

Welcome to your CDP Water Security Questionnaire 2019

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Western Digital creates environments for data to thrive. The company is driving the innovation needed to help customers capture, preserve, access and transform an ever-increasing diversity of data.

Everywhere data lives, from advanced data centers to mobile sensors to personal devices, our industry-leading solutions deliver the possibilities of data. Western Digital® data-centric solutions are marketed under the G-Technology[™], HGST, SanDisk®, Upthere[™] and WD® brands. Financial and investor information is available on the company's Investor Relations website at investor.wdc.com.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	
Reporting year	January 1, 2018	December 31, 2018	

W0.3

(W0.3) Select the countries/regions for which you will be supplying data.

China India Israel Japan Malaysia Philippines Thailand United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD



W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Direct use: Water is used in wafer and media production processing. The majority of this processing does not require high quality fresh water, therefore we rated importance as "important" to operations. We utilize the 'fit for use' principle to conserve freshwater by prioritizing usage of water with poor quality such as recycled and waters potentially in contact with other production chemicals generating wastes. We believe freshwater is a valuable resource and only consume it when necessary e.g. for reagent mixing and domestic water supply. Currently we use 20.511% recycled water at our sites. Indirect use: Wide ranges of supplies, grinding media, and chemical agents, are needed for our operations. The production of these involves complex processes, various industries and multi- level supply chains. Requirements for good quality freshwater vary significantly, thereby ranked "vital."
Sufficient amounts of recycled,	Important	Neutral	Direct Use: Water is used for cleaning equipment, wet grinding, physical separation, pumping tailings, power generation and cooling, etc. We utilize 'fit for



brackish and/or	use' principle to conserve freshwater by prioritizing	
produced water	the usage of recycled and waters potentially in	
available for use	contact with process chemicals for operational	
	demands. The majority of the above demand can	
	be met by brackish water coming from recycling	
	and saline water sources and is ranked "vital for	
	operations." Currently we use 20.5% recycled	
	water overall globally. To enhance the level of	
	water supply security, we establish alternative	
	water supply sources should upset conditions	
	occur.	
	Indirect use: wide ranges of supplies, polishing and	
	grinding media are needed. The production of our	
	goods involves complex processes, various	
	industries and multi-levels of supply chains. The	
	amount of recycled/brackish water needed for	
	these purposes varies significantly and is therefore	
	ranked neutral.	
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W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water is one of several critical resources for our production process, and the amount of water withdrawn is identified as one of the key data points of our water footprint. Thus, Western Digital has been monitoring the quantity of water withdrawn monthly based on metering at each facility. Facilities report it to the global Energy and Resource Management (ERM) Program Office on a monthly basis. The ERM Program Office reports this data to the global management team semi-annually. The data is gathered from 100% of the product R&D (research and development) and manufacturing facilities directly managed by Western Digital, including supporting offices and operations at those locations.



Water withdrawals – volumes from water stressed areas	100%	Western Digital has been conducting the assessment of water risk in the areas where our facilities are located. This assessment covers 100% of the product R&D (research and development) and manufacturing facilities directly managed by Western Digital, including supporting offices and operations at those locations. Currently, Western Digital's main final assembly facilities are located in areas identified as water stressed. Thus, we have been carefully tracking water withdrawn at such facilities monthly as one of the important parameters that could affect our manufacturing operations.
Water withdrawals – volumes by source	76-99	Western Digital assessed data availability at 100% of the product R&D (research and development) and manufacturing facilities directly managed by Western Digital, including supporting offices and operations at those locations. We have identified some limitations in data availability (e.g., an incomplete metering system). However, we believe that a majority (76%-99%) of data by source has been monitored and reported monthly.
Water withdrawals quality	Not monitored	Western Digital has been monitoring water quality globally in terms of compliance to local regulatory requirements. However, we do not current track the volume of water withdrawn by water quality category.
Water discharges – total volumes	100%	Western Digital considers the amount of water discharge from our facilities to be a key data point. Also, this data is often requested by our external stakeholders. Western Digital has been monitoring this data on a monthly basis, and it is shared with the global management team semi- annually. The location boundary includes 100% of the product R&D (research and development) and manufacturing facilities directly managed by Western Digital, including supporting offices and operations at those locations.
Water discharges – volumes by destination	76-99	Although there is some limitation in data availability (e.g., an incomplete metering system) to cover 100% of volumes by destination, we believe that a majority of the



		water discharges by destination are currently being monitored and reported monthly. The location boundary includes 100% of the product R&D (research and development) and manufacturing facilities directly managed by Western Digital, including supporting offices and operations at those locations.
Water discharges – volumes by treatment method	Not monitored	All of the product R&D (research and development) and manufacturing facilities directly managed by Western Digital are conducting appropriate treatment of water at each facility in compliance with applicable regulations. However, Western Digital is not tracking waste water discharge volumes by treatment method, because treatment processes vary and it is difficult to apply the unified classification globally.
Water discharge quality – by standard effluent parameters	Not monitored	Western Digital has been monitoring water quality of discharged water at 100% of the product R&D (research and development) and manufacturing facilities directly managed by Western Digital. However, Western Digital is not tracking the amount of discharge by each of the effluent parameters.
Water discharge quality – temperature	Not monitored	Western Digital locations monitor the temperature of water discharged mainly based on local requirements. However, Western Digital is not capturing or reporting this data on an aggregated basis.
Water consumption – total volume	100%	The figure is calculated using withdrawals and discharges monthly. The location boundary includes 100% of the product R&D (research and development) and manufacturing facilities directly managed by Western Digital.
Water recycled/reused	100%	There is varying ability to recycling or reuse water at our global product R&D (research and development) and manufacturing facilities at this point of time. 100% of sites with this capability are reporting this data monthly.
The provision of fully- functioning, safely managed WASH services to all workers	Not monitored	Western Digital is not ready to provide this data.



W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	21,018.8	Higher	Due to the production volume increase and expansion of facilities, the amount increased from the last year. Currently, Western Digital is adjusting production volumes according to market situations, so Western Digital is expecting increase will be mitigated.
Total discharges	11,163.3	Higher	Due to the production volume increase and expansion of facilities, the amount increased from the last year. Currently, Western Digital is adjusting production volumes according to market situations, so Western Digital is expecting increase will be mitigated.
Total consumption	9,855.5	Higher	Due to production volume increase and expansion of facilities, the amount increased from the last year. Currently, Western Digital is adjusting production volumes according to market situations, so Western Digital is expecting increase will be mitigated.

W1.2d

(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	17.83	Lower	WRI Aqueduct	As the result of renewed water risk assessment this year, the number of facilities identified located in water-stressed areas is changed. (3 facilities in the last reporting period and 2 facilities in this reporting period.)



		Although total number of global facilities also
		decreased due to business optimization, one of
		three sites identified in the last year is
		significant key driver of water withdrawn. That
		means, water withdrawn at water risk area
		decreased more significantly relative to other
		facilities. Thus, total ratio decreased from 23%
		in the last year to 17% in this reporting year.
		Western Digital conducted assessment with
		Aqueduct to screen water stress area. This
		assessment is covering 100% of the product
		R&D (research and development) and
		manufacturing facilities directly managed by
		Western Digital. Then, company ERM
		(energy/resource management) Program
		Office conducted further investigation with the
		input from company BCM (Business Continuity
		Management) program office and concluded
		two sites are subject to water risk at this point
		of time.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	2,070.2	Higher	One Western Digital manufacturing facility is using water withdrawn from a local river. Our facility management team carefully reviews utility cost, its location, local water utility infrastructure and the requirements from our manufacturing operations. Then, the team is selecting this source for water withdrawn. In this reporting period, there was upward trending of production volume, and since this site is



				manufacturing one of product components, there was also the increase of the amount of water withdrawn accordingly. Western Digital is now adjusting entire production volume, so the amount of this water withdrawn is expected to be decreased in the near future.
Brackish surface water/Seawater	Not relevant			Western Digital does not have facilities with access to this kind of water withdrawn. There is not an immediate plan of using this type of water withdrawn in near future.
Groundwater – renewable	Not relevant			Western Digital does not have facilities with access to this kind of water withdrawn. There is not an immediate plan of using this type of water withdrawn in near future.
Groundwater – non- renewable	Relevant	2,924.8	Higher	One Western Digital facility uses this source of water. This facility supports the following functions: corporate headquarters, research, development and manufacturing. This selection of source is based on careful review of utility cost, its location, local water utility infrastructure and the requirements from manufacturing operations. The amount of ground water withdrawn increased due to mainly two reasons. (1) Increase of manufacturing volume and (2) Increase of headcount due to mission transfer from other sites. Western Digital anticipates



				water use at this location to remain flat or increase due to additional planned consolidation of operations into this location.
Produced/Entrained water	Not relevant			Western Digital does not have facilities with access to this kind of water withdrawn. There is not an immediate plan of using this type of water withdrawn in near future.
Third party sources	Relevant	16,023.8	Higher	Majority of this water source is municipality-supplied water. Several R&D (research and development) and manufacturing facilities are using city water based on the careful review of its access to water source, water quality requirement, local water utility infrastructure, etc. In this reporting period, there was upward trending of production volume, so there was also the increase of the amount of water withdrawn from city water accordingly. Western Digital is now adjusting entire production volume, so the amount of this water withdrawn is expected to be decreased in the near future.

W1.2i

(W1.2i) Provide total water discharge data by destination.

Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
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Fresh surface water	Relevant	5,379	Higher	There are several manufacturing facilities discharging water to surface water. This is based on the careful review of its access to receiving body, cost, infrastructure availability and local requirements. Due to the increase of manufacturing in reporting period, total amount of discharge to fresh surface water also increased. Since Western Digital is currently adjusting the volume of manufacturing, we are anticipating that the mount of this discharge will be decreased in the near future.
Brackish surface water/seawater	Not relevant			There is no Western Digital facility operation with access to this kind of receiving body. There is no immediate plan of discharging to this type of receiving body, either.
Groundwater	Not relevant			There is no Western Digital facility operation with access to this kind of receiving body. There is no immediate plan of discharging to this type of receiving body, either.
Third-party destinations	Relevant	5,784.3	Higher	The majority of Western Digital's facilities are using local sewage treatment facilities as the receiving body. Each facility reviews its operation, local requirements and its access to receiving body and selects sewage as the appropriate receiving body of its water discharge. Due to the production volume increase in reporting period, the amount of this type of water discharge increased from the last reporting period accordingly. Since Western Digital is currently adjusting the volume of manufacturing, we are anticipating that the mount of this



near future.

W1.2j

(W1.2j) What proportion of your total water use do you recycle or reuse?

	% recycled and reused	Comparison with previous reporting year	Please explain
Row 1	11-25	Lower	The % of recycled/reused water used declined compared to last year. Western Digital's global Energy Resource Management (ERM) team has been working hard to promote the use of recycled/reused water to reduce dependency on freshwater, but is struggling to identify new opportunities. In addition, our manufacturing requires high quality water for its process, so there is limited area we can apply the use of reuse/recycling water. There was also an increase of water withdrawn in reporting period, so total ratio became lower. However, Western Digital is now adjusting manufacturing volume, and ERM team is working harder to identify the additional area to promote the use of recycle/reused water, we anticipate the ratio will be somewhat higher in the next reporting period.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

None currently, but we plan to request this within the next two years

Rationale for this coverage

Western Digital plans to request info on water use and management from the top 80% of total procurement spend suppliers. The top 80 % spend suppliers are the critical and key suppliers who manufacture the high-volume components and use the highest



amount of water for part cleaning which generate the huge amount of water usage, recycle, discharge, and reuse. The timeframe for this reporting is as follows; FY2020 (July 1, 2019 – June 30, 2020) Conduct CDP Water Survey with top 80 % spend suppliers. Set reduction target. FY2021 (July 1, 2020 – June 30, 2021) CDP Water resurvey. Compare the result between FY2020 and FY2021.

Comment

Western Digital, collaborating with other major electronics companies started the Water Stewardship, Water reuse/recycle, Water Conservation and Water Pollution Control training in 2019 (June – July period) in 4 countries (Taiwan, Thailand, Singapore, and Malaysia). The purpose of training is to provide information and awareness to suppliers on the topics above.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Innovation & collaboration

Details of engagement

Educate suppliers about water stewardship and collaboration

% of suppliers by number 26-50

% of total procurement spend 76-100

Rationale for the coverage of your engagement

Western Digital encourages and drives suppliers to implement the RBA Code of Conduct and apply the RBA Validated Audit Program (VAP) which "C7. Water Management" is part of the code. Western Digital plans to request info from the top 80% of total procurement spend suppliers. The top 80% spend suppliers are the critical and key suppliers who manufacture the high-volume components and use the highest amount of water for part cleaning.

Impact of the engagement and measures of success

Success of engagement is measured by the number of suppliers who pass RBA Validated Audit Program (VAP) audit without the findings in C7.) Water Management. Success of engagement is measured by the number of suppliers who pass RBA VAP audit without the findings in C7.) Water Management. By successfully passing the audit, suppliers demonstrate that they are monitoring their water sources, use and discharge; conserving water; controlling contamination; treating discharge and ensuring optimal performance and regulatory compliance.

Comment



W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Western Digital engages directly with any customer who has an interest or concern about how Western Digital is impacted by and is managing these risks. We have established a streamlined process so that customers can engage directly on any Corporate Social and Environmental Responsibility (CSER) topic including but not limited to water resources, and the information they need to support. We engage these customers in particular to ensure their needs are being met and questions answered. We measure success in these engagements by how successfully we address customers' concerns and provide them with the information they are seeking.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts? Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and total financial impact.

Country/Region

United States of America

River basin

Other, please specify Coyote Watershed

Type of impact driver

Regulatory

Primary impact driver

Higher water prices

Primary impact

Increased production costs

Description of impact

The cost of water is increasing at all manufacturing locations, most notably at the San Jose Wafer Manufacturing operations. Increasing water costs are increasing production



costs to maintain normal output because manufacturing processes rely on the use of deionized water, which requires significant amounts of clean water to produce. The increased OpEx spending eats into the bottom line. From CY2017 to CY2018, the water costs to the company increased by \$1 million. The San Jose Manufacturing operation saw more than 38% increase in water costs year over year.

Primary response

Adopt water efficiency, water re-use, recycling and conservation practices

Total financial impact

1,000,000

Description of response

Western Digital sets an annual water reduction target. Site personnel are responsible for identifying and implementing new technology or processes to reduce water use.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment? Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years



Type of tools and methods used

Tools on the market Enterprise Risk Management Databases

Tools and methods used

Other, please specify WRI Aqueduct, company BCM Process and Resilinc Software

Comment

Western Digital's Energy Resource Management (ERM) Program and Business Continuity Management (BCM) committee addresses water risks. Under ERM Program, operations report monthly water supply and usage data. In addition, ERM Program office implements risk assessment with Aqueduct and reviews its result annually. These complement our BCM program, ensuring risks are assessed, managed and monitored. Western Digital also conducts strategic vulnerability assessments every ~10 yrs. of key facilities to evaluate likelihood of "Black Swan" event.

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Tools on the market Other

Tools and methods used

Internal company methods

Comment

Western Digital regularly monitors our value chain to identify risk + has built in contingency plans to confirm that risks do not lead to substantive financial or strategic impact. 2 significant commodity supply points lie in water stressed California. Frequent competitive + operational planning reviews of major, critical supplies and supply chains provide warning of pending water stress related regulatory + cost issues to allow us to plan for supply continuity before a large impact. Western Digital subscribes to Resilinc's Event watch service since 2014 which maintains a data base of our internal and supplier manufacturing facilities and their geographic locations. The service provides early warning notices to all facilities located in the expected impact zones and requires them



to respond within 24 hours if the event had a significant impact on their order fulfilment capability or capacity; and to report their recovery plan and expected recovery times. We expect to harmonize and consolidate our supplier lists by end of 2018.

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods

Comment

While the use of our products does not require water, Western Digital regularly monitors other aspects of our value chain to identify risk and has built in contingency plans to confirm that risks do not lead to substantive financial or strategic impact. On the R&D side Western Digital continues to drive innovation with our HelioSeal® platform of high-capacity data center drives. These products help data center architects meet eco-environmental goals by delivering more capacity and resource-efficient design.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Sustainable water supply is a critical aspect to our operations. We evaluate the risk of operating in water- stressed areas mainly caused by climate change, unsustainable consumption and pollution of local water resources using tools such as WRI's Aqueduct application. We also monitor regional or local drought conditions if applicable. Drought is considered as a condition with abnormally low precipitation in a prolonged period (with an onset and end time), resulting in economical and ecosystem damages. At the facility level, our water monitoring program



		includes water quality and quantity of water abstraction, consumption, discharge, and recycle. We gather key data and analyse internally to support the assessment of risk.
Water quality at a basin/catchment level	Relevant, always included	Sustainable water supply is a critical aspect to our operations. We evaluate the risk of operating in water- stressed areas mainly caused by climate change, unsustainable consumption and pollution of local water resources using tools such as WRI's Aqueduct application. We also monitor regional or local drought conditions if applicable. Drought is considered as a condition with abnormally low precipitation in a prolonged period (with an onset and end time), resulting in economical and ecosystem damages. At the facility level, our water monitoring program includes water quality and quantity of water abstraction, consumption, discharge, and recycle. We gather key data and analyse internally to support the assessment of risk.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Responses to stakeholder concerns over water supply and quality are one of the key aspects of our community relations efforts at the site level. Western Digital's Foundation facilitates the creation of strong partnerships by providing our sites with guidance and tools on engagement best practices. As part of scenario analysis, Western Digital assesses current and potential stakeholder conflicts related to water. This allows our sites to take early action to resolve any issues before they grow into a serious social incident.
Implications of water on your key commodities/raw materials	Relevant, always included	Western Digital includes supply chain in water risk assessment. Specifically, as part of Western Digital's business continuity planning process, water as a key commodity / resource to both our own factories as well as our suppliers is considered during the business impact analysis process.
Water-related regulatory frameworks	Relevant, always included	Sustainable water supply and related requirements around its treatment/use and treatment/discharge permits are critical for all our operations. We evaluate and monitor the potential for regulatory changes related to water in each of the jurisdictions where we operate, not just water-stressed areas. We use scenarios to assess potential outcomes. In addition, we conduct site level independent studies to analyze the current water regulatory frameworks using internal company knowledge, and outside expertise when needed. As part of Western Digital's business continuity planning process, these aspects are considered during the business impact analysis process.



Status of ecosystems and habitats	Relevant, always included	Protection of ecosystem is an essential environmental objective for all our operations. Each site must monitor relevant ecosystem indicators and analyse as internal company knowledge to support the risk assessment process. As part of Western Digital's business continuity planning process, these aspects are considered during the business impact analysis process.
Access to fully- functioning, safely managed WASH services for all employees	Relevant, always included	We believe that water, sanitation and hygiene (WASH) services are a fundamental requirement for our staff in all our operations. Each site must ensure WASH services are available and meet the local workplace health and safety regulations, as well as the requirements of international coalitions like UNICEF and the Responsible Business Alliance.
Other contextual issues, please specify	Relevant, always included	Climate change and related water impacts are important to our manufacturing operations. For our facilities located in climate zones that are experiencing noticeable climate changes, such as California, long-term climate trends can have significant impact on the facility design and operation. As part of Western Digital's business continuity planning process, these aspects are considered during the business impact analysis process.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's	3
water-related risk assessments?	

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Assessed as part of the broader external stakeholders who have general interests for sustainable practices toward water resource management. Western Digital engages directly with any customer who has an interest or concern about how Western Digital is impacted by and is managing these risks. We have established a streamlined process so that customers can engage directly on any Corporate Social and Environmental Responsibility (CSER) topic including but not limited to water resources, and the information they need to support. To engage our general stakeholders on water issues, we report on water management data to our stakeholders publicly in various international platforms, such as CDP water disclosure and Western Digital's annual Environmental Report. Western Digital is engaged in the production and sale of memory storage devices. Some of the company's products are sold in retail



		outlets. In addition to the formal water data disclosure, we actively engage the stakeholders using various forms of communication materials, such as web based social media, and handout booklets etc., on Western Digital's water management methods, initiatives, and news.
Employees	Relevant, always included	Assessed as part of the broader external stakeholders who have general interests for sustainable practices toward water resource management. To engage our employees on water, we have developed various communication materialsincluding web based social media, our intranet, and our Environmental Reporton Western Digital's water management methods, initiatives, and news.
Investors	Relevant, always included	Assessed as part of the broader external stakeholders who have general interests for sustainable practices toward water resource management. To engage our investors on water, we report on water management data in various international platforms, such as Dow Jones Sustainability Index (DJSI), CDP water disclosure and Western Digital's annual Environmental Report.
Local communities	Relevant, always included	Assessed as part of the broader external stakeholders who have general interests for sustainable practices toward water resource management. For example, we are a long-time partner of the Malaysian government in planting mango trees which protect sensitive lands and waters in Malaysia.
NGOs	Relevant, always included	We respect the need of other water users and protection of the ecosystem in river basins where we operate. We consider local water users as an important factor in our site-level water risk assessment and business continuity planning, and we evaluate the potential localized impact from our operations on local water resources (including accessibility to local communities) and the environment.
Other water users at a basin/catchment level	Relevant, always included	We respect the need of other water users and protection of the ecosystem in river basins where we operate. River basin management authorities are the local level representative for establishing and maintaining river basin water management plans. Our permits for water abstraction and discharge not only need to be maintained according to the national, regional regulation but also be supported at the local level. We factor in the river basin authorities, if applicable, in our site level water risk assessment.
Regulators	Relevant, always included	Sustainable water supply and discharge permits are critical for all our operations. We evaluate and monitor the potential for regulatory changes related to water in each of the jurisdictions where we operate, not just water-stressed areas. We factor



		regulators in our regulatory water risk assessment through business continuity planning and evaluation at the regional and site level. Western Digital has secure tenure of water use in most locations (water-stressed or not) as we have government permits for water withdrawal (either surface or groundwater) for each of our sites. Because we have secure tenure, future regulatory changes may not affect the short-term pricing for existing operations. In addition to secure long-term water supply, we also evaluate and manage the risk of increasing compliance costs driven by changes of regulation of discharge quality/volumes. We apply conservative design assumptions and implement robust water treatment technologies to design and operate our water treatment systems. We engage regulators proactively and timely following the local regulatory framework to ensure all necessary water related permits and licenses are in place throughout the facility life cycle.
River basin management authorities	Relevant, always included	We respect all stakeholder's rights and concerns for sharing local water resources. Response to stakeholder concerns over water supply and quality are one of the key aspects of our community relation efforts at site level. The statutory special interest groups, if applicable, are included in our site level water risk assessment study which evaluates the potential localized impact from the operation on local water resources, environment and water supply to communities. Local groups interested in water issues can contact our site community relations personnel. Western Digital's Foundation facilitates the creation of strong partnerships by providing our sites with guidance and tools on engagement best practices. In addition, an effective grievance mechanism allows local communities to communicate their concerns and issues directly to Western Digital so that they may be resolved. This allows our sites to take early action to resolve any issues before they grow into a serious social incident.
Statutory special interest groups at a local level	Relevant, always included	Assessed as part of the broader external stakeholders who have general interests for sustainable practices toward water resource management. This element is covered by our business continuity planning and evaluation process relating to water risks.
Suppliers	Relevant, always included	Western Digital's Business Continuity risk assessment process includes consideration of climate change-related, extreme weather events (e.g., droughts, typhoons and floods) and natural disasters (e.g., earthquakes and floods) that could delay fulfillment of customer orders. These risks are mitigated by requiring our internal manufacturing facilities and our production parts suppliers and contract manufacturer facilities to establish



		business continuity plans that align with the requirements of the
		ISO 22301 Business Continuity Management System
		standards. The principal mitigation measures include:
		automated early warning alert /notification of approaching
		extreme weather events expected to impact certain geographic
		areas. Western Digital subscribes to Resilinc's Event watch
		service since 2014 which maintains a data base of our internal
		and supplier manufacturing facilities and their geographic
		locations. The service provides early warning notices to all
		facilities located in the expected impact zones and requires
		them to respond within 24 hours if the event had a significant
		impact on their order fulfilment capability or capacity; and to
		report their recovery plan and expected recovery times. We
		expect to harmonize and consolidate our supplier lists by end of
		2018. This allows Western Digital's Procurement team to be
		kept apprised of any significant impact in the supply and order
		fulfilment chain so they can determine if it's necessary to
		activate our own business continuity. Transition sourcing to
		alternative suppliers/facilities located in areas unaffected by the
		event, including but not limited to sole source and single source
		event, including but not limited to sole source and single source suppliers.
Water utilities at a R	Relevant,	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and
Water utilities at a R local level al	Relevant, Ilways	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and general public at the national level into our water risk
Water utilities at a R local level al in	Relevant, łlways ncluded	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and general public at the national level into our water risk assessments. Relevant local and national policies and laws that
Water utilities at a R local level al	Relevant, Ilways ncluded	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and general public at the national level into our water risk assessments. Relevant local and national policies and laws that govern environmental protection and the use of natural water
Water utilities at a R local level al in	Relevant, always ncluded	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and general public at the national level into our water risk assessments. Relevant local and national policies and laws that govern environmental protection and the use of natural water resources have direct impact on the permitting and operation of
Water utilities at a R local level al	Relevant, ilways ncluded	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and general public at the national level into our water risk assessments. Relevant local and national policies and laws that govern environmental protection and the use of natural water resources have direct impact on the permitting and operation of our operations. We actively engage with the authorities and
Water utilities at a R local level al in	Relevant, ilways ncluded	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and general public at the national level into our water risk assessments. Relevant local and national policies and laws that govern environmental protection and the use of natural water resources have direct impact on the permitting and operation of our operations. We actively engage with the authorities and monitor the policy changes which can potentially alter our
Water utilities at a R local level al in	Relevant, ilways ncluded	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and general public at the national level into our water risk assessments. Relevant local and national policies and laws that govern environmental protection and the use of natural water resources have direct impact on the permitting and operation of our operations. We actively engage with the authorities and monitor the policy changes which can potentially alter our operations.
Water utilities at a local levelR al inOther stakeholder,	Relevant, Ilways ncluded	event, including but not limited to sole source and single source suppliers. Western Digital also factors utilities at the national level and general public at the national level into our water risk assessments. Relevant local and national policies and laws that govern environmental protection and the use of natural water resources have direct impact on the permitting and operation of our operations. We actively engage with the authorities and monitor the policy changes which can potentially alter our operations.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Western Digital Corporation has defined the specific requirements to plan, establish, implement, operate, monitor, review, maintain and continually improve a Business Continuity Management System to protect against, reduce the likelihood of occurrence, prepare for, respond to, and recover from disruptive incidents when they arise. Through implementation of this process, Western Digital business functions regularly assess potential impacts, both internal and external. These may include impacts arising directly or indirectly from climate change and water-related risk and their effects on our direct operations as well as our supply chain, among others. Western Digital subscribes to Resilinc's Event watch service since 2014



which maintains a data base of our internal and supplier manufacturing facilities and their geographic locations. The service provides early warning notices to all facilities located in the expected impact zones and requires them to respond within 24 hours if the event had a significant impact on their order fulfilment capability or capacity; and to report their recovery plan and expected recovery times. This allows Western Digital's Procurement team to be kept apprised of any significant impact in the supply and order fulfilment chain so they can determine if it's necessary to activate our own response plan. We also evaluate which sites may be in water-stressed areas using WRI's Aqueduct application. Knowing which sites are at risk helps know which to monitor closely for continued threat and implement mitigating activities as needed.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Western Digital identifies and assesses water-related risks in multiple ways:

- Enterprise risk planning owned at the Board level for long-term, strategic planning
- Business continuity management owned at the Executive level for protecting against, reducing the likelihood of occurrence, preparing for, responding to and recovering from disruptive incidents
- Upstream supply chain management owned by Global Procurement for continuous real-time monitoring of natural and man-made risks to global suppliers
- Downstream supply chain management owned by Global Quality for monitoring downstream product use by enterprise customers
- Energy & resource management owned by Real Estate Operations for identifying, assessing and reducing water risks related to resource use

Through implementation of these processes, Western Digital business functions regularly assess potential impacts, both internal and external. These may include impacts arising directly or indirectly from water risks and its effects on our direct operations as well as our supply chain, among others. Risks with the potential to materially affect the company would be communicated to the Board of Directors and included in enterprise risk planning activities.



W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company- wide facilities this represents	Comment
Row 1	2	1-25	Western Digital conducted WRI Aqueduct water risk assessment and company internal BCM assessment. Western Digital considered the results from these two assessments, and identified 2 locations in Thailand as the location exposed to high water risk.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive impact on your business, and what is the potential business impact associated with those facilities?

Country/Region Thailand

River basin

Chao Phraya

Number of facilities exposed to water risk

2

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

Unknown

Comment

This area flooded in 2011, as predicted in our 2009 risk assessment. Future floods were predicted and flood walls were constructed. There are other final assembly sites in different areas of the globe.



W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Region Thailand River basin

Chao Phraya

Type of risk Physical

Primary risk driver

Flooding

Primary potential impact

Closure of operations

Company-specific description

Western Digital maintains a global, corporate BCM (Business Continuity Management) team. One mission of this team is to assess water-related risks which could affect our operations and to discuss how to mitigate those risks. For example, in 2009, we conducted global water risk assessment and each facility worked on mitigation plans. As predicted in this risk assessment, two Western Digital facilities experienced actual flooding in 2011. With this as turning point, we reinforced our BCM process with strong leadership by senior management team and in 2012 conducted and enterprise-wide vulnerability assessment of potential future "Black Swan" events. One of outcome of this assessment is the construction of flood walls to mitigate impacts of flooding on potentially affected final product manufacturing facilities. Also, we are now using other final assembly facilities in different areas of the globe to minimize impact if additional flooding occurs at this site and temporarily hampers our ability to produce products here. As part of our global business continuity management system, Western Digital continually improves our BCM processes to properly assess and address risks, including water-related risks.

Timeframe

4 - 6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not



Are you able to provide a potential financial impact figure? No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Financial impact has not been calculated. Flood wall has been constructed to mitigate the potential for flood impacts.

Primary response to risk

Develop flood emergency plans

Description of response

Continue monitoring and response training to effectively deploy flood gates to secure flood wall

Cost of response

2,000,000

Explanation of cost of response

Western Digital built flood walls at cost of \$1-2 million.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Region Thailand River basin

Chao Phraya

Supply chain

Type of risk Physical

Primary risk driver



Flooding

Primary potential impact

Supply chain disruption

Company-specific description

This area flooded in 2011, as predicted in our 2009 risk assessment. The 2011 flood significantly impacted our operations with 87 days of non-production. Future floods were predicted during a 2012 enterprise-wide vulnerability assessment of potential future "Black Swan" events and assigned risk impacts based on predicted damage and subsequent production losses. Risk mitigation efforts have been undertaken at Western Digital facilities, but supply chain interruptions in the region can be expected from future floods.

Timeframe

4 - 6 years

Magnitude of potential financial impact

Medium

Likelihood

More likely than not

- Are you able to provide a potential financial impact figure? No, we do not have this figure
- Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Financial impact has not been calculated.

Primary response to risk

Include in Business Continuity Plan

Description of response

We monitor the water level in the area close to our facility and request suppliers in Thailand to provide the updated information of water risk assessment. We also request our suppliers in Thailand to provide the Business Continuity Plan in case floods occur and update the plan on a yearly basis. Western Digital subscribes to Resilinc's Event watch service since 2014 which maintains a data base of our internal and supplier manufacturing facilities and their geographic locations. The service provides early warning notices to all facilities located in the expected impact zones and requires them to respond within 24 hours if the event had a significant impact on their order fulfilment



capability or capacity; and to report their recovery plan and expected recovery times. This allows Western Digital's Procurement team to be kept apprised of any significant impact in the supply and order fulfilment chain so they can determine if it's necessary to activate our own response plan.

Cost of response

100,000

Explanation of cost of response

Western Digital is working to establish business continuity plans with key suppliers to ensure minimal disruption to supply chain.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity Products and services

Primary water-related opportunity

New R&D opportunities

Company-specific description & strategy to realize opportunity

Environmental challenges associated with climate change include increasing instances of extreme weather events. These events lead to serious disruption of critical infrastructure. One of our core business is providing storage products/services for cloud solution business. Western Digital believes that our product/service can provide resiliency to water related risk such as flooding and extreme precipitation. When customers are affected by flooding and some other water-related disasters, our cloud service will enable them to recover their operations soon after they restore access to internet. As such, we expect continued strong demand for resilient cloud solution business. We continually assess opportunities to improve our product/service capabilities.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium-high



Are you able to provide a potential financial impact figure? No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, total water accounting data and comparisons with the previous reporting year.

Facility reference number Facility 1 Facility name (optional) Western Digital's Bang Pa In (BPI) and NAVA(Nava Nakorn) location **Country/Region** Thailand **River basin** Chao Phraya Latitude 14.245862 Longitude 100.601476 Total water withdrawals at this facility (megaliters/year) 3,748.4 Comparison of withdrawals with previous reporting year Higher Total water discharges at this facility (megaliters/year) 1,497.7



Comparison of discharges with previous reporting year Higher

Total water consumption at this facility (megaliters/year) 2,250.7

Comparison of consumption with previous reporting year Higher

Please explain

Each facility is reporting its water withdrawn/discharge data from direct measurement, and the data are compiled in our global data management database. Consumption data is calculated by using withdrawn and discharge data. All of these data are verified by external verifier based on ISAE3000 standard.

As the total of two facilities(BPI and NAVA), the amount of withdrawn increased by 2%, discharge increased by 2.1% and consumption increased by 1.9%. These locations are main final assembly facilities and the increase of production volume is the key driver of this upward trending of YTY water withdrawn.

W5.1a

(W5.1a) For each facility referenced in W5.1, provide withdrawal data by water source.

Facility reference number Facility 1 **Facility name** Western Digital's Bang Pa In (BPI) and NAVA(Nava Nakorn) location Fresh surface water, including rainwater, water from wetlands, rivers and lakes 0 Brackish surface water/seawater 0 Groundwater - renewable 0 Groundwater - non-renewable 1,872.1 **Produced/Entrained water** 0 Third party sources 1,876.4



Comment

Each of facility is reporting its water withdrawn by source. The data is from direct metering, and data by each source is verified by external verifier based on ISAE3000 standard.

W5.1b

(W5.1b) For each facility referenced in W5.1, provide discharge data by destination.

Facility reference number Facility 1
Facility name Western Digital's Bang Pa In (BPI) and NAVA(Nava Nakorn) location
Fresh surface water 0
Brackish surface water/Seawater 0
Groundwater 0
Third party destinations 1,497
Comment Each of facility is reporting its water discharge data by receiving body. The data is from direct metering, and data by receiving body is verified by external verifier based on

W5.1c

ISAE3000 standard.

(W5.1c) For each facility referenced in W5.1, provide the proportion of your total water use that is recycled or reused, and give the comparison with the previous reporting year.

Facility reference number Facility 1 Facility name Western Digital's Bang Pa In (BPI) and NAVA(Nava Nakorn) location % recycled or reused 1-10%



Comparison with previous reporting year

Lower

Please explain

YTY absolute amount of recycle/reused at our BPI and NAVA facility increased by 2% from the last reporting period. However, % recycled or reused, which is calculated with formula specified by guideline, is lower than the last reporting period. This is mainly due to the increased amount of water withdrawn relative to the increase of absolute amount of recycled/reused water. The key driver of the increase of water withdrawn is an increase of production volume.

BPI and NAVA facilities have a local Energy Resource Management (ERM) team. The team is working on conservation measures including the promotion of recycled/reused water to reduce dependency on fresh water use. The amount of recycled/reused water is monitored by the team and reported to the global management team. It is getting more and more challenging to identify new opportunities to increase use of

recycled/reused water due to the high water quality requirements of our manufacturing processes, and financial cost for water treatment.

W5.1d

(W5.1d) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals - total volumes

% verified 76-100

What standard and methodology was used?

ISAE 3000

Water withdrawals - volume by source

% verified 76-100

What standard and methodology was used?

ISAE 3000

Water withdrawals - quality

% verified

Not verified

What standard and methodology was used?



Not verified, because we do not have completed meering system to track this data.

Water discharges – total volumes

% verified

76-100

What standard and methodology was used?

ISAE3000

Water discharges - volume by destination

% verified 76-100

What standard and methodology was used?

ISAE 3000

Water discharges – volume by treatment method

% verified

Not verified

What standard and methodology was used?

Not verified, because we do not have completed methodology to track this data.

Water discharge quality – quality by standard effluent parameters

% verified

Not verified

What standard and methodology was used?

Not verified, because we do not have completed methodology to track this data.

Water discharge quality – temperature

% verified

Not verified

What standard and methodology was used?

Not verified, because we do not have completed methodology to track this data.

Water consumption - total volume

% verified



Not verified

What standard and methodology was used?

Not verified. Our consumption data is calculated on based on verified withdrawan and discharge.

Water recycled/reused

% verified 76-100

What standard and methodology was used?

ISAE3000

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy, but it is not publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company- wide	Description of business dependency on water Description of business impact on water Description of water- related performance standards for direct operations Company water targets and goals Commitments beyond regulatory compliance	Our Integrated Management System (IMS) Policy states our commitment to protect the environment by mitigating global risks to prevent environmental pollution and ensure environmental protection, including water risks. Our Energy Resource Management (ERM) Program addresses performance standards for IMS projects, operations and closure sites to 1) develop/implement a water management plan, identify risks and opportunities, and support water related planning; 2) establish criteria for consistent monitoring, analysis and reporting; 3) establish approach for maintaining sustainable site water balance; 4) establish approach to conduct water management risk assessments, identify challenges, mitigation activities and define a basis for water management improvements. Key water management parameters must be quantified in our reporting network, Scope 5. Our standard aims to minimize potential impact on water resources. These are core elements of a sustainable water management system with quality/quantity



	Commitment to	monitoring, environmental/social impact analysis, water
	water-related	supply, storage, efficient usage, treatment and system
	innovation	evaluation/ improvement. We continue to improve our
		strategy to assess risks, efficiency and transparency.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization? Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	The Board periodically reviews information relating to the potential impact of natural disasters on business continuity and how to mitigate risks. This information has been presented to the Board by the CEO, CFO, COO and President and other members of management.
Chief Financial Officer (CFO)	The Board periodically reviews information relating to the potential impact of natural disasters on business continuity and how to mitigate risks. This information has been presented to the Board by the CEO, CFO, COO and President and other members of management.
Chief Operating Officer (COO)	The Board periodically reviews information relating to the potential impact of natural disasters on business continuity and how to mitigate risks. This information has been presented to the Board by the CEO, CFO, COO and President and other members of management.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding annual budgets	The Board periodically reviews information relating to the potential impact of natural disasters on business continuity and how to mitigate risks. This information has been presented to the Board by the CEO, CFO, COO, President and other members of management.



Reviewing and guiding	
business plans	
Reviewing and guiding major plans of action	
Reviewing and guiding	
risk management	
policies	
Reviewing and guiding	
strategy	
Reviewing and guiding	
corporate responsibility	
strategy	
Setting performance	
objectives	

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other, please specify SVP, Real Estate Operations

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Annually

Please explain

The highest level of management in Real Estate Operations (REO) is the Sr Vice President, who oversees Western Digital's global facilities, including assessment of facilities-related risks and opportunities associated with climate change/water risk and investment in measures to minimize impacts of climate change/water risk to our operations. REO manages infrastructure and utilities investments and develops key business cases for investments by taking into account multiple factors, including sustainability and resiliency goals. REO is responsible for identifying the need and providing justification to secure investment funding on a quarterly basis as related to championing water related investments. The REO organization reports in through the Finance/Corporate Strategy organization through to executive management. Should water risk rise to a Board-level exposure relative to other significant identified risks, it would be captured in regular financial disclosures.



W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Western Digital participates in the Responsible Business Alliance (RBA) and may provide input on relevant water policies. As stated on Western Digital's website, Western Digital seeks to affect government action only on issues and areas that directly impact our business. Potential support of any water-related policy initiative would need to be presented to the appropriate senior executives, legal and government affairs staff for discussion. Following multiple, largescale acquisitions, Western Digital has centralized a team to comprehensively review and transform its sustainability reporting and governance processes. The company is implementing a consolidated, long-term sustainability strategy, while it continues to focus on delivering immediate sustainable value for customers and other stakeholders. Decisions on matters such as these will take into consideration degree of alignment between the proposed initiative and Western Digital's overall CSER and water strategies.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

	Are water- related issues integrated?	Long- term time horizon (years)	Please explain
Long-term business objectives	Yes, water- related issues are integrated	5-10	Following multiple, large-scale acquisitions, Western Digital has centralized a team to comprehensively review and transform its sustainability reporting and governance processes. The company is implementing a consolidated, long-term sustainability strategy, while it

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?



			continues to focus on delivering sustainable value for customers and other stakeholders. Integration of water- related issues into long-term strategic planning will be prioritized based on the materiality of such issues relative to other enterprise risks. Western Digital's Energy Resource Management (ERM) Program Office sets an annual conservation target which meets a long- term business objective of reducing water risks, increasing resiliency, and controlling water costs.
Strategy for achieving long-term objectives	Yes, water- related issues are integrated	5-10	Western Digital's Integrated Management System (IMS) includes a commitment to Corporate Social Responsibility. Following multiple, large-scale acquisitions, Western Digital has centralized a team to comprehensively review and transform its sustainability reporting and governance processes. The company is implementing a consolidated, long-term sustainability strategy, while it continues to focus on delivering sustainable value for customers and other stakeholders. Integration of water-related issues into long-term strategic planning will be prioritized based on the materiality of such issues relative to other enterprise risks.
Financial planning	Yes, water- related issues are integrated	5-10	Following multiple, large-scale acquisitions, Western Digital has centralized a team to comprehensively review and transform its sustainability reporting and governance processes. The company is implementing a consolidated, long-term sustainability strategy, while it continues to focus on delivering sustainable value for customers and other stakeholders. Integration of water- related issues into long-term strategic planning will be prioritized based on the materiality of such issues relative to other enterprise risks.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change) 732.3 Anticipated forward trend for CAPEX (+/- % change) -10



Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

Compared to previous year (calendar year 2017), in this reporting period (calendar year 2018), Western Digital had significant investment globally for those projects contributing to water conservation. Western Digital continues to ensure that necessary investment is warranted, but due to current challenging market situation, total CAPEX would be somewhat decreased in the next reporting period.

OPEX data is not ready to provide.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate- related scenario analysis	Comment
Row 1	Yes	Western Digital conducts and will periodically update studies to identify and mitigate the effects of any future "Black Swan" or other events that may disrupt operations. Steps include a "high level" identification of potential external hazards, hazardous situations and/or events that can cause harm to assets at a given facility. This is followed by a more refined study to gather specific data (e.g., geological maps, etc.), identification of extreme weather events, generation of specific data to understand and develop responses to specific events (e.g., flooding, earthquake, etc.), developing probabilities, assessing operational impacts, and preparing a risk register and threat assessment summary. These macro inputs are further informed and refined by the more frequent business impact assessments conducted through implementation of Western Digital's detailed business continuity management system process, as previously described.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes



W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related	Description of possible	Company response to possible water-
	scenario(s)	water-related outcomes	related outcomes
Row 1	Other, please specify Enterprise risk management process	Western Digital's Business Continuity risk assessment process includes consideration of climate change-related, extreme weather events (e.g., droughts, typhoons and floods) and natural disasters (e.g., earthquakes and floods). Specific climate-related events that could impact our facilities include drought, extreme weather and flooding.	Western Digital implements a water conservation program to address drought- related impacts, and a disaster planning/response/recovery program to address impacts of extreme weather and flooding. In the case of our Thailand facility we have additionally constructed a flood wall surrounding the facility to mitigate local flood impacts.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

In the past, Western Digital implemented an internal price on water specifically for our San Jose CA manufacturing facility. After weighing the pros and cons of charging business units for their water use, the company decided it was not a worthwhile accounting practice when water demands fluctuate based on production volumes and other consolidation activities. Real Estate Operations actively works with water users to identify water savings and implement capital projects to do so.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

Levels for	Monitoring at	Approach to setting and monitoring targets and/or
targets and/or	corporate level	goals
goals		



Row	Company-wide	Targets are	Western Digital has a global water conservation program.
1	targets and	monitored at the	The program steering committee reviews and discusses
	goals	corporate level	water performance annually, and sets corporate reduction
	Site/facility	Goals are	targets as a minimum threshold. Each site sets its own site
	specific targets	monitored at the	level target and implements water conservation measures
	and/or goals	corporate level	to achieve this target.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number Target 1

Category of target

Water withdrawals

Level

Company-wide

Primary motivation

Cost savings

Description of target

1% or more water reduction from that in a previous year

Quantitative metric

% reduction in total water withdrawals

Baseline year

2017

Start year 2018

Target year 2018

% achieved

0

Please explain

Due to various reasons (the increase of production volume, expansion of new buildings), water conservation target is not achieved. (YOY consumption increased). However, Western Digital ERM (Energy and resource management program) team implemented a lot of water conservation projects globally, and total avoided water consumption in 2018 is about 850,000(m3), or about 3% of water consumption in 2017. Implemented project



include, for example, recovery of reject water for backwashing, shutting down of unnecessary facility operations and replacing old systems with new efficient ones.

Target reference number

Target 2

Category of target

Water recycling/reuse

Level

Company-wide

Primary motivation

Cost savings

Description of target

1% or more water reduction (reduction on the dependency on fresh water) through conservation measures including the promotion of recycling and reuse to reduce dependency on fresh water

Quantitative metric

% increase in water recycling/reuse

Baseline year

2017

Start year

2018

Target year

2018

% achieved

0

Please explain

Due to various reasons (the increase of production volume, expansion of new buildings), water conservation target is not achieved. (YOY consumption increased). However, Western Digital ERM (Energy and resource management program) at each site implemented several projects to promote the use of recycled and reused water globally. By promotion of the use of recycled/reused water and implementing other type of water conservation measures, about 850,000(m3) water consumption was offset in 2018. This number is about 3% of water consumption in a previous year (calendar year 2017).

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.



Goal

Other, please specify Annual conservation project

Level

Company-wide

Motivation

Cost savings

Description of goal

Improving water governance. Water is vital resource for Western Digital operations

Baseline year

2017

Start year

2018

End year

2018

Progress

Due to various reasons (the increase of production volume, expansion of new buildings), the water conservation target is not achieved for absolute year over year water consumption. However, as noted in 8.1a, water conservation projects corresponded to about 850,000(m3) saving, about 3% of absolute water consumption in 2017. Western Digital continues to seek further water conservation opportunities. For example, Western Digital holds regular communications meetings across all material global locations for knowledge sharing, and sites support each other to identify additional water conservation measures.

W9. Linkages and trade-offs

W9.1

(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?

No

W9.1b

(W9.1b) Why has your organization not identified any linkages or tradeoffs between water and other environmental issues?



	Primary reason	Please explain	
Row	Not considered, but	Following multiple, large-scale acquisitions, Western Digital has	
1	we have plans to	centralized a team to comprehensively review and transform its	
	do so in the next 2	sustainability reporting and governance processes. The company is	
	years	currently implementing a consolidated, long-term sustainability strategy,	
		including a more comprehensive method to identify risks and	
		opportunities, as well as linkages and tradeoffs associated with	
		environmental issues and our operations.	

W10. Verification

W10.1

(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?

Yes

W10.1a

(W10.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1. Current state	Global total water withdrawn, dischare and recycle/reused.	ISAE3000	ISAE 3000 is the assurance standard for compliance, sustainability and
			outsourcing audits.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Western Digital's water data is verified externally, and verification report is attached here. (Page19 and 20 are verification statement.)

Cameron-Cole Verification Report_Western Digital - CY2018.pdf

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.