

WILLIAMS-SONOMA, INC.

2013 Corporate  
**RESPONSIBILITY  
REPORT**



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# A LETTER

## from our CEO



In 2013, we added Corporate Responsibility to our list of core values as a company. This action signifies our public commitment to becoming more responsible in every part of our business. It also reflects

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*“Corporate Responsibility is now one of our core values as a company, reflecting our commitment to integrating it into every part of our business.”*

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where we are on our journey. We have laid a strong foundation for making both social and environmental improvements. Our focus has shifted to how we can truly integrate corporate responsibility into our business strategy, brands and engagement with employees and customers.

One example is our new Energy Leadership Team, which is bringing together leaders from throughout Williams-Sonoma, Inc. to develop our companywide energy strategy. Our brands are also gaining momentum. West Elm has made a Clinton Global Initiative Commitment to Action to significantly increase its handcrafted collection over the next two years. This important step not only will build

West Elm's business but will also positively impact thousands of artisans and their families.

As we expand globally, we continue to look for ways to support people and communities. Our associates joined us in offering support after the devastation of natural disasters such as Typhoon Haiyan in the Philippines. We doubled the amount our associates can contribute through our Matching Gifts program, and they continue to embrace a range of causes.

Acting responsibly includes being open about our progress and challenges. This year we are publishing our second Corporate Responsibility Scorecard, which highlights our results in a range of areas, from the amount of organic cotton in our textiles to our greenhouse gas emissions. As we continue on our journey, we see even more opportunity to align our vision and passion as a company with our efforts to make a positive difference.

**LAURA ALBER**  
President and CEO

### OUR PROMISE TO OUR STAKEHOLDERS

1. We will make long-term, incremental progress toward being a more sustainable, responsible company.

2. We will provide annual updates on our achievements, challenges and the work we still need to do.

3. We will aim to bring benefits to all of our stakeholders, from our customers, associates and investors to the people who make our products and the communities where we do business.

# GOVERNANCE

leading us toward further progress



Our leadership team plays an instrumental role in making our commitment to corporate responsibility part of our culture and approach to doing business. It provides direction, helps drive change day to day and signals to stakeholders that our efforts are a priority.

Our President and CEO, Laura Alber, brings a deep personal commitment to these efforts, helping to shape our vision and execute our strategy. Our Board also believes that corporate responsibility must align with our business strategy. Board members receive

regular updates on our progress and provide ongoing support.

Since 2009, our Sustainable Development department has played a key role in driving change across our company. This team works with leaders in a variety of areas to develop our strategy, set tangible goals, engage our stakeholders and implement new initiatives. The team also supports our brands, helping them marry their sustainability and business goals.

# STRATEGY

aligning corporate responsibility with  
our ambitious business goals



As we work to become more responsible, we focus on three main areas: products, operations and people. Each presents unique challenges and opportunities to align our business goals with social and environmental progress.

We see ourselves at an important inflection point. Over the past five years, we have worked to understand our impact and what is most essential to our business. We began measuring our carbon emissions, undertook efficiency projects and developed processes to track the sources of our raw materials. We now offer more sustainable products to our customers and our associates are engaged in a range of community initiatives.

Corporate responsibility has shifted from being a trend to an established part of doing business in the 21<sup>st</sup> century. With a strong foundation in place, we are asking how our efforts can further drive our business success. We are collaborating in new ways, incorporating sustainability into our brand strategies, and challenging ourselves to deliver both top- and

bottom-line value. For example, in 2013 we launched our Energy Leadership Team to develop a companywide energy strategy. We also began expanding our social compliance team to enhance our approach to factory working conditions. And we have played a leading role in bringing together companies to develop joint standards for environmental and social responsibility.

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*As our company expands globally, we are setting ambitious goals, from pursuing new markets to increasing our brand strength to building the strongest team in retail.*

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As our company expands globally, we are setting ambitious goals, from pursuing new markets to increasing our brand strength to building the strongest team in retail. Acting responsibly supports all of these. We will continue to build on these connections so that our environmental and social performance is tied to our business strategy and long-term success.

# PRODUCTS

a commitment to both style and substance

Our promise to our customers is to make beautiful products – inside and out. That means creating great designs while being mindful of the health of people and the planet. One of our priorities is the responsible use of raw materials. Increasingly, we are using organic cotton in our textiles as well as wood certified by the Forest Stewardship Council™ in our furniture. We believe that the quality of our products must extend to what they are made of and how they are made.

# THE STORY BEHIND FSC®-CERTIFIED WOOD

where it comes from and why it matters



Behind the simple elegance of a Pottery Barn deck chair or West Elm bedroom set lies a more complex story about how we can create beautiful products for our customers while protecting natural resources. Using wood certified to Forest Stewardship Council (FSC) standards brings us closer to realizing this vision. FSC certification is widely recognized as the gold standard for maintaining the world's forests. The

*"Companies like Williams-Sonoma, Inc. have an important role to play in making responsible forestry practices the rule rather than the exception," says Amy Smith, Senior Program Officer with WWF's GFTN, North America program. "They can help transform the market. By digging into its supply chain, working in collaboration with its suppliers and managing risk, Williams-Sonoma, Inc. is a model for the private sector."*

label signals that paper or wood products meet the strictest environmental, social and economic criteria.

FSC criteria include respecting the rights of indigenous peoples, conserving biological diversity and supporting local communities. The benefits of taking these steps

are many. For example, trees and other plants soak up carbon dioxide from the atmosphere; today, up to 20% of greenhouse gas emissions are caused by deforestation and forest degradation. Forests support plants, animals and people — 80% of the world's known plant and animal species can be found in forests, and 1.6 billion people rely on them for survival.

In 2013, 11% of the wood in our furniture was FSC-certified, compared to 7% in 2012. We are committed to increasing our use of FSC-certified wood, though we recognize that this may take time due to supply and pricing issues. We will also increase the amount of wood overall that we source from countries with widely accepted forestry practices, regulations and enforcement, such as the United States. We are working toward these goals in collaboration with our suppliers and through our participation in World Wildlife Fund's Global Forest & Trade Network, North America program.

# THE STORY BEHIND FSC®-CERTIFIED WOOD

continued

## WHERE DOES OUR WOOD COME FROM?



\*These countries, including the Philippines, Canada, Malaysia, Ukraine and Australia, each individually represent 1% or less of our overall wood sourcing for furniture.

We source the FSC-certified wood in our furniture from a range of countries, each presenting a unique opportunity to create positive impact. Below we highlight three regions where we source the greatest supply of FSC-certified wood by volume.

**INDONESIA:** This region provides us with FSC-certified mahogany, which is used in a wide range of our furniture and is extremely stable and sturdy. Our use of FSC-certified wood from Java helps to ease pressure on the biologically diverse forests under threat in nearby Sumatra and Borneo, benefiting endangered species like orangutans, elephants and tigers.



**VIETNAM:** Much of our FSC-certified reclaimed wood comes from shipping pallets and crates. Reclaimed wood brings unique character to products such as dressers and tables. It not only has an extended life by being used again for another purpose, but it reduces the need to harvest from forests.



**29%** of the wood used in our furniture is sourced from the United States, New Zealand and the European Union. These regions have widely accepted forestry practices, regulations and enforcement. Over the next several years, we plan to source even more of our wood from these preferred sources.

**SOUTH AMERICA:** FSC-certified eucalyptus from Brazil and Uruguay is used in our outdoor furniture due to its durability and beauty. Sourcing this wood helps to reduce pressure on the neighboring Amazon, which is home to one out of ten of the world's species of plants and animals.



# THE BENEFITS OF ORGANIC COTTON

creating a positive impact for farmers, the environment,  
our customers and our business

Our use of organic cotton brings a cascade of benefits that start in local communities throughout the world and extend all the way to the homes of our customers. Organic farming greatly reduces the use of chemicals in the production process, protecting farmers, water supplies and wildlife. Because it involves the rotation of crops, organic farming enriches the soil and enhances biodiversity. Farmers and their families benefit from greater food security, as well as increased employment opportunities and income.

Beyond the impact on individuals and communities, organic cotton brings broader environmental benefits. The majority of organic cotton crops are rainfed, meaning they utilize far less irrigated water. They make soil healthier, more resilient to climate change and better able to absorb carbon. As a result, growing organic cotton produces significantly less greenhouse gas emissions than conventional cotton.

All of these benefits make organic cotton appealing to our customers, who have expressed a desire to support the environment, feel connected to the people who make their products and reduce their exposure to chemicals. Many customers seek out organic prod-



ucts such as bedding and towels because they come into direct contact with the skin.

Organic cotton is a key part of our strategy to align our environmental and business goals. In 2013, 13% of the cotton in our textiles was organic, compared to 11% in 2012.

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*“By making a significant commitment to organic cotton, Williams-Sonoma, Inc. sends a positive message to consumers and helps them understand why organic is so important. Big companies play a critical role in supporting the organic cotton market through their consistent purchasing decisions and influence over both suppliers and the public. Williams-Sonoma, Inc. is definitely making a difference in helping the organic supply get to a greater scale.”*

- Liesl Truscott, European and Farm Engagement Director of Textile Exchange

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# PARTNERING WITH ARTISANS

a commitment that serves our business, customers and communities throughout the world



PORT-AU-PRINCE  
PAPIER-MÂCHÉ,  
HAITI



KATHMANDU FELT MAKERS,  
NEPAL



JAIPUR BLOCK PRINTERS,  
INDIA



One of our guiding principles is to link our efforts in corporate responsibility with our core business. In 2013, West Elm offered a case study in how we can marry these two priorities. The brand announced a Clinton Global Initiative Commitment to Action to significantly increase its purchase of handcrafted products by 40% in the next two years – from \$25 million in 2013 to \$35 million in 2015.

West Elm plans to collaborate with more than 20 artisan groups in 15 countries, including Colombia, Haiti, India, Mali, Nicaragua, Peru, the Philippines,

Thailand, the U.S. and Vietnam. Offering everything from hand-woven rugs to papier-mâché decorative art, the initiative answers a

*“Our willingness to invest in the well-being of craft communities at home and around the world is what sets West Elm apart. We’re helping people grow their businesses from the ground up.”*

— Jim Brett, President, West Elm

rising demand from consumers to feel a personal connection with the people behind the products they buy.

At the same time, West Elm is making a significant social and economic

impact. The brand estimates that it will make a difference in the lives of 4,500 artisan workers and 18,000 family members. Together, our customers and our company will support local economies and preserve craft traditions.

# SUTTER STREET: MADE IN AMERICA

providing our customers with great quality  
and creating jobs



Every couch made at our Sutter Street facility in North Carolina is touched by 30 sets of hands, underscoring both the high quality we provide to our customers and the impact we are making on people and communities. Sutter Street was founded in 2007 and has both preserved craftsmanship and created jobs. It thereby benefits our business, our customers and the people who make our products. Some of our associates are carrying on a tradition that started in their families generations ago. They bring the same care as their parents and grandparents to each piece of upholstered furniture.

Sutter Street has grown significantly over the past several years. From an original team of 30, we now employ 400 people, and our production has increased from 250 pieces a week to a recent peak of 6,700. In addition, we have opened a satellite facility in southern California to serve our West Coast customers, gaining efficiencies that have brought savings and better service. These developments show how we can create value for our business, our customers and local communities.



*“Sutter Street gave me a job. It’s been my livelihood. It’s been my career. And I’m thankful for that.”*

—Joyce Herman, Sutter Street Factory Associate



# OPERATIONS

aligning our environmental and business performance

Efficiency goes hand in hand with acting responsibly. We continue to find opportunities to make both environmental and business improvements by saving energy and reducing waste. To act more effectively, we are developing a companywide energy and emissions-reduction strategy. As we identify further efficiencies in our stores, logistics, distribution centers and other areas, we will track our progress, set long-term targets and look for new solutions.

# ENERGY

forging new relationships to advance  
our efficiency goals

As we deepen our energy and carbon-reduction strategies, we have turned to new collaborations to advance our progress. In the summer of 2013, we hired an Environmental Defense Fund (EDF) Climate Corps Fellow who is specially trained to help large organizations reduce their costs while creating environmental improvements.

The EDF Climate Corps program began in 2008 and has grown from 7 to 116 experts nationwide, working in both the private and public sectors. Inspiration for the program came from a striking statistic – 40% of all the energy used in the United States comes from commercial and residential buildings. Experts analyze the complexity of consumption patterns to identify the greatest oppor-

tunities for new efficiencies. Just as important, they work to connect people from different parts of an organization to align goals.

One goal for our fellowship was to lay the groundwork for our own internal collaboration: the creation of a new Energy Leadership Team at Williams-Sonoma, Inc. Formed in mid-2013, this team includes key decision makers and operations managers responsible for the energy usage at all of our owned and managed facilities, from our distribution centers to our offices, call centers, stores and data centers.

The team is focused on both short- and long-term goals. It began by conducting energy audits at key locations, implementing a quarterly review of our energy use and prioritizing new efficiency projects. Its next priority will be creating companywide reduction targets and developing a climate change policy. Over time, the team will develop a renewable energy strategy. A theme running across all of these areas is how to manage our energy consumption, even as our business continues to grow.

In addition to providing valuable insights into industry standards and best practices, our collaboration with EDF helped build momentum to work strategically across our business. In the future, we may once again bring in outside expertise to help develop a renewable energy strategy that will bring us even closer to achieving our long-term goals.




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*“There is a tremendous opportunity for greater efficiency. Our approach is absolutely win-win-win. Win for the environment, win for business and win for the economy. Companies like Williams-Sonoma, Inc. play a large part in that equation.”*

— Sitar Mody, Senior Manager of Strategy for Environmental Defense Fund’s Climate Corps Program

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# SUPPLY CHAIN

helping to lead our industry toward common standards  
for corporate responsibility



As companies work to become more responsible, a growing number – both within and across industries – are recognizing that they share many of the same challenges and goals. To make faster progress, they are coming together to exchange ideas, design common standards and invite others to participate in creating change.

Williams-Sonoma, Inc. is taking a leadership role in this new kind of collaboration. In early 2013 we became a founding member of the Sustainable Textile Coalition, which was formed to create a common approach to evaluating textile product sustainability. To accelerate progress, this group has since become part of the Sustainable Apparel Coalition, which has been pursuing similar goals for the apparel and footwear industries.

At the heart of the collaboration is the development of a widely available tool to assess environmental and social performance across the entire value chain. Prominent brands

– including Adidas, Coca-Cola, Gap, H&M, Target and many others – are utilizing the tool to assess the social and environmental performance of their products.

We launched a pilot of the tool with select vendors this past year to assess their environmental performance. Gathering this information facilitates partnership with our vendors to improve their operations. It also helps us integrate sustainability into our core business decisions. In 2014, we will incorporate the data we collect into our vendor scorecard along with assessments related to cost, quality and performance.

Working with the Sustainable Apparel Coalition signals that we are entering a new phase in creating long-term change, with a focus on making progress throughout our industry and beyond. As we move forward, we will continue to play an active role in shaping and utilizing standards that hold the potential to create large-scale impact.

A woman and a man are standing on a rooftop, looking at architectural plans. The woman is on the left, wearing a striped shirt, and the man is on the right, wearing a blue striped shirt and sunglasses. They are both holding and looking at a large sheet of paper with architectural drawings. The background shows a city skyline with various buildings under a bright sky.

# PEOPLE

supporting the most important part of our business

**Our vision can only come to life through people. We work to support their health, well-being and ability to make a positive impact. One of our priorities is to ensure that the people who make our products work in safe, fair conditions. We also provide numerous opportunities for our associates to contribute to the community. These include our matching gifts programs, financial support of a wide range of causes, donations and grants in the wake of natural disasters, and our paid volunteer program.**

# SEEKING TO ENSURE SAFE, FAIR WORKING CONDITIONS

how we are evolving our factory audits and social compliance program



BLOCK PRINTERS, INDIA

One of our priorities as a company is to ensure that the people who make our products work in safe conditions and are treated with dignity and respect. Acting ethically is both the right thing to do and an essential way to create business value. Our commitment to fair labor practices is increasingly important to our associates, customers, investors and other stakeholders.

We have a range of processes in place to ensure that our standards are upheld. As a condition of working with us, our suppliers are expected to abide by our Vendor Code of Conduct, which outlines our requirements related to worker safety and labor practices. We monitor compliance through third-party audits and on-site assessments, and we

maintain a zero-tolerance policy for serious violations, including the use of involuntary labor, child labor, bonded labor, bribery and discrimination.

If such violations occur, we will take appropriate action, which may include ceasing to do business with that factory. We also work with factories to address less serious violations of our Code through corrective action plans. We have enhanced our analysis of factory audit results to help us focus on the most pressing issues.

Beyond these steps, we are adjusting our strategy to align with a major change in our sourcing organization. We are moving away from using external agents to managing our suppliers in-house. As part of

# SEEKING TO ENSURE SAFE, FAIR WORKING CONDITIONS

continued

this change, we have expanded our social compliance team and are creating a vision for evolving this work in the future.

We expect that ethical sourcing will become even more critical to our success. Our program is supported at the highest levels of leadership at Williams-Sonoma, Inc. and is included in our company's core values. This commitment is not symbolic, but reflects the realities of today's global marketplace. People want to work for responsible companies; customers want to shop at them; and stockholders want to invest in them. For all of these reasons, we are creating a robust vision for this work and a road map for making our vision a reality.



## VENDOR CODE OF CONDUCT

### KEY ELEMENTS INCLUDE:

- Suppliers must provide workers with a safe and healthy working environment in compliance with all applicable laws and regulations. Suppliers must also ensure that the same standards of health and safety are applied in housing they provide for workers.
- Our suppliers are evaluated through independent third-party audits, on-site assessments and supplier questionnaires to confirm that they are conforming to our strict requirements related to worker safety and health. We conduct both announced and unannounced audits with factories to verify compliance.
- Suppliers must maintain and retain records on-site to demonstrate compliance and be fully transparent, open and honest with all records.
- Suppliers recognize the right of workers to affiliate, or not, with legally sanctioned organizations or associations without unlawful interference.
- Suppliers must comply with all applicable environmental laws and regulations. All partners are expected to make progressive improvement in their environmental impact and performance.

*People want to work for responsible companies; customers want to shop at them;  
and stockholders want to invest in them.*

# THE PEOPLE BEHIND OUR VALUES

what corporate responsibility means to  
some of our associates

In 2013, corporate responsibility officially became one of our company's core values. More than signaling something new, this change reflects who we are and what matters to us most. Our commitment to acting responsibly comes to life through the people of Williams-Sonoma, Inc. Below, we highlight a few who are helping us realize our vision every day.



## MEGAN STONEBURNER

Associate Sourcing Manager,  
PBteen

### How she makes us more responsible:

Megan actively volunteers with BeHuman, which holds sporting events for underserved youth in “peace parks” in the Bay Area. She worked extensively on a major event last year at Candlestick Park, which brought hundreds of kids together for everything from football to yoga. She also serves on our Giving Committee to expand volunteering at Williams-Sonoma, Inc.

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*“Volunteering keeps you grounded and makes you grateful for what you have. If you work for a company that has a big heart and good values, you’re going to want to stay. You feel like it’s a home in a sense, and you’re proud of where you work.”*

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## MATTHEW GUENTHER

Sustainable Development Analyst,  
Williams-Sonoma, Inc.

### How he makes us more responsible:

Matthew works out of our Singapore office, helping to manage the environmental impacts of our supply chain. Among his areas of focus: tracking our use of raw materials and working with our suppliers to help them improve their environmental performance.

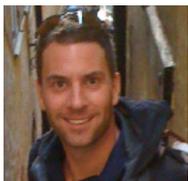
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*“I think corporate responsibility is a moral imperative, and I wouldn’t work for a company that didn’t have a responsible mindset. That’s a core value I hold dear. As a major retailer, we can have a wide-ranging impact. And I think companies that embrace corporate responsibility are more dynamic too. I love to see how a company changes from the inside — that is a great reward for someone in my position.”*

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# THE PEOPLE BEHIND OUR VALUES

continued



## E.J. BERNACKI

Director of Corporate Communications,  
Williams-Sonoma, Inc.

### How he makes us more responsible:

E.J. plays a primary role in making corporate responsibility part of our day-to-day work life by helping shape our story. He also engages associates in what we're doing and how they can make a difference.

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*"I'm really happy to be part of a company that thinks about what's going on around us and how what we do ripples out to impact people and the environment. Our customers feel better knowing that they're buying products with some environmental or social attribute. And for associates, it's a very important point of pride to know we're doing everything we can to make a difference."*

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## MEGHNA TALWAR

Senior Manager of Social Responsibility,  
Williams-Sonoma, Inc.

### How she makes us more responsible:

Meghna works to ensure that the people who make our products are paid fairly, treated with respect, and work in a healthy and safe environment. She also helps to make our commitment to ethical sourcing an integral part of our business decisions and culture.

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*"Following my passion and the commitment to 'do the right thing' is my drive to come to work every day. I strongly believe in equality of human rights and the preservation of the world we live in. I also believe that responsible business practices are at the core of all successful organizations, and our philosophy and actions are helping to ensure that we have a great future."*

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## RACHEL KAUFMAN

Head Design Manager,  
Pottery Barn Kids

### How she makes us more responsible:

Rachel played a key role in a project to transform the day care center at Compass Clara House, which helps families in San Francisco transition out of homelessness. Inspired by the theme that all children are artists, she created a new design for a Bright Space®, which was brought to life by volunteers from Pottery Barn Kids.

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*"To me, corporate responsibility is defined by how we give back. How can I, as an associate, make a meaningful social impact and connect with my community by using my particular skill set? The Clara House project was a perfect fit for me. I was able to give back and apply my skill set by creating a magical space that allows children to dream!"*

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# THE PEOPLE BEHIND OUR VALUES

continued



## BRYCE KUMAGAI

Senior Public Relations and Events Specialist,  
Williams-Sonoma, Inc.

### How he makes us more responsible:

Bryce leads a wide range of causes, including our annual campaign for St. Jude Children's Research Hospital, AIDS Walk San Francisco and Give a Little. Beyond the inspiration he brings to projects, he also plays a key role in the execution of our community strategy.

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*"It's a personal passion to be involved in the community. Just doing something for somebody else — that's what it comes down to. Because of our size, we have the opportunity to make an even bigger impact. We're showing that we're not only concerned about profit — but about giving back."*

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## DORI SHAFER

Executive Assistant,  
Williams-Sonoma, Inc.

### How she makes us more responsible:

Dori helped run a major fundraising effort for St. Jude Children's Research Hospital, in which associates made donations in the name of IT leaders, with those at the top of the list taking a turn in a dunk tank. Total raised in 2013: more than \$19,000.

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*"Getting involved in something like this just shows that we have a heart, that we have feelings for other people. What we do is not just about ourselves. It's amazing to see what people will give. I think people really feel good about it. I had quite a feeling of pride when we raised money for St. Jude — just to be part of that means a lot."*

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# MAKING SHELTERS FEEL LIKE HOME

Pottery Barn and Pottery Barn Kids  
work to make a difference in our communities



Over the past several years, our Pottery Barn brands have asked how we can make an even greater impact in the community by doing what we do best: enhancing people's lives at home. We believe that everyone should have a dignified and safe place to call home, regardless of their circumstances. In 2013, we came closer to realizing this vision through two initiatives led by Pottery Barn and Pottery Barn Kids.

Pottery Barn gave financial grants to family and youth shelters in the U.S. and Canada through its Give a Little campaign. In addition, the brand partnered with Larkin Street Youth Services in San Francisco to provide a complete makeover to a shelter. Adding to our commitment, Sandra Stangl, President, Pottery Barn Brands, has joined the Larkin Street

Board of Directors and will be involving PBteen in future makeovers.

Pottery Barn Kids brought its passion for creating spaces for children to dream, play and learn to a homeless shelter in San Francisco. The brand partnered with the Bright Horizons Foundation for Children, a national nonprofit that creates Bright Spaces® in homeless shelters and other environments where families are in crisis. In June, the brand created its first Bright Space at Compass Clara House, a program run by San Francisco-based Compass Family Services. Associates transformed a day-care center into a magical, welcoming place for children to learn and play.

*"It was so exciting to see our associates apply their passion and creativity to helping youth in our community. We will continue to look for opportunities to help even more people experience the comfort of home. It's a great feeling to know that the care we put into a makeover will continue to make a positive impact for years to come."*

— Sandra Stangl, President, Pottery Barn Brands

# INCLUSION & DIVERSITY

creating a culture where everyone can be their best



## WILLIAMS-SONOMA, INC. RANKED FIRST IN GENDER EQUALITY AMONG TOP CALIFORNIA COMPANIES

The University of California, Davis, creates an annual benchmark of the largest 400 companies in the state, ranking their progress in promoting women business leaders. Williams-Sonoma, Inc. headed the list for 2011-2012, with women holding nearly 47% of our executive and board director seats. CEO Laura Alber noted of the recognition, "We are proud to be a leader in diversity and consider this to be at the core of our business practices."

Diversity has never been more relevant to the success of our business than it is today, as we expand globally and work to attract a wide range of both customers and associates. Over the past few years, we have developed a vision for inclusion and diversity at Williams-Sonoma, Inc., as well as a strategic approach for bringing that vision to life.

At the core of our approach: creating an environment in which every individual can express their authentic self.

Inclusiveness turns diversity into a differentiator; not only do we become a better place to work, but we also gain a competitive advantage as we harness our employees' creativity and connect with a much broader group of customers.

In 2013, we rolled out a pilot diversity workshop within our Williams-Sonoma brand. Throughout the year, we expanded it to reach more than 1,380 store managers across all brands, as well as manag-

ers in our care centers, distribution centers and our information technology department. Embraced by our store associates, the workshops ask participants to consider what is unique about their experience.

Many share personal stories about their family background or the path that led them to where they are today.

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### THE WSI INCLUSION AND DIVERSITY VISION

*We will create and nurture a global company culture where we confidently bring our authentic selves to work every day; where the only criteria for advancement are the quality of our work, the contributions we make to our teams and the business, and our ability to lead; and where our individual differences — whatever they may be — are valued, explored and appreciated.*

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"It changes the way people talk to each other," says Carmen Allison, VP of Global Talent Development at Williams-Sonoma, Inc. "Someone will say, 'I'm adopted,' or 'I left China when I was six years old.' People think diversity is about race and gender, but it's so much bigger than that. It's much more complex than just a label."

In addition to the workshops, we have made other changes to cultivate an inclusive culture, from our casual dress policy to the presence of multilingual greeters in our stores. By the end of 2014, all of our corporate associates will have completed our diversity training, which is also being incorporated into onboarding for new hires.

P O T T E R Y B A R N

pottery barn kids



WILLIAMS-SONOMA



west elm

Mark <sup>AND</sup> Graham

REJUVENATION

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**CONTACT INFORMATION**

*We welcome the involvement of our customers, associates, partners and stakeholders — please contact us at [WSISustainableDevelopment@wsgc.com](mailto:WSISustainableDevelopment@wsgc.com) to share your feedback, ideas and inspiration.*

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