



# Our 2022 Story



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# About this Report

## GRI 102-50, 102-54

We are proud to share Western Digital's 2022 Sustainability Report covering Fiscal Year 2022 (FY2022), which has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The report also references the Sustainability Accounting Standards Board (SASB) Hardware Standard and the SASB Semiconductors Standard. Furthermore, we have aligned our disclosures with the UN Sustainable Development Goals (UN SDGs) and the Task Force on Climate-Related Financial Disclosures (TCFD). Please reference this report's indices for additional information.

This report is organized into three parts. The first section, Our 2022 Story, offers significant highlights from FY2022; a general disclosure section provides a deeper, more technical look at our approach to sustainability and our progress; and a set of indices provides a comprehensive view of the data that informs our sustainability efforts.

We are always looking for opportunities to improve our transparency and better demonstrate our performance. If you have any feedback about this report or other disclosures, please contact us at [sustainability@wdc.com](mailto:sustainability@wdc.com).



# CEO Letter

**“We intend for Western Digital to be an industry leader in sustainability, and we’ve begun to distinguish ourselves through both transparency and substantive progress.”**



## Dear Stakeholders,

In recent years, our teams across the world have taken steps to strengthen the foundation for sustainability at Western Digital. We’ve established data-driven targets and metrics to manage our performance, worked diligently to implement innovative processes, and regularly disclosed progress toward our goals.

Sustainability is increasingly being embedded into all parts of our organization — from energy and material-efficient product design to smart manufacturing to investment in employees throughout our workforce. We intend for Western Digital to be an industry leader in sustainability, and we’ve begun to distinguish ourselves through both transparency and substantive progress:

### Protecting the Environment

Driven by increased efficiency across our operations and supply chain and a commitment to environmental stewardship, we are working toward our science-based emissions reduction targets — and we are ahead of schedule. We continue to run new assessments to better understand the impacts of our products from manufacture to product use to end of life. We are working toward a future where data, technology and our people can combine to improve our design and manufacturing efficiency, as well as our supply chain practices.

### Investing in Our People

Being a leading innovator in the data storage industry requires exceptional talent. We continue to prioritize and invest in Diversity, Equity, and Inclusion (DEI) and are confident that an inclusive culture will help us attract and retain the broad spectrum of talented people we need for the future of our business.

## Doing Business with Integrity

The conditions in which our global business operates continue to change at an astonishing rate. In the face of constant change, our commitment to integrity must not waver — that commitment and its day-to-day implementation supports business continuity, minimizes risks, and inspires our workforce. We continue to emphasize the importance of high ethical standards in our business at every step.

## Looking Ahead

Western Digital has always been powered by data, and the ESG data in this report is no exception. The data also highlights the people behind our progress. Although my team and I continue to support and invest in sustainability across the organization, the success of our sustainability efforts depends on broad participation throughout the company, and employees throughout our organization have proven eager to participate. As our global focus on sustainability has sharpened, progress has begun to be driven by employees of all levels, functions, and locations, as we collectively work toward sustainability targets and progress.

The future belongs to those bold enough to think big and bring bold ideas to life — and our team is excited to lead the charge into a more sustainable future.

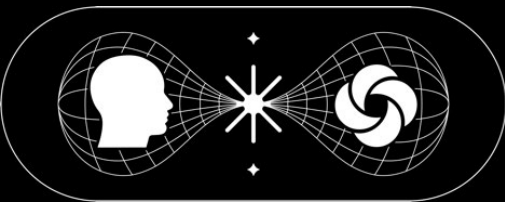
Thank you for your interest in Western Digital and our FY2022 Sustainability Report.

David Goeckeler, CEO



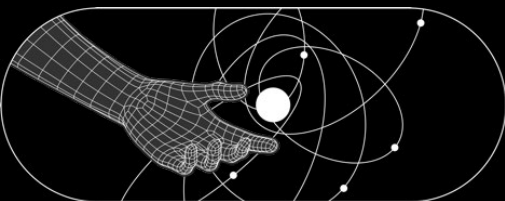
# Who We Are

GRI 102-2



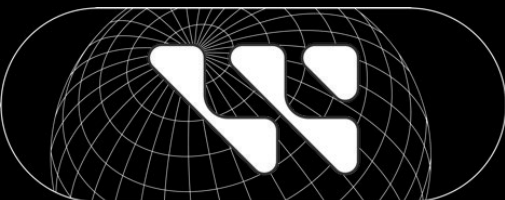
## Our Vision

To create breakthrough innovation — inspired by the convergence of human potential and digital transformation — that enables the world to actualize its aspirations.



## Our Mission

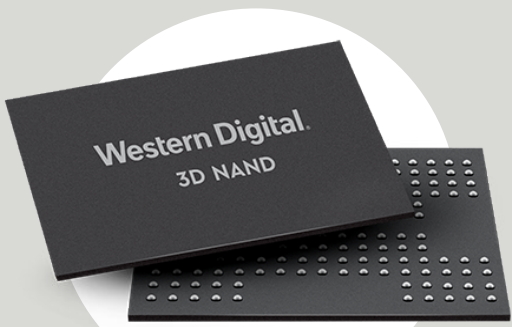
To unlock the potential of data by harnessing the power to use it.



## Our Values

- We think big.
- We create possibility.
- We make it happen.
- We do it together.

# Silicon-to-System Innovation and Engineering

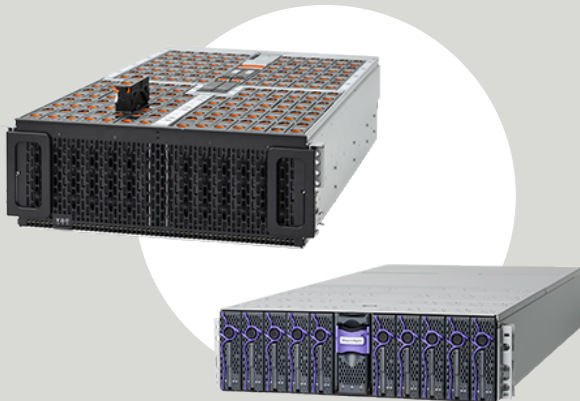


Advanced Media, Controller, Head, Firmware/FTL



Device Innovation

Mechanical, packaging, testing, software, firmware, and controllers



Platforms Innovation

Electrical and mechanical design, firmware, and diagnostics



Integrated Storage Platforms



# FY2022 Highlights

## Science-Based Targets

We are ahead of schedule in operationalizing our science-based targets. Net Scope 1 and 2 emissions in FY2022 were >14% lower than our baseline, putting us ahead of our target milestone of an 8.4% reduction.

## First Movers Coalition

We joined 25+ other large companies as a founding member of this coalition. Together, we are setting commitments designed to spur climate-related innovation and enable significant investments to drive down emissions.

## Diversity, Equity, and Inclusion

In FY2022, women represented 26% of our management positions and 23% of our technical staff. Members of Asian, Black/African American, Hispanic/Latino or other racially or ethnically diverse communities represented 60% of our US management positions.

## Talent Attraction

We believe that developing a diverse talent pool of new college graduates is essential, and we saw percentage point increases of 2.5 for women, 1.4 for Hispanic/Latino and 1.0 for multiracial representation among our new college graduates in FY2022.

## Giving Back

Since the launch of our Global Giving and Doing Equality pillar in FY2021, we have provided more than \$1 million to nonprofit organizations throughout the world that are helping communities become more equitable and just.



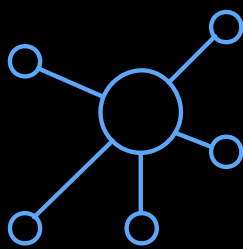
# Our ESG Approach

At Western Digital, we believe a brighter future for our business, our customers, and our employees requires that we operate sustainably.

As many businesses and institutional investors have come to realize, sustainability and attention to sustainable business practices can:



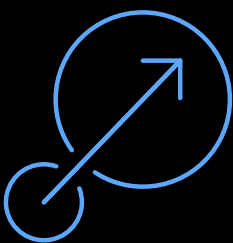
Lead to more efficient and resilient business operations



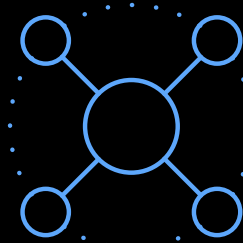
Help us meet our customers' expectations and efficiency targets



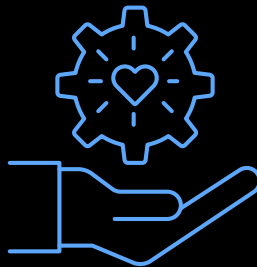
Reduce risks of misconduct and legal liability



Increase our investor pool with demonstrable ESG performance

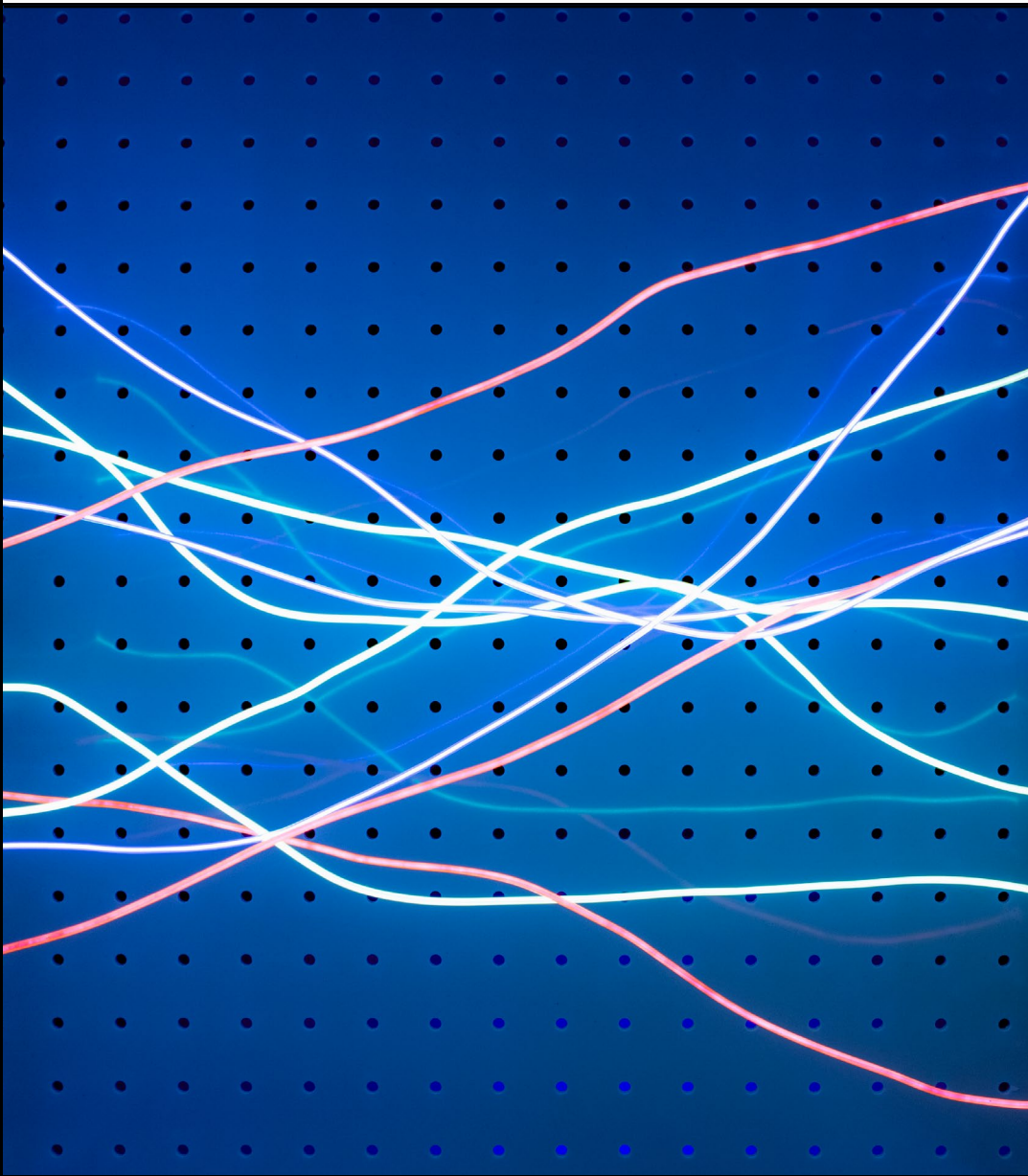


Enhance the reliability of our supply chain



Improve the health, well-being, engagement, and productivity of our employees

We have an opportunity and a responsibility to lead, and we view our willingness to embrace and operationalize sustainability at scale as a key differentiator for our business. Furthermore, we believe that swift, decisive action on sustainability issues simply can't wait. A better tomorrow for our customers, employees, and business requires action today. We focus on issues that are particularly important to our stakeholders and our business, carried out by a motivated global workforce and a committed leadership team.





# Forces Shaping our ESG Approach

We operate in an increasingly complex, interconnected world. For a global business like Western Digital, trends and forces deeply impact the way we approach sustainability and ESG considerations.

Relying on detailed, company-specific data as our foundation, we strive to prioritize, respond, and adapt to these forces to position our business, planet, employees, and customers for sustained long-term success.

## Digital Transformation

The amount of data created daily continues a parabolic rise, and essential functions such as innovation, product design, and financial decisions increasingly rely on the ability to access and extract insights from data. As the world becomes more technology-enabled and technology-dependent, innovation will be required to meet the growing demand for essential data infrastructure. Western Digital aims to deliver products and capabilities that scale accordingly and is working to make significant technological advances. This year, the company announced new hard disk drive (HDD) and flash memory products designed to support massive growth and scale at the cloud level and help customers realize their potential. Our enterprise-to-enterprise supply chain and manufacturing facilities are also at the forefront of digital transformation and product design. This is evidenced by our adoption of Fourth Industrial Revolution (4IR) technologies at our facilities which have been accepted to the prestigious Global Lighthouse Network led by the World Economic Forum.

## Supply Chain

Supply chain disruptions continue to be a major challenge for businesses across the global economy. Our supply chain is both important and substantial. We can leverage our strong relationships with our suppliers and industry leadership to benefit our business, the communities where we operate, and the world at large by building resilient, sustainable supply chains that can deliver products to the customers that rely on us for their data infrastructure.

## Climate Change

Climate change has the potential to cause widespread social, environmental, and economic harm. As a global business with a large supply chain and operations in several particularly vulnerable regions of the world, we cannot hide from the effects of climate change. We are committed to doing our part to reduce our impacts and improve climate resiliency. We have adopted bold science-based emission reduction targets and we regularly disclose our progress. Western Digital is in this for the long game.

## COVID-19

The COVID pandemic has had far-reaching impacts on individuals, societies, and businesses around the world. We continue to prioritize the health and safety of our employees by providing them with flexible working arrangements whenever possible and providing them with leading health and wellness benefits. Environmental Health and Safety teams have demonstrated significant innovation in their identification and deployment of risk mitigation measures. As situations in various regions of the world remain fluid, we continually adapt and implement location and geographic-specific measures in response to the latest knowledge and recommendations.

## Racism and Discrimination

Systemic racism and discrimination erode human dignity, hamper talented individuals from making valuable contributions to their communities, and interfere with the success of societies and institutions. As an international company, our approach to fighting racism and discrimination is tailored to address the issues that face the varied communities where we operate. Internally, we work to develop a diverse, inclusive work environment that empowers all of our talented employees to make an impact together. Externally, we have implemented targeted giving initiatives and strategic partnerships to begin to address issues of inequality in regions where we operate.

## Heightened Expectations

Across geographies and industries, stakeholders expect companies to take action to achieve a more just, sustainable world. Investors expect demonstrable ESG performance. Customers demand ethical corporate behavior and sustainable products and services. Employees expect their companies to act on issues such as climate change, racism, and discrimination. We respond by deepening our commitment to sustainable business practices in all areas of our business and by acting ethically in all that we do.



# Awards

## Above and Beyond Award

Employer Support of the Guard and Reserve

## Maala ESG “PlatinumPlus” Award

Maala ESG Index

## Most Innovative Sustainability Technology

Ultrastar® DC SN640 enterprise SSD, Flash Memory Summit

## Pro Patria Award

Employer Support of the Guard and Reserve

## SuperWomen in Flash Leadership Award

Dr. Yan Li, Vice President of Memory Technology at Western Digital, Flash Memory Summit

## Winner for HR Excellence

Golden Peacock Awards

## Winner for Excellence in Corporate Governance

Golden Peacock Awards

# Founding Member



# Recognitions

## 100 Best Company for Women in India

Avtar & Seramount

## 100 Best Places to Work

Haaretz

## America's Most Responsible Companies 2022

Newsweek

## Best Company for Women, Best Company for Millennials, and Best Company for Diversity

Women's Choice Award

## Best Places to Work

LGBTQ+ Equality, Human Rights Campaign Foundation

## Best Organisation for Women

Economic Times of India

## Global Lighthouse Network

Western Digital's factories in Penang, Malaysia; Prachinburi, Thailand; and Shanghai, China, *World Economic Forum*

## Sustainability Lighthouses

Western Digital's factories in Penang, Malaysia and Shanghai, China, *World Economic Forum*

## World's Most Ethical Companies<sup>1</sup>; 4-Time Honoree

Ethisphere

<sup>1</sup> "World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

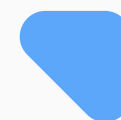




# Driving Product Innovation

Data at unprecedented scales continues to put new demands on data storage products and infrastructure. We continue to focus on innovation to create the most advanced data infrastructure products on earth.

**“Our technology leadership and expanded portfolio of industry-leading HDDs provide us with a tremendous opportunity to deliver value to our customers today and well into the future.”**



**Ravi Pendekanti**

Sr. Vice President, Product Management and Marketing,  
HDD Business Unit



# Our Performance

## Developing More Sustainable Products

### Technological innovation leading to more sustainable products

When it comes to data, customer expectations — for quantity, size, format, resolution, and application — continue to rise. Customers increasingly demand that products support those needs while also improving sustainability, and our team of innovators is leading the charge into the future. A new generation of Western Digital products delivers capacity, performance, and reliability on an unprecedented scale with reduced environmental impacts. From design to end of life, our latest leading technological innovations are smarter, more efficient, and more sustainable than ever before.

## Sustainability Journey of a Product

### Improving environmental performance, every step of the way

Western Digital remains focused on executing impactful sustainability initiatives — including our efforts to make products as environmentally conscious as they are outstanding in performance. From development and manufacturing to distribution, use, and disposal, our global teams are engaged in activities to reduce environmental impacts of products throughout their life cycles. Western Digital is leading the way in developing innovative, high-performing products that reduce environmental impacts and embody sustainable features.

>70%  
recycled plastic used in the Sandisk Ultra Eco™ USB

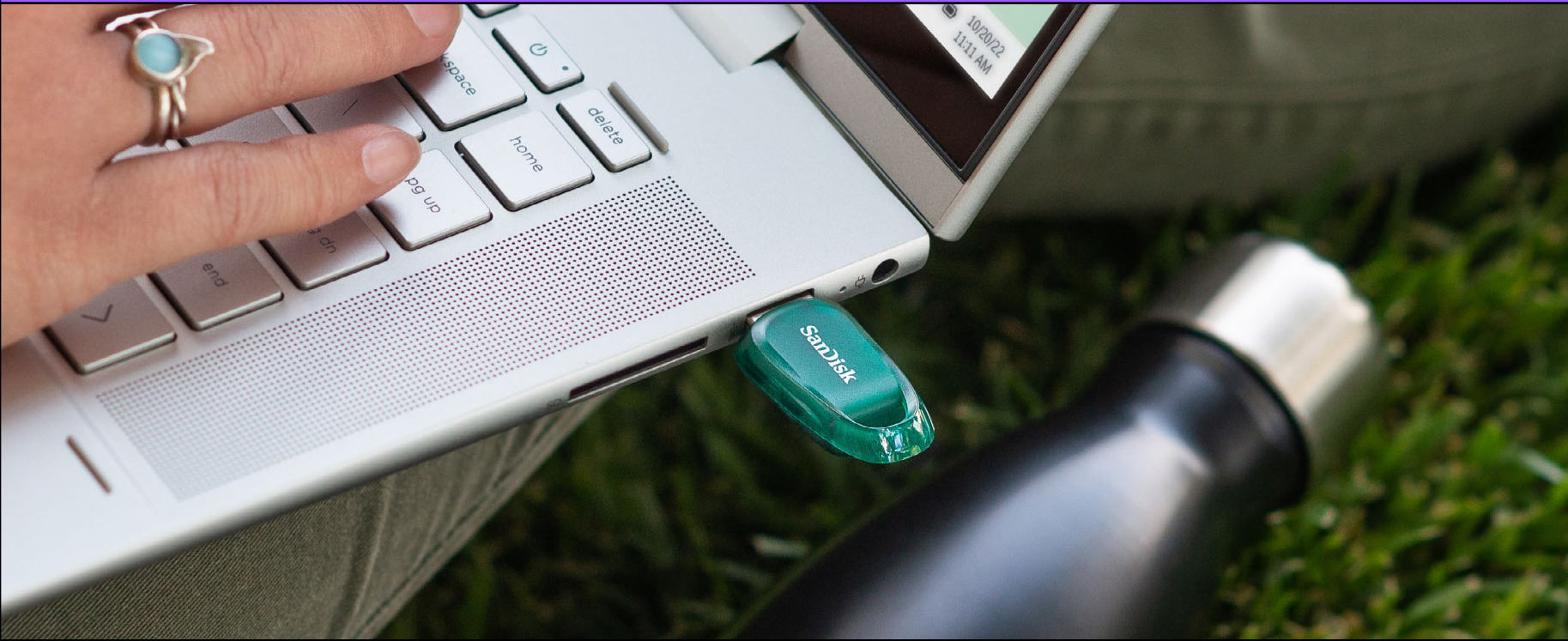


# More Storage, Less Impact

Our new HDDs — the 26TB Ultrastar DC HC670 UltraSMR HDD and the 22TB Ultrastar DC HC570 CMR HDD — are the first available drives of these capacities on the market for their respective formats.<sup>1</sup> Both are built on decades of innovative technology and were developed to help cloud providers and hyperscale customers meet modern data demands. And both offer leading sustainability performance, with reduced impacts per TB compared to previous product generations.

The SanDisk Ultra Eco™ USB is Western Digital's first eco flagship consumer product. The flash drive is made with over 70% recycled plastic, which leads to environmental savings in the form of reduced carbon emissions, water consumption, and energy usage compared to virgin plastic. Users can experience USB 3.2 Gen 1 performance with read speeds up to 100 MB/s and store what matters most on capacities up to 512 GB, all while supporting reduced environmental impacts.

<sup>1</sup>One gigabyte (GB) is equal to one billion bytes and one terabyte (TB) is equal to one trillion bytes. Actual user capacity may be less due to the operating environment.





# The Product Life Cycle

At each step in the product life cycle, we seek to innovate to use energy and materials more efficiently and to decrease our impact on the planet.



## Development

- Innovation and efficient product design — including incorporation of recycled materials
- Reduction of raw material usage
- Design for efficient power consumption
- Use of completed life cycle assessments to create better, more sustainable projects in the future



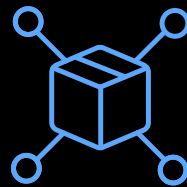
## Responsible Supply Chain

- Responsible sourcing of conflict minerals
- Completion of supply chain due diligence
- Support of capacity building efforts throughout supply chain
- Engagement with suppliers via CDP, formerly known as the Carbon Disclosure Project, to encourage transparency and progress



## Manufacturing

- Focus on environmental leadership at manufacturing sites across the world
- Recognition of our factories in Malaysia and China as World Economic Forum Sustainability Lighthouses — the first of such recognitions in Asia and China
- Initiatives to source renewable energy, improve manufacturing energy intensity, and promote water and waste material recycling
- Sustained progress towards meeting our 2030 science-based targets



## Distribution

- Founding member of World Economic Forum's First Movers Coalition, which is working to decarbonize heavy industry and long-distance transport sectors by generating demand for sustainable technologies



## Use

- Significant advances in energy efficiency of our storage products with increase in storage capacity and no increase in physical footprint
- Innovation in design enabling greenhouse gas emission reductions during customer use



## Disposal

- Facilitation of the recycling of 21,400+ devices since April 2020 through our Easy Recycle Program
- Founding member of the Circular Drive Initiative, which aims to reduce e-waste by promoting and enabling the secure reuse of storage hardware



## Product Environmental Compliance Assessment

### Safeguarding the impact of our products

Our Product Environmental Compliance (PEC) process helps us ensure the materials in our products do not harm the environment or a person's health — both while in use and during manufacturing. This process helps us mitigate legal, reputational, and operational risks and display our commitment to environmental regulations around the globe.

Western Digital has always been driven by the potential of data, and our PEC processes are no exception. We have developed standardized processes for collecting, managing, and ensuring the accuracy of PEC data for the hundreds of products across our portfolio. We quickly provide detailed product environmental data upon request to customers and regulators throughout the world. In FY2022, we had no legal obligations, litigations, product take-back, or customer complaints due to PEC-related issues, and have effectively demonstrated the safety of our products to our customers.

As we look into the future, our iterative PEC processes will help us create more sustainable products, address future environmental regulations, and adapt to evolving customer expectations.

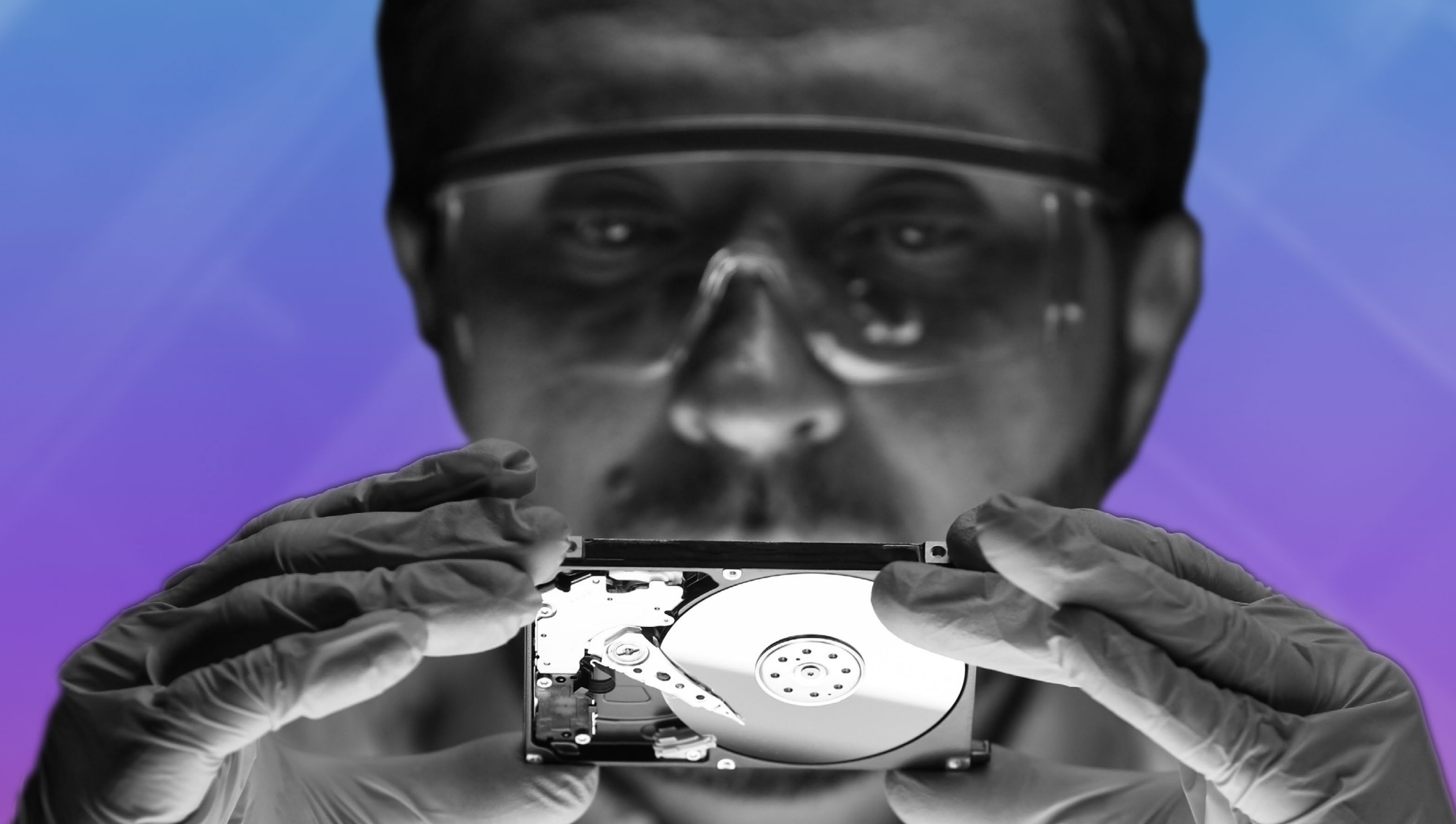


**“I believe Western Digital has one of the most comprehensive PEC programs in the world. As we look into the future, we can use this data to better implement sustainability into our products by designing with sustainability in mind, using recycled or repurposed materials, or implementing sustainable manufacturing processes.”**



**Murali Dugyala**  
Sr. Director, Quality Assurance





# Minimizing Our Environmental Impact

Environmental sustainability is fundamental to the long-term success of our company, as well as our species. That success depends on mitigating risks posed by climate change, resource scarcity, and environmental degradation and on doing our part to reduce impacts. By upholding the health of our planet throughout our global operations, we lay strong foundations that will sustain us for decades to come.



# Our Performance

## Science-Based Targets

### Meeting our target emission reduction trajectory

In June 2021, we announced our commitment to set science-based targets for greenhouse gas (GHG) emissions reductions necessary to prevent the worst impacts of climate change. In September 2021, the Science Based Targets initiative (SBTi)<sup>1</sup> approved our reduction goals. By 2030, we will reduce our Scope 1 and 2 emissions by 42%, putting us on a trajectory to meet or exceed the guidance in the Paris Climate Agreement (which aims to limit global warming to 1.5° C above pre-industrial levels). As of FY2022, we’ve reduced our Scope 1 and 2 emissions by more than 14% compared to our FY2020 baseline, and we are already more than a third of the way to our 2030 targets.

### Reduction in net Scope 1 and 2 emissions

14.8%

over 2020 baseline

## Building Management Systems

### Optimizing energy consumption using IOT technology and predictive analytics

In FY2022, we started a journey to revolutionize the way our facilities optimize energy consumption. We launched an initiative to expand the capabilities of our Building Management Systems (BMS) in order to leverage the Internet of Things technology (IOT) and Data Analytics to enhance critical performance and optimize energy consumption at our facilities.

In support of this effort, we have established pilot projects at various facilities to implement state-of-the-art control for building infrastructure. For example, in Penang, we deployed more than 1,000 sensors, devices, and actuators that are installed plant-wide, enabling critical system monitoring and control.

While we haven’t completed this journey yet, the initial results are encouraging. Building management systems IOT capabilities have helped reduce emissions per unit of production at our Penang facility by approximately 40% (compared to 2017).

As we continue to build out this technology, we envision a future in which we can leverage this kind of data to optimize all parts of our operations — from energy, materials, and water use to logistics.

<sup>1</sup>The SBTi represents a partnership between CDP, the United Nations Global Compact, World Resources Institute, and the World Wide Fund for Nature. See our latest CDP Climate Change disclosure [here](#).

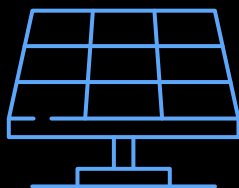
# Progress Towards Science-Based Targets

Net emissions in FY2022 were 14.8% lower than our baseline (FY2020), putting Western Digital ahead of schedule on our FY2022 target reduction of 8.4%.

## Progress was driven by a range of activities in four key areas:



### Operational efficiencies



### On-site solar generation



### Renewable energy procurement from power purchase agreements



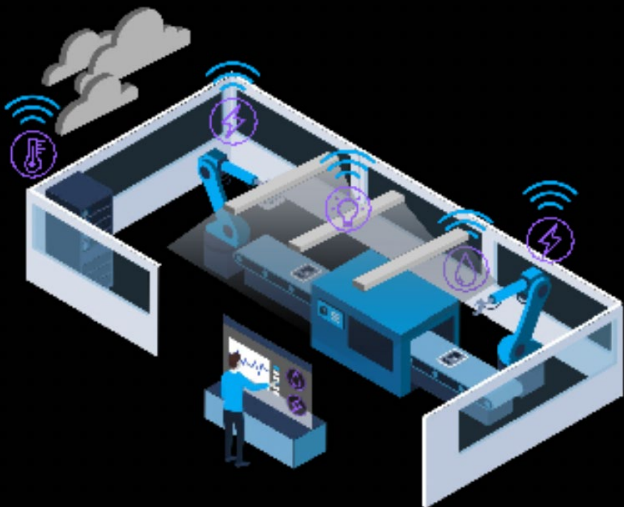
### Renewable energy procurement from energy attribute certificates



# World Economic Forum Sustainability Lighthouses

Earlier this year, the World Economic Forum recognized Western Digital’s factory at Batu Kawan, Penang, Malaysia as a Sustainability Lighthouse — the first in Asia. This award built upon the site’s earlier induction into the Forum’s Global Lighthouse Network, a community of 114 world-leading manufacturing facilities and value chains using Fourth Industrial Revolution (4IR) technologies to increase operational performance and environmental sustainability. By leveraging its vertically integrated smart factory model and implementing 4IR technologies such as

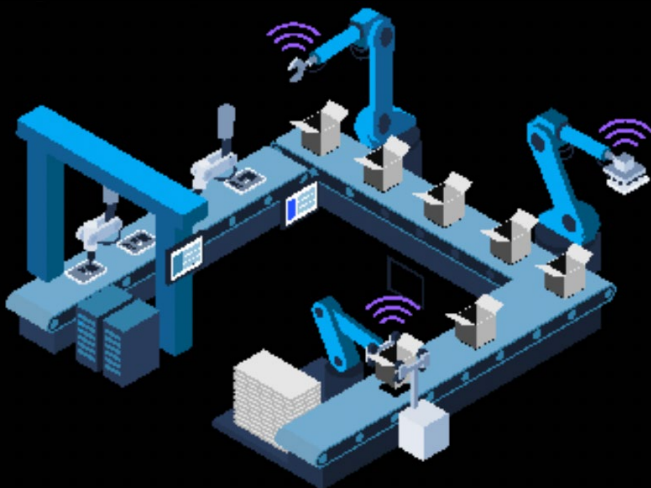
## Smart energy usage optimization through real time IIOT applications



IoT sensors, digital twin modeling, an analytics powered plant management system, and lights-out automation with machine learning, the site achieved a normalized (per unit) reduction in energy by 41%, water consumption by 45%, and material waste by 16%, while growing 43% (Compound Annual Growth Rate) in the last four years.

As IoT technology has come online in our factories, we’ve taken steps to reskill our workforce. At our factory in Malaysia, we’ve created various learning channels for employees. For example, we established a Center of Innovation and Automation (CiA) as a collaboration space for workers to integrate 4IR elements and develop knowledge. We also implemented online and instructor-led trainings, virtual factory knowledge sharing, collaboration with technical institutions, job rotations, and augmented and virtual reality learnings. Additionally, 362 engineers were trained on 4IR pillars through university programs.

## Lights-out automation with digital twin capacity optimization



## Impact & Achievements<sup>1</sup>

### Energy consumption reduction

41%

### Scope 2 GHG emission reduction

41%

### Water consumption optimization

45%

### Material waste reduction

16%

<sup>1</sup> Impact and achievements represent normalized (per unit) reductions.

## Transforming Manufacturing

### Implementing data from the factory floor

Every action on the manufacturing floor generates data, and that data can be analyzed to find areas for improved performance. In a factory that conducts hundreds of thousands of individual manufacturing processes each day, it would be nearly impossible for a human even to know where to start.

Machine learning technologies are perfect for drawing conclusions from immense sets of data, and these technologies are helping us unlock unprecedented levels of manufacturing performance and efficiency.

In FY2022, we equipped factories in the US and Thailand with hundreds of data-collecting IoT sensors and cameras. These devices track production with incredible precision — 15,000 data points before assembly and 15,000 after assembly. This data is then added to the seven petabytes of data we’ve already collected across all global operations.

Using this information, our data analytics teams are able to build more robust machine learning models that can provide more accurate, valuable insights, leading to better product yields and smarter supply chains. For example, one of our first projects involved implementing machine learning to predict cargo travel times, which allowed us to streamline logistics by optimizing cargo pickup scheduling. As we transform from traditional to smart factories, those types of efficiencies are multiplying, strengthening our business while reducing our impacts.



**“The world is beginning to experience the adverse impacts of climate change. The impetus has to be on what we can do to limit emissions starting now. By joining the First Movers Coalition, we hope to open access to low and no-carbon technologies that can make a net-zero future more possible for everyone.”**

**Kimberly Loscher**  
Senior Program Manager, Corporate Sustainability

## First Movers Coalition

### Bringing technologies to enable a net-zero future to commercial scale

In November 2021, Western Digital became a founding member of the [First Movers Coalition](#), a global initiative harnessing the purchasing power of companies to decarbonize seven “hard to abate” industrial sectors that currently account for 30% of global emissions. For these sectors to decarbonize at the speed needed to keep the climate on a trajectory to not rise more than 1.5° C above pre-industrial levels, they require low-carbon technologies that are not yet competitive with current carbon-intensive solutions. To achieve net-zero emissions globally by 2050, they must reach commercial scale by 2030.

To jump-start the market, the coalition’s members commit in advance to purchasing a proportion of the industrial materials and long-distance transportation they need from suppliers using near-zero or zero-carbon solutions. Members pledge to work together to address roadblocks toward securing a supply of required low-carbon technologies by 2030. The Coalition also connects members with financial firms, suppliers, and other value chain partners.

Western Digital’s commitment in support of the First Movers Coalition commitment focuses on emissions caused by traditional methods of ocean shipping. We will use at least 10% net-zero fuels by 2030 for ocean shipping.

## Vulnerability Assessment Program

In FY2022, Western Digital launched a new Vulnerability Assessment Program to review climate-related and other physical hazards, human factors, and transition factors which could impact our operations. Ultimately, the project will help us identify vulnerabilities and create a robust resilience framework across all global facilities. In the near term, the assessment will help us identify locations with high vulnerability scores so that we can develop suitable plans for risk mitigation.

One of the key features of this program involves the development of a new geospatial tool which will support the evaluation of current and forward-looking climate-related risks. This tool relies on internal and external data to visualize the impact of environmental hotspots under different climate change scenarios and different timelines, helping us improve the resilience of our operations and increasing our ability to deliver for our customers.

We also launched a new energy and resource-related benchmarking initiative in FY2022. This initiative allows different sites with similar business missions to easily collaborate, learn from each other, and identify further energy/water reduction and process optimization opportunities.





# Environmental Affinity Group

Western Digital employees around the world have overwhelmingly expressed interest in participating in sustainability. To support this interest and to provide an avenue for participation, we launched an employee Environmental Affinity Group (EAG) on Earth Day 2022. The purpose of the group is to foster employee engagement through environmentally focused activities and initiatives, including community projects and speaker events.

The group will create ways for employees to contribute to the company’s sustainability culture and make progress on sustainability issues in alignment with our global strategy. Membership is open to all employees, and the response has been overwhelming — in the first few weeks after launch, we had employees sign up and participate from seven different countries. We look forward to the positive impact that this group will have on the culture of sustainability at Western Digital.

🔗 Learn more about our approach to the [Environment](#).

# Waste

Western Digital sites in Malaysia and Thailand recycled waste sludge during FY2022. Through this initiative, waste sludge is processed by a third-party partner to create raw material that can be used to manufacture cement. While processed sludge only accounts for a small portion of the raw materials needed to make cement, the process decreases Western Digital’s environmental impact by removing thousands of metric tons of material from our waste stream.

## Malaysia

2,587  
metric tons

of waste sludge diverted from landfills

## Thailand

79  
metric tons

of waste sludge diverted from landfills

“Our vision for the EAG is to foster grassroots engagement around sustainability at Western Digital and channel our employees’ passion into action. Interest so far has been very encouraging, with people from many different functions participating. We are excited to see how their new ideas will help boost the company on its sustainability journey.”



Ryan Roach  
Product Marketing, HDD and EAG Climate Committee Co-Chair





# Strengthening Our Supply Chain

Western Digital has an extensive manufacturing network that includes more than 40,000 factory employees and hundreds of global production parts suppliers and contract manufacturers. Integrating ethical and environmentally sustainable practices into our supply chain requires constant innovation and end-to-end transparency.

**“Engaging with our suppliers is key to understanding our supply chain environmental impacts. We have received high levels of supplier participation in the annual CDP disclosure campaign, and we will continue to build on this initiative to drive collaborative progress.”**



**Roberto Valdez**  
Senior Manager, Supply Chain



# Our Performance

By the Numbers: Engagement, Assessments, and Training

## Engagement

Supplier Code Of Conduct Communication Response

100%

of Direct Suppliers

100%

of Indirect Onsite Service Suppliers

CDP Response Rate

96%

response rate from 150+ in-scope suppliers for Climate Change

93%

response rate from 150+ in-scope suppliers for Water Security

## Assessments

Completion of Self-Assessment Questionnaires

84%

supplier facilities

Responsible Business Alliance (RBA) Validated Assessment Program Audit Results

16%

of first tier and sub-tiers audited received a Platinum Score

3%

of first tier and sub-tiers audited received a Gold Score

27%

of first tier and sub-tiers audited received a Silver Score

## Training

RBA Validated Assessment Program and Responsible Minerals Initiative (RMI) e-Learning

20

number of suppliers

48

participants

397

e-Learning courses assigned

366

courses completed

92%

course completion rate



# Training

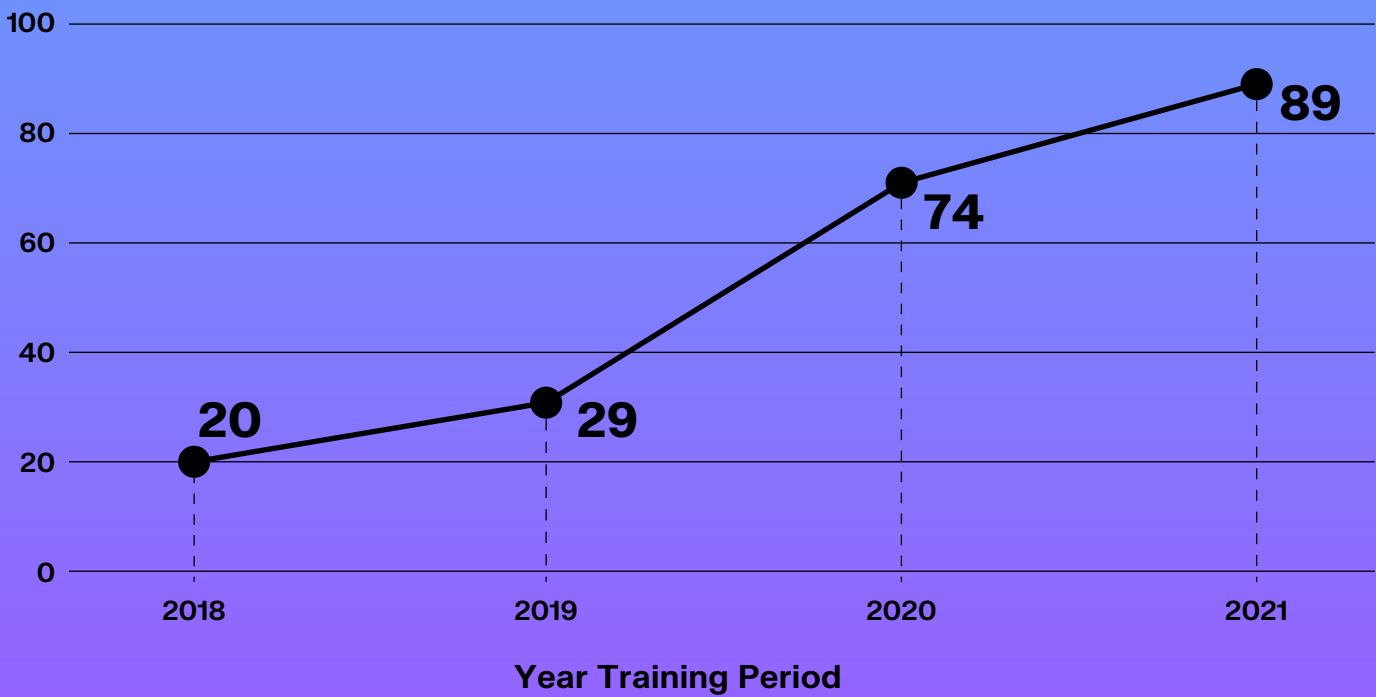
## Advancing training among our suppliers

For over a decade, Western Digital has partnered with industrial colleagues and peers to sponsor training for suppliers. Training topics usually address the most recent RBA codes and changes, as well as other topics related to labor, environment, health and safety, and ethics. All topics are agreed upon by collaboration partners. Supplier participation has increased annually since 2018.

Western Digital also offers capability training through the RBA and RMI e-Learning platforms and additional training focused on providing support and direction for annual supplier disclosures to CDP.

## Supplier Participation

2018-2021





# Supply Chain Transparency

We are open and transparent about our activity and relationships in this area of our business, which leads to better, more equitable working conditions, improved environmental performance, and increased supply chain resiliency.

## Western Digital's Supply Chain

Total active suppliers<sup>1</sup>

10,300+

Number of sites / facilities

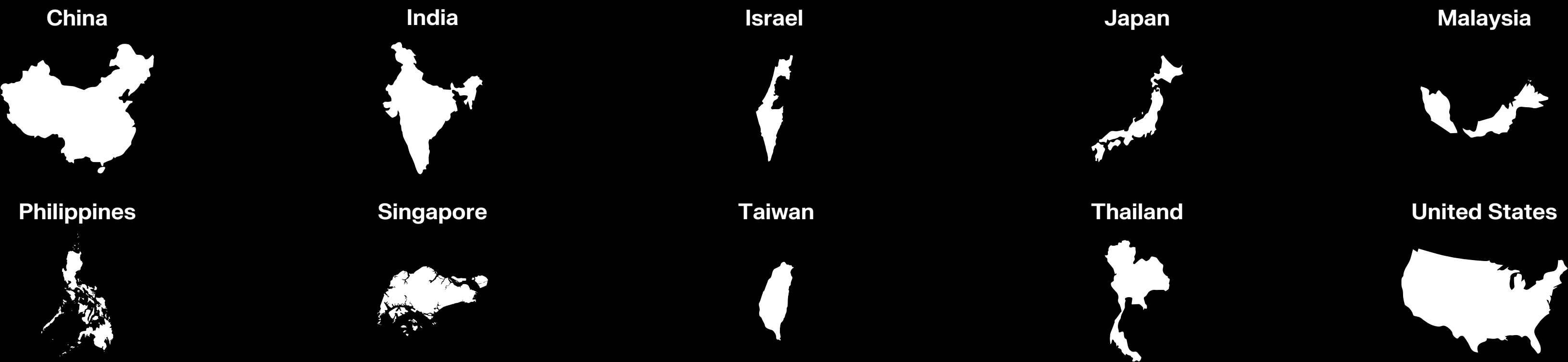
12,000+

Number of regions

75+

## Top 10 Region List<sup>2</sup>

Sites and facilities

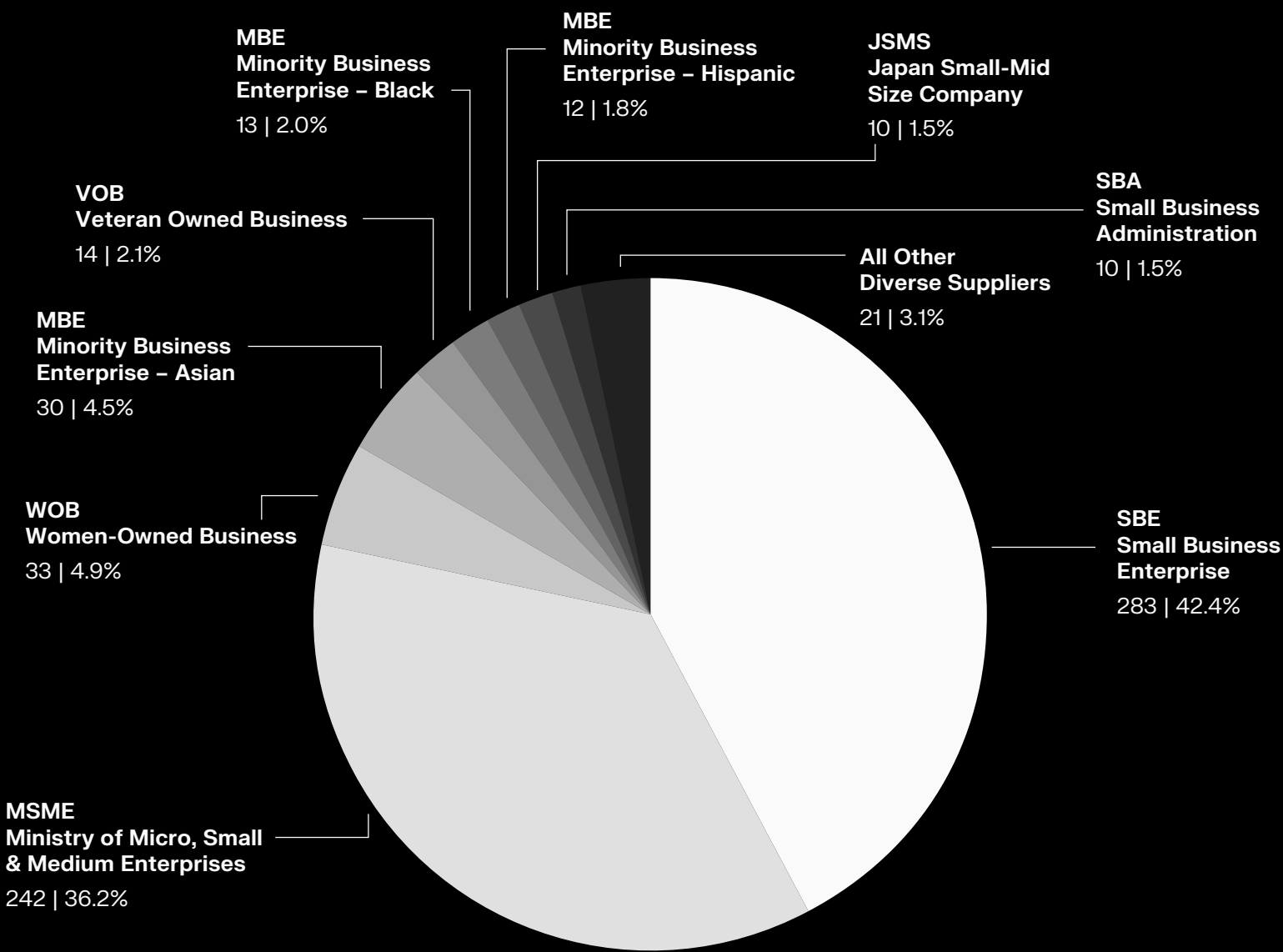


<sup>1</sup> Includes active direct and indirect material suppliers only.

<sup>2</sup> Includes active direct and indirect material suppliers only and is based on location and count of suppliers with which we have a direct business relation.

# Supplier Diversity

We value diversity in our supply chain and we track supplier diversity among several categories. In FY2022, 6% of our active direct and indirect materials suppliers were diversely-owned.



Category in Supplier Diversity	Supplier Count
SBE – Small Business Enterprise	283
MSME – Ministry of Micro, Small, and Medium Enterprises	242
WOB – Women-Owned Business	33
MBE – Minority Business Enterprise – Asian	30
VOB – Veteran Owned Business	14
MBE – Minority Business Enterprise – Black	13
MBE – Minority Business Enterprise – Hispanic	12
JSMS – Japan Small-Mid Size Company	10
SBA – Small Business Administration	10
SDB – Small Disadvantaged Business	6
DVBE – Disabled Veteran Business Enterprise	4
Service-Disabled Veteran Owned	4
GLBT – Gay, Lesbian, Bisexual, Transgender Owned	3
PWD – People With Disabilities	3
MBE – Minority Business Enterprise – Native American	1
Grand Total	668

Learn more about our approach to [Supply Chain](#).





# Investing in Our People

At Western Digital, our vision is to create breakthrough innovation — inspired by the convergence of human potential and digital transformation — that enables the world to actualize its aspirations. Our employees make that objective possible. Inclusivity is vital to our future success, and we continue to build a diverse workforce that values every great idea. We foster a working environment where our diverse team of engineers, inventors, makers and innovators and the employees of our suppliers are provided fair and safe working conditions and treated with respect and dignity.



# Our Performance

## Getting to Know Us Initiative

### Better Understanding the Composition of our Workforce

Understanding the full uniqueness of our employees is an important step to building a more inclusive culture. In FY2022, Western Digital launched a self-identification initiative across eight countries that invited employees to share more about who they are across dimensions of gender, gender identity, veteran status, and disabilities.

Participation was optional, data was protected, and the results were anonymized. We believe an in-depth understanding of our employee population will enable us to better engage, retain, and anticipate the needs of our talent as our workforce changes and evolves over time.

## Focusing on Environmental Health and Safety

Western Digital cannot produce reliable products without processes to ensure that our workers and workplace environment are protected. While our Environmental Health and Safety (EHS) performance may not be a primary consideration of customers, it is absolutely fundamental to our business, and we are always seeking to innovate and improve.

In FY2022, we worked to improve and align EHS processes at sites around the globe. We supported each of our sites as they completed internal and external audits and worked to share findings and knowledge across the company. We focused on aligning global incident management processes, improving clarity, and making them more user friendly.



**“Protection of our environment and employee health and safety is a core company value that is inextricably linked to our company’s success. As site programs develop and mature, it will become easier to identify gaps and challenges common to all sites — which will translate to a safer workforce and better environmental performance.”**



**Charlie Levine**  
Senior Program Manager, Global EHS

**100%**  
of workers are covered by an occupational health and safety management system





## Pay Equity

We believe people should be paid equitably for their work, regardless of gender, race, or other personal characteristics. To ensure that our pay practices are fair and equitable, we conduct an annual pay equity assessment. As part of this review, we analyze current pay which takes into consideration various, non-discriminatory factors, such as seniority, experience, skills, performance, location, track and hiring and promotion dates. In addition to internal analysis, we also rely on market data from reputable third-party consultants. When we find any discrepancies between actual compensation and our policies, we work quickly to remedy them.

Our most recent pay equity review across gender groups was expanded to include 100% of our total global employee population in all of our major markets. The review determined that women were paid 99.6 cents for every dollar earned by men (after accounting for role, experience, location, and performance). After identifying these gaps, we made pay adjustments to close them.

In the United States, we also review pay equity across Race/Ethnicity groups. As a result of this review, we found that non-White employees were paid 100.5 cents on every dollar earned by White employees (after accounting for role, experience, location, performance).

We are strongly committed to equitable pay. We will continue to review compensation and engage in a range of initiatives aimed at increasing diversity and ensuring equal pay and opportunity for all employees.

## Recruiting College Talent

Our future success depends on having the best minds working with us today. To grow the next generation of innovators, Western Digital maintains **two foundational programs**: RAMP and LAUNCH.

The RAMP Internship program educates, trains, and challenges the next generation of tech leaders. Interns gain exposure and experience to get their career off the ground — and the focus is truly on developing each student. In FY2022, 529 participants worked in various roles across the organization, including Hard Disk Drive, Flash, Memory Technology, Operations, Manufacturing, Sales & Marketing, People Solutions, and more.

Complementing the RAMP program, our LAUNCH program supports new college graduates as they complete their first year in the workforce. The program provides exposure to different parts of the organization, in addition to the experience gained from day-to-day responsibilities. We believe that developing a diverse talent pool of new college graduates is essential, and we saw percentage point increases of 2.5 for women, 1.4 for Hispanic/Latino, and 1.0 for multiracial representation.

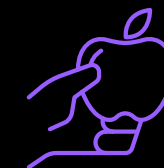
➤ [Learn more about our approach to Workforce, Workplace, and Community.](#)





# Giving to Our World

We can help address the social, environmental, and economic livelihood challenges that impact our world by investing in the future of our communities. With a strong focus on the places where our employees live and work, we prioritize our giving around four strategic pillars that affect our communities and our business:



**Fighting hunger**



**Preserving the planet**



**Enabling STEM education**



**Promoting equality**

While our strategy is global, it is executed by groups of Western Digital employees at a local level to meet the specific needs and cultural nuances of our local communities.

The voice of our employees plays a key role in nearly all of Western Digital's giving, and we partner with a network of Employee Resource Groups (ERGs), ambassadors, and employees to take action on these pillars.



# Giving Back with We.care

## Empowering employees to give time and resources

Giving back is a meaningful part of our culture at Western Digital, and our employees are at the heart of bringing that giving to life. Since 2017, our We.care program has allowed employees to give their time and resources to causes they care most about and nonprofits aligned with our strategic pillars.

Sites, teams, ERGs, and individual employees all come together to give back, and it pays off for our nonprofit partners. In FY2022, more than 10,500 Western Digital employees helped organize and/or participated in 163 company-sponsored volunteer events around the world. Through these efforts we were able to provide \$1.3M in volunteer grants to our nonprofit partners.

In addition to volunteering, our employees donated to support company-sponsored matching campaigns and personal passions. Our employee donations and company matching totaled more than \$420,000. These funds were used to help resettle refugees, educate children, plant trees, provide relief to communities recovering from natural disasters, and many other causes important to our employees.

# Community and Equality Grants

There are many factors that contribute to a company’s decision to provide financial support to a nonprofit organization. We are very proud that one of the factors that weighs heavily on Western Digital’s funding decisions is the voice of our employees.

Our Community Grants program provides support to nonprofits whose work aligns with our Science, Technology, Engineering, Math (STEM), Hunger Relief, and Environmental Preservation pillars. Through a competitive application process, nonprofits explain how an investment from Western Digital would help them achieve their mission. Local grant committees — made up of a diverse mix of our employees who live and work in the communities these nonprofits serve — review applications and make funding recommendations. In FY2022, more than \$1.3M was awarded through our Community Grants program.

Our Equality Grants are awarded in partnership with our ERGs and DEI team. Careful research helps us identify nonprofits doing work related to the issues that resonate most deeply with our ERG membership across the US and around the world. We are proud to report that in just two years, we have awarded more than \$1M in Equality Grants to organizations working to make our communities more equitable and just for all.



**“I love how the equality pillar has taken shape. Each of our global locations face diverse social issues and needs, so we provide an overarching framework of issues that we want to address, but allow control over initiatives to remain local, so our employees can respond to real-life issues and realities that most impact them.”**



**Milissa Bedell**  
Director, Global Giving and Doing



# Employee Choice Grants

For most of FY2022, the COVID-19 pandemic continued to make in-person volunteering difficult or impossible. However, our employees wanted to continue to give back, and our community partners need our support more than ever. With the unwavering commitment of our employees as our inspiration, we were excited to introduce Employee Choice Grants, a new program solely focused on supporting the causes that mean the most to our employees.

Launched in FY2021, the Employee Choice Grants program invites colleagues to “make their pitch” for funding to support their favorite nonprofit or nongovernmental organization (NGO) to a panel of judges composed of Western Digital leaders. Since its inception, Employee Choice Grants have helped award \$317,500 to 108 organizations globally. In partnership with our colleagues around the world, we look forward to creating more impact in our communities as the program continues to grow.

🔗 [Learn more about our approach to Global Giving and Doing.](#)







# Doing Business with Integrity

We expect that everyone at Western Digital consistently acts with integrity. We articulate this expectation in our [Global Code of Conduct](#). As our business grows and the world evolves, we must continually focus resources and attention on our performance to ensure we remain a leader in business ethics.

**“Our customers expect more than cutting edge products and innovation. They want to work with a partner they trust, and one that works to make the world better, safer, and smarter. As demonstrated by our award-winning sustainability and ethics programs, we are deeply committed to these values.”**



**Tiffany Scurry**  
Senior Vice President and Chief Compliance Officer



# Our Performance

## Leading with Integrity

### Western Digital’s strong ethical behavior sets us apart

We believe our integrity and ethical business practices differentiate Western Digital from our competitors. Our approach allows us to operate smoothly, quickly, and lawfully. In FY2022, the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, recognized Western Digital for the fourth consecutive year as one of the World’s Most Ethical Companies. As a leader in business ethics, we are honored by Ethisphere’s ongoing recognition.

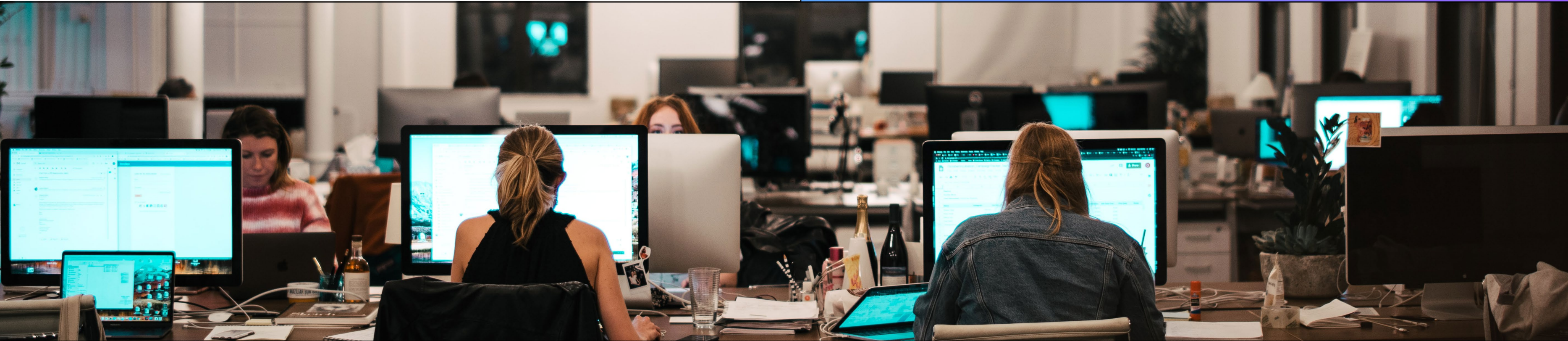
## Compliance Awareness and Training

As part of our commitment to ethics at Western Digital, our teams completed online training during our annual Compliance Awareness Month. Leaders across the company set a strong ethical tone from the top of our business and drove their teams to complete the training.

Although the training does not threaten employees with penalties or negative consequences, each year we have achieved a 100% completion rate. Furthermore, our time to achieve 100% completion has improved each year, suggesting a deepening commitment to ethics and compliance among our employees.

> [Learn more about our approach to Integrity.](#)

# Time to achieve 100% completion







Western Digital

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Western Digital, architecting how data enables the world to solve its biggest challenges. New devices, new systems, new solutions, all optimized and tuned to create the right conditions for data to realize its full potential. As a leader in data infrastructure, we accept the responsibility to empower people and systems that depend on data. Western Digital's data-centric solutions consist of the Western Digital, SanDisk®, SanDisk® Professional, and WD® brands. [www.westerndigital.com](http://www.westerndigital.com)

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The 2022 Sustainability Report contains forward-looking statements within the meaning of federal securities laws, including statements regarding expectations for the implementation and impact of our sustainability programs, the achievement of our emissions reduction and other sustainability-related goals, technological advancements and the completion and disclosure of additional sustainability-related analyses. These forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

Important risks and uncertainties include volatility in global economic conditions; future responses to and effects of the COVID-19 pandemic; impact of business and market conditions; the outcome and impact of our ongoing strategic review, including with respect to customer and supplier relationships, regulatory and contractual restrictions, stock price volatility and the diversion of management's attention from ongoing business operations and opportunities; impact of competitive products and pricing; our development and introduction of products based on new technologies and expansion into new data storage markets; risks associated with cost saving initiatives, restructurings, acquisitions, divestitures, mergers, joint ventures and our strategic relationships; difficulties or delays in manufacturing or other supply chain disruptions; hiring and retention of key employees; our level of debt and other financial obligations; changes to our relationships with key customers; disruptions in operations from cybersecurity incidents or other system security risks; actions by competitors; risks associated with compliance with changing legal and regulatory requirements and the outcome of legal proceedings; and other risks and uncertainties listed in our filings with the Securities and Exchange Commission (the "SEC"), including our Form 10-K filed with the SEC on August 25, 2022, to which your attention is directed. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof, and we undertake no obligation to update or revise these forward-looking statements to reflect new information or events, except as required by law.