



FY2011

Global Citizenship Annual Report

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Welcome to Our FY2011 Global Citizenship Annual Report

Seagate is committed to developing and maintaining sustainable, responsible practices in all aspects of our global operations through investments and innovation unmatched in our industry. We apply the same leadership and vision to enabling sustainability as we do to implementing environmentally protective manufacturing processes and energy-efficient storage solutions.

Following are highlights of our Global Citizenship program:

- Climate change continued to be a major focus. Seagate has participated in the Carbon Disclosure Project for four years and, in FY2011, we made our first public disclosure of data. We expanded our Greenhouse Gas inventory to include employee commute as a part of Scope 3 reporting. In addition, recognizing our ability to have a positive influence on our partners, we requested that key direct material suppliers participate in the Electronics Industry Citizenship Coalition (EICC) Carbon Reporting System.
- We expanded the scope of our environmental reporting to align with Global Reporting Initiative (GRI) indicators.
- For the first time, we completed a Life Cycle Assessment of one of our products. Quantifying the full range of our Momentus drive's environmental impacts will enable us to improve our processes and make more informed decisions. We already have plans to complete LCAs on additional products.
- Seagate and its employees contributed to disaster relief efforts in Thailand and Japan, and launched a product donation program in collaboration with TechSoup.
- Seagate was recognized with an Award for Excellence and Innovation from Corporate University Exchange for outstanding work in corporate learning and talent development, and received a Certificate of Merit from *Chief Learning Officer* magazine for leading work in Global Learning.
- We ranked 170 out of 500 in *Newsweek* magazine's "Green Ranking" of major corporations.
- Our U.S. executive offices in Cupertino, CA, earned LEED Gold certification.

Global Citizenship challenges touch us all and require collaboration among governments, communities, organizations and others around the world. As an industry leader, Seagate promotes the industry's corporate social responsibility position through membership in the EICC and strongly supports the United Nations Global Compact and its principles and standards.

Looking ahead, we anticipate implementing additional strategies in FY2012 further intended to drive sustainability in our operations.

These are only highlights of our program; I encourage you to learn more by reading the following report.



Steve Luczo
Chairman, President and CEO

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Company Profile and Financial Information

Digital content is ubiquitous, and Seagate is at the heart of how the world creates, distributes, shares and enjoys it.

Seagate storage devices, including hard drives, solid-state drives and hybrid drives, are all around us—from Hollywood’s blockbuster movies, to the photos and videos we share with friends and family on our social networks, from servers that form the backbone of large enterprises, to desktop and notebook computers that fuel our personal productivity, from video-surveillance equipment that protects people and assets around the clock, to the DVRs, game consoles and media centers that have taken center stage in homes around the world.

Seagate has been at the forefront of the storage industry for over 30 years. With U.S. executive offices in Cupertino, California, we employ more than 53,000 people around the world—all contributing to the development of breakthrough storage products. From the first 5.25-inch hard drive for the PC to the development of perpendicular recording technology to “hybrid” solid-state hard drives, Seagate has pioneered new industry standards that have fueled advancements in the digital information age.

Through technology leadership and innovation, Seagate continues to help individuals and businesses maximize the potential of their digital content in an ever-evolving, on-demand world.

Please refer to the About Seagate Technology web page at 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 2011 Annual Report and Form 10K.





Engaging with Our Stakeholders

Seagate engages with employees, communities, customers, governments and others during the year about social responsibility issues of interest to them and our business. Our engagement enables us to provide updates, obtain insights, build strong relationships and identify strengths and opportunities to improve our performance.

Maintaining the trust of customers and partners is important to our success, and we interact with them daily in the conduct of our business through our Sales teams and Customer Support Organization. We value customer feedback, which we use to help shape our plans and strategies, and recognize customers' need for visibility into our social responsibility initiatives. To meet specific customer requirements, we provide detailed information in a variety of ways including surveys, code of conduct acknowledgements, audits and carbon reporting.

We meet regularly with investors and analysts to provide financial and global citizenship performance, and share information at our annual meeting, in our annual report and this report. In FY2011, we responded to requests and surveys about a range of topics including greenhouse emissions, labor standards, our investment profile and renewable electricity procurement

Seagate engages with employees daily through a variety of internal communication channels. We are committed to conducting our business with honesty and integrity, and require employees to adhere to Seagate's Code of Business Conduct and Ethics Policy.

We engage actively with governments at all levels on issues important to Seagate, the storage industry and communities where we operate. Our interaction also includes frequent dialogue such as discussions with SOMO—a Netherlands-based consumer advocacy group—about its report on working conditions in Thailand's Hard Disk Drive Industry, and engagement with governments about site inspections and joint projects.

Focus on Climate Change

We report a number of socially responsible measures as part of our commitment to transparent business practices. We also recognize our ability to have a positive influence on the environment and encourage partners to take a proactive approach in areas such as conservation, waste reduction and sustainability.

Seagate has participated in the Carbon Disclosure Project, the world's largest database of primary climate change data, for four years and made its first public disclosure of data in FY2011.

We also expanded the scope of our environmental reporting to include details about electricity conservation, and risks and opportunities associated with Climate Change; and aligned our EHS metrics with GRI indicators.

In FY2011, Seagate achieved two important firsts by:

- Requesting key direct material suppliers to participate in the EICC Carbon Reporting System, which enables companies in the electronics industry to calculate their greenhouse gas emissions and share data with other member companies. To date, 60 percent of our major direct suppliers have responded and we expect that number to grow over the coming year.

- Completing the first Life Cycle Assessment (LCA) on one of our products. Quantifying the full range of our Momentus Drive's environmental impacts will enable us to improve our processes and make more informed decisions and advancements in sustainable product development. We already have plans to complete LCAs on additional products.

Seagate continues to be committed to sustainable facilities and practices. Our U.S. executive offices in Cupertino, CA, earned LEED Gold certification for using building methods that will make significant reductions in energy use, carbon emissions, water and solid waste. In addition, Seagate ranked no. 170 on *Newsweek's* list of the top 500 green companies in FY2011.

Collaboration with EICC, UNGC

Environmental challenges touch us all and require close collaboration among governments and organizations around the world. Along with other industry leaders, Seagate participates in the United Nations Global Compact (UNGC) and collaborates with the EICC and other social responsibility stakeholder organizations such as Sustainable Silicon Valley. An EICC member since 2004, Seagate has adopted the EICC's code of conduct, which establishes guidelines for ensuring worker safety and ethical treatment, environmental responsibility and business efficiency throughout the supply chain. In FY 2011, we participated on EICC workgroups focused on environmental, conflict minerals and the shared audit process.

Global Citizenship Committee

The company maintains the following resources and processes to ensure effective dialogue.

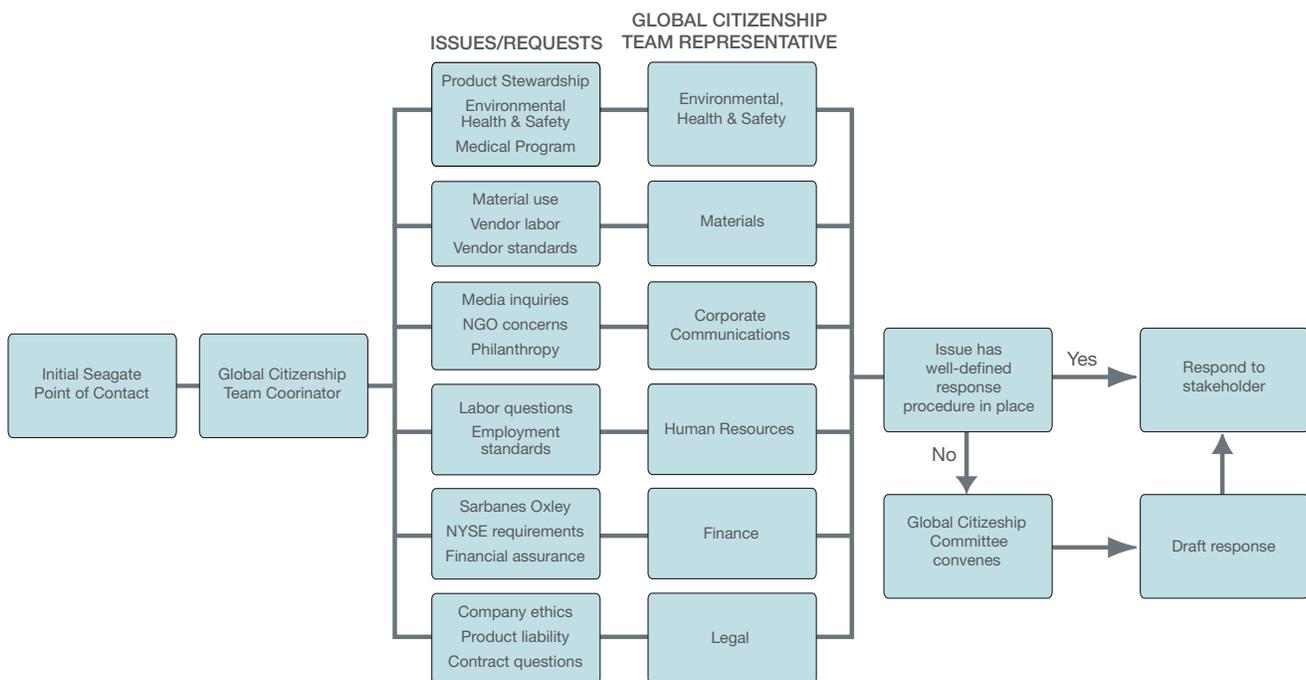
A Seagate cross-functional management team directs the company's Global Citizenship (GC) Program, regularly reviewing progress on goals, customer inquiries, ongoing actions to embed corporate social responsibility standards and practices throughout the company.

The team is sponsored by Seagate's Chief Financial Officer, Pat O'Malley, and its functional leadership is provided through the Environmental 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
- Environmental Health & Safety

Below is the company's stakeholder inquiry process.

Global Citizenship Stakeholder Inquiry





Governance and Ethics

Seagate's corporate governance standards are set at the highest level of 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.

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 Finance Committee. Each of the four committees is composed entirely of independent directors, and the charters of each committee are available on Seagate's website.

Lead Independent Director

The Board periodically selects a director, who must be independent, to serve as the Lead Independent Director. The Lead Independent Director coordinates the activities of the other non-management directors, presides over meetings of the Board at which the Chairman of the Board is not present and each executive session of independent directors, serves as liaison between the Chairman of the Board and the independent directors, approves meeting schedules and agendas for the Board, has authority to call meetings of the independent directors, and is available for consultation and direct communication if requested by major shareholders.

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 areas such 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 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 the company's external website.

Further information about Seagate's Governance and Ethics may be found at www.seagate.com.

Supplier Engagement

Seagate reaffirmed its strong commitment to Global Citizenship in its supply chain by:

- Having a management system that supports conformance to the Code and its standards.
- Requiring the company's next-tier suppliers to acknowledge and implement the Code.
- Engaging with stakeholders to obtain input for further development of the Code.
- Participating in EICC and other industry work groups, meetings and audits.

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.

FY2011 Highlights

Actions and accomplishments included:

- Establishment of an EICC Steering Committee to enhance current procedures and processes.
- Hire of two EICC Program managers located in China and Thailand to work with suppliers and ensure compliance.
- Implementation of a sourcing strategy which includes screening of supplier candidates using a self-assessment questionnaire.
- Enhancement of the Compliance Manager System to provide better reporting capabilities, track progress for all key suppliers and inclusion of high-risk indirect suppliers and labor suppliers.
- Completion of several supplier audits and establishment of an audit plan for FY2012.

In addition, for several years Seagate has embedded GC language and requirements in its contracts and required supplier adherence to those standards. We also require suppliers to meet our Product Stewardship standard: components in Seagate products and packaging are certified to meet stringent materials content requirements.

Seagate Commodity Management teams work with suppliers to complete self-assessments of their factories, train their organizations on the five key elements of the EICC Code of Conduct and encourage them to do the same for their key suppliers.

Engaging the Supplier Base

Seagate's Supply Chain EICC Program managers engage suppliers by sharing tools available on the EICC website, and participating in several different training sessions hosted by key customers and the EICC. Commodity Management teams continue to hold Quarterly Business Reviews with key suppliers throughout the year.

Additionally, Seagate executives meet 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 supplier training and capacity building is an integral and necessary part of our supply chain responsibilities. We educate suppliers by ensuring they understand GC requirements in their contracts before signing, acknowledging that GC is of critical importance to our customers and us—and sharing information about emerging developments that may impact future requirements and practices

We provide valuable information to suppliers such as audit documents, self-assessment tools, risk assessment scoring and extractive documents, which are available on the EICC website, and invite suppliers to workshops, training and seminars offered by the EICC and customers.

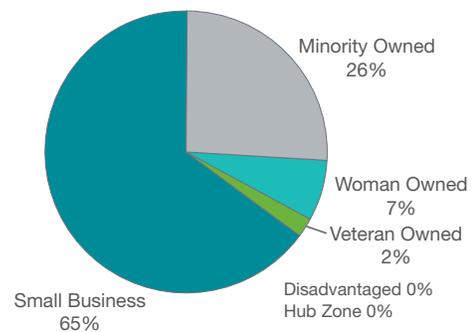
Supplier Diversity

Seagate encourages diversity in its supplier base. The company recognizes the value of—and buying power generated through—minority-owned businesses. Diverse suppliers in the U.S. are welcome to participate in Seagate's competitive bidding process, including businesses owned and operated by minorities, women, gays and lesbians, and veterans, or small businesses located in historically underutilized business zones.

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

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

FY 2011 Diversity Category Breakout





Environmental Sustainability

Seagate considers environmental responsibility to be the foundation of a sustainable business and has a comprehensive management system in place to provide a framework for identifying and managing risks to the environment from operations. Seagate also encourages employees to take an active role in conservation.

Seagate sets improvement targets and reports progress through key performance indicators. We believe strongly that focusing on environmental issues such as waste generation, resource depletion and climate change positions the company for continued success.

Progress in FY2011 included meeting targets for energy conservation, hazardous waste generation and solid-waste recycling and the implementation of an automated materials content reporting system to meet increasing customer and regulatory substance restrictions. Hazardous waste minimization remained a focus and challenge due to increasingly complex production processes and limitations in waste treatment capabilities.

Environmental, Health and Safety Management Systems

Seagate is committed to reducing the impact of operations and providing a safe and healthy workplace for employees. Our management systems approach enables sustainable and effective methods needed to enhance company-wide EHS performance.

The management system is guided by principles set out in the Environmental, Health and Safety Policy, which was updated this year to reflect changes in our operational footprint. A copy of the policy is available on page 32 of this report. A set of 32 internal standards—Corporate Standard Operating Procedures (CSOP)—establish best-in-class control measures and guidance to protect human health and the environment.

Assessments of compliance with internal standards and local regulatory requirements and the effectiveness of management systems are verified by two independent review methods:

- Corporate EHS Audit: A formal third-party audit for site compliance with EHS, CSOP and local requirements is conducted at all locations every four years, with more frequent audits occurring when indicated by the site's risk profile. In FY2011, three Corporate EHS audits were conducted with root cause confirmed and corrective actions established for each finding. Corrective actions were implemented and tracked to closure.
- Quality Systems Review (QSR): EHS management systems at all manufacturing facilities are certified to the International Standards Organization's 14001 standard (ISO 14001) for Environmental Management Systems and the Occupational Health and Safety Assessment Series 18001 standard (OHSAS 18001) for health and safety management systems.
- DEKRA, an internationally recognized third-party certification organization, provides Seagate's EHS Management Systems certifications, which are a component of the company's Quality Systems Review (QSR) program. Surveillance audits are conducted every two years; internal audits annually. During FY2011, four manufacturing sites underwent surveillance audits.
- No major non-conformances were identified and continued registration was recommended. Sites developed root cause and corrective action plans to address all findings. Seagate is not considering certification of non-manufacturing sites because they are low-risk and internal management systems are in place to manage existing risks. Five surveillance audits are scheduled for FY2012.

ISO 14001 & OHSAS 18001
Certified Facilities

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

Hazardous Waste

Seagate generated 21,362 tons of hazardous waste in FY2011 against an annual target of 22,238 tons. This was a 1.75% increase in absolute measure compared to the previous year. However, when normalized to production, we realized a 1.83% reduction.

Seagate does not landfill hazardous waste unless, based on comprehensive investigation, no other viable treatment method is available. During the year, 87% of hazardous waste was treated, 7% recycled and the remainder incinerated, recovered or landfilled.

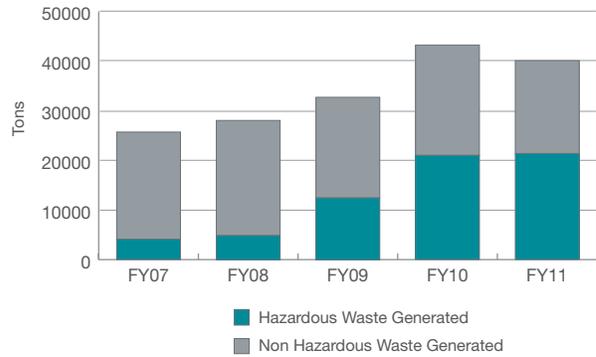
Our central challenge continued to be the Johor, Malaysia site, which lacks sufficient in-house treatment capabilities needed to meet full compliance with stringent wastewater discharge parameters and increased production volume. This necessitated hauling large quantities of hazardous waste to an off-site treatment facility. Plans initiated in FY2010 to enhance in-house capabilities at Johor are on schedule and anticipated to positively affect hazardous waste generation in FY2012.

We have established a hazardous waste generation target not to exceed 17,843 tons for FY2012, a 16.5% reduction from the current year.

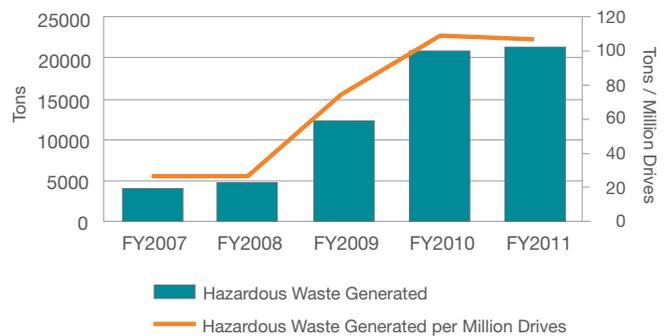
Hazardous Waste Minimization Project: Solvent Waste Reduction

The Korat site engineering team worked on various solvent minimization projects and reduced the amount of waste solvent generated by replacing DOTP and Acetone with Cyclohexane and introducing new technology. In FY2011, these minimization projects resulted in a reduction of approximately 50 tons.

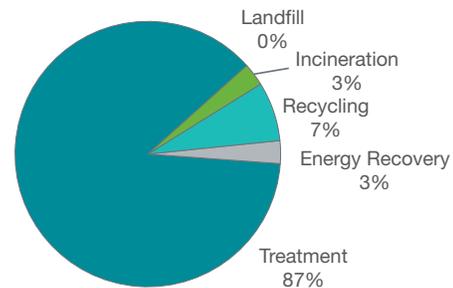
Waste Generation



Hazardous Waste Generation



Hazardous Waste Disposition



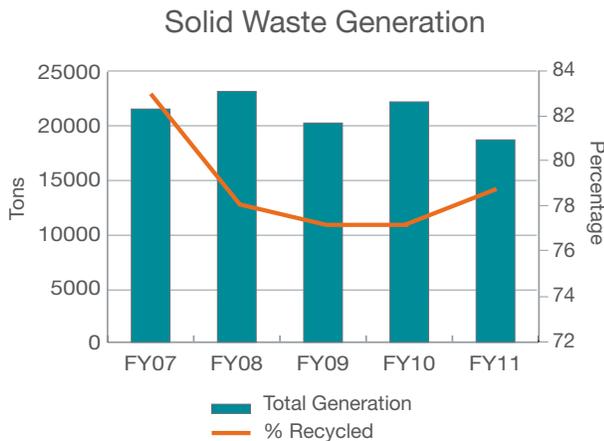
Solid Waste

Seagate's solid-waste focus is on reducing waste generation and promoting recycling. For FY2011, we reduced the absolute tonnage of solid waste generated 15%, or 18,711 tons, compared to the previous year. We exceeded our annual target of at least 70% for solid-waste recycling by achieving 79.3%. This was a 3% increase compared to the previous year.

Seagate increased the waste recycling target to greater than 80% for FY2012, with site-level targets established to promote recycling. In the coming year, U.S. sites will explore consolidating solid waste management and working with a specialist service provider to better leverage recycling options.

Solid Waste Minimization Project: Plastic Tray Reuse

The Korat Manufacturing Services team implemented a return process to reuse plastic trays used in the packaging of a production part. The plastic trays are returned to the vendor, where they are washed and reused. The project, implemented in October 2010 reduced the number of new trays used by an estimated 38,100 kg per year.



Climate Change

Seagate recognizes climate change is real and will have social, economic and environmental consequences for everyone. Reduction in Greenhouse Gas (GHG) emissions identified by various studies and reports, including the work of the Intergovernmental Panel on Climate Change (IPCC), is necessary to mitigate impacts of climate change. Seagate conducted a baseline GHG inventory in 2008 to understand its carbon footprint (see “Greenhouse Gas Emissions”). The link between energy conservation, cost and GHG emissions continue to drive company sustainability strategies and actions.

Seagate has established a cross-functional committee that meets quarterly to identify and quantify enterprise risks, which are reviewed by the Board of Directors. Site-level impact assessments on climate change are addressed through the Environmental Management System.

Seagate monitors potential regulatory changes and no significant climate change-related risks have been identified to date. We do not anticipate specific company risks beyond global effects of potentially damaging frequent storms and increased energy demand required to mitigate temperature changes.

Increased stakeholder awareness of climate change has driven demand for more energy-efficient products. At present, we are unable to quantify financial implications of the opportunities driven by climate change since discussion associated with energy-efficient product regulation is still in its infancy. We anticipate these regulations will be influenced by global economic conditions and considerations.

Greenhouse Gas Emission

Baseline emissions were established in CY2007, utilizing the World Resources Institute/World Business Council for Sustainable Development (WRI/WBSCD) GHG Corporate Reporting and Accounting Standard, 2006, methodology (GHG Protocol.) The baseline included Scope 1 Direct Emissions (emissions resulting from fuel used at facilities, physical and chemical processing, and fugitive emissions); Scope 2 Indirect Emissions (electricity purchases); and Scope 3 Indirect Emissions (business travel.) The inventory included facilities in Asia, Europe and North America owned, leased and/or operated by Seagate. Seagate used the inventory data to develop GHG minimization strategies and actions, and support external reporting, including comprehensive disclosure to stakeholders.

GHG emissions increased by 4% in CY2010 to 1,307,378 tons of CO₂ e, compared to the previous year. This year’s Scope 3 inventory was expanded to include emissions from company-paid employee commute, capturing those associated with our contracted fleet of buses used mainly in Asia.

Scope 1 Emissions decreased by 8% during CY2010 compared to the previous year. The majority of Scope 1 Emissions are from the use of Vertrel at the Woodlands facility. The site is working on projects to reduce the use of this chemical and exploring alternate technologies to replace it.

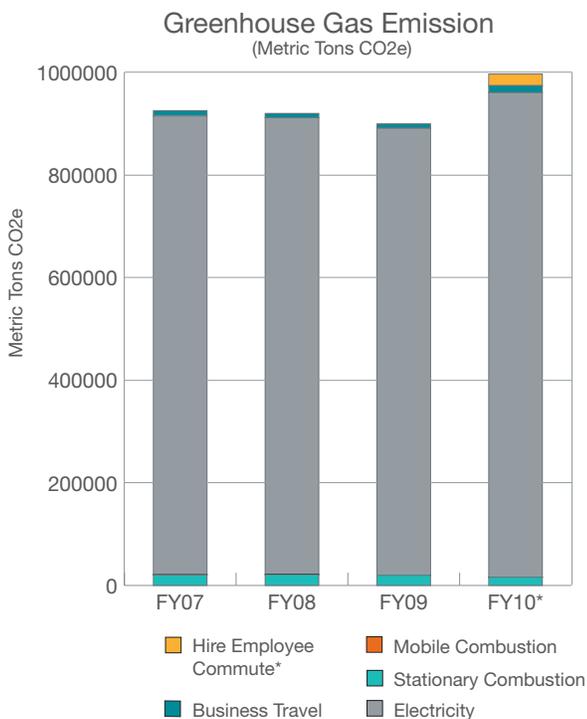
Scope 2 Emissions from the purchase of electricity increased by 8.3% to 944,098 tons CO₂e in CY2010. The increase was due primarily to the power generation mix resulting from a reduction in the overall use of electricity at our operations. Details on purchased electricity are provided in the Energy Conservation section below. Seagate continued to focus on conservation/minimization to offset its carbon footprint and procured green energy (wind power) to supply the Springtown, Northern Ireland, location with 100 percent of its energy requirements. A total of 83,456,759 kWh of green power was purchased in FY2011.

Seagate also participated in GHG reporting initiatives with third-party organizations and customers, including:

- Carbon Disclosure Project (CDP) Supply Chain Program. Seagate’s submission is accessible to the public.
- EICC Carbon Reporting System, which enables companies in the electronics industry to calculate GHG emissions and share the data with other companies. In addition to Seagate, key suppliers were invited to participate.
- Sustainable Silicon Valley.

Greenhouse Gas Emission Summary

Source Type - Scope 1 - Direct Emissions	CO2 Annual Emission (metric tons)	
	CY2009	CY2010
Stationary Combustion	19,801	16,149
Mobile Combustion	178	233
Process / Fugitive Emissions	335,629	310,773
Total Scope 1	355,608	327,155
Source Type - Scope 2 - Indirect Emissions		
Purchased Electricity	871,087	944,098
Total Scope 2	871,087	944,098
Source Type - Scope 3 - Indirect Emissions		
Business Travel	8,217	13,621
Hire Employee Commute	N/A	22,505
Total Scope 3	8,217	36,126
Total Metric Tons CO2-eq/year	1,234,913	1,307,378



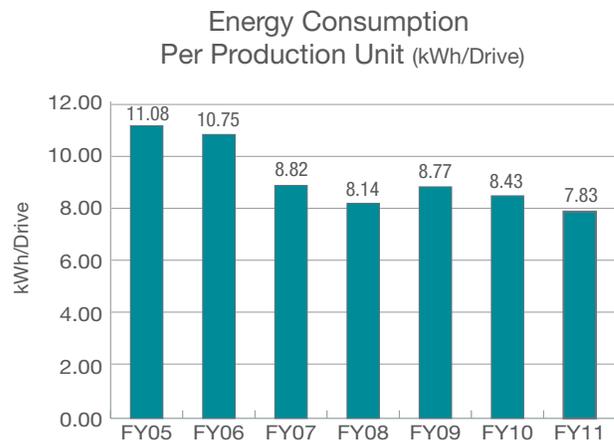
Energy Conservation

Seagate has focused on energy conservation for a number of years and it remains an area of emphasis. Purchased electricity is the largest contributor to our carbon footprint. In FY2011, Seagate reduced electricity usage by 7.1% as normalized

to production units, completing the year at 7.83 kWh/drive versus the target of less than 8.43 kWh/drive. Total electricity consumption during the year was 1,559 GWh, a reduction of 4.2% year-over-year, and more than 12,363 MWh of electricity was saved through conservation.

Reduction efforts continued to focus on production and infrastructure equipment. Key action areas included equipment efficiencies, process modifications, alternate energy evaluations and building infrastructure improvement. The company has set a target of 30,000 MWh in savings from energy conservation projects for FY2012.

Seagate also supports electricity conservation by reducing the energy consumption of our products (See "Product Stewardship").



Energy Conservation Project: High Efficiency Chiller

The Teparuk site replaced a less efficient, on-site chiller system with a more energy-efficient unit that saved 697,008 KWh.

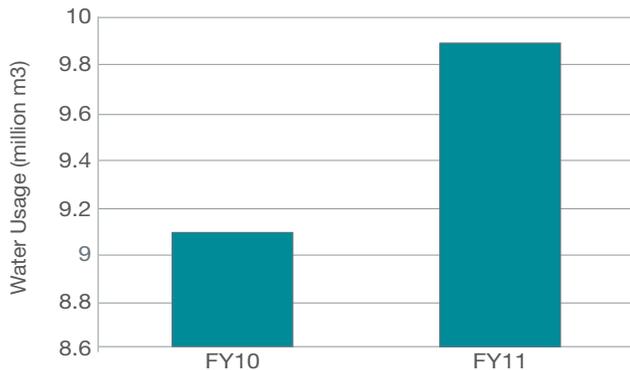
Energy Conservation Project: Free Cooling Tower

The Springtown Facilities team replaced a chiller system with a free cooling tower that uses ambient air temperature during cool weather to cool water for process tool use. The project saved 2.4MWh.

Water Conservation

Seagate recognizes water is a vital resource for our communities and operations, and conservation strategies and actions have been implemented for a number of years. In FY2011, operations consumed approximately 9.9 million cubic meters of water, an 8% increase compared over prior year usage; approximately 1 million cubic meters was recycled. Water is sourced from Municipal Water Supply /Other Water Utilities. Pollution is a very real threat to this resource, and we have taken steps to ensure that wastewater generated at our facilities is treated to meet discharge quality standards.

Water Usage



Green Building

Seagate's new U.S. executive offices in Cupertino, California received Leadership in Energy and Environmental Design (LEED) Gold designation. LEED is an internationally recognized green building certification system, which provides a framework for identifying and implementing measurable green building design, construction, operations and maintenance solutions.

Seagate's "green building" will reduce energy use by 24%-to-50% over conventional building methods (reducing carbon emissions by 33%-to-39%), lower water use by as much as 40%, and reduce solid-waste generation by up to 70%. This is Seagate's second green building. The Woodlands 3 facility earned a Platinum Green Mark Award from the Singapore Building and Construction Authority.

Environmental Inspections and Spills

There were 40 environmental regulatory inspections at our facilities during the year with no notice of violation or fines. These inspections centered on general environmental compliance and wastewater discharge monitoring. There were no significant spills recorded at any facility.

Environmental Regulatory Inspections

	FY2010	FY2011
# of regulatory visits	48	40
# of violation notices	0	0
\$ paid for violations	0	0
# of significant spills	0	0

Product Stewardship

Seagate is committed to delivering safe and eco-efficient products. We achieve compliance with emerging environmental regulations by using industry-leading strategies that result in compliance at low overall cost. With a focus on Full Materials Disclosure and Design for Environment principles, we drive sustainability and environmental responsibility throughout our product life cycle—from extraction of raw materials to disposal of an end-of life product.

Product Content – Full Materials Disclosure

Seagate is recognized as an industry leader in the establishment of methods to assure safe products. In addition to satisfying the most stringent customer requirements, our strategy meets due diligence provisions of RoHS^[i] Recast and REACH^[ii], two key European Union product material content laws, which have strongly influenced global product stewardship requirements.

Central to our strategy is maintenance and reporting of extensive data related to the chemical content of our products. Our Compliance Assurance System (CAS) incorporates the following principles of open standards and transparency:

- We support development and use of open standards. As a member of IPC-Association Connecting Electronics Industries, Seagate participates in developing and adopting industry standards (IPC-1752) for product material content and manufacturing information data exchange.
- We share compliance system methods with other companies, inside and outside our industry, to promote standardization and transparency.
- We gain supplier support for ensuring availability of this data and implementing a standards-based strategy.
- We share supplier training materials and systems with suppliers and customers.

In addition to ensuring efficient, cost-effective compliance, we realize the following advantages:

- When concerns are raised about a substance as the result of a regulatory change, health or environmental report, we can quickly identify the substances in any product dating to 2008.
- Full material disclosure prior to product launch avoids the costs of polling our supply chain each time a new substance of concern is identified.
- We apply insights gained from our experience with substances to develop products through a planned and controlled process that eliminates chemicals of potential concern without compromising product reliability.
- Suppliers indicate they prefer our approach to compliance to others used in the industry.

[i] RoHS refers to Restriction of Hazardous Substances, EU Directive 2002/95/EC/ and the RoHS Recast, 2011/65/EU

[ii] REACH refers to Registration, Evaluation, Authorization, and restriction of Chemicals, EC 1907/2006

Product Content - Specific Materials

Although no laws require low-halogen products, Seagate proactively works with suppliers to develop reliable alternatives to plastics, adhesives, inks and flame retardants containing halogens, and rigorously qualifies them in next-generation products. This industry-leading initiative, which took two years to develop, has reduced all forms of chlorine and bromine from our disk drives to industry-defined negligible levels.

Seagate also restricts certain phthalates to 1000 ppm at the homogeneous material level. This level exceeds regulatory requirements and common industry specifications.

Product Content - Conflict Minerals

Seagate continued to address concerns related to mining of minerals (columbite-tantalite, cassiterite, wolframite and gold) associated with human rights atrocities in the eastern region of the Democratic Republic of Congo (DRC) and surrounding countries.

While the mining of mineral ore in Africa is several steps removed from the manufacture of high-tech electronics, we have responded along with our industry. Seagate participates in the EICC Extractives Working Group and subcommittees, and endorses the EICC/Global eSustainability Initiative (GeSI) Conflict Free Smelter program. The program, aimed at developing a responsible approach to conflict-free mineral sourcing from the region, incorporates:

- International Tin Research Institute Supply Chain Initiative's "Bag-and-Tag" system for certifying conflict-free status of ore from mine of origin to smelter.
- Conflict-Free Smelter program, which certifies a smelter's business processes for effective control of raw materials derived from non-conflicted sources.
- EICC-GeSI Conflict Minerals Reporting Template, a standard format for acquiring supply chain documentation back to smelters used by suppliers.

We are establishing internal due diligence disciplines for risk analysis and direct supplier certification. Documented procedures and specifications will be completed when final Securities and Exchange Commission Dodd-Frank regulations are released.

See Seagate's [Conflict Minerals Policy Statement](#).

Design for Environment

Product power consumption contributes substantially to the carbon footprint and environmental impact of electronic devices. Seagate is committed to developing products and technologies that minimize environmental impact.

For example, the Pulsar.2 MLC Enterprise Solid State Drive, which can replace three or more competitive SSDs, saves 6W of operating power per system and reduces energy costs by 40%. PowerChoice drive power management delivers the lowest power usage ever offered in an enterprise hard drive.

Seagate also participates in developing the following energy-focused standards and benchmarks:

- **U.S. Environmental Protection Agency (EPA) ENERGY STAR Program** – Supports global harmonization of definitions and test methods that enable comparability of results and produce cost savings for consumers, government and industry. The Program, which was aligned with the Spring 2011 edition of the Storage Networking Industry Association's (SNIA) Dictionary and the SNIA Emerald™ Power Efficiency Measurement Specification, Version 1.0 (August 23, 2011), incorporates industry input.^[iii]
- **Storage Networking Industry Association (SNIA) Emerald Program** – The Program provides public access to storage system power usage and efficiency through a well-defined testing procedure, and additional information related to system power. The measurement procedure, SNIA Emerald™ Power Efficiency Measurement Specification, was developed, released and maintained by the Green Storage Technical Working Group (GS-TWG) under guidance of the Green Storage Initiative (GSI) of the SNIA.^[iv]
- **Storage Performance Council SPC-1CE Benchmark** – Enables end users to better understand energy costs in storage device idle and active states.^[v]

In addition, Seagate enterprise self-encrypting drives (SED) offer Instant Secure Erase, a feature that renders data on the hard drive unreadable in less than a second via a cryptographic erase of the data encryption key. With Instant Secure Erase, Seagate drives may be re-used without fear of losing confidential information. Drives that otherwise would be destroyed are given new life.

Managing electronic waste (e-waste) from end-of-life computers, mobile phones and other electronic products is a global concern. As a components manufacturer, our products typically are not subject to recycling or e-waste laws. However, Seagate believes the biggest impacts on a product's environmental footprint occur during design, and we are focused on increasing recyclable content of our disk drives, which may account for up to 90% of product weight.

[iii] http://www.energystar.gov/index.cfm?c=new_specs.enterprise_storage

[iv] <http://www.snia.org/forums/green>

[v] http://www.storageperformance.org/benchmark_results_files/SPC-1CE/Seagate/CE00002_Seagate_Savvio-10K3/ce00002_Seagate_Savvio-10K3_SPC1CE-executive-summary.pdf

Life Cycle Assessment

Seagate is developing a comprehensive picture of life cycle impacts of our products. Analysis of a product life cycle is an important element in understanding a product's environmental footprint and contributing to product design improvements. The analysis is a cradle-to-grave inventory that includes raw material extraction and processing, manufacturing and assembly, transportation and distribution, product use, and end-of-life.

Seagate initiated a process to evaluate its product families and completed a pilot Life Cycle Assessment (LCA) of the Momentus 5400.6 (500GB) hard disk drive (a representative notebook product). Seagate teamed with a leading global consulting and technical service firm, WSP Environment & Energy, to assist in aligning with ISO14040 and 14044 LCA methodologies. EarthShift, a leading international provider of sustainability consulting and training services, provided a third-party critical review of the report. We are working to complete similar analyses of other products.

With industry-standard value not yet established from which comparisons can be readily made, the useful life of a drive was assumed to be three years for the purpose of the study. Our analysis used actual product bill-of-materials information, transportation and distance data from supplier locations to our factories and factories to customers. We also factored in the energy usage profile of the product over its useful life, incorporating Seagate power-saving software effects.

Climate change impact, by today's standards, essentially equals the carbon footprint of the product, which is calculated using formulas that include energy consumption from component manufacturing, assembly operations, transportation, actual usage of the product over its lifetime and end-of-life disposal or recycling. Energy consumption can be translated into carbon footprint when consumption is factored against the source of that energy. For instance, electrical energy generated from burning coal has a different carbon footprint than electrical energy produced from wind, water and solar sources. When known, this information can be used in the life cycle assessment. Source data for several aspects of the life cycle analysis comes from industry average databases.

Results: The product's climate change potential (carbon footprint) equals 7.34 kgCO₂ equivalents for a 500 GB HDD operated for three years in the U.S. Sensitivity analysis conducted on input assumptions suggests climate change potential ranges from 6.7 to 8.2 kg CO₂ eq (20% of the base case) depending on location and use intensity. This is roughly equivalent to driving a compact car for 30 miles. Highlights are noted in Tables 1 and 2.

Table 1: LCA Results for a Seagate 500 GB Notebook Disk Drive

ReCiPe ^[vi] Mid-point Impact Category	Total	Characterization Unit
Climate change	7.34	kg CO ₂ eq
Ozone depletion	1.50E-06	kg CFC-11 eq
Human toxicity	9.30E+00	kg 1,4-DB eq
Photochemical oxidant formation	2.80E-02	kg NMVOC
Particulate matter formation	1.60E-02	kg PM10 eq
Ionising radiation	1.10E+00	kg U235 eq
Terrestrial acidification	5.00E-02	kg SO ₂ eq
Freshwater eutrophication	6.20E-03	kg P eq
Marine eutrophication	9.20E-03	kg N eq
Terrestrial ecotoxicity	6.80E-04	kg 1,4-DB eq
Freshwater ecotoxicity	1.50E-01	kg 1,4-DB eq
Marine ecotoxicity	1.40E-01	kg 1,4-DB eq
Water depletion	3.50E-02	m ³
Metal depletion	2.60E+00	kg Fe eq
Fossil depletion	1.90E+00	kg oil eq

Table 2: Climate Change Impacts by Process for a Seagate 500 GB Notebook Disk Drive

Climate Change Impact by Process	Unit (kg CO ₂ eq)
Raw Material Acquisition & Pre-Processing (RMAP) of component materials	3.12
Production at the China assembly plant	1.92
Distribution to customers in the U.S.	1.34
Product use (3-year electricity consumption)	0.9
Disassembly, disposal and recycling at end of life	0.07
Total	7.34

Table: Climate change impact by life cycle stage

We learned much from this pilot. Future LCA process enhancements include greater utilization of actual supply chain information—where industry average data is presently used—tools to give decision makers comparative bill-of-material and supplier selection choice data during product design and procurement, and actual water consumption data.

[vi] ReCiPe: A life cycle impact assessment method which comprises harmonized category indicators at the midpoint and the endpoint level. The acronym ReCiPe represents the initials of the institutes that were the main contributors to this project and the major collaborators in its design: RIVM and Radboud University, CML, and PRé. See <http://www.lcia-recipe.net/>

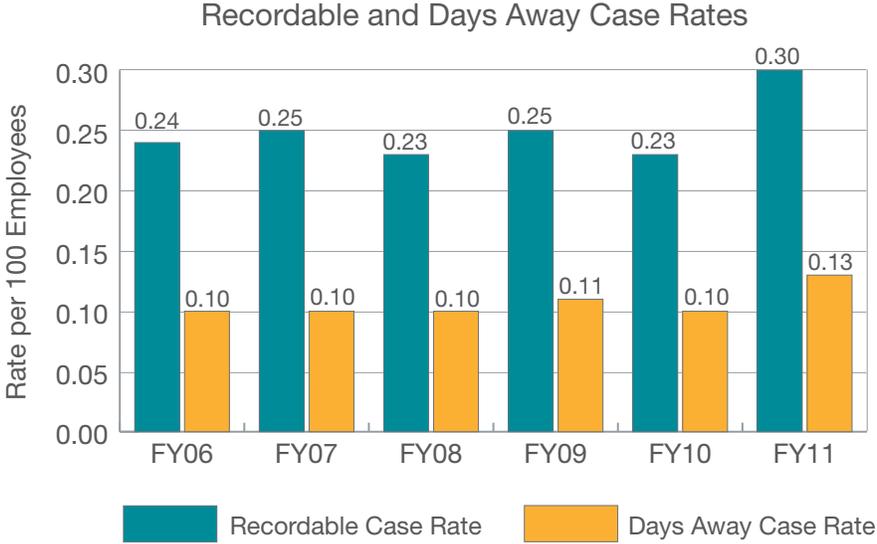
Health, Safety and Wellness

The talent and dedication of our employees make Seagate's achievements possible. This core belief is at the heart of Seagate's commitment to the safety and well-being of more than 50,000 employees. With the Seagate EHS policy (See "Environmental Health and Safety Policy" in this document) as the foundation, robust health and safety management systems provide a framework for continuous improvements in risk reduction and mitigation. It is Seagate's fundamental belief that all work-related incidents are preventable.

Measuring Progress

For more than a decade, Seagate has collected and tracked a variety of health and safety performance indicators to monitor trends and establish strategies and actions for continued reduction of work-related injury and illness. Consistency in the analysis of safety performance indicators (occupational injury and illness case rates, and lost work day case rates) is assured through the application of U.S. Department of Labor Occupational Safety and Health Administration (OSHA) reporting criteria to all Seagate locations worldwide.

During FY2011, Seagate experienced a 39% increase in its recordable case rate (0.32 cases per 100 employees) compared to the previous year, with a days-away case rate (0.13 cases per 100 employees) increase of 30%.



We do, however, continue to significantly outperform the industry average for U.S. manufacturers of computer and electronic equipment as indicated by our year-end OSHA recordable rate of 0.32—a nearly fivefold difference.

Health and Safety Benchmark



Note:

Rates base on 100 employees working full time for one year

Occupational Safety and Health Administration (OSHA) rates for US manufacturers

OSHA rates for Computer and peripheral equipment manufacturing

Despite significant proactive efforts throughout FY2011 (more than 5,000 ergonomic risk assessments, 32 targeted ergonomic risk-reduction projects and more than 8,135 employees trained) to prevent the occurrence of cumulative trauma disorder (CTD) symptoms, this continues to be one of the most frequent type of recordable injuries at Seagate. Our strategy includes emphasis on early reporting of symptoms to minimize injury severity through early care and mitigation of risk. This has had a positive impact on minimizing injury severity, and was reflected in a 50% reduction in CTD cases that resulted in lost or restricted work time and a 20% reduction in actual days of lost or restricted work.

We have set aggressive injury reduction targets. In addition to focusing on established programs and processes based on leading best-known practices, specific strategies have been developed to support a 33% reduction in recordable case rate and a 30% reduction in the days-away case rate, which include:

- Execution of targeted risk reduction action plans for all sites, with particular focus on those experiencing increases in FY2011.
- Revision of the Corporate Standard for Ergonomics Program Management, including rollout of a new application for enhanced management of issues related to risk mitigation in the office environment.
- Refocus of the Behavior-Based Safety program.

Health and Safety Management System

Our global management system approach to safety assures a sustainable process for the identification and mitigation of workplace risks and hazards.

Global Standards

A set of global health and safety standards (Corporate Standard Operation Procedures) establish best-in-class control measures, which often go beyond regulatory requirements, and guidance to protect the safety and well-being of employees. In line with Seagate's focus on integration and accountability, each standard delineates a set of requirements, training and a chart of responsibilities to ensure clear accountabilities—from the plant manager to individual employees.

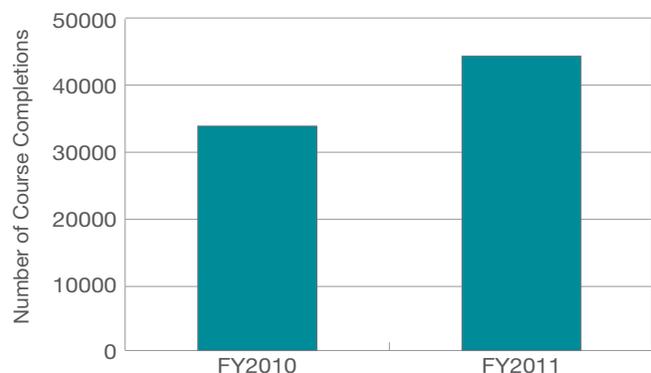
Global Standards - Equipment Safety

Standard Procedures for equipment safety, from design through decommissioning, have been integrated into worldwide operations. Before Seagate introduces new equipment into the workplace, we partner with companies experienced in equipment testing and certification to ensure the equipment meets recognized international standards, such as SEMI and NFPA, in addition to specific Seagate requirements. Equipment that passes design reviews must be installed following rigorous checklists that cover layout, electrical, chemical, fire protection, interlock, and operational safety requirements. Once installed, thermal imaging is conducted to detect potential fire hazards in equipment. In FY2011, more than 26,000 pieces of production and research equipment were imaged, in addition to the electrical distribution systems, connections and other equipment and systems controlled by the Facilities operations. At the end of life, standard procedures are followed to safely decommission and dispose of equipment.

Training

Employees and contractors receive a wide range of safety training targeted to specific jobs and assigned tasks. Utilizing instructor-led and web-based training strategies helps individuals to understand their general safety responsibilities as well as safety knowledge and skills needed for specific tasks (such as chemical safety, ergonomics and electrical safety). Courses are provided in native languages and tailored to meet local needs. In FY2011, nearly 45,000 EHS e-Learning courses were completed, an increase of 31% compared to the previous year.

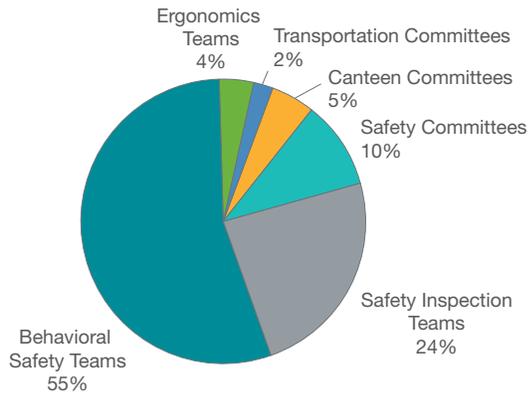
EHS e-Learning Course Completions



Committees and Teams

Employees at Seagate are responsible for their individual safety as well as that of others. We believe the key to building and maintaining a safety culture is through integration and involvement. In FY2011, more than 10% of our employee population was engaged in safety committees and teams.

Distribution of Employee Participation



Evaluating Performance for Continuous Improvement

We closely monitor the effectiveness of our control measures through job/task risk assessments, work area inspections, and health surveillance programs designed to ensure that employees with potential exposure to chemical or physical hazards are not adversely affected by their work environment and assigned tasks. Formal third-party audits are periodically conducted at all locations to verify compliance with company and local regulatory requirements. All manufacturing sites

undergo regular audits to maintain OHSAS 18001 certification, the internationally recognized standard for occupational safety and health management systems. (See “Health and Safety Management System” section.)

Health and Wellness

Seagate is committed to driving a culture in which employees are healthy and productive, and have information needed to make informed and healthy lifestyle choices. A portfolio of health benefits plans and wellness programs are customized for each country and designed to encourage employees to evaluate, improve and maintain their health and the health of their families.

In addition to the company’s benefits programs, occupational health and wellness priorities are established at the site level to customize programs targeted at local health issues sensitive to cultural differences. We continued to offer programs throughout the year targeted at disease prevention and informed lifestyle choices. A range of programs were delivered across the company, including on-site flu immunization clinics, health screenings, health risk assessments, periodic medical examinations, smoking cessation programs, weight control programs and health seminars/awareness campaigns about a variety of health issues. In addition, the company continued to sponsor on-site fitness centers and recreational facilities at many locations to provide employees with a convenient way to improve and maintain their physical well-being.

External Recognition

Seagate facilities worldwide received external recognition awards for their EHS performance.

Recognition Award	Seagate Recipient	Description
Minnesota Governor’s Award of Honor for Occupational Safety 2011	Shakopee, MN, U.S.	The Minnesota Safety Council selected the Shakopee facility to recognize continuous improvement and an outstanding record of injury and illness prevention.
2011 National Occupational and Safety Award	Korat and Teparuk, Thailand	The Department of Safety Inspection, Ministry of Labor selected Korat and Teparuk for excellent Environment Health & Safety Management Systems and sustained outstanding performance in maintaining a safe and healthy work environment.
Platinum Award - Northern Ireland Environmental Benchmarking Survey	Springtown, Northern Ireland	Springtown was recognized for its performance in the Northern Ireland 12th Environmental Benchmarking Survey. The survey measures environmental management and performance, with 143 companies. Nineteen were recognized in this category for achieving a score of at least 90%.
2010 Workplace Safety and Health Award (Best Practices)	Woodlands, Singapore	The Woodlands team was honored for introducing an Auto Bag Cutting Machine. The machine replaced a manual un-bagging process and reduced ergonomics risk by 40% and improved productivity by 40%.

Community Engagement

Employee involvement is the heart of Seagate's community engagement efforts. Employees consistently come together to meet the needs of our communities by generously donating their time through volunteer and outreach initiatives. Regional plans provide local volunteer opportunities, awareness events and resources, and ways for employees to make a difference.

Seagate has significant operations in Thailand and strong, long-standing relationships with customers and suppliers throughout Asia. We were saddened and deeply concerned about those affected by the catastrophic earthquake and tsunami in Japan, and floods in Thailand.

Seagate contributed funding and collaborated with Give2Asia, a leading organization committed to social responsibility and philanthropy in Asia, to support flood relief efforts in Thailand. In addition, more than 120 employees volunteered to distribute food and basic supplies to flood victims (photos below). The company also contributed funding for Japan's tsunami relief and recovery efforts.



Besides reaching out to victims of these disasters, and supporting existing programs, Seagate continued to look for new opportunities to expand its community engagement efforts.

Recognizing the valuable role that our storage products play in the community, Seagate launched a product donation program in partnership with TechSoup, one of the largest nonprofit providers of technology products and services to NGOs and nonprofit organizations worldwide. The initial donation of 560TB of storage products will enable eligible nonprofits to conduct day-to-day operations, reduce costs and maximize use of their limited funds.

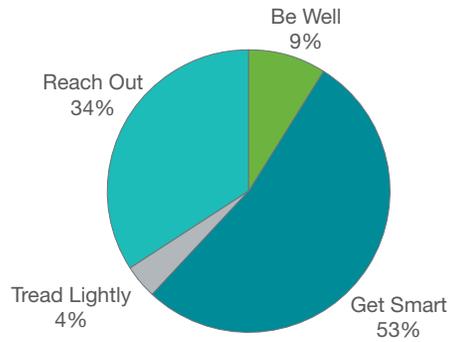
Areas of Focus

Seagate’s community engagement and corporate giving efforts are aligned under the program theme “Capacity to Care,” which aligns company giving with employees’ localized interests and leverages the impact of our combined financial and volunteer contributions. “Capacity to Care,” which increases opportunities for engagement beyond our traditional focus on science, technology, engineering and math (STEM) education, focuses on the following:

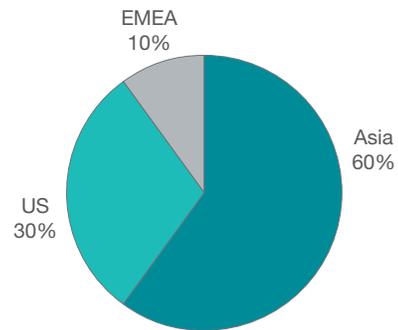
- Get Smart – Enhancing STEM education for children.
- Tread Lightly – Reducing our impact on the planet.
- Be Well – Encouraging healthy lifestyles and wellness among employees and our communities.
- Reach Out – Helping those most in need.

The following charts illustrate Seagate’s commitment by focus area.

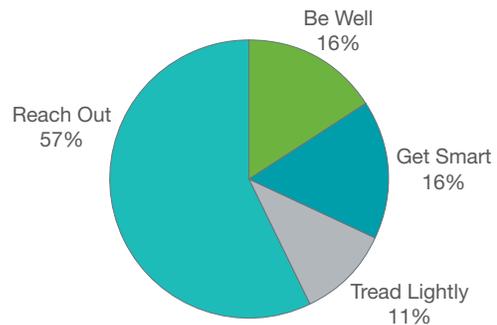
Percentage of Giving (Cash)



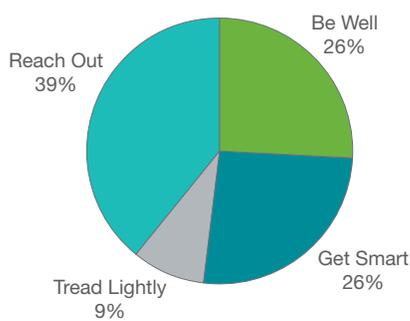
Engagement Hours by Region



Engagement Hours by Focus Area



Program by Focus Area



In each of these areas, Seagate sites worldwide committed to enhancing community partnerships and provided employees meaningful ways to contribute to a cause. Employees came together with coworkers, family and friends, to help provide better education for children; reduce, reuse and recycle more in our facilities, homes, schools and communities; create healthier lives for themselves and others; and lend a hand to those in need.

Highlights of Community Engagement Programs

Seagate encourages employee participation in activities that make a difference in their communities. The following examples are representative of the many volunteer efforts employees engaged in during FY2011.

Northern California

Seagate was the primary provider of funds for the Santa Cruz County Science Fair, which supports research and science education for K-12 students.



Springtown, Northern Ireland

Volunteers hosted a conference for students, engaging them in hands-on science experiments and encouraging them to pursue careers in science and math.



Penang, Malaysia

Employees donated food and basic necessities to the Asia Community Center and spent a day at the Center participating in art activities.



Shakopee and Bloomington, Minnesota

Seagate provided funding for the Minnesota State Science Fair. Fifty-two employees volunteered to judge and provide administrative support.



Wuxi, China

Two hundred employees and their family members planted elm trees in partnership with the District Environment Protection Bureau.



Suzhou, China

As part of an Earth Day celebration, employees rode bicycles to promote good health and earth-friendly transportation.



Korat, Thailand

Employees helped build an on-site clinic for the Baan Nong Mai Tai School.



Teparuk, Thailand

Sixty volunteers planted trees and cleared debris in a Mangrove forest.



Johor, Malaysia

Employees helped students build solar cookers to create awareness about alternative energy sources and science innovation.



Singapore

Volunteers organized a photography outing and competition for students from Kuo Chuan Secondary School.



Oklahoma City, Oklahoma

Employees donated cash and more than 3,500 packaged food items to support the Regional Food Bank of Oklahoma's summer food program for children.



Longmont, Colorado

Volunteers spent a weekday morning clearing brush along a mountain trail maintained by the Wild Bear Mountain Ecology Center.





Work Environment

Seagate believes people are its competitive advantage. Successful individuals are the driving force behind a successful enterprise, and attracting, retaining and motivating the best people will position Seagate at the forefront of the industry.

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 sales presence in numerous other geographies. In FY2011, Seagate employed approximately 53,600 employees, temporary employees and contractors worldwide. Nearly 46,000 are located in the company's Asian operations.

Seagate's human resources policies align with the UN Global Compact Principles and reflect our commitment to the EICC Code of Conduct (Code.) In particular, Seagate's Human Rights policy articulates global standards covering respectful treatment, due process, freedom of association, reasonable limitation of working hours, fair compensation, and freedom to express opinions, all of which are important to creating and sustaining a positive and productive work environment. (Read Seagate's Human Rights Policy included in the appendix of this report.) In support of these requirements, Seagate conducted internal human resource audits at all major locations to ensure processes and practices adhere to human resources policies and the Code.

Seagate's Talent Acquisition Practices and Strategies

Seagate is dedicated to continually improving talent acquisition methodologies and practices relating to candidate attraction, applicant treatment, assessment processes, and on-boarding experience. The global Talent Acquisition leadership team conducts annual reviews of all policies, practices, tools and processes to ensure that Seagate remains in the forefront of recruitment innovation and performance. Seagate took several steps to ensure continued implementation of best practices and programs that enable it to meet long- and short-term strategic Talent Acquisition objectives.

During FY2011, Seagate established proactive operator hiring strategies for its Asia region, including a framework for managing the recruitment of contract, foreign and local (national) factory operators. Establishing these proactive strategies enhances our ability to improve awareness, responsiveness and compliance with UN Global Compact Principles and the Code. Seagate also set goals to hire an increased percentage of in-country, locally-based operators as direct employees, while decreasing the percentage that are hired as contractors. These practices will enable Seagate to provide greater stability in its workforce.

Additionally, following a review of foreign worker contracts and practices in Malaysia, we improved practices among Malaysia foreign worker contractors to ensure they comply with legal regulations and EICC guidelines.

The Seagate staffing function consistently conducts quarterly internal client satisfaction surveys to measure our level of service and effectiveness to hiring managers, new employees and internal transferees. The survey allows us to identify and evaluate our employees' perspectives about the hiring process and helps us identify areas of strength and opportunities for improvement. Based on feedback from these surveys and other initiatives to assess the needs of our internal and external stakeholders, Seagate is placing an increased emphasis on hiring university students for internships and recent college graduates for entry-level positions.

We developed an 18-month international, rotational engineering program for qualifying New College Graduates (NCGs.) The program enhances the knowledge of hard disk drive technologies and accelerates the rate of technical and business competency of NCGs. Our new focus on university-based hiring demonstrates Seagate's commitment to help build the next generation of global technology leaders.

Seagate has maintained its commitment to filling open positions with current employees and soliciting candidates identified by employees through our Employee Referral Program. These practices demonstrate our commitment to developing current employees and providing them with opportunities to grow and advance, and drawing high-quality candidates into our applicant pool for open requisitions.

Talent Management and Employee Engagement

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.

Our 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 FY2011, 98% of employees created goals and development plans in the iMAP application at the start of the year.

To support employee learning and development, iMAP contains the Learning Management System, which enables managers and employees to obtain learning resources and information from a single, online application and complete required learning that supports their role and corporate compliance requirements. iMAP provided more than 94,000 learning instances, with offerings covering leadership, professional and computer/IT development and functional competencies from highly-recognized learning experts. In addition, Seagate continued to offer its own custom, online learning courses and facilitated blended learning programs—especially in leadership and management development—at major sites worldwide.

In the tough macroeconomic climate of 2010-2011, Seagate's leadership development programs not only continued to build leaders' foundational skills, they helped leaders become more effective at developing their employees and working in a global environment.

Leadership Development Program for Managers, a blended solution based on Harvard Business Publishing (HBP) content and re-designed for the virtual classroom in FY2010, enrolled 188 managers. Based on participant feedback, 96% indicated "this training program was a worthwhile investment

in my career development," and 100% agreed, "this training program will improve my job performance." Strong demand from supervisors at Seagate's Asia facilities for the Leadership Development Program for Supervisors drove enrollments to 283. All participants indicated they agreed that "this training program was a worthwhile investment in my career development" and that "this training program will improve my job performance."

Based on a successful global pilot program, we collaborated with the Ken Blanchard Companies to deliver Situational Leadership II® to 165 managers and directors. SLII® is recognized as a business language and framework for employee development because it works across cultural, linguistic and geographical barriers. The foundation lies in teaching leaders to diagnose the needs of an individual or team and use the appropriate leadership style to respond to needs of the person and the situation. Ninety-two percent of participants indicated "this training program was a worthwhile investment in my career development" while 93% agreed, "this training program will improve my job performance."

Eighty-four directors participated in the Maximizing Business Results program, and 574 directors, managers and supervisors globally participated in Seagate's leadership development programs. The transition to a virtual format has enabled a 54 percent cost reduction while maintaining high quality of the programs (90 percent graduation rate and 92 percent learner satisfaction.) Seagate's virtual programs received a Certificate of Merit from Chief Learning Officer magazine for leading work in the Global Learning category.

Our Maximizing Business Results program won the Corporate University Xchange (CUX) Awards for Excellence and Innovation, "Excellence in Alliances Award," for making the best use of external providers to create impactful programs resulting in measurable improvements in employee and business performance.

Bersin & Associates published a research paper about virtual learning that featured the Maximizing Business Results Program case study as a best practice. The paper noted that virtual learning is a cost-effective development solution that organizations such as Seagate use to effectively lower costs, improve leadership skills, employee engagement and business performance.

Combined, these interrelated areas offer stability and consistency to help managers ensure our diverse, global workforce remains engaged and productive.

Ensuring Employees' Well-Being

Seagate invests in a wide range of benefits programs around the world to promote the health, well-being and productivity of employees. Our benefits are benchmarked to local market practice and cultural requirements, and reflect global standards of a leading, multinational organization. Although

these programs take different forms depending on geography, the plans provide cost-effective and flexible coverage to employees and, in some cases, dependents.

Examples of these programs that reflect our commitment to our people include health care plans, life and disability coverage; wellness initiatives including fitness programs and on-site fitness centers; preventive health screenings; vacation, holidays and leave policies; retirement savings opportunities; counseling services; discounted retail products; adoption support; and equity ownership opportunities.

We provided financial incentives for U.S. employees to complete biometric screenings and health-risk assessments in an effort to improve the health of our population, and conducted a health fair and health screenings in Northern Ireland.

Rewarding and Recognizing Employees

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

Under company reward and recognition programs, employees who make meaningful contributions that help Seagate achieve business objectives are eligible to be rewarded and recognized in a number of ways, ranging from monetary bonuses to letters of commendation.

Our compensation program provides for variable rewards based on individual and company performance in addition to base pay, providing a tangible incentive for employees to excel. The FY2011 bonus plans were funded and related bonuses were paid in early FY2012 as the result of the company achieving its performance objectives.

Seagate Equity Ownership

Dedicated, focused employees who contribute their expertise in the workplace each day are the fundamental "engine" driving our ongoing success. Seagate believes such contributions should be rewarded. The company's variable pay and benefit programs included two vehicles by which employees participated in Seagate's 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

Seagate's executive compensation strategy is designed to drive high performance, strengthen its market position, and increase shareholder value. The goals of our executive compensation programs are to:

- Attract and retain talented leaders through competitive pay programs.
- Motivate executives to achieve and exceed business objectives approved by the Board.
- Align executive and shareholder interests to optimize shareholder return with acceptable risk.
- Manage total compensation costs in support of our financial performance.

In FY2011, Seagate shipped 199 million units, which represented 3% growth over the prior fiscal year. Revenues were \$11 billion, a 4% year-over-year decrease. The decline in revenue reflected the cumulative effect of the competitive pricing environment the industry experienced during the middle of CY2010, partially offset by an industry-wide supply constraint in the second half of FY2011 from what is believed to be a reaction to possible supply chain disruptions stemming from the earthquake and tsunami in Japan.

Managing the costs of our compensation programs was one of many operating actions taken throughout the year to improve margins and preserve profitability.

Seagate set aggressive performance goals in anticipation of an upswing in an uncertain economic environment. Notwithstanding difficult economic conditions, we made no changes to our executive bonus plan or equity incentive plan goals due to our ongoing commitment to maintaining a pay-for-performance philosophy.

Key executive compensation decisions follow:

- No increases in salary were made for executives.
- No bonuses were paid to executives based on business results.
- A multiplier based on achievement of certain quality metrics was added for funding the bonus plan because quality is considered critical to our overall business performance.
- Performance-vesting restricted share units (PSUs) were introduced to the mix of equity-based awards to enhance long-term strategic incentives for executives and promote alignment with shareholder interests. Vesting of these PSU awards is based on a combination of a three-year average return on invested capital and relative total shareholder return compared with a select group of peer companies.

Seagate's publicly disclosed Compensation Discussion and Analysis (CD&A) further details the executive compensation strategy and practices for compensating our "Named Executive Officers" (as defined in the CD&A.). The CD&A is updated each year as part of the annual Proxy Statement prepared for the Annual General Meeting of Shareholders which is generally held in October of each year.

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

Seagate is committed 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 employees' talents will be utilized to the fullest and organizational performance will be strengthened in a diverse and supportive environment. Working productively across cultures in a global team is considered a business critical skill.

FY2011 U.S. Diversity Summary

Even with continued challenges and workforce reductions, including a U.S. headcount decrease by 30 percent from FY2008 to FY2011 and by more than 60 percent in the past decade, our diversity trends from FY2004 to FY2011 remained relatively constant.

Developing Diverse Employees

In FY2011, we promoted diverse employees at a rate equal to or greater than their workforce representation for Hispanics, Asians, and Females, and came within one percent of meeting this goal for African-Americans and American Indians.

Engage and Retain Diverse Talent

Through site-level employee engagement opportunities, we were also successful in achieving our goal of retaining diverse employees at a rate equal to or greater than their workforce representation for African-Americans and Asians and were within one percent of our goal for Females, Hispanics and American Indians.

We launched several programs aimed at supporting employee diversity and global inclusion. A rotational engineering program to attract and accelerate the development of NCGs has been developed and implemented.

Additionally, "Working Globally," a training program provided by Aperian Global Inc., was implemented worldwide to support the overall global inclusion and U.S. diversity initiative. The objectives of this program are: recognize when culture counts, know self and others and identify any differences, and bridge those differences by utilizing new strategies and skills provided in the training. Seagate collaborated with Aperian Global to deliver the program to 153 leaders and key employees. Leveraging theGlobeSmart® web tool, Seagate created a custom training program focusing on countries where we have significant operations. One-hundred percent of participants indicated, "I gained new knowledge and skills from this training program." The training will be provided to an increased number of participants in FY2012.

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 and sustained operational resilience in responding to unplanned events.
- 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 minimizing 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

As a global industry leader, Seagate welcomes the responsibility to 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 are held accountable for doing so. 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.

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.

Free to express opinions. Employees have the right to express their opinions. In fact, we welcome and encourage ideas and input, including notification of issues and concerns.

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.

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.

Reasonable limitation of working hours. We will not require employees to work more than 60 hours on average per workweek, 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.

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.

Additional information is available on 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.



Seagate Policy Statement on Conflict-Free Minerals

As part of its commitment to global social responsibility and in accordance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of the 2010 United States Congress, Seagate prohibits using in its products tin, tungsten, tantalum, or gold from any source whose supply chain, back to the mines of origin of the minerals used to produce these metals, contributes to human rights abuses in the Democratic Republic of Congo or adjoining countries.

Seagate expects its suppliers to use due diligence to implement policies and procedures throughout the supply chain that are consistent with this policy statement. Due diligence, as used in this policy, generally follows the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Seagate adopts, and incorporates into this policy, Annex II of this OECD document, which provides substantial policy detail.

Appendix

United Nations Global Compact

Seagate signed up to United National Global Compact (UNGC) principles in 2004 and since have aligned our management systems to the 10 principles. The principles also guide us as we develop new programs and strategies in the area of Global Citizenship. We are very committed to the implementation, disclosure and promotion of the 10 principles in our operations. Seagate has been actively engaging with the UNGC U.S. Network in its activities.

The table below provides a guide to our strategies and action in support of the 10 UNGC principles.

	UNGC 10 Principles	Page / Link
<i>Human Rights</i>		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights;	Pages 28-31
Principle 2	Make sure that they are not complicit in human rights abuses.	Pages 33-34 Human Rights Policy
<i>Labor</i>		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Pages 19-21
Principle 4	The elimination of all forms of forced and compulsory labor;	Pages 28-31
Principle 5	The effective abolition of child labor; and	Pages 33-34
Principle 6	The elimination of discrimination in respect of employment and occupation	Human Rights Policy
<i>Environment</i>		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	Pages 11-18
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	Page 32
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	Environmental Health and Safety Policy
<i>Anti-Corruption</i>		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Pages 7-8

