

# FY2009 Global Citizenship Annual Report

[www.seagate.com](http://www.seagate.com)



## Welcome to Our FY2009 Global Citizenship Annual Report

FY2009 was a year of refining our efforts in targeted areas as the global economy posed unprecedented challenges. Despite the macroeconomic meltdown, Seagate made some significant accomplishments in corporate social responsibility as the company focused on high-impact areas.

In January 2009, halfway through the fiscal year, I rejoined the company management team as President and CEO, and continue to serve as the Chair of our Board of Directors. I am pleased to be back in the chief executive position, which I had previously held for a six-year period ending in July 2004. In re-engaging as the company's chief executive, my focus has been on optimizing our processes to improve business and financial performance. Maintaining a responsible operation is an important aspect of business performance, and I intend to continue Seagate's emphasis on addressing the needs of our stakeholders.

Our FY2009 accomplishments touched many different aspects of our business. One key area of focus was our ongoing effort to identify, disclose and mitigate greenhouse gas emissions.

During the fiscal year, Seagate began purchasing renewable power for its wafer manufacturing facility in Northern Ireland. The company also identified ways to track and report greenhouse gas emissions: participation in the supply chain initiative of the Carbon Disclosure Project, an independent database of climate change information; and membership in the Electronic Industry Citizenship Coalition's (EICC) supply chain carbon reporting pilot. Both programs represented ways for Seagate to understand the factors affecting its carbon footprint, and are expected to drive additional measures to mitigate greenhouse gas generation.

The company maintained its focus on engaging effectively with key stakeholders in FY2009. Seagate continued its practice of holding joint EICC audits with key suppliers, and adopted the EICC scoring method in quarterly supplier reviews. The company also remained actively engaged with EICC and other social responsibility stakeholder organizations including the United Nations Global Compact.

These are just a few examples of our commitment to corporate social responsibility in FY2009. Seagate made progress, addressed challenges, and in general maintained a focused, effective program in FY2009. I invite you to learn more by reading the following report.



Steve Luczo  
Chairman, President and CEO

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## Company Profile and Financial Information

With more than a quarter century of industry expertise, Seagate continues to be the driver of innovative solutions for the storage industry. Today no other hard drive manufacturer matches Seagate's breadth of solutions. With dozens of solutions products covering applications ranging from home computing to enterprise data centers, Seagate delivers advanced solutions for every industry that requires digital storage.

The company leads the industry in research and development, with a focus on bringing to market new technologies that will meet the needs of future generations. Since its inception, Seagate has consistently delivered breakthrough innovations and raised the bar for digital storage solutions. The company has been first to market with technologies that power your digital life, from the home to the hand to the car and the office, such as perpendicular recording, hardware-enabled full disk encryption and hybrid hard drives. Seagate continues to invest in the development of new technologies to increase performance, speed and areal density (the ability to store more data in less space).

Please refer to the About Seagate Technology web page at [www.seagate.com](http://www.seagate.com) 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 2009 (June 28, 2008 – July 3, 2009) Annual Report and Form 10K.



## Engaging with Our Stakeholders

Seagate strongly emphasizes stakeholder engagement both internally and externally, with the following resources and processes in place to ensure effective dialog.

### Global Citizenship Committee

A Seagate cross-functional management team directs the company's Global Citizenship (GC) Program, including a stakeholder inquiry process. The team sets annual strategy and goals, with a focus on supporting the company's business operations in a drive for continuous attention to and progress regarding the many facets of corporate social responsibility. The GC team regularly reviews progress on goals, handles customer inquiries, and carries out ongoing actions to embed corporate social responsibility standards and practices throughout the company.

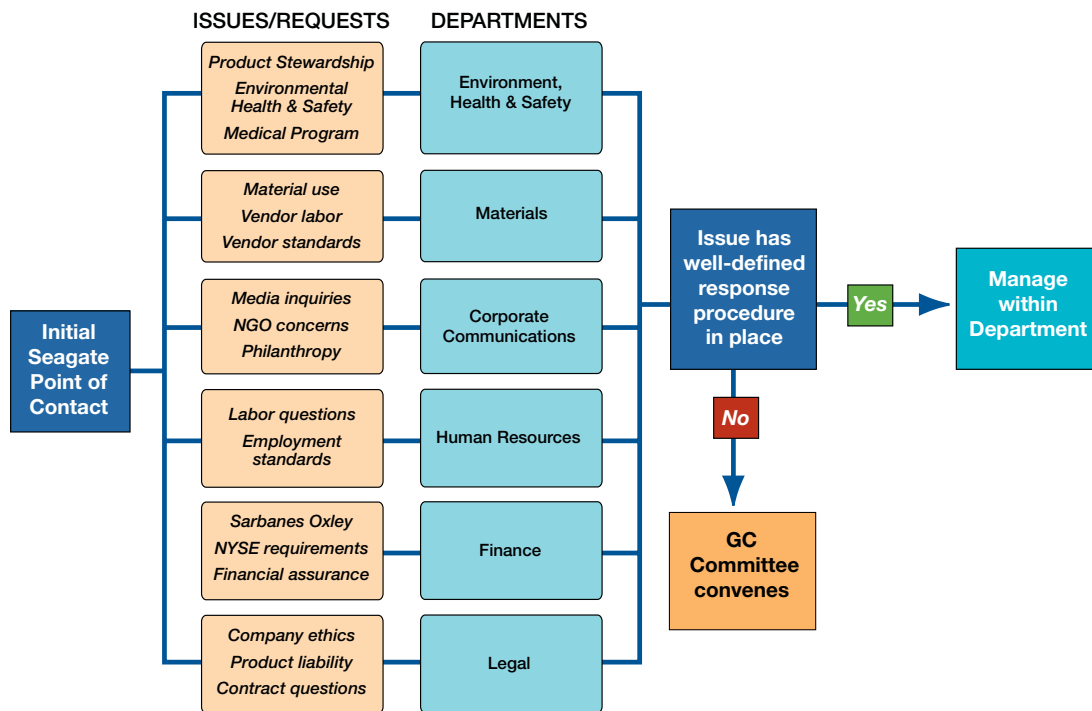
The team is accountable to the company's senior management, is sponsored by Seagate's Chief Financial Officer, with its functional leadership provided through the Environment Health & Safety organization. Key company functions are represented by individual team members from across Seagate's global business:

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



## Global Citizenship Stakeholder Inquiry

Below is the company's stakeholder inquiry process.



## Engaging with the Industry

Despite the deep and widespread macro-economic challenges endured by virtually every industry, Seagate continued to focus on global citizenship and maintained a productive dialog with customers. Seagate responded to customer requests for social responsibility information and audits, utilizing the standardized audit and reporting tools/processes established by the Electronic Industry Citizenship Coalition.

The company continued its focus on driving corporate social responsibility through the supply chain, confirming EICC requirements and processes with key suppliers via quarterly business reviews, in addition to seeking verification of conformance to expected standards by committing to participation in third party supplier audits conducted through the EICC.

Seagate remained actively engaged with EICC throughout the fiscal year, participating in four workgroups in addition to holding a co-leadership position for the workgroup focused on industry standards for working hours and overtime.

The company also chose to participate in the pilot launch of a new carbon reporting system developed by the EICC, which allows companies in the electronics industry to calculate their greenhouse gas emissions (GHG) and share data with other companies in the industry. 2009 marked Seagate's fifth year as a member of the United Nations Global Compact (UNGC). Partnerships were also maintained with other social responsibility stakeholder organizations, including Sustainable Silicon Valley, Business for Social Responsibility (BSR), and the Carbon Disclosure Project.



## Governance

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 and includes guidelines and mechanisms that promote ethical corporate behavior designed to protect shareholders, employees, customers and suppliers while maximizing investor returns. Further information is available at [www.seagate.com](http://www.seagate.com).

### Corporate Governance Guidelines

Seagate's Board has long adhered to sound corporate governance practices. The Board has adopted and disclosed Corporate Governance Guidelines to clarify how it exercises its responsibilities to the company's stakeholders. 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.

### Board Independence

Seagate's Board currently consists of a substantial majority of directors who meet the applicable NASDAQ listing standards for independence.

### Committees of the Board

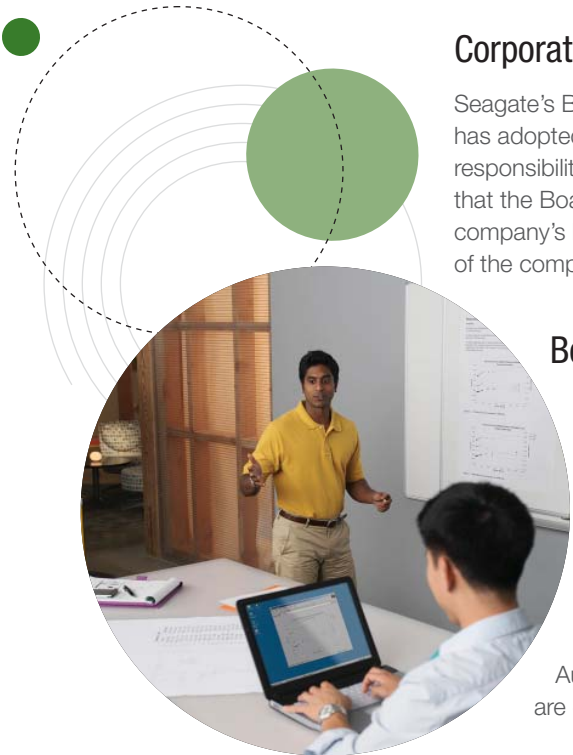
The Board has four standing committees: The Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Strategic and Financial Transactions Committee. The Audit, Compensation, and Nominating and Corporate Governance Committees are each composed entirely of independent directors.

### Code of Business Conduct and Ethics

To help maintain its high ethical standards, the company has an established Code of Business Conduct and Ethics (the "Code") that is applicable to all employees, officers and directors of the company and its subsidiaries. This Code summarizes the company's ethical standards and key policies in such areas as compliance with laws and regulations, insider trading, conflicts of interest, fair dealing, and interaction with public officials and provides relevant information about expected behavior. A copy of the Code in the appropriate language is available to all Seagate employees on the company's intranet and is also available in English on the company's external website.

### Ethics Helpline

Seagate believes that upholding the company's values and maintaining its integrity are 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, confidential and secure Ethics Helpline, which is available



to employees, and third parties, 24 hours per day and seven days per week, to allow reports of 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. Information about the Helpline is available to employees directly on the main home page of the Seagate intranet, and is also available on the company's external website.



## Supplier Engagement

Seagate reaffirmed in FY2009 its strong commitment to Global Citizenship in the company's supply chain by:

- Having a management system that supports conformance to the Electronics Industry Code of Conduct (EICC) and its standards
- Continuing to require suppliers to acknowledge and implement the EICC code, focusing on “next tier” suppliers after handling the company's largest suppliers in FY2008,
- Engaging with stakeholders to obtain input for further development of the code, and
- Participating in EICC and other industry work groups, meetings and audits.

### FY2009 Highlights

Specific FY2009 actions and accomplishments:

- Included the EICC Code of Conduct scoring in our supplier Quarterly Business Reviews (QBRs)
- Conducted refresher awareness forums for Commodity Managers on the EICC Code of Conduct by holding refresher forums with Q&A's
- Continued joint EICC Audits with select suppliers identified by voting on the part of all EICC member companies.

In addition, for several years the company has had GC language and requirements embedded in its contracts, and requires supplier adherence to those standards. Seagate also requires its suppliers to meet its Product Stewardship standard: components in Seagate products and packaging are certified to meet stringent materials content requirements. The company 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 Materials and Supply Chain Mission

To provide Seagate a Competitive Advantage in Materials by establishing a Best-in-Class Strategic Supply Base offering Access to Technology, Time to Volume, World-Class Manufacturing Capability, Component Quality, Flexibility and Lowest Overall Cost, while maintaining the ultimate goal of Customer Satisfaction.

### Engaging with the Supplier Base

Seagate continued in FY2009 to engage the suppliers by developing and implementing a new online workspace for supplier collaboration with Commodity Management Teams (CMTs), [share.seagate.com](http://share.seagate.com). This workspace helps to speedily share information using a secure website. It also allows faster communication on key strategic issues, as well as one common document used as the master.

Additionally, Seagate executives met during FY2009 with supplier CEOs at the company's annual Supplier CEO Advisory Council to share product information and discuss issues in an open forum.

## Supplier Education and Training

Seagate believes that training is an integral and necessary part of its supply chain. The company actively works to educate its supplier base about GC—ensuring that they understand the GC requirements in their contracts before signing, acknowledging that GC is of critical importance to both Seagate and its customers, and realizing that future GC requirements might be forthcoming.

The company expects to enhance the training material for suppliers in FY2010, by using the web-based training currently being developed by the EICC. The website will track/document the learning and completion activities of each supplier. To support this effort, Seagate asked each supplier to identify one or more individuals to complete the training and be responsible for cascaded the training within his or her own company.

## Environment

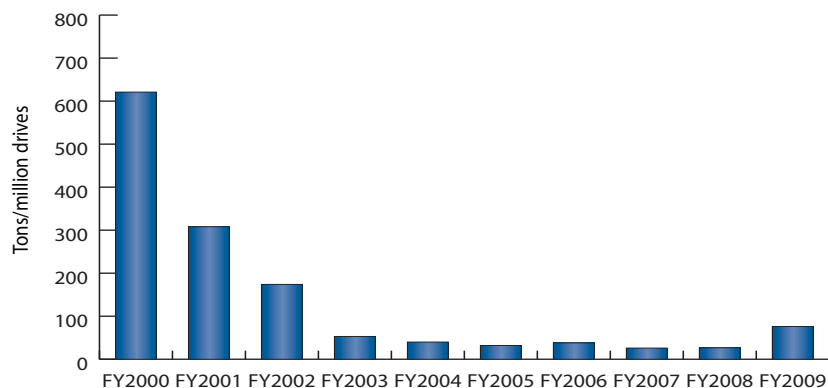
Throughout FY2009 Seagate was focused on maintaining its environmental program and performance in the midst of managing business priorities in a challenging business environment brought about by the global economic crisis. During the year the company continued energy conservation efforts and started purchasing renewable power generated by wind for its Springtown, N. Ireland operations. Seagate also consolidated a number of environmental activities, which were being carried out internally by various departments under the “Green Initiatives” banner within the company. Significant effort was focused on managing environmental matters related to the company’s business decisions, including site closures in Northern Ireland and U.S while bringing on-line a new substrate operation in Johor, Malaysia. In the Product Stewardship area Seagate continued to make progress in the implementation of the automated materials content reporting system to meet the increasing customer and regulatory substance restrictions in its products.

## Waste Generation

FY2009 was a challenging year for a number of reasons. The Johor, Malaysia site, where the company’s substrates are manufactured, continued ramping up operations. With this increasing activity, the company opted to send a large amount of the hazardous waste generated to an off-site treatment facility rather than processing in-house to ensure full compliance with stringent wastewater discharge parameters. Sending this material off-site had the effect of increasing the amount of waste generated and reported. At the same time, industry demand plummeted due to the global economic crisis. The significant decrease in the company’s production volume, caused a negative skew in the methodology Seagate uses to measure performance—ratio of hazardous material normalized to production units. The net effect of these factors resulted in a 185% increase in the company’s hazardous waste generation metric for FY2009 compared to the previous fiscal year.

The company was able to anticipate this trend and adjusted its FY2009 hazardous waste generation target upward to 14,802 tons, a level which was not exceeded. During the year 52% of the hazardous waste was recycled while the remaining waste was incinerated, treated or sent for energy recovery. It is Seagate’s policy not to landfill hazardous waste unless, based on comprehensive investigation, there is no other viable treatment method available. The company has set a hazardous waste generation target not to exceed 24,198 tons for FY2010, taking into account anticipated increased substrate production.

### Hazardous Waste Produced (tons) per Million Drives



Read Seagate’s Environmental Health and Safety Policy included in this report on page 27.

Seagate was able to maintain a solid waste-recycling rate of 77% in FY2009. With the main focus of the solid waste recycling program on waste reduction, the company has set a target of > 70% for 2010 with site level targets established to support achievement of this goal.

Examples of minimization activities carried out during the year include:

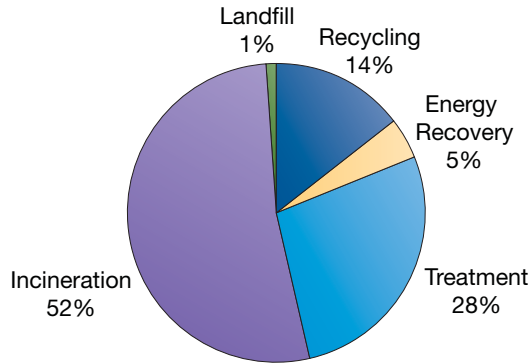
### Solvent Reduction – Korat, Thailand

A team of engineers at the site was able to reduce the amount of solvent used in a particular process by substituting an existing adhesive used with an alternative. Due to this improvement, the site chemical usage for the process was reduced by 23 tons/year.

### Solvent Reduction – Penang, Malaysia

The site process engineering team was able to replace an organic solvent used in one of the slider manufacturing process with de-ionized water. This improvement reduced the amount of solvents used by approximately 5 tons in FY2009.

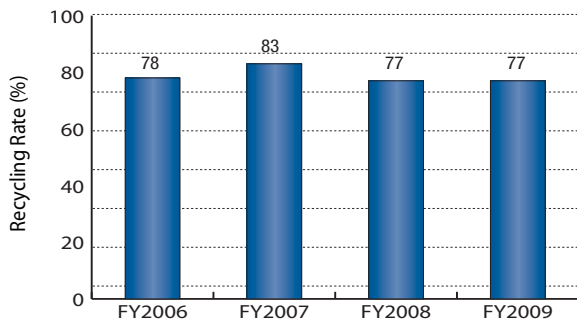
### Hazardous Waste Disposition FY2009



### Greenhouse Gases

With 95% of the company's carbon footprint generated by indirect emissions (i.e., purchased electricity), Seagate's efforts in FY2009 were focused on reduction projects and identifying alternate energy sources. In November 2008, Seagate contracted with Airtricity in the United Kingdom for the purchase of green energy for operations in Springtown, N.I. From that point in time through the present, the site has continued to purchase 100% of its electricity from a renewable source. A total of 9,391,151 kWh of green power was purchased in CY2008.

### Solid Waste Recycling Rate



Sources Type	CO2 Annual Emission in Metric Tons		Reduction
	CY2007	CY2008	
Indirect Emission - Purchased Electricity	907,045	878,106	3.1%

In addition, Seagate participated in various greenhouse gas emission reporting initiatives during the year with third party organizations and customers, including the Carbon Disclosure Project (CDP) Supply Chain Program and Sustainable Silicon Valley. The company also participated in the EICC Carbon Reporting System. The on-line system allows companies in the electronics industry to calculate their greenhouse gas emissions and share the data with other companies in the industry. The system was developed to improve measurements and increase understanding of GHG emissions across the electronics industry supply chain.

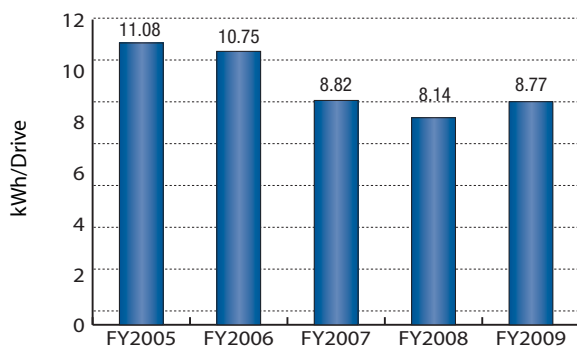
## Electricity Conservation

Throughout FY2009, a focus on electricity conservation continued with numerous reduction projects delivered at the site level. Regrettably, Seagate's conservation efforts were negated by the global economic crisis, and the company missed its annual electricity conservation target due to the unforeseen drop in production during the first half of the fiscal year resulting in an increase of 7.7% (over FY2008 levels) in electricity usage per drive produced.

Electricity reduction activities centered on reducing the amount of energy required to run equipment and processes as well as projects related to facilities infrastructure. With the rising cost of energy, procurement activities were also stepped up in non-regulated markets to monitor energy cost trends. In light of the current economic condition the FY2010 target is to maintain or improve on FY2009 performance.

In addition, Seagate supports electricity conservation by reducing the energy consumption of our products by end-users. See "Product Stewardship" for more information.

### Energy Consumption Per Production Unit (kWh/Drive)



Examples of electricity minimization activity carried out during the year include:

#### Fan Filter Unit Velocity Reduction – Woodlands, Singapore

The site facilities department implemented a project to reduce the airflow velocity in the fan filter units servicing the clean room while meeting the clean room specification and succeeded in reducing electricity usage by 1,198,061 kWh per year.

#### Installation of Variable Speed Drive (VSD) – Ang Mo Kio (AMK), Singapore

The AMK facilities department reviewed the cooling system set up for compressor units at the site and installed VSD motors for the condenser cooling water pump, thus matching the pump performance and the compressor's need for cooling.

The implementation of the VSDs to the cooling system pumps results in a savings of 1,614,030 KWh per year.

## Water Conservation

Seagate believes that conservation is the most cost-effective and environmentally sound way to reduce demand for water, which is a resource critical to operations as well as to the communities in which we operate. Water conservation activities have been ongoing at Seagate for a number of years. Examples of water conservation projects implemented during FY2009 include:

#### Fire System Piping Improvement – Suzhou, China

The site facilities department reviewed and modified the fire fighting system piping to recover water during the testing of the fire fighting system. The piping modification resulted in a saving of 15,500 m3 of water per year.

#### Water Recycling – Teparuk, Thailand

The Teparuk site continued with the recycling of treated wastewater from its production activity for use in cooling towers, garden water sprinklers and sanitation. The site has reduced city-supplied water usage by approximately 182,000 m3 per year.

## Green Initiatives

In FY2009, the company consolidated a number of environmental initiatives within Seagate under the "Green Initiatives" umbrella. The main aim was to provide a common platform for reporting and resource sharing in meeting stakeholder expectation. A brief description of the focus areas are provided below.

Initiative	Focus
Energy Conservation	Reduce energy usage and cost
Carbon Footprinting	Reduce GHG emission
Minimize, Reuse, Recycle	Identify opportunities for minimizing waste and promoting recycling
Green Design	Green design roadmap and materials review
Green Materials	Policy/procedures for the use of greener material across the company
Green IT	Energy efficiency practices in the data centers and desktops
Water Management	Develop strategies to reduce/minimize use
Green Messaging	Develop messaging to promote green products

## Product Stewardship

Seagate has adopted Product Stewardship principles that mitigate the impact of the company's products on the environment throughout the product's life cycle. These principles minimize the impact to the environment, and guide us in meeting customer expectations and regulatory requirements while adhering to product technical and marketing specifications. Product Stewardship addresses the various facets of the product's life cycle from design, manufacture and use to end-of-life management and disposal.

Seagate's Product Stewardship program objective is to meet or exceed requirements of product-related environmental legislation and customer environmental requirements related to product, packaging, user documentation, and manufacturing processes.

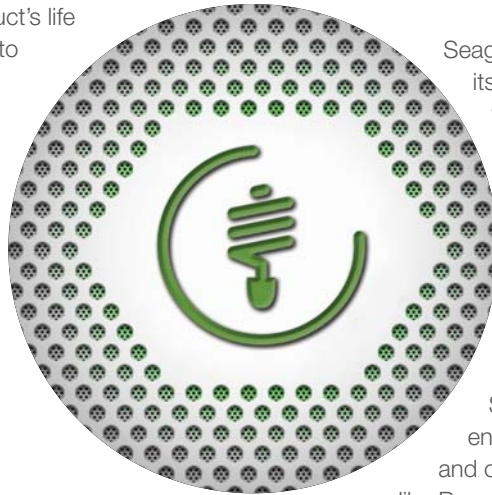
Seagate's Product Stewardship program ensures that Seagate disk drive products comply with key specifications, including:

- European Union Restriction of Hazardous Substances (RoHS) Directive restricting cadmium, lead, mercury, hexavalent chromium, polybrominated biphenyls and polybrominated diphenyl ethers.
- JIG 101 Annex A and Annex B – the Joint Industry Guide lists many substances of concern for toxicity and environmental impact. Seagate tracks and restricts these substances in our disk drive products.
- EU REACH restrictions – Substances of Very High Concern listed by the European Chemical Agency are restricted in Seagate products.

In total, Seagate restricts over 200 different substances in materials used in our disk drive products, aligning with all major customer materials restrictions.

In FY2009, Seagate continued with its staged implementation of an automated materials content reporting system, or Compliance Assurance System (CAS), to strategically position the company to meet customers' needs in complying with the RoHS Directive and with other regulatory and nonregulatory substance restrictions. RoHS, which became effective July 2006, impacts manufacturers who place their products in the European market. With CAS system implementation, Seagate is aligning its materials content reporting to the IPC 1752 industry format, allowing our suppliers to streamline

certifications and allowing Seagate to collect extensive data from our suppliers on individual materials used in our products. By implementing an automated system, Seagate can quickly respond with detailed materials content data and lab reports to any regulatory inquiries, as well as utilizing this system to check compliance for China RoHS, industry Low Halogen initiatives and other customer requirements.



Seagate provides recycling data necessary for its customers to meet WEEE requirements with Seagate disk drives currently averaging around 75% recyclable content by weight.

Seagate in FY2009 continued helping its customers create sustainable solutions by reducing the energy consumption and environmental footprint of their products. Seagate Savvio®, Constellation™, and Cheetah® enterprise drives reduce data center power and cooling by up to 92% with technology like PowerTrim™ and on-demand PowerChoice™.

Seagate increased energy efficiency with low power notebook and desktop drives like Barracuda LP without sacrificing performance. Seagate has also taken a leadership role in producing halogen-free products and fostering supply chain transparency, helping customers reduce levels of toxic materials in their solutions.

The company's desktop products, meanwhile, also address power savings: Barracuda 7200.12 delivers a power savings of up to 40% over the previous product generation at the same capacity without sacrificing drive or system performance.

## Environmental Health and Safety Systems

Seagate has developed and implemented a set of Corporate Standard Operating Procedures (CSOPs) to manage Environmental Health and Safety (EHS) risk within the organization. These CSOPs set minimum expectations and provide guidelines on various EHS related areas/topics to the organization in managing EHS risk. An integral component of the management system is auditing. Seagate has a Corporate EHS Audit program, which provides 3rd party verification of site compliance to these CSOPs and local requirements. In FY2009, a review of the Corp EHS audit program was carried out and changes were made to the program to ensure the audit program provided the oversight that is required to the organization.



## Environmental Health and Safety Management Systems Certification

Seagate believes that a Management Systems approach is the only sustainable way to manage an effective EHS program within an organization.

### ISO 14001 / OHSAS 18001 Certified Facilities

Country	Location
China	Suzhou Wuxi
Thailand	Korat Teparuk
Malaysia	Penang
Singapore	AMK Woodlands
Northern Ireland	Springtown
U.S.A.	Bloomington, MN

Seagate utilizes the Enterprise certification model to certify its manufacturing sites to the ISO14001 and OHSAS18001 standards. KEMA-Registered Quality, an internationally recognized third-party certification organization, provides Seagate's EHS Management Systems certifications which are a component of company's overall Quality Systems Review (QSR) program. During FY2009 the QSR guidelines were revised with the objective of ensuring that requirements and expectations are targeted meet the business needs of the organization.

In addition to maintaining established management systems the focus in FY2010 will be the certification of the company's new substrate facility, located in Johor, Malaysia.



## Health and Safety

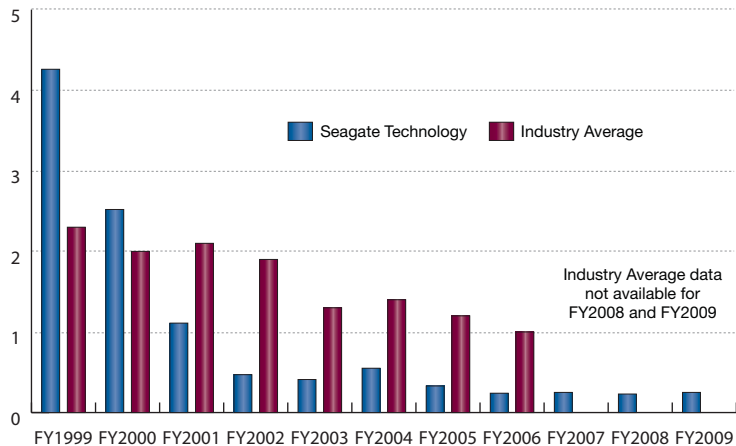
Seagate's approach to health and safety is one of integration and accountability. The company's commitment to the safety and well being of our employees is evident throughout our operations—from the design of our facilities and workspaces, to the design of our manufacturing equipment and chemical management systems to our leading practice standards and training. It is Seagate's fundamental belief that work-related incidents are preventable. Seagate's robust health and safety management systems provide a framework for continued reduction of risks with potential to cause injury or illness. Additionally, the company establishes annual improvement targets that are cascaded throughout the enterprise, with a focus on making health and safety everyone's responsibility.

### Health and Safety: Performance

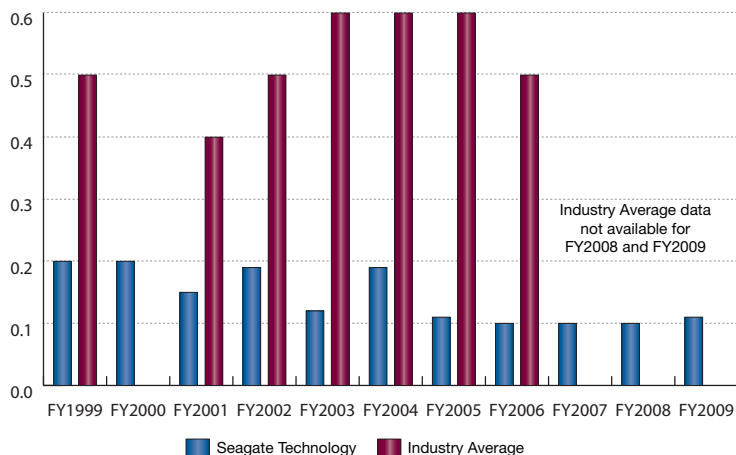
The challenge from our Senior Management is to have 'zero' incidents. This challenge has been the driving force in our journey from nearly 1900 recordable injuries in FY1999 to the 120 cases reported in FY2009 (0.25 per 100 employees). The number of cases was reduced by 8% in FY2009 compared to the previous year. Seagate has been able to achieve continued reduction levels through a focus on comprehensive incident investigation and root cause analysis to correctly identify and mitigate risks within our operations. Seagate is targeting a reduction of 10% in the recordable case rate for FY2010 compared to FY2009.



**Recordable Case Rate**  
(per 100 employees)



**Days Away Case Rate**  
(per 100 employees)



During FY2009, Seagate continued incorporating the use of Six Sigma methodologies for continuous improvement of its analytical capabilities. Building on the baseline set in FY2007 for all staff in lead EHS positions to become certified in Six Sigma methodologies, Seagate continued to drive utilization of a primary set of tools throughout the organization—‘EHS Top Ten Tools.’ We believe that Seagate’s recordable case rate is indicative of excellent performance and commitment by all levels of the organization in the identification and control of safety risks and behaviors. Through a focus on early case identification and case management, the company achieved a “Days Away Case Rate” of 0.11 per 100 employees in FY2009. The Days Away Case rate target for FY2010 is to achieve a rate of 0.10 or below.

## Pandemic Planning

Seagate activated a pandemic response plan following the emergence and continued spread of the AH1N1 influenza virus across the globe. During FY2009, Seagate implemented a comprehensive plan and set of actions based on the World Health Organization pandemic alert levels and known “best practices” regarding risk reduction and control:

- A 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 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.

Actions implemented in response to the pandemic include a comprehensive regional risk rating system, along with a set of protocols that control facility access, business travel and other workforce issues that are relevant to disease containment.



## Behavior Based Safety Program

During FY2009, Seagate continued to refine and build on its Behavioral Based Safety (BBS) program, established in 2003 with the installation of a formal observation process to identify and reduce unsafe behaviors as a means to prevent the occurrence of incidents at manufacturing sites worldwide.

During the fiscal year, Seagate refined the BBS program to emphasize a tight focus on specific safety-risk behaviors unique to individual work areas or processes, as opposed to a broader focus on general safety overall. At the same time, the BBS program’s observation process was streamlined and simplified. To support these changes, a web-based information management application was implemented that provides a centralized data collection, reporting features to support program management, and tools to track progress in achieving reduction of unsafe behaviors.

## Emergency Preparedness

Planning for, responding to and recovering from unplanned events and disasters is critical for the protection of our employees, business and local communities. During the year, Site Emergency Management Teams conducted reviews of external “Best Practices”, assessed current risks, and evaluated internal capabilities/resources and updated their site plans as required. In FY2009 Seagate shared elements of its Emergency Response and Business Continuity Plans with its customers.

## Transportation Safety

Seagate transports approximately one-half of its global workforce—nearly 20,000 employees—each workday on more than 300 buses and vans. The company has in place a comprehensive transportation safety program to help ensure the safety and well being of these employees as they transit to and from work. While Seagate cannot control the local traffic and regulations, the company has established a comprehensive management system to ensure that transportation suppliers are selected based on their proven ability to meet a strict set of safety performance requirements, including detailed specifications for vehicles as well as drivers.

Performance is closely monitored by the Seagate Transportation Program management staff through daily inspections, regular performance review with suppliers and direct feedback from employees. Additionally, our Bus Leader program includes assignment of trained ‘on vehicle’ resources to monitor and

report on driver performance and rider concerns. A set of six 'Decision Driving' videos, translated into local languages, provide the foundation for training both drivers and bus leaders. Improvement trends are being captured and reported through our behavioral safety application.

## Occupational Health & Wellness

Seagate's Occupational Health and wellness programs support the company's business agenda through targeted strategies directed toward improving employee health and productivity. The company's global Occupational Health resources are focused on maintaining proactive strategies to help ensure safe job placement and the early identification/ mitigation of any occupational health issues that occur. Health and wellness priorities are established at the site level to customize programs targeted toward local health issues with sensitivity to cultural differences. In FY2009, Seagate continued its focus on building awareness about disease prevention and healthy lifestyles. Programs delivered across the global company included onsite flu immunization clinics, 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. With a focus on ensuring safe job placement and in keeping with the company's commitment to ensure equal opportunities for employment, a formal process was established to evaluate physical demands of essential job functions as well as those with the potential for exposure to chemical and/or physical agents. Pre-employment medical screening is conducted only in those instances where essential functions of the work require physical demands or where there are concerns related to ensuring safe job placement to prevent injury or exacerbation of a pre-existing condition. In addition, the company in FY2009 continued its ongoing sponsorship of on-site fitness centers and recreational facilities at many Seagate locations, to continue offering employees a convenient way to improve and maintain their physical well-being.

## External Recognition

During the year, Seagate facilities worldwide received external recognition awards for their EHS performance.

Recognition Award	Recipient	Description
Minnesota Governor's Award of Honor for Occupational Safety 2008	Seagate Technology, Bloomington, Minnesota, U.S.A.	The Minnesota Safety Council selected Seagate's Bloomington facility for this award to recognize continuous improvement and an outstanding record of injury and illness prevention. Seagate was one of 60 companies that received the award.
2009 Xcel Energy Efficiency Partner Award	Seagate Technology, Bloomington, Minnesota, U.S.A.	Xcel Energy recognized 56 Minnesota businesses for their outstanding efforts to save energy. The Efficiency Partner Award honors businesses and trade partners for participating in Xcel Energy 2008 efficiency programs. Seagate was in the top ten of these companies saving a calculated 4.41 million KWh.
BCA Green Mark Platinum Award	Seagate Technology, Woodlands, Singapore	Receiving the Green Mark Platinum Award from the BCA is testament to Seagate's commitment to being a responsible global citizen. In order to receive this rating, a building has to meet building performance and excellence in several areas—energy/water efficiency, site/project development, good indoor environmental quality, environment protection, and innovation.
2009 National Occupational and Safety Award	Seagate Technology, Korat and Teparuk, Thailand	The Department of Safety Inspection, Ministry of Labor selected Seagate Korat and Teparuk as the recipients of the award in recognition of their excellent Environment Health & Safety Management Systems and sustained outstanding performance in maintaining a safe and healthy work environment.
2007 Green Plant Award	Seagate Technology, Suzhou, China	The Suzhou City Environmental Protection Agency selected Seagate Suzhou in recognition of outstanding enterprises in environmental protection in 2007. Seagate is one of 280 companies that received the award.
2008 Demonstration of Enterprise Production Safety Management	Seagate Technology, Suzhou, China	Suzhou SIP Safety Supervision Bureau selected Seagate Suzhou in recognition of outstanding performance in safety management and incident control in 2008. Seagate is one of 11 companies that received the award.

# Community Engagement

## About Seagate's Community Engagement Program

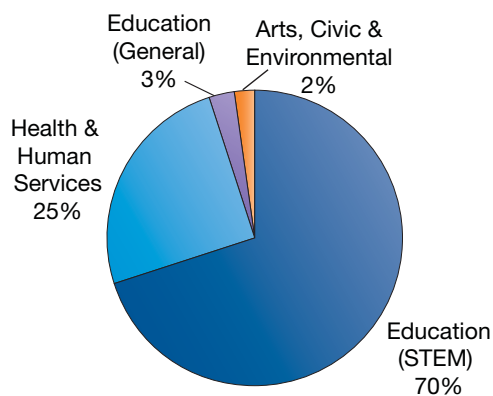
Seagate's commitment to community engagement remained strong in FY2009 despite the significant economic challenges facing our industry and world. Some adjustments were made to the scope of programs to address the reality of the economic environment. The company modified its strategy, emphasizing grass roots, employee-driven efforts instead of some of its larger scale initiatives such as the Executive Partnership Program, which brought together executive staff with non-profit organizations to address important community issues.

From building a school from the ground-up in Thailand, to creating environmental superheroes to teach children about conservation in Malaysia, to honoring U.S. youngsters as "Clever Scientists" in recognition of their innovative science projects, Seagate and its employees continued to engage in community issues and helped meet community needs.

With more than two-thirds of Seagate's corporate giving supporting science, technology, engineering and math (STEM) education, Seagate's FY2009 Community Engagement program focused heavily on providing hands-on learning activities, educational curriculum and technology to young students, including low-income and minority communities where fewer opportunities exist. Seagate also supported programs that enhance the health, development, enrichment and diversity of local communities through cash and in-kind contributions, donations of excess computer equipment, office and lab equipment, and by encouraging employee volunteerism. In FY2010, Seagate will continue to align its strategy with a still tenuous global economy, while continuing to increase employee engagement in the community and broaden the impact of our efforts in our focus areas.



Giving by Category



## Global Snapshots of Seagate Community Engagement around the World

### Unsold Products Find New Homes in Schools - U.S.

What do you do with perfectly good, unsold older hard drives whose only drawback is lower capacities than what retailers want?

Seagate's Drive for Education program solved that problem, putting much-needed storage into local schools while also doing Mother Earth a favor by keeping the drives out of the e-waste stream. Seagate's U.S. employees were given the opportunity to request a Maxtor One Touch II or Maxtor Storage Basics 3200 external drive (200-to-300 GB) to give to a K-12, accredited school located near a Seagate facility.

More than 500 employees participated in this program, benefitting more than 200 schools.

### Seagate-Supported Workshops Engage, Inspire Future Scientists – U.S.

Seagate and its employees reached out to budding young innovators to help and encourage them towards careers in science, technology, engineering and math (STEM) fields. Some examples are included below:

In Colorado, Seagate employees made the rounds to local, regional and state science fairs, finding out first-hand how students are applying science to real-world applications. At the state level, Seagate, a corporate sponsor of the Colorado Science and Engineering fair (CSEF) teamed up with the national Science Buddies program this year to award two innovative students the 2009 "Seagate-Science Buddies Clever Scientist Award."

The Seagate-Science Buddies "Clever Scientist Award" is meant to recognize students who, through their CSEF projects, have used innovative, low-cost experimental techniques to answer interesting science/engineering questions.

Sponsored by Seagate, the Minnesota State Science and Engineering Fair featured the state's most advanced and interesting science projects from junior-high and high-school students. Nearly 50 Seagate employees volunteered to judge science projects and assist with the fair, a program of the Minnesota Academy of Science.

In Massachusetts, Seagate's Shrewsbury engineers brought science alive for 200 middle-school girls during the Women in Science Conference held at Worcester Polytechnic Institute in Worcester, Massachusetts. The conference offered girls an

opportunity to participate in three science-based workshops hosted by women scientists, including several Seagate female professionals.

And in Northern California, Seagate continued to be a major supporter of the Santa Cruz County Science Fair, working together with the Santa Cruz County Office of Education and the University of California at Santa Cruz. Seagate also teamed with the national Science Buddies program to award two innovative students the "Seagate-Science Buddies Clever Scientist Award."

### With Seagate's Help, Robot Competition an Out-of-this-World Experience – Colorado

For many kids, building a life-sized robot seems about as likely as going to the moon. But a team of students in Colorado learned that one, if not both, of these goals is achievable through engineering.

For students on the Seagate-sponsored St. Vrain Valley School District "For Inspiration and Recognition of Science and Technology" (FIRST) Robotics Team, this discovery came when their 5-foot-tall moon-roving machine deftly made its way across the Magness Arena at the University of Denver during the 2009 FIRST Robotics U.S. Regional Competition.

Concentrating all their effort into just six weeks, the students designed and built the robot, assisted by engineers and machinists from Seagate, IBM and the National Renewable Energy Lab.

Though their robot didn't make it to the international competition, it received recognition for its innovative design and functionality, including the Motorola Quality and the Delphi "Driving Tomorrow's Technology" awards.

Besides the opportunity to learn engineering, the FIRST program also helps foster teamwork and professionalism through mentoring and competitions, while inspiring participants to pursue careers in technology.

And while many on the Seagate-mentored team have a few more years in high school, some graduated and are pursuing degrees in engineering.

### Students Help Seagate Engineers Think Outside the (Lot) Box – Northern Ireland

Choosing a career path can be a daunting experience for many students, but that decision can be made a little easier by sampling an actual job. Four college students in N. Ireland did



just that when they spent time at Seagate's Springtown facility, where they helped employees there solve a real manufacturing problem.

As part of a program to promote career opportunities in engineering, Seagate forged a partnership with Foyle and Londonderry College. The initiative, which aims to increase the number of young people entering the engineering field, is led by Sentinus, a leading provider of programs that team business with education in the U.K.

Through the program, students develop an industrial project designed to solve an actual problem within their host companies. Participating businesses provide the skills and knowledge of their engineers, who mentor students during their project work. The students gain practical business experience, while the companies benefit from the solutions developed by the students.

For example, a Seagate process engineer mentored students in a project that required them to redesign the containers (or "lot boxes") that are used to transport thin film wafers around the manufacturing area.

### **Seagate, Superheroes Team Up with Penang Kids to Save the Planet – Malaysia**

Seagate helped dozens of young Malaysian students tackle some of our planet's most pressing environmental problems—and improve their English skills in the process.

Students from Chung Shan Primary School amazed Seagate Penang volunteers when they presented their ideas on how they would save the Earth if they had superpowers of their choosing. Among their superheroes was "Mr. H2O," who fights water pollution with the aid of helpful microorganisms, along with crusaders who combat litter and noise pollution.

The activities were part of the Newspaper in Education program, which is aimed at improving English language skills among teachers and students through workshops and printed education supplements.

Instead of typical classroom-style teaching, the students participated in a group project in which they prepared newspaper collages from Malaysia's English dailies, the New Straits Times and The Star, and then presented their ideas to the rest of the participants in English.

Seagate employees also volunteered in organizing three different workshops for Chung Shan Primary School, Sungai Ara School and Sungai Nibong Secondary School.



### **Seagate Helps Penang Hospital Improve Emergency Service – Malaysia**

A Seagate storage donation helped a hospital coordinate and monitor ambulance service more efficiently, saving lives in an industry where every second counts.

Representatives from Seagate's Penang operation in Malaysia donated a computer server equipped with high-performance Cheetah hard drives to Penang Hospital, which uses the server to link with the Medical Emergencies Coordinating Centre (MECC) for Penang Island.

Before this system was implemented, there were several numbers that residents could call for ambulance services. The city did not have a clearly identified calling system, which confused the public. MECC decided to create a common number, 999, with all calls directed straight to the center.

Seagate's server completed the Emergency Call and Ambulance Dispatch Information system, which linked not only all the island's public hospitals, but also several non-governmental entities such as ambulance services.

### **Seagate Volunteers Build New Korat School from Ground Up – Thailand**

Until Seagate volunteers stepped in, a shed with a dirt floor and corrugated aluminum walls served as a care center for some of the area's youngest underprivileged children.

More than 60 volunteers from Seagate Korat contributed a month of work on a new 96-square-meter building to house the Baan Rad Samakkee Child Development Center, which serves 37 children ages 3-5. The new facility, which features proper lighting, a cement floor and a high roof to provide proper ventilation, was built from scrap and reclaimed materials on a plot of land provided by villagers in Korat's Seungsang District, located near the Seagate facility.

### **Saving Lives, One Heart at a Time: Seagate Products Aid Surgeons – China**

Dr. William Wang is committed to saving children's lives, one heart at a time. A cardiothoracic surgeon at Scripps Memorial Hospital in La Jolla, California, Dr. Wang traveled to rural China to help dozens of young children, many orphans, who were born with congenital heart defects.

Because clinical medicine in these remote areas lags the U.S. by almost a half century, Dr. Wang brought with him needed medical supplies, such as sutures and anesthesia. And an

equally important part of his cargo was Seagate FreeAgent Go portable hard drives, which were loaded with patient histories and other critical data.

Dr. Wang and team have performed nearly 70 surgeries for children in China, Vietnam and South America since he began this humanitarian effort.

### **Seagate Helps Kids “Nail” New Salon Business – Singapore**

A number of Seagate employee-volunteers worked with at-risk students at Kuo Chuan Secondary School to rejuvenate a rooftop garden and fish spa, a popular new trend involving the use of special fish that provide pedicures by consuming dry skin from customer's feet. The partnership with Seagate was established to provide the students—who come from low-income families or have learning difficulties—with an opportunity to interact with positive adult role models.

The projects not only improved the rooftop garden and fish spa, but also taught the students valuable life skills, such as time management and project planning. A visit to HortPark, a 23-hectare (57-acre) horticultural park, provided the volunteers and students with some inspiration for the projects, which included building a green wall using recycled materials and constructing a large exercise maze for their pet hamsters.

The rooftop garden is a welcome getaway for the students between classes and after school, where they will take responsibility for maintaining the fish spa and looking after a variety of pets, including aquarium fish, frogs and hamsters. The fish spa is open to students and teachers for a token fee and the money raised is used to cover operational expenses.

### **Food for Body and Mind: Employees Help At-Risk Kids – Singapore**

While the economic crisis has meant donors are giving less to charitable organizations, Seagate employees in Singapore helped out in their communities through volunteerism.

For six months, employee-volunteers delivered food rations to underprivileged kids, as part of the Friends of Children program, which provides care to children whose parents are serving jail sentences. Volunteers picked up food rations once a month from the Life Community Services Society (LCSS) headquarters and delivered them to 20 families around the country.

In addition, another 12 Seagate volunteers conducted weekly one-on-one lessons in math and science to children at the LCSS student care center, which provides after-school care for students ages 7-to-12. The majority of children at the center come from low-income families.

Children who are academically challenged and can't afford private tutors were assigned to the Seagate volunteers through the midterm exams.



## Work Environment

### Employee Demographics

Seagate has a diverse workforce with a major presence in six countries, including China, Malaysia, Singapore, Thailand, the U.K. and the U.S. The company also has a presence in numerous other geographies in the form of sales offices.

As a multi-national company that is vertically integrated—that is, we own our own component and product design and manufacturing operations—Seagate employs a wide range of people in a vast number of job functions, ranging from production operators to engineers to scientists and other professional employees.

Seagate in FY2009 employed approximately 47,000 employees, temporary employees and contractors worldwide, of which approximately 39,000 were located in the company's Asian operations.

#### **Alignment of Seagate's HR Practices with the UN Global Compact Principles**

Seagate's human rights policy (read Seagate's Human Rights Policy included in this report on page 28) specifically reinforces the company's commitment to the UN Global Compact Principle 1, "support and respect of human rights"; Principle 2, "no complicity in human rights abuses"; Principle 3, "freedom of association"; Principle 4, "elimination of forced/compulsory labor,;" Principle 5, "abolition of child labor"; and Principle 6, "elimination of discrimination."

Seagate's policy articulates global standards covering respectful treatment, due process, freedom of association, reasonable limitation of working hours, fair compensation, freedom to express opinions, and more.

#### **Strengthening Employee Awareness of Human Rights and Social Responsibility**

In FY2009, Seagate focused on strengthening employee awareness of Human Rights and Environmental and Social Responsibility through the development and implementation of employee education and communications that emphasized Seagate's commitment to these areas, as well as employee's shared ownership in supporting these important Corporate Values.

#### **Enhancing Hiring Practices at Seagate**

Seagate is continually striving to improve its capabilities in identifying, securing and retaining top talent globally. Toward this end, our HR talent acquisition strategy places an emphasis on innovation, inclusion, consistency, and teamwork. Throughout FY2009 Seagate continued on the course of evaluating leading staffing strategies and implementing best practices and programs that enable us to meet our hiring and workforce retention objectives.

During FY2009, Seagate implemented iStart, an industry leading web-based onboarding portal. iStart provides new employees with insights regarding our corporate culture, benefits, and useful information right after they accept their offer of employment—typically several weeks before they start work. This new technology helps eliminate information overload on "day one" and provides our new employees with an optimal transition experience. The iStart



process ultimately eases anxiety, saves time, and reduces “time-to-productivity” for new employees.

The Seagate staffing function also transitioned from an internal client satisfaction survey to a world-class third party survey which not only measured our level of service & effectiveness to hiring managers, new employees, and internal transferees, but also benchmarked our performance against other multinational corporations. The new survey allows us to identify and evaluate our employees’ perspectives about the Seagate hiring process and helps us identify areas of strength, plus opportunities for improvement.

To further enhance hiring practices, Seagate increased our focus on and commitment to filling open positions with current employees and in soliciting other candidates whom our employees know and respect through our Employee Referral Program. These practices promoted both current employees’ opportunity for growth and advancement, plus drew high quality candidates into our applicant pool for open requisitions.

### **Maintaining Employee Engagement through Performance and Development**

Seagate embraces the concept of talent management and has leveraged its Integrated Maximizing Alignment and Performance (iMAP) system to integrate three key people management processes—performance management, learning management, and succession management.

Seagate employees and leaders are committed to effective performance management processes that support the achievement of individual, departmental and corporate objectives. This means setting and aligning goals at the start of each fiscal year. In FY2009, 97% of employees created their goals in the iMAP application at the start of the year, and over 81% of employees created their development plans in iMAP during this time period as well.

To support employee learning and development, the iMAP system also contains the Learning Management System, thus allowing managers and employees to obtain learning resources and information from a single online application and complete required learning that supports their role or other corporate compliance. In FY2009, iMAP provided over 600 online course offerings covering leadership development, professional development, computer/IT development, and functional competencies from highly recognized learning experts. In addition, Seagate also continued to offer its own custom online learning courses and facilitated blended

learning programs—especially in the area of leadership and management development—at major sites worldwide. The Seagate Leadership Development Programs, a blended learning solution co-developed with the thought leadership of Harvard Business School Publishing and the business expertise of Seagate, provide a common standard of leadership excellence that is sustainable, relevant and targeted to fit our business objectives. During FY2009, 925

Seagate people managers participated in one of these leadership development programs.



In FY2009 Seagate was recognized by leading industry organizations in the area of learning and development. In February 2009, Seagate was selected as the winner of the Leadership Excellence Award by the Corporate University Xchange Awards for Excellence and Innovation. This award recognizes organizations that have implemented successful, high-impact learning and development programs targeted to managers, high potentials, and senior executive leadership. In September 2008, Seagate received the Silver Global Learning

Award from Chief Learning Officer Learning in Practice Award for delivering development initiatives to geographically-dispersed and/or culturally and linguistically diverse audiences internally and/or externally in the past year.

In FY2009, employees continued to have access to and utilize the company’s Open Door Policy and its globally available Ethics Helpline to provide feedback to management or to raise issues to management. Additionally, managers were encouraged to conduct skip-level, roundtable and one-on-one discussions with employees regularly. At manufacturing locations, management also used employees’ Suggestions Scheme or Voice-Out programs to gather feedback or suggestions from employees.

Combined, these inter-related areas offer stability and consistency to help managers ensure the diverse, global employee workforce remains engaged and productive.

### **Ensuring Employees’ Well-being**

Seagate invests in a wide range of benefit programs around the world to help support the health, well-being, security, and productivity of its employees. Seagate’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 our employees and in some cases their dependents.

Some examples of these Seagate programs that reflect our commitment to our 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; adoption support; and equity ownership opportunities.

In FY 2009, we introduced a Health Savings Account as an option for all US employees with a financial contribution by Seagate in support of our health management and consumer support strategies. Additionally, for Asia, we continued to adopt and drive cost sharing in our health care program, introducing choice and enhanced personal responsibility, providing transparency in claims utilization, and enhancing the individual's consumerism towards managing health and healthcare expenditure. A Healthcare online system was introduced in Thailand and Singapore where employees are able to access their healthcare insurance claims and status. In Malaysia, our new vendor provides a one-stop shop for all health related services and in China we introduced a health screening program.

### **Rewarding & Recognizing Employees**

Employee compensation at Seagate in FY2009 continued in its philosophy and design to sustain a diverse, high-performing team environment. The company's compensation strategy focused on providing base pay that is competitive to local market conditions, supplemented by incentive pay opportunities that reward performance.

Under company reward and recognition programs, employees who display extraordinary performance in helping Seagate achieve its business objectives are eligible to be rewarded and recognized in a number of ways, ranging from monetary bonuses to letters of commendation. In consideration of economic conditions, the company temporarily suspended its monetary recognition program mid-year.

The company's compensation philosophy also provided for variable rewards based on individual and company performance in addition to base pay, thus providing a tangible incentive for employees to excel. The FY09 bonus plans were not funded due to company performance in the difficult economic conditions.

### **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 in FY2009 included two vehicles by which employees participated in company success through equity ownership: employee Seagate stock awards and the Employee Stock Purchase Plan. 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.



### **Executive Compensation at Seagate**

Seagate owes its success to the technology leadership and innovation of its people. Our executive compensation program is designed to reward high performance, strengthen our market position, and increase shareholder value. Acting on behalf of the Board, our Compensation Committee, composed of three independent directors, reviews and approves our compensation programs and practices for our senior executives and for members of the Board.

Seagate's executive compensation program objectives are to:

1. Attract and retain talented leaders with competitive pay programs
2. Motivate executives to achieve and exceed business objectives as approved by the Board
3. Align the interests of executives and shareholders to optimize shareholder return
4. Manage the cost of total compensation in support of our financial performance

The company's publicly disclosed Compensation Discussion and Analysis (CD&A) details the executive compensation strategy and practices for compensating our Named Executive Officers. The CD&A is updated each year as part of the annual Proxy Statement published in late September for the Annual General Meeting of Shareholders in October.

### **Ensuring Diversity in our U.S. Workforce and Work Practices**

Seagate sees "diversity" as all of the ways in which people are different and alike, such as: experience, perspective, ethnicity, gender, gender identity, age, culture, sexual orientation and disability. We commit to having a diverse workforce, and to providing an inclusive and supportive environment where all employees are valued and participate fully in the Seagate

employment experience. We believe employee's talents will be utilized to the fullest and organizational performance will be strengthened in a diverse and supportive environment.

in class tools that have proven effective in assisting our key organizational leaders in understanding, communicating and building strategies to impact our workforce representation.

## **FY09 US Diversity Summary**

Despite economic challenges and reductions in our global workforce, Seagate's diversity progress and year over year trends from FY04-09 have remained relatively constant. In FY09, we were successful in meeting our overall improvement targets for hiring and promoting diverse employees.

We continued with key projects/initiatives such as the "Women of Color" research study with the Catalyst organization and brought back 3 diverse interns from the INROADS organizations.

In FY2009, diversity efforts focused on the following areas:

### **Attracting and Recruiting Diverse Employees**

We continued developing and leveraging partnerships with pipeline organizations for diverse candidates: Society of Women Engineers, National Society of Black Engineers, Society for Hispanic Professionals and Engineers and Historically Black Colleges and Universities. In partnership with our Staffing function, we developed best in class strategies enabling Seagate to have access to top, diverse talent. We expanded our capacity to source diverse candidates through specific job boards, diverse web communities, lifestyle recruiting, and diverse employee referrals.

As a result, we were able to achieve our US goals of hiring female and minority employees and thereby increase their percentage representation in our workforce.

### **Developing Diverse Employees**

A key accomplishment in FY09 was Seagate's achievement of the goal to promote diverse employees at a rate equal to or greater than their workforce representation. We were able to accomplish this goal for all areas where Seagate has historically seen underrepresentation; Females, Hispanics and African Americans.

### **Strengthening Seagate's Diversity Data Reporting Capabilities and Metrics**

Building on our progress in FY08 to strengthen Seagate's ability to track and report on our diversity metrics and progress, we added a site-specific diversity dashboard to report to site leaders how the site is performing and supporting Seagate's diversity goals. Along with each Executive Diversity Dashboard, each US Site Leader has access to the demographic breakdown of all hires, promotions and terminations that happen on each US site. These are best

## Environmental Health and Safety Policy

Seagate is the world's leading provider of storage technology for Enterprise, Desktop, Mobile Computing, Consumer Electronics and Retail Markets. As a global industry leader, and in accordance with our Company's values, we are committed to promoting the safety and well-being of our employees and contractors; protecting the environment; and contributing to the economic vitality of the communities in which we operate.

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

As a company, Seagate is committed to:

- Implementing comprehensive management systems that ensure compliance with local laws, regulations and other internal and external standards to which we subscribe for the delivery of measurable EHS performance improvements.
- Providing employees and contractors with a safe and healthy workplace by identifying and eliminating the causes of occupational incidents, injuries and illnesses.
- Promoting a healthy lifestyle and encouraging employees to proactively manage their personal health.
- Supporting sustainable economic growth and minimize impact to the environment by reducing emissions to the air, land, and water through continuous process improvements and responsible operating practices.
- Developing safe and eco-efficient products and manufacturing processes by integrating EHS considerations into all aspects of research, design, and development.
- Partnering with suppliers, customers and stakeholders to publicly share best management practices and EHS performance criteria.
- Supporting the global communities in which we operate through sponsorship of environmental, educational, social, health-related, and other worthy causes.



Steve Luczo  
Chairman, President and CEO

# Human Rights Policy

## Policy

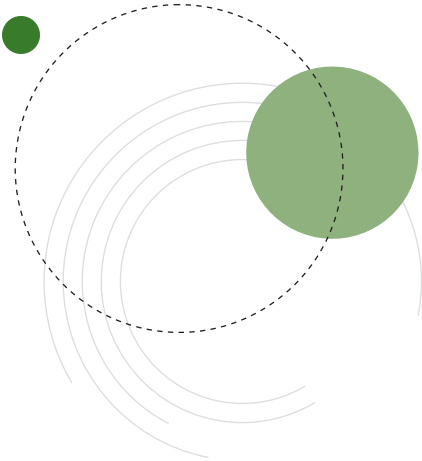
As a global industry leader, Seagate welcomes the responsibility to also be a “Global Citizen.” In partnership with employees, community members, customers, suppliers, and other stakeholders, our commitment to Global Citizenship includes support of the ten Principles of the United Nations Global Compact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

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

## Procedure

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

- **Respectful treatment.** Employees must respect and value each other and we hold everyone accountable for this. Violations, such as physical abuse and/or harassment or the threat of either, are not tolerated. All employees will be allowed access to basic liberties while on Company premises. (Refer to Harassment Free Workplace and Violence Free Workplace policies.)
- **Employment based on achievements.** Decisions about employees are based on achievements against job goals and/or standards and required competencies; decisions about applicants are made on qualifications against job requirements. In all employment actions, we prohibit discrimination based on age, race, color, ancestry, ethnic or national origin, disability, medical status, pregnancy, marital status, veteran standing, gender or gender identity, sexual orientation, perceived or actual religious beliefs or political opinion, or other characteristics protected by applicable law. (Refer to Equal Employment Opportunity policy.)
- **Free to express opinions.** Every employee has a right to openly express his or her opinion. In fact, we welcome and encourage ideas and input, including notification of issues and concerns. (Refer to Open Door policy.)
- **Fair compensation.** We assess performance against job requirements and consider business conditions and appropriate market comparisons to deliver compensation. We will compensate employees with wages and benefits that meet or exceed the legally required minimum without delay, and will clearly communicate to all employees their compensation earned. (Refer to Base Pay and Other Pay Components policy.)





- **Due process.** We understand that an employee may not meet performance or conduct expectations. In such circumstances, the employee has a right to a fair process of review. Any resulting disciplinary actions will be humane. (Refer to Performance Management, Open Door and Coaching and Discipline, policies.)
- **Reasonable limitation of working hours.** We will not require employees to work more than 60 hours on average per work week, or in excess of the maximum hours of daily labor set by local laws in the countries in which we operate. We will also provide employees with at least one day off per every seven days, on average, and comply with all applicable overtime pay requirements. No unreasonable restrictions of movement will be placed upon employees during non-work hours. (Refer to Hours of Work policy.)
- **Free to associate.** We respect and adhere to all applicable laws concerning the right of workers to organize in labor unions and engage in collective bargaining. However, we believe maintaining an open, unencumbered relationship between Seagate employees and their managers is the most effective means of addressing work environment questions and concerns.
- **Free to choose employment.** We will ensure that the overall terms of employment are voluntary. We will not require employees to pay the Company any remuneration or withhold an employee's government-issued identification upon hire. We will ensure no forced, bonded or involuntary prison labor is used in the production of Seagate products.
- **Employment at age 18 or higher.** We strictly prohibit child labor and will comply with all local minimum age laws and requirements and/or set a minimum employment age of 18, whichever sets the higher standard. (Refer to Recruitment at Seagate policy.)

For additional information, visit Seagate's Global Citizenship website.

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