

One Home One Family of Brands

WILLIAMS-SONOMA, INC.

CORPORATE SOCIAL RESPONSIBILITY

POTTERY BARN POTTERY BARN KIDS PBTEEN
WEST ELM WILLIAMS SONOMA WILLIAMS SONOMA HOME
MARK AND GRAHAM REJUVENATION

“At Williams-Sonoma, Inc., corporate responsibility is core to our commitment to quality, as well as an extension of our relationship with our associates, customers, and partners. These efforts begin with the furthest reaches of our supply chain until each product arrives within our customers’ homes.”

- LAURA ALBER, CEO

WILLIAMS-SONOMA, INC.

At Williams-Sonoma, Inc., we may work for different brands, in a distribution center or call center, in the corporate offices or in a store, locally or globally. No matter where we work, we share one home, built by all of us. Our values drive our business and your actions make an impact.

You embody our values by treating others with respect, making conscious choices and improving the lives of our customers and the communities where we work. The world is always changing and bringing new challenges, but when we collaborate to reach common goals, we create solutions with the potential to benefit everyone.

We're continually working to achieve our business goals while improving our social and environmental performance. As a framework to guide our efforts, we've committed to positive impact in three key areas:

OUR HOME — Operations

YOUR HOME — Products & Materials

THE WORLD'S HOME — People & Communities

WSI Goals & Progress

Our responsibility extends to every part of our business, from our corporate offices to our global stores. By setting goals across our brands, we make our values into action. Every day, you make small and big choices that help us meet these goals.

GOAL	PROGRESS	YEAR
100% responsibly sourced cotton across WSI	ON TRACK	2021
50% responsibly sourced wood across WSI	ON TRACK	2021
75% landfill diversion across WSI	ON TRACK	2021
Wellbeing for 100,000+ workers across WSI	ON TRACK	2020
\$3M in Fair Trade community development across WSI	ON TRACK	2020
20% handcrafted, 40% Fair Trade product at west elm	MET & ON TRACK	2020
100% GreenGuard Pottery Barn Kids bedroom and nursery furniture	ON TRACK	2018

Responsible Materials & Products

To help customers make informed purchases and to reinforce our integrity, we seek third-party certifications for many products. We use several different types of certifications, so to make things simple, we've standardized a few icons across brands to identify Organic, Sustainably Sourced, Fair Trade, Handcrafted and Chem Conscious products.

Look for these goals and icons throughout these pages, learn what they mean, and consider how your work contributes to the big picture. Every person makes a difference — you are the thread that ties our values to our business.



WILLIAMS-SONOMA, INC.

ONE HOME. ONE FAMILY OF BRANDS.

Our values lead our business. Your actions make an impact.

OUR HOME

How can we make an impact through our operations?



BE AN ADVOCATE FOR DIVERSITY + INCLUSION

#1 company for women leaders

90%: our Corporate Equality Index score. #1 company for women leaders, based on a 2015-16 UC Davis study.



SAVE ENERGY + REDUCE CARBON EMISSIONS

Turn off lights and computers, and close doors to keep heat and cool air in.

Over 240 stores, distribution centers, and offices installed energy-efficient lighting, sparking over \$3M in energy savings across WSI to date!



REDUCE, REUSE, RECYCLE

Print with care, reuse boxes and bags, and recycle.

37% of our waste was kept from landfills last year, creating \$1.5M in recycling rebates! By 2021, 75% of our waste will be diverted from landfills.

YOUR HOME

How can we make an impact through our products and materials?



SUPPORT RESPONSIBLE MATERIALS + PRODUCTS

Learn and share about organic, responsibly sourced and low-emissions products.

BY 2021:

100% of our cotton will be responsibly sourced.
50% of our wood will be responsibly sourced.



DESIGN FOR PEOPLE + THE PLANET

Help create beautiful, high-quality products that will last for generations.

In 2016, WSI was one of the Top 10 companies worldwide using recycled polyester + organic cotton, according to Textile Exchange. We were the 1st home retailer to offer Fair Trade Certified™ products.

THE WORLD'S HOME

How can we make an impact on the people and communities where we work?



LEAD THE INDUSTRY IN SUPPLY CHAIN DEVELOPMENT

Learn about our partnerships with HERproject, Fair Trade, Nest and VisionSpring

Our goal is to reach 100,000+ workers by 2020 through supply chain programs such as HERproject and VisionSpring.



JOIN A COMMUNITY CAUSE

Volunteer for causes you believe in, and organize an event with your coworkers.

Over 12,500 employee volunteer hours were logged in 2017, including 800+ associates volunteering locally during MLK Jr. Day of Service.

Learn more or share ideas for how to turn our values into action: Email WSICSR@WSGC.COM

Our Home

Diversity & Inclusion

At WSI, we are committed to honoring and investing in the full diversity of people, in our hiring, recruiting and development of associates across all company functions. We firmly believe that working in a culture focused on diversity and inclusion spurs innovation, creates healthy and high-performing teams, and delivers a retail experience that will continue to surprise and delight our customers.

LGBT Equality

In 2016, WSI scored 90% of the Corporate Equality index, a national benchmark of LGBT workplace equality administered by the Human Rights Campaign Foundation. This is in part due to the policies we have in place that protect the LGBT community from discriminatory actions in our workplace, along with our ongoing efforts to support LGBT groups and community events. In 2017, we became a signatory to the UN Free & Equal Campaign, signaling our commitment to equality in the workplace.

Gender Equality

WSI also continues to pave the way for gender diversity in executive leadership. In 2015, WSI was named California's #1 Company for female leadership by UC Davis, based on having over 57% of women in top jobs – the highest percentage reported by any company in the 11 years UC Davis has been researching women in business.



San Francisco Pride 2018



Williams-Sonoma Drag Queen Cookoff — Top Chef 2018



Andria Varnado, WSI VP of Strategy & Business Development, speaks at a store event



San Francisco Pride 2018

Energy Efficiency and Emissions Reductions



Every decision we make has the potential to create positive impact. We are committed to doing our part to make business a force for good by focusing on the footprint of our operations and materials.

Greenhouse gas emissions are increasingly the focus of public concern for the welfare of our environment. Reducing emissions by increasing efficiency provides us with significant cost savings, a competitive advantage and supports our commitment to reducing our environmental impact. We have made significant strides in emissions reductions. While revenues grew by 4 percent in 2017, our overall greenhouse gas emissions went down by 8 percent. Our goal is to continue to develop a long-term emissions strategy to improve our reduction efforts.

Landfill Diversion

WSI CSR GOAL

Divert 75% of our waste from landfills to recycling and composting by 2021

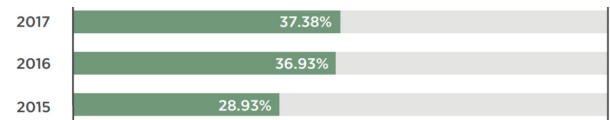
As a major multi-channel retailer, there is tremendous opportunity for us to reduce the millions of pounds of waste that we send to landfills annually, while also generating cost savings. At WSI, we are committed to increasing diversion (keeping what would be considered waste product out of the landfill) through recycling and composting efforts in our stores, distribution centers and corporate offices.

Why It Matters

Trash rarely decomposes – plastic and EPS foam can last for hundreds of years in a landfill. Decomposing waste in landfills releases methane gas, a greenhouse gas which contributes to climate change. Closed landfills may continue to emit methane for years as buried organic material continues to decay, leaching contaminants into groundwater sources nearby. Our brands provide customers with high-quality, beautifully designed and responsibly-made products that last for generations while being safe for families. Being more responsible helps us adapt to a changing world – and gives us a competitive advantage.



Calculation: Percent of recycled and composted volume diverted from landfill in tons. Scope includes distribution centers, in-sourced hubs, corporate offices and retail stores in North America.



2021 GOAL: 75%

Your Home

RESPONSIBLE MATERIALS & PRODUCTS

It's important that we provide customers with high-quality, beautifully designed products that last for generations and are safe for families. People also want products that are responsibly made through each step of production, and they're paying attention to these issues when they shop.

As a retailer committed to responsible business practices, one of our biggest impacts comes from the materials we use in our products. For that reason, we have made big commitments to responsibly sourced materials across all our brands. We partner with independent non-profits and organizations who verify our compliance with third-party certifications. This ensures our product claims are correct. How can YOU help us explain what's behind the label to our customers?

Responsibly Sourced Cotton

WSI CSR GOAL

100% Responsibly Sourced Cotton by 2021

Certifications

Look for these logos on products to indicate responsibly sourced cotton:



ORGANIC



SUSTAINABLY SOURCED



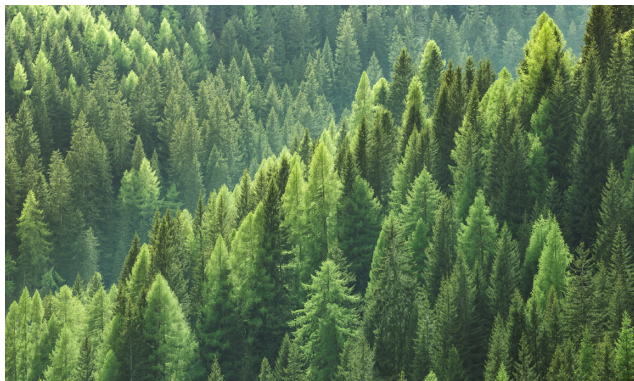
By 2021, all of WSI's cotton will be organic or sustainably sourced

Why It Matters

In textiles, cotton is our great volume material. The certifications above apply towards our public 100% responsibly sourced cotton goal across all WSI brands by 2021. Each category counts equally towards the 100% target by 2021, and is meant to provide brands with a variety of tools to develop a responsibly sourced program aligned with brand identity and costing.

We support the Global Organic Textile Standard (GOTS) as the gold standard in certifications because it goes from farm to finished product. In 2016, we also signed onto the Better Cotton Initiative (BCI). BCI is a global system for cultivating more sustainable cotton. It trains farmers in better practices, including the use of natural alternatives to harmful chemicals.

Responsibly Sourced Wood



By 2021, 50% of WSI's wood will be reclaimed, recycled or FSC-certified

WSI CSR GOAL

50% Responsibly Sourced Wood by 2021

Certifications

Look for these logos on products to indicate responsibly sourced wood:



SUSTAINABLY SOURCED



Why It Matters

Forests filter the water we drink and the air we breathe. Worldwide, 1.6 billion people rely on forests for their

livelihoods, including food, clothing or shelter. Deforestation and forest destruction is the second leading cause of carbon pollution, causing 20% of total greenhouse gas emissions.

In furniture, wood is one of the largest volume materials we use. By choosing to use responsibly sourced wood in our products, we support healthy forests and ecosystems. The certifications above apply towards the public 50% responsibly sourced cotton goal WSI has pledged to reach across all brands by 2021. Each category counts equally towards the target and is meant to provide brands with a variety of tools to develop a responsibly sourced program aligned with brand identity and costing.

In your work, keep an eye out for furniture that is certified by the Forest Stewardship Council® (FSC). This certification is the gold standard of healthy forest management and sustainable timber, and where consumers' purchases make the greatest impact. As a member of World Wildlife Fund's Global Forest & Trade Network (GFTN), we also set goals to engage our suppliers to adopt year-over-year improvements towards higher responsible sourcing standards.

OTHER RESPONSIBLY SOURCED MATERIALS

Fiber Alternatives

Certifications

Look for these logos on products to indicate sustainably sourced textiles:



Why It Matters

We are a leader in pioneering new fibers that offer a more sustainable alternative to traditional materials, like REPREVE polyester made from recycled plastic bottles that are chipped down and spun into new fiber or TENCEL™, which uses a closed-loop (pollution-free) process to transform FSC-certified wood pulp into a silky-smooth fiber, providing a super sustainable alternative to viscose or other synthetic, petroleum-based fibers.

Quality Food

We offer the best quality foods, made with the purest ingredients possible, whether sourced from around the world or developed in our own test kitchen. We do not use high-fructose corn syrup, hydrogenated fats, partially hydrogenated oils, artificial flavors or preservatives, and we do our best to avoid high levels of sodium. We are increasing our percentage of organic and non-GMO ingredients, and we continue to celebrate local food artisans and assortments in our communities.

LED Lighting



Updating our stores with energy efficient lighting has saved us over \$1.4M

We are committed to increasing the use of LED technology in all lighting products. By retrofitting existing lights, we can provide environmentally friendly alternatives. Partnering with industry-leading manufacturers, we will also be able to design new lighting solutions and bring better technologies to our customers.

Low-VOC Finishes

WSI CSR GOAL

Pottery Barn Kids nursery and bedroom furniture will be 100% GREENGUARD certified by the end of 2018

Certifications

Look for these logos on products to indicate low VOC finishes:



**CHEM
CONSCIOUS**



Pottery Barn Kids x West Elm collaborated on a GREENGUARD certified collection

Why It Matters

We are committed to the health and safety of our customers. All of our products meet national and state laws for restricted substances and emissions. We meet and exceed these regulations with rigorous testing standards for quality and safety. We also have dedicated teams, at the corporate level and at each brand, tasked with evaluating the latest research into safer materials and new techniques.

In addition, we are expanding our offering of low-VOC (volatile organic compound) and water-based furniture finishes. Look for the above icons to identify products with finishes that use fewer harsh solvents and emit fewer Volatile Organic Compounds (VOCs), improving indoor air quality for our factory workers and customers' homes. This is particularly important to our children's products, as the health impacts of chemicals and indoor air pollution are especially dangerous to children. Our PBK brand is proud to lead its industry through our commitment to safe and non-toxic products.

The World's Home

As a global multi-channel retailer, our business thrives in a world in which people and communities thrive. Creating a positive impact on the communities where we work is more and more important as our global business grows and consumers look to business to be a force for good.

Fair Trade

WSI CSR GOAL

We will pay \$3M back in premiums to workers in our supply chain and 40% of west elm's assortment will be Fair Trade Certified™ by 2020

Certifications

Look for these logos on products to indicate Fair Trade certification:



Women at a Fair Trade Certified Factory in India

Why It Matters

Fair Trade is a market-based approach to creating healthy and safe working conditions, additional income for workers and high environmental standards. We work with non-profit Fair Trade USA's Factory Certification program and were the first retailer to bring this into the home space. For each Fair Trade Certified product, workers earn a premium that they collectively invest in community initiatives that matter most to them, like health care or education. Our Fair Trade factories impact over 12,000 workers.

Handcrafted



WSI's Sutter Street Upholstery Workshop in Hickory, North Carolina

WSI CSR GOAL

Maintain 20% handcrafted assortment at west elm through 2020

Certifications

Look for these logos on products to indicate handcrafted certification:



Why It Matters

A handcrafted product contains the story of a time-honored skill, craft or process. The icon designates products made with artisanal skill or craft, such as block-printed textiles, hand-knotted rugs, hand-painted ceramics, macramé runners or woven baskets. While no explicit certification exists for handcrafted products, we follow the UNESCO definition, in which "the direct manual contribution of the artisan" comprises the primary value of the product.

Nest Ethically Handcrafted

Nest Ethically Handcrafted is a global industry-wide initiative focused on bringing unprecedented transparency, social responsibility and sustainability to fashion and home design supply chains that employ artisans and homeworkers. The Nest project offers training and capacity building for our artisan vendors on ethical compliance including transparency and rights, fair compensation, health and safety to help increase global workforce inclusivity and preserve artisanal and handcrafted techniques.

Worker Education & Empowerment

WSI CSR GOAL

Positively impact over 100,000 workers by 2020 through education and worker wellbeing initiatives such as HERproject and VisionSpring

Programs

Look for these logos on products to indicate education and empowerment:



Why It Matters

We believe business can be a force for good. We seek to empower each and every individual in our supply chain to achieve their full potential and lift up their families and communities. Through partnerships with global nonprofit organizations, we are working to support the economic empowerment and self-reliance of our factory workers. In 2017 we were able to provide financial literacy and health education to over 29,000 workers. We've also partnered with VisionSpring to provide reading glasses to 20,000 workers by the end of 2018, leading to greater financial security and improved health.

HERproject

HERproject empowers low-income women working in global supply chains through workplace programs promoting health, financial inclusion, and positive gender relationships. HERproject stands with women as they take greater control of their lives, ensuring that they can make and act on choices they value. We firmly believe that women in global supply chains have the potential to be powerful agents for positive change in workplaces and in society. HERproject works to unlock that potential and is partnering with WSI to reach over 70,000 workers.

VisionSpring

VisionSpring unleashes economic opportunity for low-income workers by providing easy, affordable access to eyewear. For those who work in the textile industry, local tailors, rug makers, bike mechanics, weavers, artisans, and anyone who needs to see up close for their profession, the loss of near vision during prime working years can affect their ability to earn a living and support a family. VisionSpring was founded on a very basic principle: "If you can't see, you can't work." With VisionSpring, WSI is screening and providing eyewear to over 20,000 makers in India and the Philippines through 2018 and tens of thousands more through 2020.



Women gather for a HERproject meeting



A silk spinner in India, where HERproject and VisionSpring serve WSI workers

Giving & Volunteering

We work every day to create a sense of home in people's lives, and this mission also guides our giving and volunteering strategy. We support a range of causes that reflect the passion and dedication of our associates and resonate with our customers, allowing us to raise funds to support the causes we believe in and give back to the communities where we work through volunteering and community outreach.

Corporate Giving

Providing financial support to people, organizations and causes is an integral part of our community strategy. Our goal is to maintain or increase our giving across a range of causes, including St. Jude and gifts-in-kind product donations. From 2016-2017, our corporate giving increased 20% to a total of \$10.6 million.

Volunteering

Volunteering deepens our presence in communities, enhances our relationships with customers and strengthens employee engagement. Our goal is to continue to evolve our volunteering program to increase associate participation and create greater impact in our communities. In 2017, our non-store associates spent over 12,500 hours volunteering to support causes they care about.

Associates throughout Williams-Sonoma, Inc. gave their time and talent to numerous causes and communities. They turned up in significant numbers to support AIDS Walk New York and AIDS Walk San Francisco. Williams Sonoma joined No Kid Hungry, which is working to end childhood hunger in America and aligns with the brand's mission to bring people together around food. Teaming up with leading chefs to present exclusive "Cooking for a Cause" classes in 30 stores nationwide, Williams-Sonoma also sold celebrity chef spatulas, donating nearly one-third of profits to the cause. Associates at West Elm have acted as ambassadors to the It Gets Better Project, supporting LGBT youth by connecting them with resources in their local communities.

At holiday, all field associates rally to support St. Jude Children's Research Hospital®, demonstrating how we can utilize our assets as a company – from our customer relationships to our product design – to raise money to fight devastating childhood diseases.

More Milestones

- Over the past decade, we have made grants throughout the country to shelters for homeless families and children; these support childcare, help for women escaping domestic violence, and recreational activities.
- We have been a leading supporter of the AIDS Walk, both in New York and San Francisco, raising more than \$1 million to date.
- Full-time corporate associates can spend eight hours of paid time volunteering annually; past efforts have included beach clean-ups, habitat restoration and work at local food banks.
- Each year, our associates lead a major campaign to raise money for St. Jude Children's Research Hospital, the leader in childhood disease research. Since 2005, we have helped raise over \$43 million.

Whatever challenges we take on as an organization, we bring the commitment of Williams-Sonoma, Inc., along with the power of our brands and the limitless passion, talent and dedication of our associates.



West Elm employees at AIDS Walk New York



Volunteering for St. Jude Children's Research Hospital