

## KnowTheChain 2022 ICT Benchmark

### Additional Disclosure

Company Name:

Western Digital

Date:

September 6, 2022

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

#### INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

Western Digital utilizes the RBA's e-Learning program to provide tailored, targeted training and capacity building to suppliers on specific topics, including labor issues and risks.

"Since 2007, Western Digital has been a member of the Responsible Business Alliance (RBA). As part of this membership, RBA completes regular audits of our suppliers to identify labor issues and risks to our business.

To engage suppliers found to be in non-conformance during these audits, we adopted RBA's e-Learning program in FY2021. The program allows us to tailor appropriate e-Learning content for specific suppliers or to address the details of specific non-conformance events.

Once suppliers complete the e-Learning curriculum, they are encouraged to come up with the appropriate corrective actions and implement them. To date, adoption and engagement with the RBA e-Learning program has been positive.

Results in FY21:

9 suppliers participated

158 courses completed

27 participants  
84% courses completed  
188 assigned e-Learning courses  
34.8% improvement in average VAP audit scores after suppliers participated in e-Learning program (Before: 107.99; After 145.52)”

We also use suppliers’ scores in RBA Validated Assessment Program (VAP) audits as part of our supplier performance review and scorecard process. As VAP audits address sustainability, human rights, and other ethical issues, we use our suppliers’ scores during these audits as one measure of success in how well we are engaging suppliers on sustainability initiatives.

[\(FY21 Sustainability Report, “Capacity Building and Training”, p 13\)](#)

## INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

Western Digital routinely trains our relevant decisionmakers on issues related to forced labor. Staff who are located on sites that engage in manufacturing receive mandatory training on forced labor policies and risks through the RBA e-Learning program. This includes employees who are directly involved in manufacturing activities, and also employees in other critical functional units at these sites such as procurement, HR, and EHS.

In FY2021 and FY2022, 2481 RBA e-Learning courses were assigned to 326 Western Digital personnel globally, for employees in factory, global procurement, and other key functions.

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

## INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

## INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

In FY2021, we conducted a human rights impact assessment (HRIA) and have disclosed information in our FY2021 Sustainability Report.

“This process includes conducting human rights impact assessments (HRIAs) from time to time, consistent with the UN Guiding Principles on Business and Human Rights. For example, in FY2021 we partnered with BSR, a global nonprofit that works with its network of over 250 member companies to build a just and sustainable world, to conduct an assessment. This HRIA was an independent analysis of Western Digital’s potential human rights impacts based on our footprint and business model. The risks identified were consistent with our expectations and with risks common within our industry, including forced labor and health and safety, especially in our supply chain. We are preparing to use the results and recommendations from the assessment to enhance our policies, procedures and practices to mitigate potential risks.”

[\(FY21 Sustainability Report, p. 33\)](#)

Coverage of the FY2021 Human Rights Impact Assessment included potential upstream, operational and downstream human rights impacts of our business.

“Western Digital is unequivocally committed to human rights. In FY2021, we conducted a global Human Rights Impact Assessment, consistent with the UN Guiding Principles on Business and Human Rights. That detailed assessment, which was performed by an independent third party and included input from both internal and external stakeholders, analyzed potential upstream, operational and downstream human rights impacts of our business. The results of that assessment are helping us allocate resources appropriately to strengthen our ongoing efforts to protect and preserve human rights throughout our operations and business footprint.”

[\(FY21 Sustainability Report, p. 16\)](#)

4.2 details on forced labour risks identified in different tiers of its supply chains; and

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

In FY2021, we conducted a human rights impact assessment (HRIA) and have disclosed information in our FY2021 Sustainability Report.

“We partnered with BSR, a global nonprofit organization, to complete an independent human rights impact assessment (HRIA) of our footprint and business model. Western Digital plans to use the results from this assessment to refine human rights policies, procedures and practices to enhance our protection of human rights and to mitigate

potential risks.”

[\(FY21 Sustainability Report, p. 24\)](#)

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[\(FY21 Sustainability Report, p. 33\)](#)

#### INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers’ and

5.3 the percentage or number of supply chain workers that are being paid a living wage.

#### INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

Western Digital annually sends a letter to our suppliers in which we affirm our commitment to sustainability, protection of human rights, and responsible operations and business practices. We reiterate expectations and commitments that our suppliers are required to follow, and require suppliers to acknowledge and confirm their continued agreement as part of our partnership.

These expectations and commitments include but are not limited to: following the [RBA Code of Conduct](#), the [Western Digital Supplier Code of Conduct](#), the [Western Digital Global Human Rights Policy](#), and committing to responsible sourcing for minerals in the supply chain (including policies and due diligence conducted according to [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)) – all of which address the protection of human rights and prohibition of forced labor. We also require that our suppliers develop policies, plans, and management systems to ensure they comply with the above requirements.

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

Western Digital includes suppliers' RBA VAP audit scores as part of our regular Supplier Performance Review process and scorecard. We consider the results of the Supplier Performance Review process in our purchasing practices. This ensures that responsible purchasing practices are built into our supplier relationships and that we regularly monitor and address the risks in our supply chain of human rights abuses, forced labor, and other labor issues.

"Western Digital also uses the RBA VAP audit as a tool to monitor the sustainability of our suppliers. We tie this requirement to our Supplier Performance Review scorecard and evaluate suppliers according to the performance assessed by the VAP audit. Additionally, Western Digital's Audit Program follows the VAP protocol for end-product factories. Our Human Resources team conducts periodic audits of our labor brokers/agents."

[\(FY21 Sustainability Report, p. 34\)](#)

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

Western Digital uses regular monitoring and assessment processes to ensure that the suppliers we purchase from meet and continue to maintain our responsible sourcing and procurement standards. Our use of RBA VAP audit scores in our Supplier Performance Review process and scorecard, and our critical minerals and metals risk assessment program are two examples. We consider the results of the Supplier Performance Review process in our purchasing practices.

[\(FY2021 Sustainability Report, "Remedies," p. 33\)](#)

#### RBA VAP audits:

Western Digital includes suppliers' RBA VAP audits as part of our regular Supplier Performance Review process. VAP audit performance is factored into our suppliers' scorecards during this process. This ensures that responsible purchasing practices are built into our supplier relationships and that we regularly monitor and address the risks in our supply chain of human rights abuses, forced labor, and other labor issues.

"Western Digital also uses the RBA VAP audit as a tool to monitor the sustainability of our suppliers. We tie this requirement to our Supplier Performance Review scorecard and evaluate suppliers according to the performance assessed by the VAP audit. Additionally, Western Digital's Audit Program follows the VAP protocol for end-product factories. Our Human Resources team conducts periodic audits of our labor brokers/agents."

[\(FY21 Sustainability Report, p. 34\)](#)

#### Critical Minerals and Metals:

Western Digital uses comprehensive risk identification and mitigation processes and procedures to verify responsible sourcing of critical minerals and metals - namely 3TG and cobalt. We are a part of the RBA's Responsible Mineral Initiative (RMI) and are able to leverage the group's resources and best practices in responsible mineral sourcing. Our five-step due diligence process is aligned with OECD Guidance.

We use our formal supplier risk assessment program to track and disclose the risk profiles of metal smelters and refiners in our supply chain.

CY2020 conflict minerals risks:

High risk: 25 conformant smelters

Low risk: 216 conformant smelters

Risk shift: 1 smelter

Total: 241 smelters

We also disclose the proportion of smelters in our supply chain that were conformant with DRC and conflict minerals standards, as of February 2021 (by metal):

Sn: 100%

Ta: 100%

W: 100%

Au: 97%

(For more information, see: [FY21 Sustainability Report, "Critical Minerals and Metals," p. 34-37](#))

#### INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

Western Digital prohibits recruitment fees and includes related statements in our Global Human Rights Policy.

"We strictly prohibit recruitment fees, and if any such fees are found to have been paid by workers, we ensure they are promptly repaid to the impacted workers."

[\(Western Digital Global Human Rights Policy, p. 2\)](#)

Regarding implementation efforts:

"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 2020 and 2021, these training courses focused on the vulnerability of workers in the supply chain to help mitigate the risks of forced labor and the impacts of COVID-19 on migrant workers. We also facilitated training focused on issues related to working hours during the pandemic. These recent trainings were well attended by internal Western Digital employees as well as 163 suppliers."

[\(FY2021 Modern Slavery and Human Trafficking Statement, p. 2-3\)](#)

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

Western Digital conducts regular audits in conjunction with the RBA to find and remediate any possible labor issues in our supply chain, including forced labor.

We regularly train our employees and supply chain on key labor issues. In 2020 and 2021, this training focused on the vulnerability of supply chain workers to forced labor and COVID-19 related risks.

“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. This is why we continue to engage in a dialogue with all employees and our suppliers and regularly work with third parties to audit our practices and our suppliers' practices. When we have found issues regarding recruitment fees, we have worked quickly to remediate them. Partnering closely with the RBA, we were made aware of 3 suppliers with reimbursement fee issues during FY2021. We worked with the RBA and other member companies to see that over USD 523,000 was reimbursed to employees within the supply chain. We take steps to ensure the employment and/or recruitment agencies used by our suppliers are monitored to assess and address risks of forced labor and human trafficking. We continue to work closely with our suppliers and the RBA to audit practices to ensure suppliers are at all times following appropriate recruiting practices and that any necessary reimbursements are promptly provided to impacted employees.

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[\(FY2021 Modern Slavery and Human Trafficking Statement, p. 2-3\)](#)

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

Western Digital would like to provide additional information on re-payment of recruitment-related fees to workers.

Western Digital’s FY2021 Modern Slavery and Human Trafficking Statement:

“This is why we continue to engage in a dialogue with all employees and our suppliers and regularly work with third parties to audit our practices and our suppliers' practices. When we have found issues regarding recruitment fees, we have worked quickly to remediate them. Partnering closely with the RBA, we were made aware of 3 suppliers with reimbursement fee issues during FY2021. We worked with the RBA and other member companies to see that over USD 523,000 was reimbursed to employees within the supply chain. We take steps to ensure the employment and/or recruitment agencies used by our suppliers are monitored to assess and address risks of forced labor and human trafficking. We continue to work closely with our suppliers and the RBA to audit practices to ensure suppliers are at all times

following appropriate recruiting practices and that any necessary reimbursements are promptly provided to impacted employees.”

[\(FY2021 Modern Slavery and Human Trafficking Statement, p. 2-3\)](#)

Western Digital’s FY2020 Modern Slavery and Human Trafficking statement:

“This is why we continue to engage in a dialogue with all employees and our suppliers and regularly work with third parties to audit our practices and our suppliers’ practices. When we have found issues regarding recruitment fees, we have worked quickly to remediate them. Partnering closely with the RBA, we were made aware of 4 suppliers with reimbursement fee issues during FY2020. We worked with the RBA and other member companies to see that over USD 5.5 Million was reimbursed to employees within the supply chain. We continue to work closely with our suppliers and the RBA to audit practices to ensure suppliers are at all times following appropriate recruiting practices and that any necessary reimbursements are promptly provided to impacted employees.”

[\(FY2020 Modern Slavery and Human Trafficking Statement, p. 3\)](#)

## INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

Western Digital supports responsible recruitment in supply chains by proactively engaging with internal and external stakeholders:

“Stakeholder Engagement and Collaboration-

We proactively engage with internal and external stakeholders as we evaluate our impacts and work to improve the effectiveness of our Human Rights Program:

- Since 2010, Western Digital has collaborated with other major electronics companies to launch supply chain capacity-building seminars and workshops. The seminars and workshops cover topics such as human rights, responsible hiring, foreign worker management, GHG emissions/carbon footprint, energy efficiency management, process chemical management and water stewardship.
- Western Digital works closely with several partners to reduce the risk of forced labor. We continue to work closely with our suppliers and the RBA to audit practices to ensure suppliers are at all times following appropriate recruiting practices and that any necessary reimbursements are promptly provided to impacted employees. When we have found issues regarding recruitment fees, we have worked quickly to remediate them. Through our partnership with the RBA, we were made aware of three suppliers with reimbursement fee issues during FY2021. We worked with the RBA and other member companies to see that over USD 523,000 was reimbursed to employees within the supply chain.



- We have actively participated in the Responsible Labor Initiative (RLI) since its founding in 2017. 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 suppliers.”

[\(FY21 Sustainability Report, p. 33\)](#)

#### INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

#### INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

The Ethics Helpline is available to anyone who wishes to report a concern, including non-employees and any other external parties. This includes workers below the first-tier of Western Digital’s supply chain.

Additionally, for Western Digital suppliers who are RBA members, the [RBA Worker Voice Platform](#) allows their workers to provide feedback and report grievances on supply chain conditions and other issues to the RBA through the website or mobile app.

[FY2021 Sustainability Report, “Raising Concerns”, p. 52:](#)

“Our Ethics Helpline is available to all and is at times used by employees and external parties, including business partners, suppliers and members of our communities.”

[Global Human Rights Policy, p. 3:](#)

“We offer the Helpline to anyone who suspects human rights abuses or other misconduct, whether employed by Western Digital or not.”

[Responsible Minerals Policy:](#)

“Western Digital also has an Ethics Helpline that is available for employees, suppliers and other stakeholders in the supply chain to raise concerns.”

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

#### INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

Western Digital uses the RBA VAP as our standard audit methodology for sites. For select sites, depending on the conditions and business needs, we use the RBA SVAP methodology.

Western Digital has provided evidence of our use of SVAP audits at select sites to Know the Chain directly.

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

Western Digital closely monitors beyond-first-tier suppliers of critical minerals and metals (3TG, cobalt, “conflict minerals”) through our Responsible Minerals Program. This program includes smelters and refiners of critical minerals and metals who are our beyond-first-tier suppliers. It assesses the risks of and works to prevent financing of armed groups in the DRC region and, child labor, human rights abuses or environmental pollution.

For more information on the program, please see our [FY2021 Sustainability Report, “Critical Minerals and Metals” section, p. 34-37.](#)

Western Digital discloses findings on critical minerals and metals smelters and refiners in our annual Conflict Minerals Special Disclosure, including a list of these smelters and refiners (p. A-1 to A-7), their compliance with our standards for such suppliers (p. A-1 to A-7), and a Reasonable Country of Origin (RCOI) list (p. 7 and B-1).  
[\(SEC Form SD: Conflict Minerals Disclosure CY2021\)](#)

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers’ rights and priorities).

#### INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

Western Digital has disclosed two examples of our remedy process through reimbursement, in FY2021 and FY2020, through our Modern Slavery and Human Trafficking Statements for the corresponding years.

[FY2021 Modern Slavery and Human Trafficking Statement, p. 3:](#)

“This is why we continue to engage in a dialogue with all employees and our suppliers and regularly work with third parties to audit our practices and our suppliers' practices. When we have found issues regarding recruitment fees, we have worked quickly to remediate them. Partnering closely with the RBA, we were made aware of 3 suppliers with reimbursement fee issues during FY2021. We worked with the RBA and other member companies to see that over USD 523,000 was reimbursed to employees within the supply chain. We take steps to ensure the employment and/or recruitment agencies used by our suppliers are monitored to assess and address risks of forced labor and human trafficking. We continue to work closely with our suppliers and the RBA to audit practices to ensure suppliers are at all times following appropriate recruiting practices and that any necessary reimbursements are promptly provided to impacted employees.”

[FY2020 Modern Slavery and Human Trafficking Statement, p. 3:](#)

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In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

## NON-SCORED RESEARCH

### **Reporting Legislations**

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

### **High Risk Sourcing**

*Please indicate whether your company sources from China or Malaysia. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.*