

CORPORATE RESPONSIBILITY SCORECARD 2016

WILLIAMS-SONOMA, INC.

POTTERY BARN

POTTERY BARN KIDS

PBTEEN

WILLIAMS-SONOMA

WILLIAMS-SONOMA HOME

WEST ELM

MARK AND GRAHAM

REJUVENATION

A LETTER FROM OUR CEO

CORPORATE RESPONSIBILITY IS ONE OF OUR CORE VALUES AS A COMPANY, AND WE BELIEVE IT IS ESSENTIAL TO OUR FUTURE SUCCESS.

We are dedicated to empowering our customers and associates to create a “Healthy Home” for all of us—a world of resilient communities and environments. For us, corporate responsibility is core to our commitment to quality, as well as an extension of our relationships 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.

Locally and globally, we’ve cultivated a diverse, inclusive environment where team members can bring their authentic selves to work. We also believe meaningful engagements create invaluable connections between our teams and communities—from being the first home furnishing goods retailer to partner with Fair Trade USA, to our continued support for St. Jude Children’s Research Hospital, No Kid Hungry and the AIDS Walk, and our MLK Jr. Day of Service where over 900 associates spent the day volunteering within their communities.

We want our customers to know that our promise of quality starts at the beginning of a product’s life and continues through each step of production – there are no shortcuts. Consumers are paying attention to these issues, which influence purchasing decisions and brand reputation. Across our brands, we are seeking third-party certification for our products, reflected within this scorecard’s new, ambitious goals, such as Pottery Barn Kids’ pledge to become 100% GreenGuard® certified for nursery and bedroom furniture by the end of 2018, increasing our percentage of products made from organic or reclaimed sources, and expanding our Fair Trade commitments.

Our programs aren’t just about doing the right thing; they also save money. In 2016, our associate-led efforts to reduce waste earned us \$1.1M in recycling rebates while diverting landfill waste. Looking ahead, we are exploring innovative tools that will enable us to convert byproducts back into valuable raw materials for new products. This is an exciting frontier and we will share

more about these initiatives as we scale them.

Continuing our commitment around a Healthy Home, our goal is to create products that encapsulate our values around sustainability, quality and beauty – never asking our customers to prioritize between them. We strive to be as proactive as possible in meeting the challenges of a changing world, recognizing that there is always more work to be done. Through this scorecard and our brand communications, we look forward to sharing our efforts around the sustainable and responsible solutions that allow our business to be a source for positive impact within our homes, communities and environments around the world.



A handwritten signature in black ink that reads "Laura Alber".

LAURA ALBER
PRESIDENT AND CEO

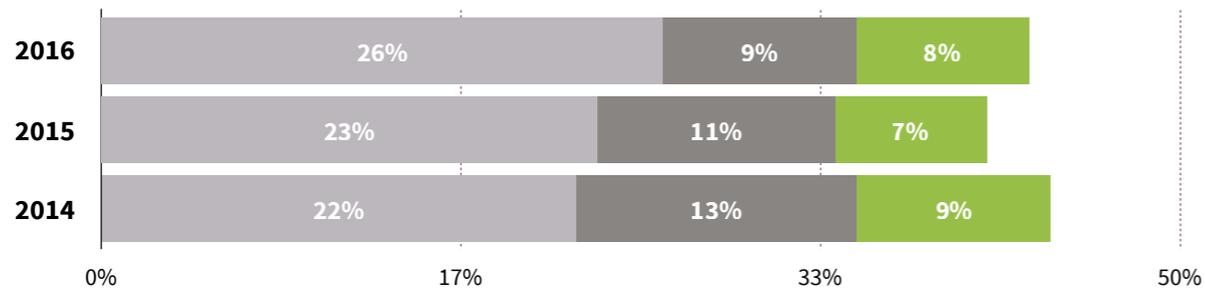
BY THE NUMBERS

REPORTING ON OUR PROGRESS

RESPONSIBLY SOURCED WOOD %

Wood is the largest natural resource used in our furniture. The health of our business is tied to the health of the world's forests and availability of high-quality wood. **Our goal is to increase both our use of Forest Stewardship Council®-certified wood and our overall percentage of responsibly sourced wood to 50% by 2021.**

Calculation: Percent of responsibly sourced wood in our furniture in cubic meters.¹ Responsibly sourced wood is categorized through a Good-Better-Best approach: Best – Forest Stewardship Council® (FSC), Better – Programme for the Endorsement of Forest Certification (PEFC), Rediscovered wood (reclaimed/recycled and orchard wood sources), FSC® Controlled Wood, Good – verified legal and low-risk wood for legality (as defined by Global Forest Registry).



Resp. Sourced Wood/Total Wood (in M3)

GOOD/BETTER/BEST

RESPONSIBLY SOURCED CATALOG PAPER %

Catalogs support each of our brands and play a fundamental role in our marketing strategy. We will continue to use responsibly sourced wood for the paper in our catalogs. Our goal is to use only FSC®-certified paper in our catalogs.

Calculation: % of responsibly sourced paper in our catalogs in number of pages circulated.

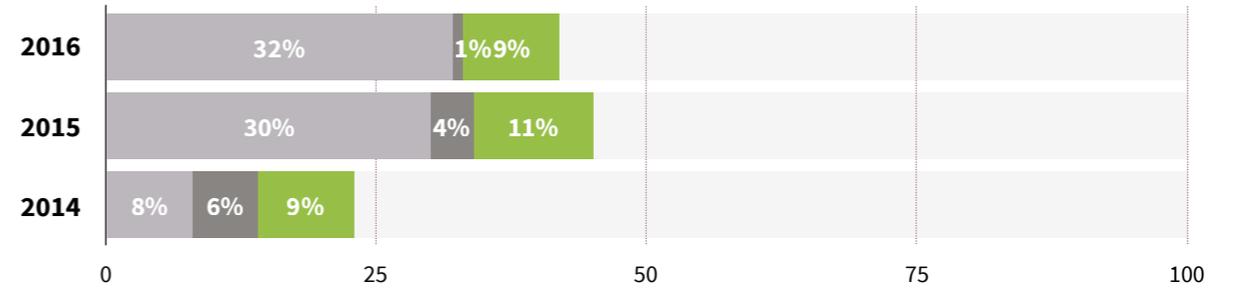


Resp. Sourced Paper/Total Pages Circulated

RESPONSIBLY SOURCED COTTON %

Cotton represents the largest volume of fiber used in our textile products. Our investment in the use of organic cotton promotes healthy farming practices, reduced pesticide use and answers growing demand from our customers. **Our goal is to increase our use of responsibly sourced cotton in textile products to 100% by 2021.**

Calculation: Percent of responsibly sourced cotton used in our textiles in pounds.¹ Responsibly sourced cotton is categorized through a Good-Better-Best approach: Best – Global Organic Textile Standard (GOTS), Better – Organic Content Standard (OCS), Good – Better Cotton Initiative (BCI) and Oeko-Tex® certified products.



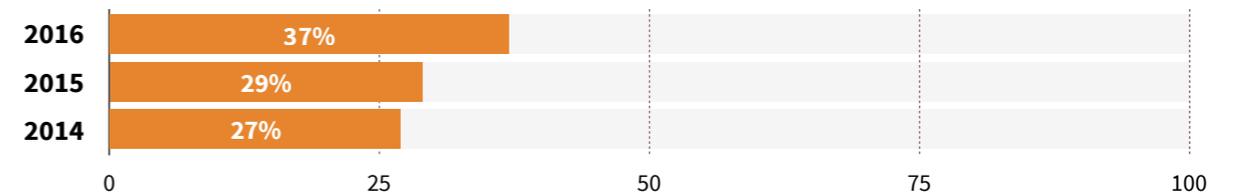
Resp. Sourced Cotton/Total Cotton (in lbs.)

GOOD/BETTER/BEST

DIVERSION RATE %

Increasing our recycling and composting diverts useful materials from landfill and reduces consumption of valuable new materials, while decreasing energy usage, air pollution and water pollution. Our goal is to divert 75 percent of our waste from landfill to recycling and composting streams across all operations by 2021.

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.²



Recycling Volume/Total Waste Volume (in tons)

Footnotes

1. Results for Responsibly Sourced Wood and Responsibly Sourced Cotton are based on self-reported data by suppliers. A sample of results was verified through chain of custody document audits.
2. Approximately 65 locations were estimated using statistical models of locations with similar profiles.

ELECTRICITY INTENSITY RATIO

Electricity accounts for most of our energy usage and costs, as well as our emissions. Strategically managing electricity purchases, investing in efficiency projects and taking advantage of incentives for renewable energy mitigates risks associated with electricity volatility. **Our goal is to develop a broader energy strategy to increase our efficiency and cost savings.**

Calculation: Electricity consumed per square foot of real estate annually. Consumption for stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, owned production facilities and corporate offices included.¹ Real estate square footage is an annual average.

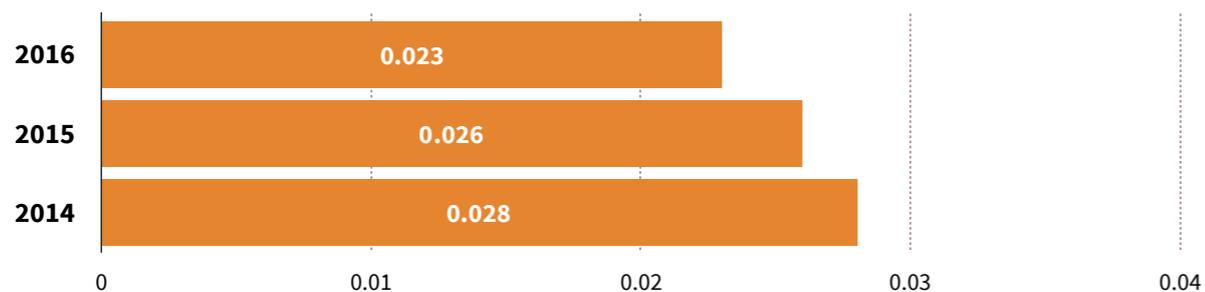


Electricity Consumption (kWh)/total square footage (sqft)

CARBON INTENSITY RATIO

Greenhouse gas (GHG) emissions are increasingly the focus of public concern for the welfare of our environment. Given that carbon emissions result from our energy and fuel usage, reducing emissions directly impacts our bottom line, resulting in significant cost savings in addition to reducing emissions. **Our goal is to continue to develop a long-term emissions strategy to improve our reduction efforts.**

Calculation: Greenhouse gas emissions per dollars of revenue. Emissions include Scope 1 (direct GHG emissions from fuel consumption), Scope 2 (indirect GHG emissions from purchased electricity, heat and steam) and partial Scope 3 (emissions from business travel). Emissions from stores, data centers, outsourced data services, distribution centers, in-sourced hubs, call centers, corporate offices and owned and leased vehicles is included.²

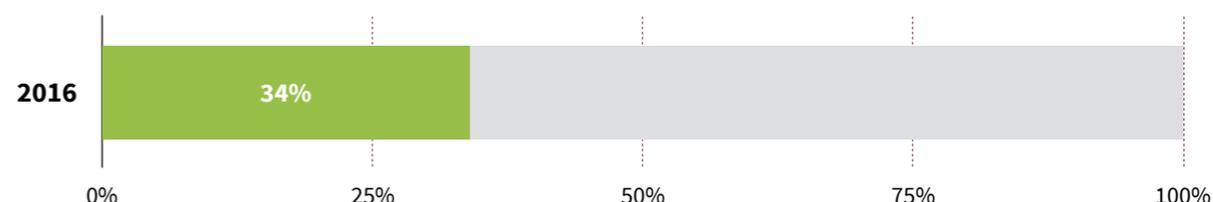


Greenhouse Gas Emissions (KG of CO2e)/total revenue dollars

HEALTHY HOME (BASELINE YEAR)

Families have increasingly focused on the safety of the products that they bring into their homes. GreenGuard has created rigorous and comprehensive standards for low emissions of volatile organic compounds (VOCs) in indoor environments. Pottery Barn Kids has teamed up with GreenGuard to ensure that furniture products for our youngest customers are free from VOCs and meet the highest standards for indoor air quality. **Our goal is to produce 100% GreenGuard certified bedroom and nursery furniture from our Pottery Barn Kids brand by the end of 2018.**

Calculation: Percent of GreenGuard-certified bedroom and nursery furniture from Pottery Barn Kids.



FAIR TRADE (BASELINE YEAR)

We believe business can be a force for good. Working with Fair Trade USA and our strategic vendor partners, we have improved the lives of workers who manufacture our products by paying an additional Fair Trade Premium on top of the cost of goods. This premium goes directly into a fund managed by the workers themselves and has been used for a variety of needs such as supplemental healthcare for workers' families, a community infirmary, rebuilding damaged homes after a natural disaster and even bicycles so that workers can travel to work more easily. **Our goal is to pay \$3 million in Fair Trade Premiums by 2020.**

Calculation: Total dollars paid as Fair Trade Premiums to our vendors since 2014.



Footnotes

1. Purchased electricity and GHG emissions are relative ratios to increase visibility of our progress relative to business growth and performance.
2. Locations where utilities are paid as part of rent (approx. 140 locations) were estimated using statistical models of locations with similar profiles.

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.**

Calculation: Contributions through fundraising for a variety of causes, miscellaneous community giving, associate donations, shelter grants, product proceeds, matching gifts and in-kind donations.¹

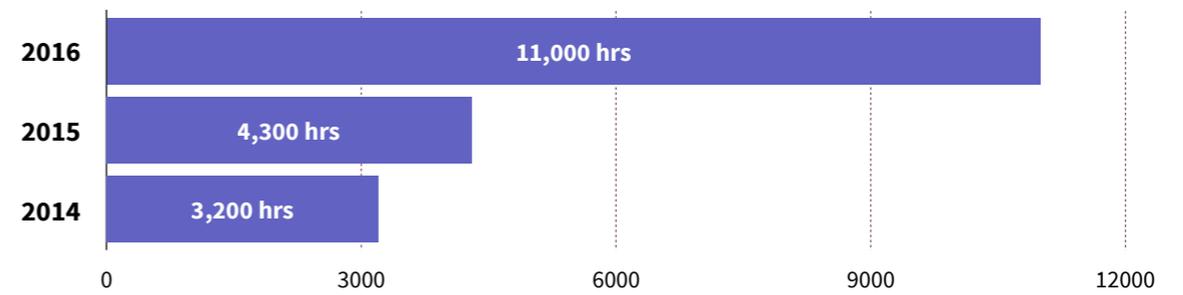


Donations in USD(\$)

VOLUNTEERING

Volunteering deepens our presence in the community, enhances our relationships with customers and strengthens employee engagement. We encourage our associates to volunteer for local causes. **Our goal is to continue to evolve our volunteering program to increase associate participation and create greater impact in our communities.**

Calculation: Total of non-store associate volunteering hours.



Total Associate Hours

Footnotes

1. 2015 giving calculations included donations and hours by associates in our distribution centers, call centers, international and production facilities in the U.S. which were not included in previous years. In 2015, we changed our valuation methodology for in-kind donations, which in prior years were reported at less than cost. For comparison purposes, 2014 values have been updated to reflect this new methodology.