

Western Digital's Shift from Renewable Energy to Carbon-Free Energy (CFE)

Western Digital is evolving its energy strategy to support our commitment to reach net zero emissions

What Is Carbon-Free Energy (CFE)?

Carbon-free energy refers to any electricity generation that does not emit carbon dioxide, including:

- Renewable sources (solar, wind, hydro, geothermal)
- Nuclear energy
- Certain types of low-carbon biomass (when responsibly sourced)
- Other innovative technologies that produce zero operational emissions

CFE differs from traditional renewable energy by offering a broader toolkit for decarbonization, especially in geographies where access to renewables is limited or constrained.

Why We Are Making This Shift

- **Accelerating Progress to Net Zero:** Renewable energy procurement is becoming increasingly complex in several key operating regions due to market saturation, grid constraints, and supply limitations. CFE provides us with more options to continue reducing our carbon footprint globally.
- **Aligning with Customer Expectations:** Many of our key customers, particularly in the technology and hyperscale sectors, are moving toward 24/7 carbon-free energy sourcing and expect their value chains to follow suit.

- **Enhancing Energy Strategy Flexibility:** This approach enables us to tailor decarbonization solutions to specific regional and operational contexts, without slowing down our emissions reductions.

Risk Awareness and Responsible Implementation

We recognize the importance of **maintaining environmental integrity and human rights protections** as we diversify our energy sources.

- Nuclear option selection will ensure energy from reactors that are licensed with certification from relevant national agencies, with a preference for advanced or modular reactor technologies with enhanced safety and waste minimization features.
- We are especially vigilant regarding biomass sourcing, ensuring it is free from links to deforestation, palm oil, or labor abuses.

- We will continue applying rigorous due diligence frameworks, such as third-party certifications and supplier engagement, to evaluate CFE projects.
- Our approach will be guided by international best practices and stakeholder expectations, including our own Responsible Sourcing and Human Rights policies.

Looking Ahead

Western Digital remains committed to transparency, impact, and innovation as we evolve our sustainability strategy. The shift to carbon-free energy is a pragmatic and forward-looking move to maintain climate leadership and meet our net zero goals.