

WILLIAMS-SONOMA, INC.

# 2013 Corporate RESPONSIBILITY SCORECARD



# SCORECARD

measuring our progress

## PRODUCTS

### WOOD

*Increasing our use of FSC®-certified 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.

#### BACKGROUND

We joined the Global Forest & Trade Network and published our company's wood policy in 2008. Since then, we have made significant progress in documenting the wood we use and the countries where we source. We have also begun using more wood certified by the Forest Stewardship Council™ (FSC), the gold standard in responsible wood sourcing. We plan to further expand our use of FSC-certified wood, but recognize that this will take time due to pricing and supply issues.

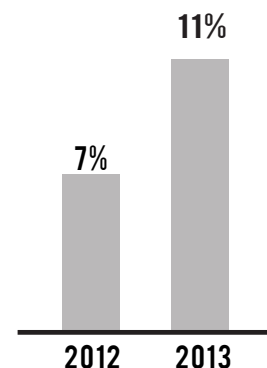
#### 2013 RESULTS

11%\* of the wood in our furniture was FSC-certified. We also use reclaimed wood that is repurposed and contributes to the conservation of resources.

*\*This figure is based on self-reported data by our suppliers.*

#### LOOKING AHEAD

We are committed to increasing the use of FSC-certified wood in our furniture.



### COTTON

*Incorporating the benefits of organic*

Cotton represents the largest volume of fiber used in our textile products. Our investment in the use of organic cotton promotes healthy farming practices and answers growing demand from our customers.

#### BACKGROUND

In 2007 we introduced organic cotton textile products, bringing benefits to our customers, the environment and our business. Over time we expect the organic cotton market to evolve so that we may use even more organic cotton at a competitive price. We also joined the Textile Exchange, which promotes more sustainable practices throughout the cotton supply chain. To formalize our commitment, we published our company's fiber policy in 2012.

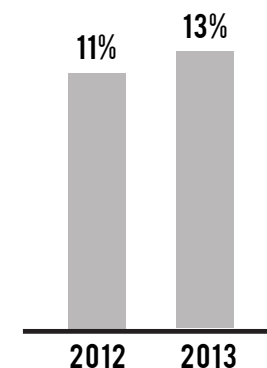
#### 2013 RESULTS

13%\* of the cotton in our textiles was organic. Many of our textile products meet the additional requirements of the Global Organic Textile Standard (GOTS), the most rigorous standard in the textile industry.

*\*This figure is based on self-reported data by our suppliers.*

#### LOOKING AHEAD

We are committed to using more organic cotton in our textiles.



## OPERATIONS

### GHG EMISSIONS

*Strategic to our business and bottom line*

Greenhouse gases (GHG) are increasingly the focus of public policies related to the regulation of business. Because carbon is the result of our use of energy and fuel, reducing our emissions will directly impact our bottom line.

#### BACKGROUND

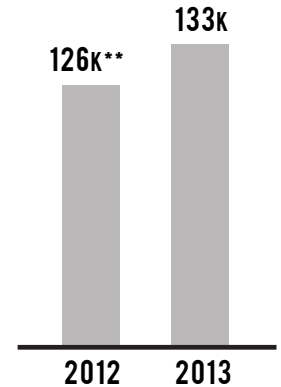
We began measuring our emissions as part of our annual GHG inventory in 2008. Projects resulting in carbon reduction and cost savings have included lighting retrofits at distribution centers and stores.

#### 2013 RESULTS

Our emissions totaled 133K metric tons\* of CO<sub>2</sub>e. This increase was primarily due to using more natural gas at our California data center, as well as increased heating in our distribution centers because of an unusually cold winter.

*\*Calculation of our GHG emissions is based on guidelines from the Greenhouse Gas Protocol. For some of the data, we used estimates, and our GHG inventory may be adjusted in the future. It has not been verified by third-party auditors.*

*\*\*eGrid emissions factors updated from EPA for 2010-2013.*



#### LOOKING AHEAD

We are continuing to develop a long-term emissions reduction strategy that may include the purchase of renewable energy.

### PURCHASED ELECTRICITY

*Aligning business and environmental goals*

Electricity accounts for the majority of our energy usage and cost as well as our emissions. Strategically managing electricity purchases, investing in efficiency projects, and taking advantage of incentives for renewable energy mitigate risks associated with energy volatility.

#### BACKGROUND

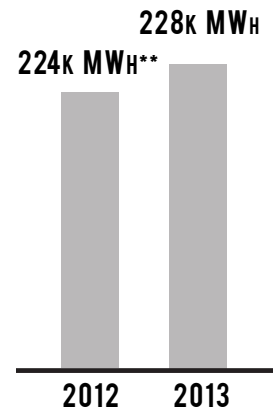
Our initial focus has been to invest in efficiency projects such as lighting retrofits in our distribution centers and stores, which has brought significant cost savings. In 2013 we partnered with the Environmental Defense Fund's Climate Corps Fellows program to identify new efficiency and cost-saving opportunities. We also established an Energy Leadership Team to develop a companywide energy strategy.

#### 2013 RESULTS

Our electricity usage totaled 228K MWh\*. This increase resulted from expanded operating hours at our distribution centers and the opening of offices in Asia.

*\*Calculation of our purchased electricity includes some estimated data—for example, we estimated energy usage for stores where utilities are included as part of the lease. As a result, this calculation may be adjusted in the future.*

*\*\*2012 estimates revised to include actual data.*



#### LOOKING AHEAD

We are developing a companywide energy strategy to increase our efficiency and cost savings.

### CATALOG PAPER

*Continuing our commitment to FSC-certified paper*

Catalogs support each of our brands and play a fundamental role in our marketing strategy.

#### BACKGROUND

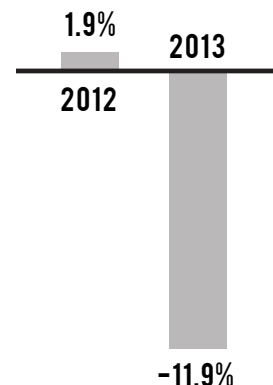
We made a major shift in 2006 to using FSC-certified paper in our catalogs. In 2007 we achieved the goal of making 100% of our catalog paper FSC-certified. We have also reduced the dimensions of our catalogs and the number of pages mailed, and we allow for customer preferences regarding subscription frequency. In 2008 we formalized our commitment to responsible practices with the publication of our paper procurement policy.

#### 2013 RESULTS

The number of catalog pages circulated in 2013 decreased by -11.9%\*. This decrease is a result of our decision to circulate fewer catalog pages—an example of how we can simultaneously reduce costs, better serve customers, and improve our environmental performance.

*\*Fiscal year 2013 was a 52-week year vs. fiscal year 2012 which was a 53-week year.*

#### PAGES CIRCULATED



#### LOOKING AHEAD

We will continue to use only FSC-certified paper in our catalogs.

## PEOPLE

### FACTORY LABOR PRACTICES

*Seeking to ensure safe, fair working conditions*

One of our priorities is to ensure that the people who make our products are treated with fairness and respect. Working conditions in the factories where our products are made also have a direct bearing on our reputation and ability to fulfill our promise to customers. Well-managed factories promote both quality and efficiency in production.

#### BACKGROUND

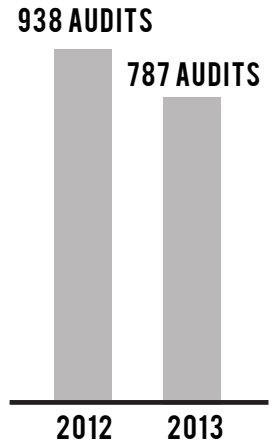
As a condition of working with us, our suppliers are expected to abide by our Vendor Code of Conduct. We monitor compliance through third-party audits and on-site assessments, and we maintain a zero-tolerance policy for serious violations, including the use of involuntary labor, child labor, bonded labor, bribery and discrimination. We also work with factories to address less serious violations through corrective action plans.

#### 2013 RESULTS

We managed 787 audits at factories worldwide where our products are made. This decrease reflects changes in the mix of our factories, including the number of new factories we have contracted with, the number requiring follow-up visits, and findings of violations.

#### LOOKING AHEAD

We are developing a strategy to manage more of our factory audits in-house. Specifically, we will be engaging more directly with our suppliers to further improve processes and performance.



### GIVING

*Supporting causes and communities*

Providing financial support to people, organizations and causes is an integral part of our community strategy.

#### BACKGROUND

We have supported a diverse range of causes and activities. Since 2005 we have partnered with St. Jude Children's Research Hospital, raising \$25M to date. We have provided \$1.1M in grants over the past decade to shelters throughout the country. And we have provided financial assistance to people and communities in the wake of natural disasters. In 2013 we doubled the amount of associate charitable donations that we match from \$250 to \$500 annually.

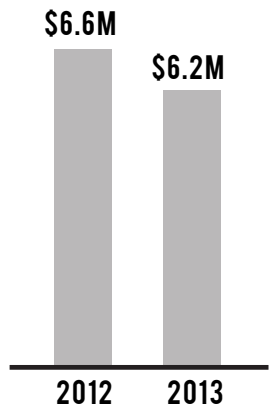
#### 2013 RESULTS

We raised and contributed \$6.2M. This includes money raised for St. Jude; gifts-in-kind; shelter grants; sponsorship of the San Francisco AIDS Walk; disaster relief; and our Matching Gifts program. Our giving total is lower than last year due to a decrease in funds raised for St. Jude and our gift-in-kind product donations.

*\*The majority of this figure is raised for St. Jude through customer and associate donations, along with proceeds from the sale of select products.*

#### LOOKING AHEAD

We are committed to maintaining or increasing our giving across a range of causes, including St. Jude. We will also continue to provide gift-in-kind product donations.



### VOLUNTEERING

*Helping our associates make a difference*

Volunteering deepens our presence in the community, enhances our relationship with customers and strengthens engagement.

#### BACKGROUND

Our associates volunteer time both on their own and through company-sponsored programs and events. We launched Community Involvement Time (CIT) in 2008 to provide corporate associates with eight hours of paid time to volunteer annually. Associates can support the causes and organizations they care about most.

#### 2013 RESULTS

Our associates volunteered 3,000 hours in the community through a variety of activities, including those covered by our paid CIT volunteer program.

#### LOOKING AHEAD

We will continue to evolve our volunteer program to increase associate participation and create an even greater impact in our communities.

