we are not being responsible leaders and, in fact, are consciously ignoring one of the most important factors that will determine the direction of our future." - Brian Dexheimer, CSM (Chief Sales and Marketing Officer)

Seagate 2006 Partnership Highlights:

- Seagate CSM Brian Dexheimer and senior vice president Karl Chicca participated in annual Teach for America Week by teaching classes at San Jose, California, elementary schools
- Dexheimer and Chicca hosted the first “Tech Breakfast” at Arbuckle Elementary School to encourage support of Teach for America and increase awareness about the program.

Science Buddies

Science Buddies is a non-profit organization empowering students from all walks of life to help themselves and each other develop a love of science and an understanding of the scientific method. With the help of mentors and advisors, it helps students improve their science skills and literacy, and we inspire them to consider additional study or careers in science. Science Buddies offers downloadable science fair projects, online science mentoring, and more.

Hundreds of thousands of students utilize the Science Buddies resources annually.

"Our future relies on the bright, inquisitive young minds that appreciate the challenges a science fair project offers, and I look forward each year to hearing about the intelligent questions and current issues the students that participate in our sponsored fairs and competitions explore. Science Buddies offers students anywhere in the world a reliable and valuable resource in seeking assistance and direction when pursuing a science fair project." - Charles Pope, CFO (Chief Financial Officer)
Seagate 2006 Partnership Highlights:

- Creation of Seagate Curriculum Development Team and the creation of four science fair starter kits, as well as two “abstracts” for use at EYH conferences nationwide
- Engagement of Seagate CFO Charles Pope, including support of Seagate Curriculum Development Team for content for Science Buddies website, and ongoing and strategic planning
- Science Buddies led the cross-organizational effort (Science Buddies, Teach for America, Expanding Your Horizons, Santa Cruz County Office of Education, and the Leukemia & Lymphoma Society) to nominate Seagate Technology for the Association of Fundraising Professionals annual Corporate Grantmaker Award (>300 employees); Seagate will be awarded this honor in November 2006

Leukemia & Lymphoma Society

The Leukemia & Lymphoma Society is the world's largest voluntary health organization dedicated to funding blood cancer research, education, and patient services. The Society's mission: Cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families.

Nearly 1 million volunteers from all walks of life give generously of their time and talents to implement the Society's programs.

Seagate 2006 Partnership Highlights:

- Seagate CEO Bill Watkins is an active board member since 2004 and hosted two executive luncheons to engage local business leaders to support LLS
- More than 50 Seagate employees from Seagate sites nationwide joined the Team In Training program, raising more than $156,000 for the fight against blood-related cancers
- A number of employees at the Milpitas, CA facility participated in the Light the Night walk to increase awareness and raise funds for the LLS
- Seagate contributed several items, including a round of golf with Bill Watkins, to the first annual “Out for Blood” on-line auction

Awards
• **April 2006** – Minnesota—Seagate was awarded the 2005 Working Family Appreciation Award by the Working Family Resource Center.

• **May 2006** – Northern California—Seagate received the 2005 "Pacesetter Award" by the Professional Business Women of California, for advancing women in the workplace.

• **June 2006** – Corporate —Seagate was awarded the "2006 Outstanding Corporate Grant Maker Award (>300 employees)" from the Association of Fundraising Professionals. This honor is awarded for Seagate's "Executive Partner Program" (EPP), in which the company's executive vice presidents are aligned with a specific charity/community cause to help increase the organization’s success, sustainability and impact.

• **July 2006** – Singapore—For its 2005 support to Community Chest, Seagate was honored with a SHARE Silver Award for contributing more than $95,000 to the organization via monthly employee deductions in 2006. The SHARE Award program encourages and recognizes companies and employees who contribute to the Community Chest.
Seagate has made it a priority to minimize our environmental footprint in the countries in which it operates. During FY2006, Seagate continued to focus its environmental programs on hazardous and solid waste reduction and natural resource conservation. Goals and targets for the fiscal year were set at all levels of the organization to drive improvements, and these were regularly reported to senior management to keep them abreast of progress. Seagate also actively engaged with its suppliers to verify that all components and products supplied to the company met stringent specifications for product content.

Read our Environmental Health & Safety Policy.

Please read more about our environmental programs:

- Environmental Performance
- Energy Conservation
- Water Conservation
- Wastewater Treatment
- Product Stewardship
- Management System Certifications
- Worldwide Awards

Environmental Performance

Seagate’s focus on waste minimization and recycling over the last few years has brought new and innovative approaches in waste minimization and recycling.

However, in the past year, legislative changes in one country resulted in a reclassification of one waste stream as hazardous waste that was previously non-hazardous. Without this re-classified waste stream, the total hazardous waste generation for FY2006 was lower than the prior year. This reduction reflects the minimization activities which occurred during the year. In response to the change in legislation that created the new hazardous waste stream, a project team rallied together and successfully implemented a recycling avenue for the hazardous waste. However, for a short time last year, Seagate
had to landfill due to no other viable option.

Seagate has a policy of not landfilling hazardous waste unless there is no viable alternative. To minimize the potential impact of hazardous waste disposal, reuse/recycling is the preferred approach with treatment as a second choice. In addition, Seagate actively explores chemical substitutions, process changes and other innovations to reduce the amount of hazardous waste generated by our operations worldwide. When the previously non-hazardous waste (mentioned above) was reclassified, there was no immediate outlet other than landfill. During this past year, 89% of hazardous waste was recycled or treated/incinerated with the remainder landfilled, a moderate reduction from FY2005 levels. The reclassified waste is now being recycled and Seagate anticipates that next year’s landfill target of zero will once again be met.

Over the last four years, Seagate has improved its solid waste minimization and recycling programs. Teams are in place to evaluate the varied solid waste generated at the sites and identify new minimization and recycling opportunities. Over the last three years, Seagate’s recycling rate has increased by 56%.

Examples of minimization activities undertaken by Seagate sites over the past year include:

Hazardous Waste Minimization Project (Senai, Malaysia)

The cross-functional site team initiated a project to minimize solvent waste used in one of their production tools. Through employee education, new process controls and increased material tracking, the team was able to reduce the waste generated from the process by 50%.

Chemical Usage Reduction Project (Springtown, N. Ireland)

A multi-disciplinary site team came together to evaluate the chemical usage of a process tool, which was the largest consumer of chemicals on site. Working with the manufacturer of the tool and improving the process setting, the team was successful in reducing the chemical usage by 11% while increasing throughput by 16%.

Energy Conservation
Energy conservation has been an ongoing activity at Seagate for many years. Cross-functional site teams comprised of Engineering, Facilities, Operations and EHS have worked on multiple energy conservation projects, resulting in efficiencies of energy use and cost savings. In FY2006, Seagate identified electricity consumption as the primary factor in our operations affecting CO2 emission and global warming. Electricity consumption began being tracked against the number of production units in FY2006, and this metric is a driver for conservation activities. In FY06, Seagate reduced electricity consumption by 3% in comparison to FY05.

An example of our energy conservation activities over the year is:

Energy Conservation Project (Senai, Malaysia)

The Senai Facilities team employed Six Sigma methodology in the selection of a new air compressor to support the increase in site demand with expansion. The new unit is more efficient and has delivered a 10% saving in consumption.

Water Conservation

Seagate realizes that water is a precious resource for both businesses and communities. Many Seagate sites have developed water conservation projects. An example of company water conservation activities over the past year includes:

Water Conservation Project (Wuxi, China)

At the Seagate Wuxi facility, a water-recycling project was implemented to reuse the Electrodeionization (EDI) concentrate wastewater from the Di-ionised water treatment system. The resulting saving from this recycling activity amounts to 31,000 cubic meters of water annually. This also reduces the amount of wastewater discharged from the facility that would have otherwise required treatment.

Wastewater Treatment

While Seagate has minimized the amount of wastewater generated through various conservation projects, wastewater nonetheless continues to be a byproduct of manufacturing operations. Our manufacturing plants typically have pretreatment capacity with the wastewater’s final treatment conducted by publicly owned treatment plants. In a few situations, Seagate treats and discharges the wastewater directly. We are continuing to upgrade our treatment capabilities to meet our dynamic business needs and the changing regulatory environment.
Product Stewardship

Product Stewardship is a principle under which Seagate minimizes environmental impacts throughout our product’s life cycle. This principle is applied widely throughout the electronics industry with the objective of decreasing the impact that products have on the environment, while meeting customer expectations, regulatory requirements, and product technical and marketing specifications. Product Stewardship addresses product design, manufacture, use, and the product’s end-of-life management and disposition.

Seagate’s objectives and goals for its product stewardship program are to meet or exceed requirements of product-related environmental legislation and customer environmental requirements regarding products, packaging, user documentation, or manufacturing processes in countries where Seagate products are manufactured or sold.

In the past year, Seagate continued to implement systems and processes to strategically position us to meet our customers needs in complying with the RoHS (Restriction of Hazardous Substances) Directive. RoHS, which became effective July 2006, impacts manufacturers who place their products in the European market. Seagate also engaged with our customers and distributors to address requirements of the WEEE (Waste Electronic and Electrical Equipment) Directive, a sister directive to RoHS, pertaining to recycling of electronic waste. Currently, Seagate disc drives average around 75% recyclable content by weight.

Components in Seagate products and packaging are certified to meet stringent Seagate Product Stewardship materials content requirements. Seagate requires its suppliers to provide detailed materials content data and Seagate periodically audits its supplier certifications with third-party laboratory tests. In development is an automated solution to more effectively manage supplier data associated with RoHS compliance.
Seagate recognizes the importance of an Environmental Health & Safety Management System (EHS MS) for successful implementation of risk reduction programs within the company. In 2005, all Seagate’s manufacturing sites were ISO 14001 and OHSAS 18001 certified, and remained so in FY2006. These certifications provide the verification that the in-house EHS MS conforms to internationally recognized standards. The 3rd party certification is conducted by KEMA, the 3rd party certification body for ISO 9001, ISO 14001 and OHSAS 18001. During the past year a total of 4 surveillance audits were carried out without any major findings and continued certification was recommended. Seagate’s EHS MS certified sites are provided below.

List of Certified sites:

<table>
<thead>
<tr>
<th>Country</th>
<th>Location</th>
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<tbody>
<tr>
<td>China</td>
<td>Wuxi</td>
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<tr>
<td>Malaysia</td>
<td>Penang</td>
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<td></td>
<td>Senai</td>
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<tr>
<td>Northern Ireland</td>
<td>Springtown</td>
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<td>Limavady</td>
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<td>Singapore</td>
<td>Woodlands</td>
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<td>AMK</td>
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<td>Science Park</td>
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<td>Thailand</td>
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<td>Korat</td>
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<td>U.S.A.</td>
<td>Bloomington, MN</td>
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<td></td>
<td>Milpitas, CA</td>
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</tbody>
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**Worldwide Awards**

To read more about EHS awards, [click here](http://ehs.seagate.com/gc_annual_report/environment.htm)
Setting aggressive goals and rallying the company towards a common vision has driven Seagate’s strong Health and Safety programs. The foundation for our strategy is the belief that all work-related incidents are preventable, along with our commitment to maintain employee health and productivity.

Through our managers’ and employees’ accountability for safety, Seagate has achieved a 94% reduction in work-related injury and illness rates over the past seven years. The integration and use of Six Sigma tools and methodologies in addition to the expanded use of IT applications have further enabled the reduction of health and safety risks.

- Performance
- Pandemic Preparedness
- Ergonomics
- Occupational Health and Wellness
- Fire Life Safety (FLS) Program
- Management System and Audits
- Worldwide Awards

**Performance**

Consistent execution of our comprehensive management system for health and safety has provided the framework for Seagate’s ability to achieve year over year reduction in recordable case rates.
The FY2006 recordable rate for Seagate was 0.24 per 100 employees, which is an impressive 27% reduction as compared to FY2005. Additionally, our “Days Away Case Rate” for FY2006 was 0.10. Our efforts to continuously reduce not only the number of incidents but also their severity, is evidenced by the 50% reduction of Days Away Cases over the last six years.
(Note: Seagate’s data is reported by fiscal year. Industry data is reported by calendar year. The US Government did not report “Days Away Case Rate” in 2000. Data for CY2005 have yet to be published. Industry Code 3572 changed to 334112 - Computer Storage Device Manufacturing beginning CY2003.)

The following are examples of safety related projects carried out by Seagate sites during FY2006:

Slip /Trips Reduction Project (Springtown, N.Ireland)

This cross-departmental team successfully implemented a system to eliminate slip/trip/falls in production areas as part of an overall program to reduce the number of recordable accidents. The improvements implemented by the project team resulted in a 66% reduction in recordable cases at the site.

Tool Fire Protection Program (Multiple Sites)

Multiple manufacturing sites developed and implemented a Tool Fire Protection program to review legacy production equipment and conduct thermal inspection of all production equipment to identify potential fire safety risks. The team conducted reviews on over 5,500 pieces of production equipment and initiated corrective action to address identified concerns.
Pandemic Preparedness

With the continued spread of the H5N1 avian influenza virus into more countries, Seagate is concerned with the increasing risk for development of a global pandemic. During FY2006, Seagate implemented a comprehensive plan and set of actions that are based on the World Health Organization pandemic alert levels and known "best practices" regarding risk reduction and control:

- Global cross-functional team to conduct daily monitoring and risk assessment, establish strategy and procedures, and perform issue management
- Dedicated site cross-functional teams to implement required actions (EHS, occupational health, operations, HR, communications, security, facilities and other key functions)
- General awareness for all employees and establishment of an internal website as a central reference for internal and external avian flu information
- Focused communication on risk reduction strategies to the following groups: personnel currently in affected countries/regions; travelers; food service suppliers
- Company-wide campaign on personal hygiene and hand washing.

Additional actions are being readied for implementation should the WHO alert level change, including a comprehensive regional risk-rating system that will be communicated and used company-wide, along with a set of protocols that control facility access, business travel and other workforce issues that are relevant to disease containment.
While musculoskeletal injuries continue to be the most common type of workplace injury across Seagate, Seagate achieved a 69% reduction in FY2006 over the prior three years through its comprehensive ergonomics program. Our industry-based ergonomic design standards for manufacturing and non-manufacturing work environments, processes and equipment are focused on “upstream” prevention of ergonomic risks.

Cross-functional teams are established and trained at each location to conduct ergonomic risk assessments and develop corrective actions to reduce ergonomic risk factors and prevent injury.

To ensure that our employees grasp the importance and significance of reducing ergonomic risks both at home and at work, awareness training and self-assessment tools are provided for all employees.

A key component to a successful ergonomics program is independent evaluation of program implementation and identifying opportunities for improvement. In FY2006, the corporate EHS audit scope now includes a focused assessment of ergonomics. This expanded audit scope has provided a measure of the level of program implementation and important feedback for further improvement.

Here are examples of FY2006 ergonomics improvement projects:

**Ergonomics Program (Senai, Malaysia)**

The site cross-functional Ergonomic Committee evaluated the need to retrofit the site training room with ergonomically designed furniture. They developed such a successful project plan for the retrofit that the Committee submitted it for consideration and it was awarded a government grant. The new training room has been well received by the site employees and is providing a more conducive learning environment.

**Slurry Tote Handling Project (Limavady, N.Ireland)**

The site project team reviewed the process slurry delivery system, which required employees to
manually move multiple barrels of slurry per day. Employing Six Sigma methodology, the team was able to automate the delivery system and employ the use of an electric forklift to move slurry totes, eliminating the manual handling of the drums and reducing the risk of personal injury.

**Occupational Health and Wellness**

Seagate’s Occupational Health and wellness programs support the Company’s business agenda through targeted strategies directed toward improving employee health and productivity. Our global resources are focused on proactive strategies to ensure safe job placement and the early identification/mitigation of occupational health issues should they occur.

Health and wellness priorities are established at the site level to customize programs targeted toward local health issues with sensitivity to cultural differences. Seagate is focused on building awareness about disease prevention and healthy lifestyles. Programs include health screenings, health risk assessments, periodic medical examinations, smoking cessation programs, weight control programs and health seminars/awareness campaigns on a variety of health issues. Onsite fitness centers and recreational facilities are available at many of our locations. Some examples of programs that have been delivered during this past year to improve health and productivity include:

**Thailand Annual Health Assessment**

More than 10,000 employees participated in this year’s program to evaluate general health and lifestyle risks. Through extensive health and medical history questionnaires as well as a comprehensive medical examination, employees were made aware of their current health and are counseled on actions to minimize health impact of disease and reduction of lifestyle risks. Confidential HIV testing was included in this year's program.

**Employee Physical Fitness Assessment**

Over 1,000 employees completed a voluntary assessment to determine fitness. In addition to a questionnaire, cardiovascular capacity and body fat were analyzed. Based on the results, the site Wellness Team developed targeted actions focused on weight reduction and motivating increased physical activity in the employee population.

**Traveler Support**

For our employees who travel, country alerts are provided regarding status of communicable
disease, information on required/recommended immunizations, any necessary precautions regarding consumption of food and water and local standards of health care. Seagate’s business travelers were given ongoing access support for medical referrals and other emergency assistance from any location across the globe.

Fire Life Safety (FLS) Program

Employee safety and business continuity are key components of running a successful business. To that end, in FY2006, Seagate focused its efforts to improve the standards of Fire/Life Safety (FLS) at our Asia operations. Seagate identified 12 individuals within the company and invested in developing their Fire/Life Safety skill sets. During the year, these FLS Specialists attended training and completed projects as part of their skill development. In addition, 11 FLS forums were organized as a platform for knowledge transfer to the FLS specialists and to ensure they are kept updated with developments in the FLS arena.

The FLS program requires the site specialists to carry out scheduled monthly self-assessments to identify and address fire and life safety design deficiencies in existing facilities. The objective of this program is to work with the sites to bridge the gap between the standards of existing facilities and that of the National Fire Protection Association (NFPA) standards in order to adequately protect the facility and its workforce. The program resulted in the Asia sites conducting fire risk assessments and taking proactive measures to correct and improve the facilities, and better manage the fire risks. In light of the benefits achieved from this pilot program, efforts are being undertaken to roll out a similar program at our European manufacturing sites in the coming year.

Management System and Audits

Seagate has developed and implemented management systems for manufacturing (ISO 9001), Environment (ISO 14001) and Health & Safety (OHSAS 18001). Seagate invests resources to implement and monitor these management systems, as the company believes that they are the key to sustaining our EHS programs.

Another facet of executing and sustaining EHS programs in Seagate is the multilevel auditing program. The program, established over seven years ago is an important component of the EHS management system because the audit program:
Health & Safety

Seagate operations are subject to audits at three levels: Business Unit (BU), Corporate and ISO. These efforts support and validate each other through rigorous standards in a number of key areas.

- Provides an independent review that verifies compliance with EHS regulatory requirements and Corporate SOPS
- Identifies problems that need immediate resolution
- Provides feedback to the site regarding the audited areas
- Provides an opportunity for cross site learning

In FY2006, seven corporate EHS audits were conducted and where needed, corrective action plans were developed to address any issues identified during the audits.

Corporate Standard Operating Procedures (CSOPs)

During FY2006, the EHS organization reviewed and updated where necessary all the EHS CSOPs (Corporate Standard Operating Procedures). During this exercise, both Corporate and Site EHS personnel and key stakeholders from other departments reviewed forty-six CSOPs. These CSOPs set global standards and expectations for key business processes throughout the organization. They also provide a standard approach for the identification and management of EHS risks for all our sites. Upon completion of the rigorous review process, the finalized CSOPs were integrated into the Corporate Document Control System.

Environmental Health and Safety Training Project

During FY2006, new on-line training was developed to support the Corporate Standard Operating Procedures. Twenty-seven new, on-line training courses, incorporating adult learning principles, were developed. Site EHS professionals and other departmental stakeholders played an important role in providing input and conducting reviews during the development of these training courses. These training courses were incorporated into Seagate’s central Learning Management System launched in mid-July 06.

In the course of FY2007, these courses will be further enhanced to support local site requirements and native language needs. Training and education is an important component of our EHS management system and utilizing technology to deliver effective training is a continued priority.

Worldwide Awards
Seagate has earned recognition internally and externally for selected EHS programs.

**President’s Drive to EHS Excellence Award**

In 2000, Seagate introduced the “President’s Drive to EHS Excellence Award.” This is a formal program that recognizes employees who go above and beyond their expected performance to help improve Seagate's overall EHS results. Since the program’s inception, over 500 employees (26 individuals and 71 teams) have received recognition for their contributions. The program provides an opportunity for any employee to nominate co-workers for outstanding contribution in the area of EHS. Our executive management conducts a vigorous evaluation process to select recipients for the award. Some examples of award-winning projects include:

**2005: Ergonomics Program – Teparuk and Korat, Thailand** A cross-functional team from our Teparuk and Korat sites successfully implemented an Ergonomics program to address the sites’ ergonomic concerns. Team members received extensive ergonomics training and utilized illness/injury data to conduct risk prioritization and assessment followed by the development of corrective action plans to decrease or eliminate the risk. Many innovative solutions for risk reduction were developed, implemented and sustained. The team’s actions resulted in a 25% decrease of MSD cases from the previous year.

**2005: Hazardous Waste Sludge Reduction – Normandale, U.S.A** A site team successfully developed and implemented a recycling process for managing hazardous sludge waste. The team developed a comprehensive system, which comprised training, standard operating procedures and monitoring and reporting systems. Their efforts resulted in a 54% reduction in hazardous waste sludge generated by the site.

A number of external awards were also bestowed onto Seagate in FY2006, including several recognizing activities in the prior year.

**U.S.A**

- Governor’s Award of Honor for Occupational Safety 2005, Minnesota

**Singapore**

- Gold And Silver Honors At The Singapore Health Award 2005, Presented by the Health Promotion Board
- Annual Safety Performance Award 2005 (Merit) by Ministry of Manpower.
● Occupational Health Best Practices for Ergonomics Solutions 2005 (Excellence Award) by Ministry of Manpower

Thailand

● National Outstanding Safety Factory Award 2006 by Safety Inspection Department, Ministry of Labor
Work Environment/HR

Please read more about our work environment programs:

- Employee Demographics
- Ensuring HR’s Compliance with Global, National and Local legislation and Regulations
- Gathering Employees’ Feedback and Keeping Them Engaged
- Keeping Employees Performing and Learning
- Ensuring Employees’ Well-being and Work/Life Balance
- Rewarding & Recognizing Employees
- Ensuring Diversity in our Workforce and Work Practices

Employee Demographics

Seagate has a diverse workforce with a major presence in eight countries, including the U.S., Asia and EMEA. The company additionally has a presence in numerous other geographies in the form of sales offices.

As a multi-national company that is vertically integrated – i.e., owns its own component and product design and manufacturing operations – Seagate employees a wide range of people in a vast number of job functions, ranging from production operator to skilled technicians to scientists and other ‘professional’ employees.
Seagate benchmarked its policies and processes with HR best practices, and ensured their alignment with the company’s corporate goals and values, their compliance with global, national and local regulations (including global citizenship requirements), and greater site-to-site commonality. The outcome of this globally-led effort was a tenfold reduction in the number of HR policies worldwide, and the launch of a Global HR Policies website and HR forms page on the company intranet.

Since the Global HR Policies website was launched in October 2005, Seagate managers and employees around the world have a common, single source for HR policy-related information for the first time. In March 2006, the addition of linked HR process flows and the publication of HR policies and forms in local languages continued to deliver HR service and information directly to managers and employees.

More work is ongoing to audit practices globally against established HR policies and processes during FY2007. Click here to view the roster of policies resulting from the HR Policy Reduction Project.

Gathering Employees’ Feedback and Keeping Them Engaged

Seagate periodically conducts global employee surveys to gather feedback and ensure alignment to company goals, and requires managers to complete action plans to address priorities in their areas. The survey results are communicated globally and posted on a website.

In the October 2005 survey, 95% of employees worldwide participated in the process and more than 90% of managers who received individual survey findings reports completed their survey action plans within six weeks of receiving their results. Seagate’s 2005 survey results consistently exceeded the norm (for those items which have an external norm) by 3 to 19 points.
Note: Not all items in the Seagate survey have a External Norm available. Our 3rd party employee survey vendor’s database consists of over 1 million records representing more than 100 companies and over 100 countries.

Seagate also encourages employees to use the Open Door Policy or the Ethics Helpline to provide feedback to management or to raise issues to management. Additionally, Seagate encourages managers to conduct skip-level, roundtable and one-on-one discussions with employees regularly.

Keeping Employees Performing and Learning

Seagate employees and leaders are committed to the company’s performance management processes. That means setting and aligning goals at the start of each year, along with individual development plans. During the course of the fiscal year, managers and direct reports have regular interactions and updates regarding goals, and complete annual performance evaluations that include an assessment of performance against Seagate's values and leadership competencies.

To facilitate the overall performance management process globally, Seagate invested in a global goal-alignment process supported by an online application – called iMAP (Integrated Maximizing Alignment and Performance) – which was recognized by the Corporate Executive Board, a leading research organization, in 2002 as being best-in-class.

In FY2006, Seagate also integrated its Learning Management System into the iMAP application, thus allowing managers and employees to obtain their learning resources and information from a single online application. iMAP currently provides more than 500 online course offerings covering leadership development, professional development, computer/IT development, functional competencies (e.g. EHS-, Six Sigma/ Business Excellence-related) from highly recognized learning experts such as Harvard Business School, Corpedia, Netg, Quality Group, Next Knowledge, and Click-to-Launch. In addition, Seagate has created its own custom online learning courses and facilitates blended learning programs – especially in leadership and management development – at major sites worldwide.

The introduction of the online iMAP application has made the performance and learning management a lot more efficient and effective for Seagate managers and employees. In FY2006, 95% of employees created their goals in the iMAP application at the start of the year, and 77% of employees had completed their development plans in iMAP. Adoption of online learning also grew in FY06 – company-wide, 85% of courses taken in FY06 were done through e-Learning compared with 70% in FY05.

In FY2007, succession planning and talent management will also be included in the iMAP application, making it Seagate’s online integrated solution for performance, learning and succession management.

Seagate also offers traditional support for employees’ efforts to acquire job-related skills through its global tuition assistance policy. This policy allows reimbursement of tuition expenses or other fees for approved university-level and other educational courses.

Ensuring Employees’ Well-being and Work/Life Balance

Seagate invests in a wide range of benefit programs around the world to help support the health,
work environment/ HR

well-being, security, and productivity of our employees. The company’s benefits are benchmarked to local market practice, industry norms, and cultural requirements; while reflecting the global standards of a leading, multinational organization. Although these programs take different forms depending on geography, the Seagate plans offer value and flexibility overall, in support of employees and in some cases their dependents.

Some examples of these Seagate programs that reflect the company’s commitment to its people include: health care plans, wellness initiatives including fitness programs, fitness centers, and preventive health screenings; vacation, leave, and paid time-off programs; retirement savings opportunities, counseling and related support services, discounted retail products, and equity ownership opportunities.

In March 2006, Seagate was ranked 14th among metro area fitness centers by Minneapolis/St. Paul Business Journal (based on membership). Seagate was ranked higher than Medtronic or Ford. Seagate currently has 891 members at the SHK location, and is averaging 2671 employee visits per month for 2006.

Performance Management and Development Planning

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Rewarding & Recognizing Employees

Employee compensation at Seagate is designed to build and sustain a diverse, high-performing team environment. The company’s compensation strategy focuses on providing base pay that is competitive to local market conditions, supplemented by incentive pay opportunities that reward performance.

Employees who display extraordinary performance in helping Seagate achieve its business objectives can be rewarded and recognized in a number of ways. Rewards could range from monetary spot bonuses to gifts or letters of commendation. The company’s compensation philosophy also provides for variable rewards based on individual and company performance in addition to base pay, thus providing a tangible incentive for employees to excel.
Seagate Equity Ownership

Dedicated, focused employees who contribute their expertise in the workplace each day are the fundamental “engine” driving the ongoing success of the company. Seagate believes such contributions should be rewarded. The company’s variable pay and benefit programs include several vehicles by which employees can participate in company success through equity ownership: stock options and the Employee Stock Purchase Plan (see table for employee’s participation in Seagate’s ESPP program). Though each program is distinct in terms of its provisions, they share a common objective of offering employees the opportunity to build a long-term ownership stake in the company.

Ensuring Diversity in our Workforce and Work Practices

Seagate believes diversity in the workforce provides a competitive advantage. Seagate continuously promotes an environment in which diversity is recognized and valued as an opportunity. To help cultivate a diverse, high performing team, Seagate’s goal is to integrate diversity broadly into its operations – from our staffing process to our goal-setting, and from our performance and learning management to our compliance activities. Seagate believes that the richer our diversity, the more we can learn.

Performance & Learning Management Process

Increasing US diversity representation reflects and supports the company’s corporate goals. Seagate’s commitment to diversity is also embedded in its corporate values and these values are incorporated in employees’ competencies, which are evaluated yearly in their Performance Evaluation.

Diversity awareness sessions have been an on-going activity for US managers and employees since 2003. These have spanned a wide range of activities, from structured training to culture-building events, presentations and celebrations.

Employee Survey/ Feedback Process

Questions on diversity were included in our FOCUS! Employee Survey. In the October 2005 survey, there was an improvement in the responses to questions relating to diversity from the previous FOCUS! survey.
Seagate has historically been an Equal Employment Opportunity employer. In recent years, Seagate has gone beyond its traditional commitments to Equal Employment Opportunity by more aggressively pursuing diversity candidates as part of our staffing efforts. One US diversity hiring goal has been to interview at least one diverse candidate for 60% of US exempt positions that are filled externally. As of the end of FY2006, 65% of US exempt positions filled had a diverse candidate interviewed. Seagate also participates in diversity career fairs and uses numerous sources to look for diverse candidates to fill our open positions.

Gender diversity at the senior management level has also been increasing in the last few years – two of the six direct reports to the CEO are female and across the top 114 executives in the company, the number of female vice presidents has increased from 8%, in March 2003, to 13% in June 2006. This increase has been achieved largely through intentional, rigorous recruiting and succession planning.

From an ethnicity perspective, Seagate has also been improving its racial diversity within the executive team. In March 2003, 94% of VPs were Caucasian compared to the present percentage of 79%. As part of this effort, Seagate has consciously been developing and putting more local managers into management positions within its operations.

Seagate’s Board of Directors continued to increase its diversity in FY2006. Approximately one-third of Seagate’s board reflects diverse ethnicity – two directors are African American, one of whom is female, one is Hispanic, and one is Asian.

**Compliance Processes**

Being a signatory of the UN Global Compact, Seagate has ensured that it upholds specific principles related to human rights and labor standards. A FY2006 review of HR policies and processes, supported by ongoing HR audits, ensures that Seagate is compliant with its Global Citizenship commitments.

For Seagate’s US sites, **Affirmative Action Plans (AAPs)** are developed annually and our Staffing organization works with local Human Resources, hiring managers and outside vendors to achieve the desired goals stated in the plans. Quarterly reports of goal achievement are provided to the local Human Resources and the site management team.

**Office of Federal Contract Compliance Programs (OFCCP)** audits of Seagate US sites in FY2006 resulted in findings that demonstrated Seagate’s consistent compliance to AAP/ OFCCP requirements.

**Onsite Events**

Seagate has been active in FY2006 in promoting diversity in its US sites through quarterly onsite diversity events. Themes of past quarterly diversity events in the US have included Festival of Cultures, Disability Awareness, Women in Technology, and Generational Differences.

Besides these events, other diversity-related initiatives that have been implemented in FY2006 in the US include:

- **Site Diversity Resource Library**: Each site develops a local library with diversity books, articles, videos and magazines for employees and managers to use.
- **Connection with Constituency Groups e.g. Women, Men, US ethnic, etc**: Each site has the opportunity to have roundtable discussions with these different groups to gain insight into
how these groups feel about their site culture and help the Diversity organization see where it can assist in creating a more inclusive environment.

- **Diversity Network Pipeline Opportunities with local chapters of organizations including the National Society of Black Engineers (NSBE), Society of Hispanic Professional Engineers (SHPE), the Society of Women Engineers (SWE), American Indians in Science & Engineering Society (AISES), and Mathematics Engineering Science Achievement (MESA):** Diversity Managers, in partnership with site employees, establish a connection with these local chapters to build a pipeline of candidates for future hires or internships.

- **Corporate Communications’ External Diversity Opportunities & Community Involvements:** Local activities and support of worthy and diverse community organizations occurs at each major Seagate facility worldwide. Support is given in the form of financial contributions, employee volunteerism, and donation of company products and/or equipment. Programs supported range from the Professional Business Women of California’s annual conference, to sponsoring heart surgery for disadvantaged children, to helping a Thai primary school in need build a student canteen, plant fruit trees and construct ponds for aquaculture.

### Dedicated Diversity Resources

Seagate also has dedicated resources to manage its diversity efforts. The company’s diversity activities are led by an Executive Diversity Council, which is chaired by our President & Chief Operating Officer, and comprises the VP Global HR, VP Strategic Staffing, VP Corporate Communications, Diversity Director and the US diversity site management leaders. This council is tasked with promoting diversity through inclusion, education and awareness in alignment with company values, goals and objectives; as well as to serve as resources, coaches and partners to US sites in support of integrating diversity into every aspect of our operations.

Besides the Executive Diversity Council, Seagate also has dedicated full-time resources to support our diversity efforts. They include a Corporate Diversity Director, Diversity Managers and Staffing resources dedicated to diversity hiring and Affirmative Action in the US.

### Diversity Recognition for Seagate

Seagate has been recognized by various well-known organizations and publications for our diversity efforts over the years. In May 2006, Seagate received the 2005 “Pacesetter Award’ by the Professional Business Women of California (PBWC), for advancing women in the workplace. This is the second consecutive year that Seagate has received this recognition from the PBWC.
Seagate’s corporate governance standards are set at the highest level in the company, starting with the Board of Directors, and flow down through every level of the company. Corporate governance at Seagate spans many aspects of the company’s operations, practices and procedures. It includes accountability of employees, officers and members of the Board of Directors, and guidelines and mechanisms to ensure good, ethical corporate behavior designed to protect shareholders, employees, customers, suppliers, the environment and the global community, while maximizing investor returns.

Seagate implements corporate governance through processes, policies, laws and practices affecting the way Seagate is directed and administered. Seagate takes corporate governance seriously, and is committed to maintaining its record of meeting or exceeding ethical and legal standards throughout its business operations.

In FY2006, Seagate continued its commitment to good corporate governance by reinforcing and improving governance and ethics related programs. Seagate’s Board of Directors, including its Audit and Nominating and Corporate Governance committees, remained very engaged in compliance and governance, reflecting the Company’s longstanding focus on ethics, transparent accounting and effective corporate governance. At Seagate, employees are continually working to improve the Company’s corporate governance programs and procedures to ensure that Seagate continues to uphold its reputation for being a responsible corporate citizen.

**Board of Directors**

Seagate’s Board of Directors has long adhered to sound corporate governance practices designed to assure that it fulfill its responsibilities to stakeholders. The Board has adopted and disclosed Corporate Governance Guidelines to clarify how it exercises its responsibilities. Additionally, these guidelines demonstrate that the Board has the necessary authority and practices in place to review and evaluate the Company’s business operations as appropriate and to make decisions that are independent of the Company’s management.

The Corporate Governance Guidelines, along with the charters of the committees of the Board,
describe the Board's framework for the governance of the Company. In FY2006, the Board reviewed and updated its Corporate Governance Guidelines and its committees’ charters, and will continue to assess the appropriateness and efficacy of both, which are subject to change as the Board deems appropriate in the best interests of the Company or as required by applicable laws and regulations.

Seagate’s Board of Directors currently consists of twelve members, ten of whom have been affirmatively determined by the Board to be “independent” under the New York Stock Exchange Listing Standards, where Seagate’s shares are traded. In addition, each of the members of the Audit, Compensation, and Nominating and Corporate Governance committees are independent.

Committees of the Board

Each of the committees of the Board has a specific mission, which is summarized below, and set forth in greater detail in each committee’s written charter. The committee charters are posted on the Company’s external website. In FY2006, each committee reviewed and evaluated its own performance and the performance of its members, and its compliance with its charter.

Audit Committee

The Audit Committee is responsible for oversight of the quality and integrity of the Company’s financial statements; the Company’s compliance with legal and regulatory requirements; the independent auditors’ qualifications and independence; and the performance of the Company’s internal auditors.

In addition, the Audit Committee, pursuant to the Sarbanes-Oxley Act, is chartered with the receipt, retention and treatment of complaints received through the Ethics Helpline, and has committed Company resources to ensure thorough and timely evaluation and treatment of all complaints received. The Audit Committee held nine meetings in FY2006.

Compensation Committee

The Compensation Committee is responsible for discharging the responsibilities of the Board relating to the compensation of the Company’s officers, reviewing and approving corporate goals and objectives relevant to the Chief Executive Officer and other senior officers, evaluating the performance of these officers in light of those goals and objectives, and setting the compensation of these officers based on their evaluation; making recommendations to the Board of Directors with respect to compensation plans; meeting annually with the CEO to develop appropriate goals and objectives for the annual and longer-term executive incentive plans, which are then reviewed with the entire Board; and evaluating the CEO’s performance in determining the CEO’s compensation. The Compensation Committee held six meetings in FY2006.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for identifying individuals and selecting candidates to become directors; reviewing shareholder proposals relating to corporate governance, including director nominations by a shareholder; recommending and overseeing the implementation of a set of corporate governance principles; taking a leadership role in shaping the Company’s corporate governance; and overseeing the evaluation of the Board and evaluation and continuity planning of the senior executive staff. The Nominating and Corporate Governance Committee held five meetings in FY2006.
Strategic and Financial Transactions Committee

The Strategic and Financial Transactions Committee is responsible for evaluating and authorizing the Company to enter into any potential capital markets transaction (including debt and equity financing), private equity and debt financing, proposed merger, acquisition, divestiture or investment, in amounts of more than $25 million and up to $100 million individually (transactions of $25 million or less being within the Chief Executive Officer's discretion) that the Company may have the opportunity to participate in from time to time. The Committee may review similar transactions in excess of $100 million, and make recommendations to the full Board of Directors.

In addition, the Committee is responsible for reviewing the strategic planning process of the Company and, on an annual basis, reviewing the organization of the Company. The Strategic and Financial Transactions Committee held two meetings in FY2006.

Company Compliance with Sarbanes-Oxley Sections 302 and 404

Section 302

Companies have an obligation to provide their shareholders with transparent accounting and to disclose on a timely basis appropriate information about the Company.

Sarbanes-Oxley Section 302 (SOX Section 302) requires companies’ CEOs and CFOs to certify that the financial reports are true and accurate, and that adequate controls exist over financial reporting and disclosure.

Seagate’s Disclosure Committee, made up of the heads of key business functions and the company's principal executive and financial officers, reviews sales trends, product-quality issues, production issues and other factors that might have a material effect on the business, and provides quarterly and annual verbal certifications to underpin the CEO and CFO certifications required under SOX Section 302.

Seagate’s Disclosure Committee and its various subcommittees met on a quarterly basis during FY2006, led by the Company’s General Counsel. This important Committee will continue to meet quarterly on an ongoing basis.

Section 404

Seagate has long adhered to much of what Sarbanes-Oxley Section 404 (SOX Section 404) requires, such as having robust business processes and financial controls in place. However, the Company’s efforts to comply with this historic legislation provided Seagate with an opportunity to re-examine its “standard operating procedures” and integrate testing and assessment of the controls into the financial reporting process globally. Seagate successfully completed its first SOX Section 404 assessment in 2005, addressing the adequacy and effectiveness of Seagate’s internal control over financial reporting.

In FY2006, Seagate made significant progress towards a more sustainable SOX Section 404 process through initiatives such as a reduction of key SOX Section 404 controls and implementation of a technology solution to help manage the attestation and testing processes. Additionally, Seagate encouraged employees in every part of its organization to become more aware of the internal-
controls requirements while performing their jobs.

In FY2006, in order to ensure that employees understood the importance of SOX Section 404 requirements, Seagate provided a variety of information to its employee population about the SOX Section 404 certification process, how it affects the business and how all employees are touched by SOX Section 404. Seagate’s communication about SOX Section 404 included several electronic communications to its employees, as well as a blog and a presentation on the subject by Charles Pope, the Company’s Executive Vice President and Chief Financial Officer at its Q2 employee meeting, where he reviewed the Company’s exceptional results an reinforced the importance of good controls.

In addition, Seagate provided robust and comprehensive Sarbanes-Oxley online training to managers at grade 156 and above, all of Finance, and other key process owners/groups in areas such as Legal, Logistics, and Materials. Approximately 93% of the 6,600 employees in the training population had completed by the training by June 30, 2006.

Seagate’s FY2006 10-K contains our opinion on our internal controls, and demonstrates the return on the investment we have made in this area.

Code of Business Conduct and Ethics

To help maintain its high ethical standards, the Company has an established Code of Business Conduct and Ethics that is applicable to all employees, officers and directors of the Company. This Code summarizes the Company's ethical standards and key policies in such areas as insider trading, conflicts of interest, fair dealing, and more, covering areas in which employees, officers and directors have responsibilities to the Company.

All employees, officers and directors are expected to comply with the Code at all times. Violation of the Code is cause for discipline, up to an including termination of employment with Seagate. The Code is continually reviewed and updated to ensure that employees, officers and directors have current and relevant information about expected behavior and the appropriate courses of action to take in situations they and the company may face.

During FY2006, Seagate amended the Code to provide employees and investors with up-to-date information on the following topics: (1) added a new section entitled “Disclosure” addressing Seagate’s commitment to, and expectations of its employees regarding timely and complete public disclosures, (2) added a new section entitled “Communication with the Financial Community, the Media or Other Outside Organizations or Individuals” that provides guidelines for employees relating to communication with the outside financial community, the media or other outside organizations and individuals, (3) provided information regarding Seagate’s Ethics Helpline, and (4) made certain other, non-material changes to the Code. Seagate filed its amended Code with the SEC in an 8-K filed on May 3, 2006.

Seagate continued to reinforce the importance of the Code during FY2006 by communicating information to its employees about the Code, including a blog on the topic by the company’s Chief Counsel and Executive Vice President, Bill Hudson.

Conflict of Interest and Ethical Conduct

Seagate values its reputation for integrity and conducts its affairs in a manner that is ethical, in
support of fair and open competition and in strict compliance with applicable legal requirements. Accordingly, Seagate expects all employees to represent the Company in a positive and ethical manner and to avoid activities which are in actual or potential conflict, or give the appearance of being in conflict, with legal and ethical principles or which are not in the best interests of the Company, its customers, or its suppliers.

Seagate’s Conflict of Interest and Ethical Conduct Policy applies to the Company's Board of Directors and all employees, including managers, executives and officers of Seagate Technology worldwide. All new indirect labor employees are required to affirm, during the on-boarding process, that they do not have any conflict of interest, or to disclose any actual or potential conflicts. In April 2006, Seagate performed its annual affirmation process, whereby all members of the Board of Directors and indirect labor employees were required to provide such an affirmation that they did not have any conflicts of interest, or disclose any actual or potential conflicts. Approximately 16,650 people participated in the affirmation process in FY2006.

Ethics Helpline

Seagate believes that upholding the Company’s values and maintaining its integrity is the responsibility of everyone at Seagate, and encourages employees to speak up if they become aware of an illegal or unethical situation in the workplace. Seagate has an open-door policy, and encourages employees to talk with their supervisor or human resources representative. Seagate also provides a toll-free and secure Ethics Helpline.

The Ethics Helpline is available to all callers, including customers and suppliers, 24 hours per day and seven days per week, to allow reports of any violations of the law, including theft or fraud, falsification of documents, insider trading, conflicts of interest, violations of Seagate’s Code of Business Conduct and Ethics, or other issues. In FY2006, the company elevated the visibility of the Helpline to employees by placing contact information directly in the main home page of the Seagate intranet, promoting that fact in the Q3 all hands employee meeting, and repeatedly publishing the Ethics Helpline numbers in employee communications.

Investigation Practices

In the event an illegal or unethical situation is reported, Corporate Investigations, headed by Corporate Security, is responsible for conducting prompt investigations. Allegations regarding civil or criminal acts of theft, fraud, embezzlement, unauthorized disclosure of Seagate Proprietary Information/Trade Secrets, are some of the primary types of incidents of concern to Seagate.

The local management team (or Business Unit) is instructed to refrain from conducting any form of inquiry or investigation before, during, or after reporting suspicious activities or allegations to Corporate Investigations. All investigations are kept in strict confidence and conducted in conjunction with Internal Audit, Legal, and Human Resources, and are discussed only with those persons who have a "need to know."

Communication and Visibility

Seagate spent considerable time and energy in FY2006 to ensure that governance, ethics and SOX
corporate governance compliance issues and requirements were visible and understood within the company – in a way that was clear and relevant to employees. Management increased its efforts to strengthen the message from the top, by communicating multiple messages to the employee population through a variety of vehicles, a sampling of which are set forth below:

**November 17, 2005**: Special Report: Ethics, Openness and Accountability -- The Right Thing to Do!, In Q1, Seagate kicked off a year of heightened visibility with an introductory message to all employees from CEO Bill Watkins, CFO Charles Pope and General Counsel Bill Hudson, about the importance of ethics. The report featured links to the Code, the Conflict of Interest and Ethical Conduct Policy, and the Ethics Helpline.

**November 23, 2005**: In his guest blog on Bill’s Blog: Take a Personal Stand for Upholding Seagate’s Standards of Ethical Conduct, General Counsel Bill Hudson led a rousing on-line discussion about all aspects of Seagate’s ethical compliance. This Blog was distributed via email to the on-line employee population.

**January 5, 2006**: In his guest Blog on Bill’s Blog: Sarbanes-Oxley: It’s Not Just for Finance Anymore, Charles Pope, launched a discussion about how various parts of the business are integrating SOX controls, and how everyone at Seagate has a stake in the process and results. This Blog was distributed via email to the on-line employee population.

**March 20, 2006**: In Pass it On...Information for Managers and Other Professionals, a monthly e-mail bulletin for managers, managers were reminded of the annual Conflict of Interest affirmation process, which took place in April 2006.

**April 10, 2006**: In Business News RealTime!, Q&A How SOX Helps Our Business Run the Right Way, Seagate managers Doug DeHaan, Kevin Eassa and Mike Merlin were interviewed about the effects of SOX on the business. The article was publicized with an email to all online employees.

**April 21, 2006**: In Pass it On...Information for Managers and Other Professionals, managers were given a link to the April 10, 2006 Business News RealTime article described above.

**May 23, 2006**: In Pass it On...Information for Managers and Other Professionals, managers were updated on recent amendment to the Code in an article entitled “Help Seagate Maintain its Integrity: Review Updates to Code of Business Conduct and Ethics.” The article included a summary of amendments and links to the Ethic Helpline and the Code itself.

**June 22, 2006**: In Pass it On...Information for Managers and Other Professionals, “Basic SOX Training – Remember to Complete the Course by June 30!” managers were reminded of the SOX training, and encouraged to have all participants complete the training.

**June 2006**: SOX 404 online training – 93% of the 6,600 employees in the training population had completed by the training by June 30, 2006. The population consisted of managers at grade 156 and above, all of Finance, and other key processes/groups in areas such as Legal, Logistics, and Materials.

**Q2 Employee Meeting**: At Seagate’s Q2 global employee meetings, SOX compliance and controls were covered by our CFO, Charles Pope.

**Q3 Employee Meeting**: At our Q3 employee meetings, Pope discussed ethics and the confidential Ethics Helpline, which is available for employees to confidentially express concerns about potential ethics violations.
Seagate believes in the overall importance of ethics in the Company’s business and culture, and remains committed to continuing its communication and education efforts about the Company’s corporate governance and ethical environment.

Read more about Corporate Governance at Seagate.
An integrated approach to managing Global Citizenship throughout the supply chain has become a basic expectation of our customers and other stakeholders who are concerned about how, and under what conditions, products are manufactured. Seagate had a number of measures in place in FY2006 to ensure that our diverse base of over 400 key suppliers continues to adopt sustainable, socially responsible business practices.

**Global Citizenship & Supplier Agreements**

In FY2005, Seagate’s standard Supplier Agreement was revised to address Global Citizenship requirements. Specifically, Seagate began requiring, as part of every new or renewed supplier contract, that suppliers comply with all applicable laws and regulations governing environment, health and safety, and labor practices. The initial focus in FY2005 was on the company’s largest “key” suppliers, although Seagate also began revising other supplier agreements as they came up for renewal.

In FY2006, these efforts continued, and Seagate’s Materials organization and Global Citizenship team added the language to the contracts of any existing suppliers as their contracts came up for review/renewal. In addition, all new suppliers approved in FY2006 were subject to the new language.

Seagate recognizes that it may be necessary to evaluate a supplier's actual performance in meeting these requirements. If the company becomes aware of a GC problem or allegation of such a problem involving a supplier, Seagate will pursue an inquiry, including an on-site audit if needed. In FY 2006, Seagate had one occasion to pursue such an inquiry, and was able to assist the supplier with a corrective action plan.

Seagate also requires its suppliers to meet our Product Stewardship standard: components in Seagate products and packaging are certified to meet stringent materials content requirements. Seagate requires its suppliers to provide detailed materials content data in support of compliance, and periodically audits these certifications with third-party laboratory tests.
Seagate's Community Involvement - Seagate Supported Organizations

Click a letter below to view an organization or scroll down

A B C D E F G H I J K L M N O P R S T U V W X Y

A
ACTS!
All Stars Helping Kids
Altnagelvin Hospital Cancer Services
Ann Darling School
American Association of University Women
American Red Cross
Asian Children’s Medical Fund
AYSO Region 256

B
Big Brothers Big Sisters
Bike to Work
Bloomington Public Schools
Boys and Girls Club of Santa Cruz
BT Budding Artist Fund

C
California Grey Bears, Inc.
Cal Poly State University
Calvin College
CAP Agency
Carleton College
Carnegie Mellon University
Challenge Learning Center
Chicago Field Museum
City of Longmont
City of Santa Clara Parks & Recreation

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Seagate Supported Organizations

HeartLink
Henderson Student Care Center
Hill School of Minnesota
Homeless Garden Project
Homeless Services Center
Housing Trust of Santa Clara County
Huber Park Community Playground

Jordan and Kyra Memorial Foundation
Junior League of Monterey County
Junior League of Silicon Valley

Kettering University
Kidango
Kidpower

Larkin Street Youth Services
Lawrence University
Leukemia & Lymphoma Society
Life Community Services Society
Life Lab Science Program
Loaves & Fishes
Londonderry Chamber of Commerce
Los Gatos Robotics Team
Love Ride Foundation
Macalester College
March of Dimes
Marquette University
Marsiling Primary School
Math, Engineering, Science Achievement (MESA)
Mayflower Primary School
Memorial Blood Centers
Menlo Atherton High School
Metro Paint-A-Thon
Metropolitan State University
Michigan State University
Michigan Tech
Milpitas Alliance for the Arts
Milpitas Food Pantry
Milpitas High School
Minnesota Academy of Science

New Horizons School
Newspapers in Education, New Straits Times
Newspapers in Education, The Star
Newspapers in Education, San Jose
Ngee Ann Polytechnic
North Dakota State University

Ohio State University
Oklahoma State University
OUR Center

Lupus Foundation of Northern California

Minnesota Children’s Museum
Mission Valley Regional Occupational Program

Professional Business Women of California
Purdue Foundation

Resource Area for Teachers (RAFT)
Rensselaer Polytechnic Institute

RoboCup Challenge

San Jose Sharks Foundation
San Lorenzo Valley Foundation for Education
Santa Cruz Cancer Benefit Group
Santa Cruz Children’s Charities
Santa Cruz County Office of Education
Santa Cruz County Youth Soccer League
Santa Cruz Cultural Council
Second Harvest Food Bank
Seymour Marine Discovery Center
Science Buddies
Scotts Valley Chamber of Commerce
Scotts Valley Exchange Club
Scotts Valley Kiwanis
Seagate Supported Organizations

Scotts Valley Middle School
Scotts Valley Police Department Juvenile Fund
Seeing is Believing
Sentinus (Young Innovators)
Shakopee Public School District #270
Si Ling Primary School
Simpson Housing Services
Special Olympics Northern California
South Dakota State University
St. Cloud State University Foundation
St. Olaf College
ST School Pocket Money Fund (SPMF)
Summer Star Camp
Susan G. Komen Foundation
Sustainable Valley Foundation
SVSLV Soccer Club

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<td>Third Street Community Center</td>
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<td>Turning Wheels for Kids</td>
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<th>V</th>
<th>VEAP (Volunteers Enlisted to Assist People)</th>
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Seagate Supported Organizations

University of Wisconsin - Platteville

University of Wisconsin - River Falls

Washington & Lee University

Washington State University Foundation

Wild Bear Center for Nature Discovery

Winona State University Foundation

Wishing Well Project

WomenCARE

Women’s Vision Foundation

Working Hand in Hand

Xceed Science Camp

Yale University

Yangzheng Primary School