Information and Communications Technology Benchmark Company Scorecard 2018

Western Digital Corp.

TICKER MARKET CAPITALIZATION HEADQUARTERS

NasdagGS:WDC US\$26 billion United States

COMPLIANCE COMMITMENTS

<u>UK Modern Slavery Act</u>: <u>Disclosure available, but not compliant</u> <u>None</u>

California Transparency in Supply Chains Act: Disclosure available, but

not compliant

OVERALL RANKING

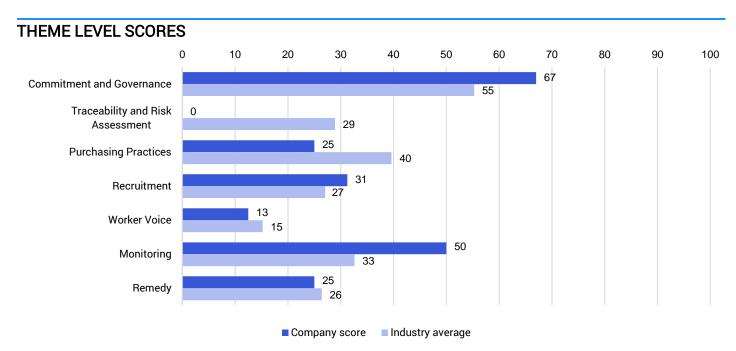
21 out of **40**

OVERALL SCORE

30 out of **100**

SUMMARY

Western Digital Corp. (Western Digital), a computer data storage company and hard disk drive manufacturer supplying to companies such as Apple, Hewlett Packard Enterprise, and HP, ranks 21st out of 40 companies. It discloses some information on its approach to managing forced labor risks in its supply chains for all themes except traceability and risk assessment, including more information than its peers on the themes of commitment and governance and monitoring. The company has an opportunity to improve its performance and disclosure on the themes of traceability and risk assessment, purchasing practices, and worker voice.



LEADING PRACTICES

None

NOTABLE FINDINGS

Commitment and Governance: Western Digital discloses it became a member of the Responsible Business Alliance (RBA) in early 2017. The company actively participates in the initiative, for example it sits on the RBA Board, participates in the Validated Audit Process Working Group, and has a committee which liaises with other RBA members to develop and implement enhanced workplace, environmental, safety and corporate governance standards. Western Digital further discloses that its quality and procurement teams are responsible for ensuring suppliers comply with the RBA Code. Western Digital states it provides staff who have direct responsibility for supply chain management with "knowledge and information" regarding the company's requirements, including the RBA code (which includes forced labor), and that "key" employees are specifically trained on the RBA code. The company discloses it conducts regular trainings for first-tier suppliers.

Recruitment: Western Digital has adopted the RBA Code which includes provisions that that workers should not pay fees for employment, should be reimbursed for where such fees have been paid, must be provided with a written employment agreement in their native language and must not have their passports retained or freedom of movement restricted.

Monitoring: Western Digital discloses that it "audits suppliers that cumulatively comprise 80% of [its] supply chain purchases on an annual basis." In addition, it states it requires suppliers to ensure they are audited according to RBA's Validated Audit Process (VAP) every two years. The VAP includes a review of relevant documents, such as working hour records and payroll, formal and informal interviews with workers which are conducted privately, and visits to production facilities and related worker housing.

OPPORTUNITIES FOR IMPROVEMENT

Traceability and Risk Assessment: To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor, and information on its suppliers' workforce. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

Purchasing Practices: To address forced labor and human trafficking risks in its supply chains, the company is encouraged to integrate supply chain standards that include forced labor in its supplier contracts. The company may further consider assessing suppliers' forced labor risks before entering into any contracts with them and adopting purchasing practices that decrease risks of forced labor and human trafficking (such as improving forecasting alignment or providing longer-term contracts to suppliers with good labor practices).

Worker Voice: To prevent and address forced labor and human trafficking risks in its supply chains, the company may consider ensuring that a formal and effective mechanism to report grievances regarding labor conditions is available to and communicated to suppliers' workers and relevant stakeholders, such as worker organizations or labor NGOs. Further, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights and are able to exercise their right to freedom of association.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

Sent links.

