



Fiscal Year 2023: Western Digital Statement Against Modern Slavery and Human Trafficking

Background

Western Digital does not tolerate human rights abuses—including the use of slavery, forced or child labor—in our supply chain or in any part of our business. We follow fair and ethical recruiting practices to ensure potential employees are supported and protected, even before they step foot on our campuses. We also work closely with our suppliers to maintain similar practices and commitments throughout our supply chain.

This statement covers Western Digital's progress during our fiscal year 2023 (FY2023), which covers July 2, 2022 – June 30, 2023. It has been reviewed and approved by our Board of Directors as part of its general oversight of our human rights efforts and practices. It covers all Western Digital subsidiaries, including our subsidiaries in the United Kingdom and California, and is intended to comply with our obligations under the UK Modern Slavery Act and California Transparency in Supply Chains Act.

Our Organization

Western Digital is on a mission to unlock the potential of data by harnessing the possibility to use it. With our Flash and Hard Disk Drive (HDD) franchises, underpinned by advancements in memory technologies, we create breakthrough innovations and powerful data storage solutions that enable the world to actualize its aspirations. We offer an expansive portfolio of technologies, storage devices and platforms for business and consumers across multiple brands that include Western Digital, WD, SanDisk, SanDisk Professional and WD_Black.

Our Policies

Western Digital does not tolerate forced or bonded labor in our operations or in our supply chain. We create a respectful workplace for employees that is free from harassment, discrimination, and corruption, and where employees know they can speak up if they ever witness such misconduct. We provide fair working conditions, and we require responsible payment practices. We do not allow recruitment fees to be passed on to employees and prohibit activities that could be interpreted as compulsory labor. We do not tolerate child labor.

Western Digital's high standards for the protection of human rights are described in our Global Human Rights Policy ([available here](#)). Additional company policies relating to human rights and our commitment to treat all employees with dignity and respect include our Global Code of Conduct ([found here](#)); country specific policies and work rules; and factory-level policies. Each factory's general manager commits to abide by the Western Digital Global Code of Conduct, the Code of Conduct set forth by the Responsible Business Alliance (RBA), and the country-specific Work Rules. In May 2022, we adopted and promulgated a [Supplier Code of Conduct](#), which incorporates the RBA's Code of Conduct. These policies are consistent with local labor laws and include a strict prohibition on child labor and commitments to fair recruiting practices, fair payment of wages and eliminating human trafficking and forced labor.

In connection with these guiding principles, Western Digital partners closely with the RBA and other companies to identify key risks and implement best practices to eradicate them. We have actively participated in the Responsible Labor Initiative (RLI) since its founding in 2017. The RLI is a multi-industry, multi-stakeholder effort to ensure the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted. Through the RLI, we discuss best practices; collaborate with peers to develop cross-industry standards for healthy and sustainable working conditions; and utilize shared resources to monitor our own practices and the practices of our supply chain.

Our Workforce

Western Digital employs approximately 53,000 employees worldwide, and our manufacturing operations span five countries. Because our manufacturing workforce is particularly susceptible to human rights violations, we pay close attention to this population. Western Digital's manufacturing workforce is predominately composed of directly hired workers whom we employ and manage ourselves. This gives us direct control over their working conditions, so we can ensure that they are treated with dignity and respect and experience fair and sustainable working conditions.

Western Digital is dedicated to creating a workplace that respects each employee's human rights, and ensures that the employment conditions of our people, and the interactions of our people with customers, vendors and other business partners are consistent with the regulations and laws in the jurisdictions in which we operate.

We are committed to equality of opportunity in employment to all qualified persons. Although legal provisions may differ in the various locations in which we do business, our principles are the same worldwide. Our firmly held belief is that concern for the personal dignity and individual worth of every person is an indispensable element in the standard of conduct that we have set for ourselves.

Our policies, practices, and processes help us protect and sustain our workforce. We have adopted systems that help ensure we pay our workers regularly, in full, and on time. We also make pay statements available to all workers. We adhere to common global standards and the RBA Code of Conduct for working hours and rest periods, and these requirements are built into our workforce management platform. And to ensure we comply with our policies prohibiting child labor, our onboarding process requires age verification against workers' identification documents.

We work closely and carefully with the labor brokers that source our manufacturing employees in Malaysia (the only location where we source employees from outside the country), and we prohibit labor brokers and their agents from collecting recruitment fees from prospective employees. We regularly audit the brokers we utilize and only collaborate with those who strictly uphold our commitment to fair labor practices. If we become aware of a labor broker who does not meet our high standards, we terminate the relationship.

Our Supply Chain

Western Digital's unique products and services require a similarly unique network of suppliers. We have approximately 250 direct material suppliers across 20 countries in Asia Pacific, Europe, the United States, and the rest of the world. We understand that a proactive partnership with our suppliers strengthens our relationships, improves their performance, and ensures that critical policies are enforced throughout our supply chain.

Western Digital expects organizations in our supply chain to enforce our prohibitions against slavery and human trafficking, both within suppliers' operations and upstream with their own suppliers. Our suppliers are required to adhere to relevant laws, RBA Code of Conduct, and our Supplier Code of Conduct, which includes multiple provisions directed at preventing any form of slavery and human trafficking. They commit not to use forced, bonded, or indentured labor and agree to employ workers on a voluntary basis and to not retain identity or immigration documents unless required by law. In addition, employers in the supply chain cannot require workers to pay recruitment fees. If such fees are found to have been paid, they must be fully repaid to the worker based on our zero-recruitment fee policy.

We regularly communicate these requirements throughout our supply chain. For example, each year we ask our highest-volume and highest-risk suppliers to reiterate in writing their commitment to human rights protections. We focus these efforts on direct material suppliers that represent most of our annual supplier spend, as well as contract manufacturers, single source suppliers, and other strategic or high-risk suppliers. For our indirect material suppliers, we require this annual recommitment of on-site suppliers, all labor brokers, and any suppliers of e-waste. In 2023, we asked 248 direct material suppliers and 289 indirect material suppliers to confirm adherence to the following:

- The UK Modern Slavery Act and the California Transparency in Supply Chain Act requiring voluntary labor.
- All work must be free and voluntary.
- No surrender of original identity documents by foreign workers.
- Workers must not be required to pay employers, brokers, or other similar agents recruitment fees or any related fees; suppliers must agree to repay any such fees that are found to have been paid within 90 days.
- No child labor.
- No harsh or inhumane treatment.
- Labor brokers will not engage sub-agents.
- Other suppliers will train their employees on these provisions.
- Adoption of policies and programs to comply with these requirements.
- Cooperation with Western Digital regarding any issues that might arise on these topics.

Diligence, Remediation and Training

Western Digital constantly monitors our operations and supply chain for risks relating to slavery and human trafficking and takes swift action to remediate any issues. Our factories generating finished goods have been audited biennially by the RBA for many years, and these thorough reviews of our facilities and practices help us maintain high standards for protecting our employees. For our manufacturing locations (finished goods and component), we have site Human Resource professionals who are well versed in labor issues related to their region who are responsible for monitoring our workplaces for potential issues.

We conduct human rights impact assessments (HRIAs), consistent with the UN Guiding Principles on Business and Human Rights, to evaluate and address potential human rights impacts of our business. For example, in FY2021-2022 we partnered with BSR, a global nonprofit, to conduct an independent analysis of Western Digital's potential human rights impacts from our footprint and business model. In addition, our periodic enterprise-wide risk assessments specifically cover forced and child labor. Those assessments consider risks associated with the types of operations we have, where they are located, and other factors. They help us ensure our practices are aligned with our deep commitment to protect the rights of our workforce and create a positive and safe working environment for everyone. We have internal processes to manage any human rights or labor-related risks discovered through risk assessments or audits by developing targeted corrective action plans and tracking

our progress against them. Through these assessments, and our collaboration with industry experts, we have identified Malaysia, Thailand, and China as particularly susceptible to labor issues, so we closely monitor those locations. Similarly, we have worked with our supply chain to map their labor sources, and we give suppliers located in Malaysia and Thailand enhanced attention and scrutiny based on the common use of foreign workers in those countries.

We regularly audit our supply chain through our partnership with the RBA, and in some instances we use our own staff. Suppliers are required to perform periodic self-assessments, and many are required to undergo independent RBA audits. Specifically, those suppliers that comprise 90% of our purchases, strategic partners, and single-sourced suppliers are required to complete a biennial audit following RBA's Validated Assessment Program through qualified third-party auditors. Suppliers must give Western Digital access to their completed self-assessment questionnaires (SAQs) and any completed RBA audit reports. We also engage with and conduct periodic audits of labor brokers and providers of on-site services such as cafeteria, janitorial cleaning, and security.

If we are made aware of a labor issue or other problem in our supply chain—whether through an audit, a reported grievance, or through contact with NGOs—we immediately work with the supplier to address the issue. We require timely correction of non-conformance issues and closely follow up with suppliers. We are pleased to report zero findings of incidents of child labor in any of our supply chain in the past five years.

Despite having clear policies and practices, the recruitment fee issue is one that can be difficult to uncover due to the reluctance of some workers to disclose overpayments. So, we continue to engage in a dialogue with employees and suppliers while also working with third parties to audit ours and our suppliers' practices. When we have found issues regarding recruitment fees, we have worked quickly to remediate them. In FY2023, through our partnership with the RBA, we were made aware of suppliers with recruitment fee issues during FY2023. We worked with the RBA to see that over USD \$271,200 was reimbursed to approximately 642 employees within the supply chain. We continue to work closely with our suppliers and the RBA to perform audits to ensure suppliers are following appropriate recruiting practices and that any necessary reimbursements are promptly provided to impacted employees.

Our commitment to ensuring our sites and supply chain maintain fair labor practices extends well beyond our regular audits. We routinely train employees and suppliers on key issues in this area.

In FY2023, we continued collaborating with our industry peers to sponsor supplier trainings and engaged with third party trainers. The trainings focused on the following topics:

- Part I: Manifestations of Forced Labor Indicators in the Global Supply Chain and RBA Updates
- Part II: Workshop: Mitigating Forced Labor Issues/Risks – Fixing the Past and Risk Proofing the Future

The trainings were attended by Western Digital employees as well as 66 key suppliers.

In addition to audits and risk assessments, we invite employees and business partners to bring human rights issues to our attention, and we protect the people who do. We regularly remind employees and suppliers about the availability of our global ethics helpline, an anonymous service managed by an independent third party, for reporting misconduct or other problems. The helpline is available 24 hours a day in all of the major languages spoken by our employees, and is available to suppliers' workers and their legitimate representatives. When we receive reports of misconduct, we promptly investigate and correct any confirmed problems.

Protecting the people involved in our business is the right thing to do, and it is also foundational to our long-term success. We remain devoted to preventing and eradicating human rights abuses, including any form of modern slavery.

Approved by the Board, or a committee thereof delegated with authority to address such matters, on November 15, 2023, and signed on the Board's behalf by:



David V. Goeckeler
Chief Executive Officer & Director
Western Digital Corporation