FY2010
Global Citizenship Annual Report

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Welcome to Our FY2010 Global Citizenship Annual Report

In Fiscal Year (FY) 2010, Seagate maintained an effective Global Citizenship program that continued to be well-integrated into the company's operations. Some highlights included:

- Significant emphasis was placed on enhancing Seagate's level of transparency during FY2010 by engaging with stakeholders on a wide range of topics to strengthen their understanding of the company's corporate social responsibility (CSR) strategies and actions and calibrate our understanding of issues important to their social responsibility agendas.
- Seagate was recognized in Newsweek magazine's first "Green Ranking" of major corporations, with a rating of 113 out of 500.
- The company's CSR performance was assessed through the EICC's Validated Audit Program. Disk drive manufacturing sites in China and Thailand were audited with no priority issues identified.
- A primary focus in FY2010 related to actions impactful to climate change, namely energy use and greenhouse gas (GHG) mitigation. A comprehensive GHG inventory guided planning and execution of the company's GHG minimization strategies and actions. Execution of plans to optimize production and infrastructure equipment efficiency resulted in the company recording a reduction in energy usage during the fiscal year.
- We continued to strengthen CSR performance in the company's supply chain during FY2010 by supporting advancement of supplier understanding related to social responsibility and strengthening Seagate's framework for assessing compliance with Seagate requirements.
- Seagate launched a new program, the Capacity to Care, to address the varied interests of employees, the growing needs of communities in which it operates and the ability to respond to global humanitarian efforts. From rebuilding schools to serving food to senior citizens, Seagate and its employees have generously donated time and money to advance social conditions across the globe.

As part of Seagate's Global Citizenship position, the company remains focused in advancing the industry's CSR position through active membership in the EICC, and maintains strong support for the United Nations Global Compact and is committed to implementing its principles.

These are just a few examples of our commitment to corporate social responsibility. Looking ahead, we anticipate continued strategies and actions in FY2011 intended to further drive sustainability in our operations, including publishing a position on "conflict-free minerals" and completing a product life cycle assessment.

Seagate overall continues to maintain a focused, effective program, and I invite you to learn more by reading the following report.

Stephen J. Luczo
Chairman, President and CEO

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Company Profile and Financial Information

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

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

Seagate has been at the forefront of the storage industry for over 30 years. With executive offices in Scotts Valley, California, we employ more than 52,000 people around the world—all contributing to the development of breakthrough storage products. From the first 5.25–inch hard drive for the PC to the development of perpendicular recording technology to "hybrid" solid-state hard drives, Seagate has pioneered new industry standards that have fueled advancements in the digital information age.

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

Please refer to the About Seagate Technology web page at www.seagate.com for a wide range of company information, including history, management team, and more. The company's financial information can be found in our Fiscal Year 2010 Annual Report and Form 10K.

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Engaging with Our Stakeholders

Seagate strongly values stakeholder engagement. In FY2010, the company was pleased to interact with external stakeholders on a wide range of topics important to their social responsibility agendas.

A major focus in FY2010 for stakeholder engagement related to Seagate's large OEM customers and their process for conducting due diligence with respect to Seagate as a key supplier. Detailed information was shared about various aspects of the company's related programs.

Investors are increasingly interested in a company's social responsibility position, and in FY2010 Seagate engaged with this community to provide more insight regarding the company's strategies. In addition, we worked with a number of analysts developing fact sheets about companies for their own subscribers to provide more detailed information about the company's efforts.

In broader-based communications, Seagate was ranked 113 out of 500 in Newsweek magazine's first (CY2009) "Green Ranking" of companies. Seagate participated in a number of public and industry social responsibility reporting efforts, including the Carbon Disclosure Project, in which the company made its data public.

In a more narrowly focused interaction, the company was asked by the U.S. Environmental Protection Agency to participate in its study on flame retardant toxicity in printed circuit boards. Seagate was approached because of the strength of our materials content reporting system, the resulting detailed substance data it provides on all electronic components we use, and the strength of our ability to document Low Halogen compliance of our products.

Focus on Climate Change

An area of significant interest to many external stakeholders during the fiscal year related to carbon footprint and mitigation of greenhouse gas emissions. We provided customers with a more comprehensive view of our greenhouse gas emission data through direct communications in addition to participation in the Carbon Disclosure Project, the world's largest database of primary climate change data, and the EICC Carbon Reporting System, which allows companies in the electronics industry to calculate their greenhouse gas emissions and share data with other member companies in the industry.

During the fiscal year, Seagate continued to demonstrate progress in this important stakeholder area through:

- Inclusion of key suppliers in the EICC Carbon Reporting System. At our invitation, 22 key suppliers have now joined Seagate in advancing improved reporting in our supply chain.
- Conducting a GHG inventory for use in planning, GHG minimization and reporting, and
- Participating in various greenhouse gas emission reporting initiatives with third party organizations and customers. The data from one such effort—the Carbon Disclosure Project—were made publicly accessible this year to any interested party.

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Partnership with EICC, UNGC

Seagate remained focused in advancing the industry's CSR position through active membership in the EICC, and was well-represented in established EICC working groups throughout FY2010, including: Validated Audit Program, Audit Corrective Action, Extractives, Working Hours and Environmental Sustainability. Seagate underwent EICC audits at all of our drive manufacturing sites with no priority issues found, and hosted the inaugural EICC auditor certification program in Thailand. Seagate has continued to support the EICC joint audit program effort. Seagate's drive manufacturing sites were audited during the year in China and Thailand with no priority issues identified. The company maintained active relationships with other social responsibility stakeholder organizations including the United Nations Global Compact (UNGC) and Sustainable Silicon Valley.

Global Citizenship Committee

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

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

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

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

Below is the company's stakeholder inquiry process.

Global Citizenship Stakeholder Inquiry

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Governance and Ethics

Seagate's corporate governance standards are set at the highest level in the company, starting with the Board of Directors, and flow down through every level of the company.

Corporate governance at Seagate spans many aspects of the company's operations, practices and procedures and includes guidelines and mechanisms that promote ethical corporate behavior designed to protect shareholders, employees, customers and suppliers while maximizing investor returns.

Corporate Governance Guidelines

Seagate's Board has long adhered to sound corporate governance practices. The Board has adopted and disclosed Corporate Governance Guidelines to clarify how it exercises its responsibilities to the company's stakeholders. Additionally, these guidelines demonstrate that the Board has the necessary authority and practices in place to review and evaluate the company's business operations as appropriate and to make decisions that are independent of the company's management.

Board Independence

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

Committees of the Board

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

Lead Independent Director

The Chair of the Nominating and Corporate Governance Committee, Lydia Marshall, continued in FY2010 to serve as the Lead Independent Director. The Lead Independent Director coordinates the activities of the other non-management directors, presides over meetings of the Board at which the Chairman of the Board is not present and each executive session of independent directors, serves as liaison between the Chairman of the Board and the independent directors, approves meeting schedules and agendas for the Board, has authority to call meetings of the independent directors, and is available for consultation and direct communication if requested by major shareholders.

Code of Business Conduct and Ethics

To help maintain its high ethical standards, the company has an established Code of Business Conduct and Ethics (the "Code") that is applicable to all employees, officers and directors of the company and its subsidiaries. This Code summarizes the company's ethical standards and key policies in such areas as compliance with laws and regulations, insider

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trading, conflicts of interest, fair dealing, and interaction with public officials and provides relevant information about expected behavior. A copy of the Code in the appropriate language is available to all Seagate employees on the company's intranet and is also available in English on the company's external website.

Ethics Helpline

Seagate believes that upholding the company's values and maintaining its integrity are the responsibility of everyone at Seagate, and encourages employees to speak up if they become aware of an illegal or unethical situation in the workplace. Seagate has an open-door policy, and encourages employees to talk with their supervisor or human resources representative. Seagate also provides a toll-free, confidential and secure Ethics Helpline, which is available to employees, and third parties, 24 hours per day and seven days per week, to allow reports of violations of the law, including theft or fraud, falsification of documents, insider trading, conflicts of interest, violations of Seagate's Code of Business Conduct and Ethics, or other issues. Information about the Helpline is available to employees directly on the main home page of the Seagate intranet, and is also available on the company's external website.

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

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Supplier Engagement

Seagate reaffirmed in FY2010 its strong commitment to Global Citizenship in the company's supply chain by:

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

FY2010 Highlights

Specific FY2010 actions and accomplishments included:

- Implemented the EICC Code of Conduct Agreement and worked on developing the Conflict-free Minerals Statement to be used for the Accounts Payable New Supplier Add process
- Implemented Compliance Manager System to manage supplier compliance requirements, tracking and reporting of progress for all key suppliers
- Self-assessment questionnaire distributed to over 200 key suppliers
- New online EICC Compliance Training developed by the EICC was taken by the company's worldwide commodity managers and procurement buyers. The training was designed to help these members of the Seagate team manage supplier compliance and answer questions that suppliers may have.
- The Seagate Materials organization and several suppliers attended training forums held in China and Thailand by key OEM customers HP and Dell. The training covered these OEMs' processes and requirements relative to EICC Code of Conduct compliance.
- A Corporate Standard Operating Procedure was developed for EICC Compliance. This SOP applies to direct and indirect suppliers engaged with Seagate's Materials organization, and defines company procedure for supply chain management and assessment of EICC Code compliance.

In addition, for several years the company has had GC expectations and requirements embedded in its contracts, and requires supplier adherence to those standards. Seagate also requires its suppliers to meet its Product Stewardship standard: components in Seagate products and packaging are certified to meet stringent materials content requirements. The company requires its suppliers to provide detailed materials content data in support of compliance, and periodically audits these certifications with third-party laboratory tests.

Seagate's Materials and Supply Chain Mission

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

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Engaging with the Supplier Base

Seagate continued in FY2010 to engage suppliers by sharing tools available on the EICC website, and participating in several training sessions hosted by key customers and the EICC. Commodity Management teams continue to hold Quarterly Business Reviews with key suppliers on an annual basis.

Additionally, Seagate executives met during FY2010 with supplier CEOs at the company's annual Supplier CEO Advisory Council to share product information and discuss issues in an open forum.

Supplier Education and Training

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

The company expects to enhance training material for suppliers in FY2011, by using the web-based training currently being developed by the EICC. The website will track/document the learning and completion activities of each supplier. To support this effort, Seagate will require that at least one key individual at each supplier will be required to complete training, and that person would then be responsible for cascaded training within his or her own company.

Supplier Diversity

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

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

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

FY2010 Global Suppliers by Diversity Classification

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Environment

Throughout FY2010, Seagate was focused on making progress in its environmental program and performance in the midst of managing business priorities in a challenging business environment. The company continued purchasing renewable power generated by wind for its Springtown, Northern Ireland operations, while working on energy conservation strategies and actions throughout its global operations. Hazardous waste minimization continued to be a focus and challenge within the company due to increasingly complex production processes and limitations in waste treatment capabilities.

In conjunction with Earth Day, the company organized a children's art competition among employees' families to inculcate the appreciation of the environment among children and employees alike. The Corporate Environment Health & Safety (EHS) audit program was reinstituted after a program review in FY2009, and the Johor, Malaysia site received its ISO14001 & OHSAS18001 certification during the year. And, in FY2010 Seagate continued to make progress implementing an automated materials content reporting system to meet the increasing customer and regulatory substance restrictions affecting its products.

Hazardous Waste

During FY2010, the amount of hazardous waste generated increased, although it remained below the target level for the year. Seagate's Johor, Malaysia factory was brought fully on-line, contributing to this increase. Also contributing to the increase, the company continued with its earlier decision to send a large amount of the hazardous waste generated to an off-site treatment facility rather than processing in-house at the Johor, Malaysia site, to ensure full compliance with stringent wastewater discharge parameters. The net effect of these factors resulted in a 43 percent increase in the company's hazardous waste generation rate in FY2010.

Notwithstanding these increases, the company's continued efforts in executing hazardous waste minimization strategies resulted in a reduction of hazardous waste generation to well below target—20,995 tons versus a target of 24,198 tons.

During the year, 47 percent of hazardous waste was sent for treatment, 44 percent was sent for incineration and the remaining waste was recycled or sent for energy recovery. It is Seagate's policy not to landfill hazardous waste unless, based on comprehensive investigation, there is no other viable treatment method available. A significant minimization project has been planned for FY2011 which will focus on reducing the amount of hazardous waste requiring off-site treatment. This project is expected to be implemented by the end of FY2011 with reductions realized in FY2012. The company has set a hazardous waste generation target not to exceed 22,238 tons for FY2011, taking into account anticipated increased in production and waste minimization strategies and actions that sites will be initiating.

Read Seagate's Environmental Health and Safety Policy included in this report on page 32.

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Hazardous Waste Generation

Hazardous Waste Disposition

Solid Waste Generation

Hazardous Waste Minimization Project: Solvent Waste Reduction – Korat, Thailand

The Korat engineering team worked on various solvent minimization projects and was able to reduce the amount of solvent used in several processes by substituting existing solvents with de-ionized water and introducing new technology which decreased the amount of solvents needed. In FY2010, these minimization projects resulted in a reduction of approximately 43 tons.

Solid Waste

Seagate was able to maintain a solid waste-recycling rate of 77 percent in FY2010 versus a target of >70 percent. A total of 22,222 tons of solid waste was disposed of during the year. The main focus of the program is to reduce waste generation while promoting recycling at all sites. The company has maintained a target of >70 percent for FY2011, with site-level targets established to promote recycling within the company.

Solid Waste Minimization Project: No Plastic Bags – Penang, Malaysia

The Penang, Malaysia site implemented a campaign to eliminate the use of plastic food packaging in the cafeteria in the second half of FY2010 (beginning January 2010). The aim of the program is to reduce plastic waste generated at the site as well as to educate employees on the negative effects of waste plastic bags to the environment. A reduction of 300kg of plastic food packaging was achieved in the first six months of this effort.

Climate Change

Seagate recognizes that climate change is real and will affect the social, economic and environmental aspects of everyone's life in one way or the other in the not too distant future. Reduction in Greenhouse Gas (GHG) emission identified by various studies and reports, including the work of the Intergovernmental Panel on Climate Change (IPCC), is necessary to mitigate the impacts of climate change. At a company level, Seagate conducted a baseline GHG inventory in 2008 to better understand its own carbon footprint (see also "Greenhouse Gas Emission," page 13). The link between energy conservation, cost and GHG emission continues to drive strategies and actions within the company to drive energy efficiency.

Seagate has been developing hard drives throughout our product line with technology that enables more energy-efficient storage solutions without sacrificing performance. Our "green enabled" products help customers produce more energy-efficient systems for the market place. Seagate external storage solutions also incorporate streamlined packaging

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that minimizes material waste and reduces fuel costs, and Energy Star-compliant AC power adaptors for low power consumption.

Greenhouse Gas Emission

In FY2010, Seagate conducted a follow-up to the initial Greenhouse Gas (GHG) inventory after the restructuring activities that occurred in FY2009, utilizing the World Resources Institute/World Business Council for Sustainable Development (WRI/WBSCD) GHG Corporate Reporting and Accounting Standard, 2006, methodology (generally referred to as the GHG Protocol). Calendar year 2007 was used as a baseline year. The scope of the baseline included Scope 1 Direct Emission (emission resulting from fuel used at facilities, physical & chemical processing, and fugitive emissions); Scope 2 Indirect Emissions (electricity purchases); and Scope 3 Indirect Emissions (business travel). The organizational boundary of this inventory comprised facilities located in Asia, Europe and North America owned, leased and/or operated by Seagate. The inventory data was used internally for development of GHG minimization strategies and actions, and external reporting, including comprehensive disclosure with stakeholders.

During the year, Seagate continued to focus on conservation/minimization in order to offset its carbon footprint, and procurement of green energy (wind power) to supply the Springtown, Northern Ireland location with 100 percent of its energy requirements. A total of 82,073,947 kWh of green power was purchased in FY2010.

Seagate also participated in various greenhouse gas emission reporting initiatives during the year with third-party organizations and customers, including the Carbon Disclosure Project (CDP) Supply Chain Program, Electronic Industry Citizenship Coalition (EICC) Carbon Reporting System and Sustainable Silicon Valley. This is the first year that the company decided to make its CDP submission public. In addition, Seagate invited its key suppliers to participate in the EICC Carbon Reporting System, with 22 agreeing to participate. The on-line EICC Carbon Reporting System allows companies in the electronics industry to calculate their greenhouse gas emissions and share the data with other companies in the industry. The system was developed to improve measurements and increase understanding of GHG emissions across the electronics industry supply chain.

Greenhouse Gas Inventory Summary CY2010

Source Type - Scope 1 - Direct Emissions	CO2 Annual Emission 2009 (metric tons)
Stationary Combusion	19,801
Mobile Combustion	178
Process / Fugitive Emissions	335,629
Total Scope 1	355,608
Source Type - Scope 2 - Indirect Emissions	**CO2 Annual Emission 2009 (metric tons)**
Purchased Electricity	871,087
Total Scope 2	871,087
Source Type - Scope 3 - Indirect Emissions	**CO2 Annual Emission 2009 (metric tons)**
Business Travel	8,217
Total Scope 3	8,217
Total Metric Tons CO2-eq/year	**1,234,913**

Greenhouse Gas Emission (metric tons CO2e)

Note: 2007 - Emission data corrected
2008 - Emission data estimated

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Energy Conservation

In FY2010, Seagate recorded a reduction in electricity usage as normalized to production units. A reduction of 3.9 percent in kWh/drive, or about 142,828 kWh, was recorded compared to the previous year. Total electricity consumption during the year was 1,628 GWh.

The primary focus during the year continued to be on production and infrastructure equipment. Key action areas included equipment efficiencies, process modifications, alternate energy evaluations and building infrastructure improvement. With the rising cost of energy, procurement strategies and actions were key in mitigating cost in non-regulated markets. With the uncertainty in the economic recovery, the FY2011 target is to maintain or improve on the FY2010 performance.

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

Energy Consumption per Production Unit (kWh/Drive)

Energy Conservation Project: Equipment Compressor Reduction

The Springtown facilities team initiated a project to review the number of compressors used in certain equipment on site, which resulted in the reduction in the number of compressors required to support these tools. The project resulted in a reduction of 378,000 kWh during FY2010.

Water Conservation

Seagate believes that conservation is the most cost-effective and environmentally sound way to reduce demand for water, which is a resource critical to operations as well as to the communities in which we operate. In FY2010, Seagate operations consumed approximately 9.1million cubic meters of water and recycled over 900,000 cubic meters of water.

Water conservation strategies and actions have been ongoing at Seagate for a number of years. In FY2011, Seagate will be conducting a baseline assessment of water usage and recycling throughout the company.

Water Recycling Project: Teparuk, Thailand

The Teparuk site continued with the recycling of treated wastewater from its production activities for use in garden water sprinklers and sanitation. As a result, the site reduced city-supplied water usage by approximately 219,000 m3 annually.

Product Stewardship

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

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

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

- European Union Restriction of Hazardous Substances (RoHS) Directive restricting cadmium, lead, mercury, hexavalent chromium, polybrominated biphenyls and polybrominated diphenyl ethers.
- JIG 101 Annex A and Annex B—the Joint Industry Guide lists many substances of concern for toxicity and

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environmental impact. Seagate tracks and restricts these substances in our disk drive products.

- EU REACH restrictions—Substances of Very High Concern listed by the European Chemical Agency are restricted in Seagate products.

In total, Seagate restricts more than 300 different substances in materials used in our disk drive products, aligning with all major customer materials restrictions. In FY2010, Seagate continued with its automated materials content reporting system, or Compliance Assurance System (CAS), to strategically position the company to meet customers' needs in complying with the RoHS Directive, REACH, and with other regulatory and voluntary substance restrictions. RoHS, which became effective July 2006, impacts manufacturers who place their products in the European market. With CAS system implementation, Seagate is aligning its materials content reporting to the IPC 1752 industry format, allowing our suppliers to streamline certifications and allowing Seagate to collect extensive data from our suppliers on individual materials used in our products.

By implementing an automated system, Seagate can quickly respond with detailed materials content data and lab reports to any regulatory inquiries, as well as utilizing this system to check compliance for China RoHS, industry Low Halogen initiatives and other customer requirements.

Seagate's CAS system is unique in requiring full substance disclosure from suppliers, coupled with third party review of all incoming data. This allows Seagate to produce extensive "bill of substances" data for our disk drive products.

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

Seagate in FY2010 continued helping its customers create sustainable solutions by reducing the energy consumption and environmental footprint of their products. Seagate Savvio®, Constellation™, and Cheetah® enterprise drives reduce data center power and cooling by up to 92 percent with technology like PowerTrim™ and on-demand PowerChoice™. Seagate increased energy efficiency with low-power notebook and desktop drives like Barracuda LP without sacrificing performance. Seagate has also taken a leadership role in producing low-halogen products and fostering supply chain transparency, helping customers reduce levels of toxic materials in their solutions.

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

As part of our commitment to global social responsibility, Seagate prohibits procuring minerals sourced from mining operations that employ poor social or environmental practices. These include mine operations producing tungsten, tantalum, cobalt, tin or gold, whose profits may be supporting human rights violations in the Eastern Region of the Democratic Republic of the Congo (DRC) in Central Africa. Seagate is currently developing a statement on conflict metals (natural resources whose systematic exploitation and trade contribute to, benefit from or result in serious violations of human rights) to address stakeholder interest in this area. The statement on conflict minerals will be published in CY2011.

Environment Health & Safety Management Systems

In FY2010, Seagate reviewed its Environmental, Health and Safety policy and published a new policy statement which is reflective of its current Operational footprint. A copy of the policy can be obtained on page 32 of this report. Seagate has developed and implemented a set of Corporate Standard Operating Procedures (CSOPs) to manage Environmental Health and Safety (EHS) risk within the organization. A total of 32 EHS CSOPs provide guidance and set minimum expectations for EHS performance. These CSOPs are reviewed annually and are maintained per the company's document control system. An integral component of the management system is auditing, utilizing Seagate's Corporate EHS Audit program, which provides third-party verification of site compliance to these CSOPs and local requirements. Seagate sites are on a four-year cycle, with more frequent audits depending on the risk profile of the site. In FY2010, four Corporate EHS audits were conducted, and root cause and corrective actions have been developed to address all findings. Five Corporate EHS audits are planned for F2011.

Environmental Health and Safety Management System Certification

Seagate believes that a Management Systems approach is the only sustainable way to manage an effective Environmental Health &Safety (EHS) program within an organization. Seagate utilizes the Enterprise certification model to certify its manufacturing sites to the ISO14001 and OHSAS18001 standards. DEKRA, an internationally recognized third-party certification organization, provides Seagate's EHS Management Systems certifications, which are a component of the company's overall Quality Systems Review (QSR) program. Surveillance audits are conducted once every two years, while internal audits are required annually. During FY2010, the Johor, Malaysia site's EHS management system was certified to ISO14001 and OHSAS18001 standard while seven other manufacturing sites underwent surveillance audits.

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No major non-conformances were identified and continued registration was recommended. Sites developed root cause and corrective action plans to address all findings. Seagate is not considering certification of non-manufacturing sites at this time as these are low-risk sites and the internal management systems in place effectively manage any existing risk.

Certified Seagate Sites

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

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Health and Safety

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

Health and Safety: Performance

The challenge from our senior management is to have "zero" incidents. This challenge has been the driving force in our journey from nearly 1,900 recordable injuries in FY1999 to the 123 cases reported in FY2010 (0.23 per 100 employees). The number of cases was reduced by 2.4 percent in FY2010 compared to the previous fiscal year. Seagate has been able to achieve continued reduction levels through a focus on comprehensive incident investigation and root cause analysis to correctly identify and mitigate risks within our operations. Seagate is targeting a reduction of 10 percent in the recordable case rate for FY2011 compared to FY2010.

Recordable Case Rate
(per 100 employees)

Days Away Case Rate
(per 100 employees)

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During FY2010, Seagate continued incorporating the use of Six Sigma methodologies for continuous improvement of its analytical capabilities into its Health and Safety efforts. Building on the baseline set in FY2007 for all staff in lead EHS positions to become certified in Six Sigma methodologies, Seagate continued to drive utilization of a primary set of tools throughout the organization—"EHS Top Ten Tools." We believe that Seagate's recordable case rate is indicative of excellent performance and commitment by all levels of the organization in the identification and control of safety risks and behaviors. Through a focus on early case identification and case management, the company achieved the "Days Away Case Rate" target of 0.10 per 100 employees in FY2010. The Days Away Case rate target for FY2011 is to achieve a rate of 0.10 or below.

Pandemic Planning

Seagate continued to maintain its pandemic response plan during FY2010 through the period of active spread of the AH1N1 influenza virus across the globe. A comprehensive plan and set of actions were implemented based on the World Health Organization pandemic alert levels and known "best practices" regarding risk reduction and control:

- A global cross-functional team to conduct daily monitoring and risk assessment, establish strategy and procedures, and perform issue management
- Dedicated site cross-functional teams to implement required actions (EHS, Occupational Health, Operations, HR, Communications, Security, Facilities and other key functions)
- General awareness for all employees and establishment of an internal website as a central reference for internal and external flu information
- Focused communication on risk reduction strategies to the following groups: personnel currently in affected countries/regions; travelers; food service suppliers
- Company-wide campaign on personal hygiene and hand washing

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

Emergency Preparedness

Planning for, responding to and recovering from unplanned events and disasters is critical for the protection of our employees, business and local communities. During the year, Site Emergency Management Teams conducted reviews of external "Best Practices," assessed current risks, and evaluated internal capabilities/resources and updated their site plans as required.

In FY2010 the new substrate facility in Johor, Malaysia completed its Business Continuity Planning exercise. In addition, Seagate shared elements of its Emergency Response and Business Continuity Plans with certain customers, upon request, as part of their own business continuity planning. In FY2011, the company plans to review existing plans and streamline corporate processes and planning to meet the requirements of the internationally recognized BS25999, Business Continuity Management standard.

Transportation Safety

Seagate transports approximately one-half of its global workforce—nearly 20,000 employees each workday—on more than 300 buses and vans. The company has in place a comprehensive transportation safety program to help ensure the safety and well-being of these employees as they transit to and from work. While Seagate cannot control the local traffic and regulations, the company has established a comprehensive management system to ensure that transportation suppliers are selected based on their proven ability to meet a strict set of safety performance requirements, including detailed specifications for vehicles as well as drivers. Performance is closely monitored by the Seagate Transportation Program management staff through daily inspections, regular performance reviews with suppliers and direct feedback from employees. Additionally, our Bus Leader program includes assignment of trained "on-vehicle" resources to monitor and report on driver performance and rider concerns. A set of six "Decision Driving" videos, translated into local languages, provides the foundation for training both drivers and bus leaders. Improvement trends are being captured and reported through our behavioral safety application. In FY2010 minor changes to the procedures were made to further enhance the management system.

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Occupational Wellness

Seagate's Occupational Health and wellness programs support the company's business agenda through targeted strategies directed toward improving employee health and productivity. The company's global Occupational Health resources are focused on maintaining proactive strategies to help ensure safe job placement and the early identification/ mitigation of any occupational health issues that occur. Health and wellness priorities are established at the site level to customize programs targeted toward local health issues with sensitivity to cultural differences.

In FY2010, Seagate continued its focus on building awareness about disease prevention and healthy lifestyles. A range of programs were delivered across the company including onsite flu immunization clinics, health screenings, health risk assessments, periodic medical examinations, smoking cessation programs, weight control programs and health seminars/awareness campaigns on a variety of health issues.

With a focus on ensuring safe job placement and in keeping with the company's commitment to ensure equal opportunities for employment, a formal process was established to evaluate physical demands of essential job functions as well as those with the potential for exposure to chemical and/or physical agents. Pre-employment medical screening is conducted only in those instances where essential functions of the work are physically demanding or where screening is necessary to help ensure job placement will not create an undue risk of injury or exacerbation of a pre-existing condition. In addition, the company in FY2010 continued its ongoing sponsorship of on-site fitness centers and recreational facilities at many Seagate locations, to continue offering employees a convenient way to improve and maintain their physical well-being.

External Recognition

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

Recognition Award	Recipient	Description
Minnesota Governor's Award of Honor for Occupational Safety 2009	Seagate Technology, Shakopee, Minnesota, U.S.A.	The Minnesota Safety Council selected Seagate's Shakopee facility for this award to recognize continuous improvement and an outstanding record of injury and illness prevention.
National Zero Accident Golden Award	Seagate Technology, Korat, Thailand	The Labor Safety Office, Labor and Welfare Department, Ministry of Labor selected Seagate, Korat as the recipient of this award in recognition of its excellent accident reduction activity and performance. This is the second year the site has won the award.
2010 National Occupational and Safety Award	Seagate Technology, Korat and Teparuk, Thailand	The Department of Safety Inspection, Ministry of Labor selected Seagate, Korat and Teparuk as the recipient of this award in recognition of its excellent Environment Health & Safety Management Systems and sustained outstanding performance in maintaining a safe and healthy work environment.
Platinum Award - Northern Ireland Environmental Benchmarking Survey	Seagate Technology, Springtown, N.Ireland	Springtown received a Platinum Award for its performance in the Northern Ireland 12th Environmental Benchmarking Survey. The survey measures environmental management and performance, with 143 companies participating. 19 were placed in this category, having received a score of 90 percent or more.
2009 Safety Production Award	Seagate Technology, Wuxi, China	Seagate Wuxi received this award from Wuxi EPX Administration Bureau in recognition of outstanding performance in safety management.
Certificate of Merit	Seagate Technology, Fremont, California, U.S.A.	Union Sanitary District awarded Seagate Fremont a Certificate of Merit in recognition of continuous compliance with pretreatment regulation.

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Community Engagement

Seagate's Capacity to Care Program Launches Worldwide, Bringing Employees and Communities Closer

In FY2010, Seagate's community engagement program expanded upon the grassroots, project-focused foundation established in FY2009. The Company launched a new program, addressing the varied interests of employees and the growing needs of communities. The Capacity to Care program strives to align Seagate's giving with employees' localized interests, further leveraging the impact of our combined financial and volunteer contributions.

To provide increased opportunities for engagement, Seagate broadened its giving scope beyond its traditional 2/3 focus on science, technology, engineering and math (STEM) education. The Company adopted four key areas of focus:

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

Within each of these areas, Seagate sites worldwide committed to enhancing existing and creating new community partnerships, while providing employees meaningful ways to contribute towards a cause. Employees came together in unprecedented ways in FY2010 as teams and as individuals, with coworkers,

Programs Offered by Focus Area

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friends and family, to demonstrate their desire to help provide better education for children, reduce, reuse and recycle more in our facilities, homes, schools and communities, take steps to create healthier lives for themselves and others, and simply lend a hand to those in need.

Percentage of Giving (Cash)

Engagement Hours by Focus Area

In FY2011, Seagate will continue to focus on the four core areas of its Capacity to Care program and provide ongoing community engagement programs for employees. Additionally, opportunities are being explored for strategic ways to contribute Seagate product to educational and non-profit organizations. The following pages highlight just a few of the programs in which Seagate and its employees engaged in FY2010.

Engagement Hours by Region

Get Smart

Science and Engineering Fairs – United States

Seagate sponsored several science and engineering fairs throughout the United States. In Minnesota, more than 40 Seagate employees engaged in the State Science and Engineering Fair as judges and volunteers, supporting the more than 350 students competing in this state-level championship. Seagate sponsored a mentor award for an outstanding teacher and the Rising Star Award for the best student projects. Competitions were also supported in Colorado and California.

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Expanding Your Horizons Conferences – Thailand, China and Singapore

Encouraging hands-on exploration of science, engineering, math and technology, Seagate sponsored several engaging one-day conferences to inspire students to pursue careers in these fields. Employees helped develop and lead the workshops.

Real World Science Competition – Northern Ireland

Some 250 young people in Northern Ireland were challenged to consider pursuing careers in STEM areas. The inspiring one-day, hands-on, interactive conference is organized annually by Seagate and offered more than 20 interactive workshops that allowed students to get hands-on experience of the day-to-day activities in a number of fields, including rocket science, forensics, paramedics and materials science.

Thailand Humanoid Soccer Competition – Thailand

In partnership with the Thai Robotics Society and the National Electronics and Computer Technology Centre (NECTEC), Seagate sponsored a national competition in which university student built humanoid robots that competed in scaled-down soccer "matches." In addition to having a head, torso, two arms and two legs, each robot incorporated advanced technologies such as electronic vision systems, wireless communications and built-in artificial intelligence.

Innovation Workshops with Henderson Center – Singapore

Seagate employees led a series of Innovation Workshops for students at the Henderson Center, run by the Singapore Children's Society, which provides day care and enrichment classes for children from low-income families.

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Photography and Video Competition – Malaysia

Dozens of students in Johor, Malaysia, showcased their creativity at a Seagate-supported photography and video competition. A group of volunteers from Seagate's plant mentored students from SMK Seri Perling School as they produced photo essays and videos based on actual stories from local newspapers.

Summer Camp for Low-income Children – China

Seagate sponsored 80 children from low-income families to participate in the annual "Summer Star Campus" in China. The two-day program served up equal portions of fun and learning. The children learned about Seagate's products and, with the guidance of employees, disassembled and reassembled hard disk drives with their own hands.

Family Day at Youth Science Institute – California

Youth Science Institute (YSI), a leader in nature-based science education, opened its doors to nearly 300 Seagate employees, along with their friends and families, for a day of hands-on experiments and up-close encounters with a variety of reptiles, insects and more.

Resources for Schools – U.S.

Seagate employees throughout the U.S. donated items to help low-income children start the school year with the supplies they need to succeed. Additionally, Seagate makes year-round donations of excess office equipment and supplies to Resource Area for Teachers (RAFT) in San Jose, CA. RAFT products, services and low-cost teaching supplies enrich and improve the education of over 600,000 young people each year.

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Tread Lightly

Earth Day Poster Contest – Global

More than 200 entries were submitted by employees and their children to the Earth Day Poster Contest, communicating environmental messages and increasing awareness around this important effort. Winners of the competition chose local schools or environmental organizations to receive a financial donation from Seagate on their behalf, and winning art was shared with the public on Facebook.

Taihu Lake Restoration – China

In an effort to restore the health of the third largest freshwater lake in China, more than 100 employees helped restock Taihu Lake with fish. Additionally, employees flew kites with environmental messages and handed out reusable shopping bags.

Think Act Day – Northern Ireland

Seagate invited ten local post-primary schools to the Springtown facility to attend a one-day environmental workshop, increasing awareness and educating children on ways to preserve and protect the planet.

Coastal Cleanups – Singapore and California

From Singapore to California, employees cleaned beaches and collected trash to help preserve our coastlines and protect wildlife.

Bike to Work Week – California

Seagate encourages employees to use alternative forms of transportation to help reduce air pollution. Employees biked, walked, carpooled or took public transportation to work during Bike to Work Week and helped reduce carbon emissions.

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Be Well

Running, Walking for the Health and Community – Global

Seagate encourages its employees to embrace a healthy and balanced lifestyle. By sponsoring 13 charity runs, walks and biking events worldwide, employees come together to enjoy the outdoors, get fit and help important causes, such as cystic fibrosis, youth athletics and hospice programs.

Clean Water for Villages – Thailand

More than 200 Seagate Korat employees joined military and community volunteers to build a much needed dam and plant 300 trees in a local village. The group's efforts will provide a permanent source of drinking and irrigation water for the residents of Dongmafai village in Nakornrachasima province, and allow controlled water release into streams to mitigate flood and erosion damage.

Pediatric Ward of Penang Adventist Hospital – Malaysia

Seagate employees in Penang raised money to pay for life-saving surgeries for two young girls with heart defects. Employees collected $3,000 through a company recycling program and a charity walk, and Seagate matched that amount.

Action Cancer Bus – Northern Ireland

Seagate sponsored the Action Cancer Bus to come to the facility and offer free breast cancer screenings, health checks and cancer prevention talks for employees.

Community Garden – Colorado

The Seagate Community Garden, a 1,500-square foot (139 meters) patch of "farmland" cultivated by employees, was started in May 2010. Employees dug, plowed, planted and harvested this organic garden with all produce being donated to a local food bank. The garden has yielded more than 400 pounds (182 kilograms) of produce, helping provide nutritious, fresh food to the hungry.

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Reach Out

Haiti Matching Program – Global

After a 7.0-magnitude earthquake devastated the impoverished nation of Haiti, Seagate employees contributed $50,000 to support relief and long-term development efforts. The company matched those funds, sending cash donations to the American Red Cross and CARE.

Providing Meals for the Hungry – U.S.

Seagate's "Soup Angels" come together several times a month to prepare, cook and deliver healthy meals directly to homeless on the streets of Longmont, Colorado. More than 100 employees have participated in this ongoing program. And in Minnesota, Seagate volunteers made sandwiches monthly for Simpson Housing Services, an organization dedicated to housing, supporting and advocating for people experiencing homelessness. In California, employees provided a Thanksgiving feast to residents of the Rebele Family Shelter in Santa Cruz, along with homemade desserts, and arts and crafts projects for the children.

Penang Down's Syndrome Association – Malaysia

From play therapy for children with Down's Syndrome to assisting those with the auto-immune disease lupus, Seagate Penang employees showed their caring by supporting much-needed community services. A play therapy corner, a vegetable patch and a family day event were provided by Seagate to the Penang Down's Syndrome Association (PDSA) in the winter of 2009.

Renovating and Rebuilding Homes, Schools – California, Minnesota, Massachusetts and Thailand

Partnering with national programs including Rebuilding Together and Habitat for Humanity, U.S. employees helped build and renovate homes for the elderly, disabled and low income homebuyers. Members of the Thailand Korat employee club stepped in to improve things for the Baan Hin Perng School. Volunteers spent four days making some major improvements, including adding an area with regular table seating and a long sink for the class to wash up and brush their teeth.

Hobby Clubs and Student Workshops – Singapore

Seagate volunteers helped set up hobby clubs at the Assumption Pathway School by conducting classes in photography and teddy bear making. Employee volunteers worked with students and taught photographic composition, framing, and other basic camera skills, and in addition, how to make teddy bears, guiding them through the steps of cutting the materials, sewing and stuffing the bears.

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Work Environment

Employee Demographics

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

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

Seagate's workforce in FY2010 totalled approximately 52,300 employees, temporary workers and contractors worldwide, of which approximately 44,700 were located in the company's Asian operations.

Alignment of Seagate's HR Practices with the UN Global Compact Principles and Electronic Industry Citizenship Coalition Code of Conduct

Seagate's human rights policy (read Seagate's Human Rights Policy included in this report on page 33) specifically reinforces the company's commitment to the UN Global Compact Principle 1, "support and respect of human rights"; Principle 2, "no complicity in human rights abuses"; Principle 3, "freedom of association"; Principle 4, "elimination of forced/compulsory labor"; Principle 5, "abolition of child labor"; and Principle 6, "elimination of discrimination." The policy also reflects our commitment to the Electronic Industry Citizenship Coalition's code of conduct. Seagate's policy articulates global standards covering respectful treatment, due process, freedom of association, reasonable limitation of working hours, fair compensation, freedom to express opinions, and more.

Seagate's Talent Acquisition Strategies

Seagate is continually striving to improve its internal capabilities in sourcing, recruiting and on-boarding top talent globally. Toward this end, our HR talent acquisition strategy places an emphasis on innovation, inclusion, consistency, and teamwork. Throughout FY2010 Seagate continued on the course of evaluating leading staffing strategies and implementing best practices and programs that enable us to meet our long and short-term strategic hiring objectives. A thorough assessment of our global interview and selection methodology was completed.

During FY2010, Seagate upgraded iStart, an industry leading web-based on-boarding portal. iStart provides new employees with insights regarding our corporate culture, benefits, and useful information right after they accept their offer of employment—typically several weeks before they start work. The up-to-date contents and latest technology helps eliminate information overload on "day one" and provides our new employees with an optimal transition experience. The iStart process saves time and reduces "time-to-productivity" for new employees.

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The Seagate staffing function consistently conducts quarterly internal client satisfaction surveys to measure our level of service and effectiveness to hiring managers, new employees, and internal transferees. The survey allows us to identify and evaluate our employees' perspectives about the Seagate hiring process and helps us identify areas of strength, plus opportunities for improvement.

To further enhance hiring practices, Seagate increased our focus on and commitment to filling open positions with current employees and in soliciting other candidates whom our employees know through our Employee Referral Program. Job openings are published internally first for current employees to apply before opening up to external applicants. These practices promoted current employees' opportunity for growth and advancement, and helped draw high quality candidates into our applicant pool for open requisitions. Because of the success of the Employee Referral Program among non-operators, Seagate expanded this program in FY2010 to include operator referrals in China, Malaysia and Singapore. Since then, current operator employees have been actively referring their friends to join them at Seagate.

Talent Management and Employee Engagement

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

Seagate employees and leaders are committed to effective performance management processes that support the achievement of individual, departmental and corporate objectives. This means setting and aligning goals at the start of each fiscal year. In FY2010, 98 percent of employees created their goals in the iMAP application at the start of the year, and over 86 percent of employees created their development plans in iMAP during this time period as well.

To support employee learning and development, the iMAP system also contains the Learning Management System, thus allowing managers and employees to obtain learning resources and information from a single online application and complete required learning that supports their role or other corporate compliance. In FY2010, iMAP provided over 106,000 learning instances offerings covering leadership development, professional development, computer/IT development, and functional competencies from highly recognized learning experts. In addition, Seagate also continued to offer its own custom online learning courses and facilitated blended learning programs—especially in the area of leadership and management development—at major sites worldwide.

Despite the economic downturn, Seagate continued to invest in its leaders throughout 2009-2010. In partnership with Harvard Business Publishing, Seagate developed a new program, Maximizing Business Results, to engage and guide top leaders through the challenges associated with macroeconomic downturn.

To align existing leadership programs to the new delivery format, the Seagate team also invested in redesigning its existing face-to-face Manager Leadership Development Program (LDP) for virtual classroom delivery.

In FY2010, 100 directors and vice presidents participated in the Maximizing Business Results program, and 700 directors, managers and supervisors globally participated in the Leadership Development Program (LDP) programs. The transition to a virtual format has enabled 34 percent cost reduction while maintaining high quality of the programs (90 percent graduation rate and 92 percent learner satisfaction). Seagate's virtual programs have been recognized as leading work in the Global Learning category and received a certificate of merit from the Chief Learning Officer magazine in August 2010.

In FY2010 Seagate was recognized by leading industry organizations in the area of learning and development. In September 2009, Seagate was selected as the winner of a Learning in Practice Award from Chief Learning Officer (CLO) magazine. This award recognizes transformational and visionary leaders in enterprise learning who truly champion innovation and transform it into value for their organizations. Seagate received the Silver Innovation Award, Division 1 for designing, developing and implementing the Virtual Coach and "successfully applying emerging technologies and/or methodologies to create a stimulating and engaging combination of content and modalities in the past year."

In January 2010, Seagate received the Bersin & Associates Learning Leaders Award. This award recognizes innovation and excellence in the critical areas of corporate learning and talent management, and focuses on initiatives which go beyond operational training programs. Specifically, Seagate received the Learning and Talent Initiative Excellence Award for "utilizing the internal enterprise wiki to build the highly popular and cost-effective Virtual Coach that provides action-oriented information on key management topics for all employees to build management and leadership skills."

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In FY2010, employees continued to have access to and utilize the company's Open Door Policy and its globally available Ethics Helpline to provide feedback to management or to raise issues to management. Additionally, managers were encouraged to conduct skip-level, roundtable and one-on-one discussions with employees regularly. At manufacturing locations, management also used employees' Suggestions Scheme or Voice-Out programs to gather feedback or suggestions from employees.

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

Ensuring Employees' Well-being

Seagate invests in a wide range of benefit programs around the world to help support the health, well-being, security, and productivity of its employees. Seagate's benefits are benchmarked to local market practice, industry norms, and cultural requirements, while reflecting the global standards of a leading, multinational organization. Although these programs take different forms depending on geography, the Seagate plans offer value and flexibility overall, in support of our employees and in some cases their dependents.

Some examples of these Seagate programs that reflect our commitment to our people include: health care plans, wellness initiatives including fitness programs, fitness centers, and preventive health screenings; vacation, leave, and paid time-off programs; retirement savings opportunities; counseling and related support services; discounted retail products; adoption support; and equity ownership opportunities.

In FY2010, we continued to provide an annual contribution to U.S. employees' Health Savings Accounts. Additionally, we implemented on-demand Benefit Coaching webinars to encourage healthy behaviors among U.S. employees.

Rewarding and Recognizing Employees

Employee compensation at Seagate in FY2010 continued in its philosophy and design to sustain a diverse, high-performing team environment. The company's compensation strategy focused on providing base pay that is competitive to local market conditions, supplemented by incentive pay opportunities that reward performance.

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

The company's compensation program provided for variable rewards based on individual and company performance in addition to base pay, thus providing a tangible incentive for employees to excel. The FY2010 bonus plans were funded and related bonuses were paid in early FY2011due to the company achieving its performance objectives for FY2010.

Seagate Equity Ownership

Dedicated, focused employees who contribute their expertise in the workplace each day are the fundamental "engine" driving the ongoing success of the company. Seagate believes such contributions should be rewarded. The company's variable pay and benefit programs in FY2010 included two vehicles by which employees participated in company success through equity ownership: employee Seagate stock awards and the Employee Stock Purchase Plan. Though each program is distinct in terms of its provisions, they share a common objective of offering employees the opportunity to build a long-term ownership stake in the company.

Executive Compensation at Seagate

Our business results for fiscal year 2010 improved considerably from the prior year, with a 16% increase in revenue. We delivered record shipments, profitability and operating margin. The company responded well to the increase in global hard drive demand, which grew 22% year-over-year, introduced key new products, continued to strengthen its capital structure, and remained focused on improving key business fundamentals to position Seagate for future growth. Managing the costs of our compensation programs was one of many operating actions taken throughout the year to improve margins and preserve our profitability. We began the fiscal year with temporary salary reductions already in place for all management employees. As business conditions and our performance improved at the end of the year, Seagate eliminated those temporary pay reductions and was able to increase performance expectations due to improving business conditions. During the year, we also eliminated executive perquisites and decreased selected Severance Plan benefits to reduce costs and keep in line with market practice trends.

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The key compensation decisions for fiscal year 2010 were as follows:

- Restoration of prior reductions to Named Executive Officer salaries, on February 1, 2010, based on improved business results.
- Adjustments to Annual Incentive Plan funding in response to changes in business results.
- No equity award grants during the year (as previously anticipated at the time off-cycle awards were made in fiscal year 2009).
- Elimination of the Executive Disability Plan and the Executive Physical Program perquisites.
- Addition of Risk Assessment as a routine consideration in evaluating compensation designs and changes.

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

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

Seagate is committed to having a diverse workforce, and to providing an inclusive and supportive environment where all employees are valued and participate fully in the Seagate employment experience. We believe employee's talents will be utilized to the fullest and organizational performance will be strengthened in a diverse and supportive environment.

FY2010 US Diversity Summary

Even with continued challenges and workforce reductions, including a U.S. headcount decrease by 30 percent year over year from FY2008-FY2010 and by more than 60 percent in the past decade, our diversity trends from FY2004-FY2010 have remained relatively constant. In FY2010, we met our overall targets for retention and every diverse group (with the exception of Asians) voluntarily terminated from Seagate at a percentage well under their FY2010 target.

Two key projects completed in FY2010 were the "Women of Color" research study with the Catalyst Organization and the Scotts Valley site Corporate Management Compliance Evaluation (audit) by the U.S. Office of Federal Compliance Contracts Programs.

The Women of Color research study will provide valuable information regarding issues impacting the advancement of women into senior level positions and strategies for making improvements.

After extensive data collection and management/employee interviews, the OFCCP presented Seagate with a "Letter of Compliance." It should be noted that as a result of Seagate's policies and practices in increasing diverse representation at key levels within the company, it was recommended by the OFCCP that Seagate consider applying for the Secretary of Labor's Opportunity Award, the Exemplary Voluntary Efforts Award, and the Exemplary Public Interest Contribution Award. The OFCCP considers these "Best Practice Awards" to be its most desired equal employment opportunity awards.

In FY2010, our diversity efforts focused on the following key areas:

Attracting and Recruiting Diverse Employees

We increased our currently established partnerships with pipeline organizations for diverse candidates: Society of Women Engineers, National Society of Black Engineers, Society for Hispanic Professionals and Engineers and Historically Black Colleges and Universities. In partnership with our Staffing team, we maximized our strategies for increasing access to, and attracting diverse talent. These efforts included increased presence with the previously stated organizations, utilizing specific diversity centric job boards and social/professional networking resources.

As a result, we were able to achieve, or be within 1 percent of our U.S. hiring goals for all diverse groups including females.

Developing Diverse Employees

A key metric for Seagate in FY2010 was to promote diverse employees at a rate equal to or greater than their workforce representation. We were able to accomplish this goal or be within 1 percent of achieving this goal for Hispanics, Asians, American Indians and Females.

Engage and Retain Diverse talent

Through site level employee engagement opportunities, we were successful in our goal of retaining diverse employees at a rate equal to or greater than their workforce representation for females, Hispanics, African Americans and American Indians. This represents progress in all areas in which Seagate has historically been underrepresented.

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Appendix

United Nations Global Compact

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

The table below provides a guide to our strategies and action in support of the10 UNGC principles.

	UNGC 10 Principles	Page / Link
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights;	Pages 27 - 30 Human Rights Policy
Principle 2	Make sure that they are not complicit in human rights abuses.	
Labor		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Pages 27 - 30; Human Rights Policy
Principle 4	The elimination of all forms of forced and compulsory labour;	
Principle 5	The effective abolition of child labour; and	
Principle 6	The elimination of discrimination in respect of employment and occupation	
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	Pages 11 - 16 Human Rights Policy http://www.seagate.com/www/en-us/about/global_citizhip/greendrive
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	
Principle 9	Encourage the developmenet and diffusion of environmentally friendly technologies.	
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Pages 7 - 8; http://www.seagate.com/www/en-us/about/investor_relations/corporate_governance

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Environmental Health and Safety Policy

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

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

As a company, Seagate is committed to:

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

Stephen J. Luczo
Chairman, President and CEO

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Human Rights Policy

Policy

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

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

Procedure

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

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

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- Due process. We understand that an employee may not meet performance or conduct expectations. In such circumstances, the employee has a right to a fair process of review. Any resulting disciplinary actions will be humane. (Refer to Performance Management, Open Door and Coaching and Discipline, policies.)

- Reasonable limitation of working hours. We will not require employees to work more than 60 hours on average per work week, or in excess of the maximum hours of daily labor set by local laws in the countries in which we operate. We will also provide employees with at least one day off per every seven days, on average, and comply with all applicable overtime pay requirements. No unreasonable restrictions of movement will be placed upon employees during non-work hours. (Refer to Hours of Work policy.)

- Free to associate. We respect and adhere to all applicable laws concerning the right of workers to organize in labor unions and engage in collective bargaining. However, we believe maintaining an open, unencumbered relationship between Seagate employees and their managers is the most effective means of addressing work environment questions and concerns.

- Free to choose employment. We will ensure that the overall terms of employment are voluntary. We will not require employees to pay the Company any remuneration or withhold an employee's government-issued identification upon hire. We will ensure no forced, bonded or involuntary prison labor is used in the production of Seagate products.

- Employment at age 18 or higher. We strictly prohibit child labor and will comply with all local minimum age laws and requirements and/or set a minimum employment age of 18, whichever sets the higher standard. (Refer to Recruitment at Seagate policy.)

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

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

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